



29th September 2010.

Manager Announcements
Company Announcements Office
Australian Securities Exchange
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Initial Drilling set to commence on Triple Crown Prospect

- Contract Operator Appointed
- Rig Secured
- Road upgrades and Pad completed
- Drilling Permit obtained
- Drilling expected to commence mid October

Sunset Energy Limited (“Sunset” or “the Company”) is pleased to announce it expects to spud its first well on the recently acquired Triple Crown Prospect in mid October.

Sunset has engaged an experienced Midland based contract operator to assist with operations. This operator is being supported by Sunset’s own Texas based personnel and technical staff from our partner in this project. As of the date of this notice, the Operator has staked and obtained the drilling permit for the first well, and upgrades to the access road have been completed. Pad construction has been completed which enable the rig to move onto location in mid October when it has finished its current drilling program. Timing is subject to the rig completing its current hole which has already been delayed due to wet weather in the areas.

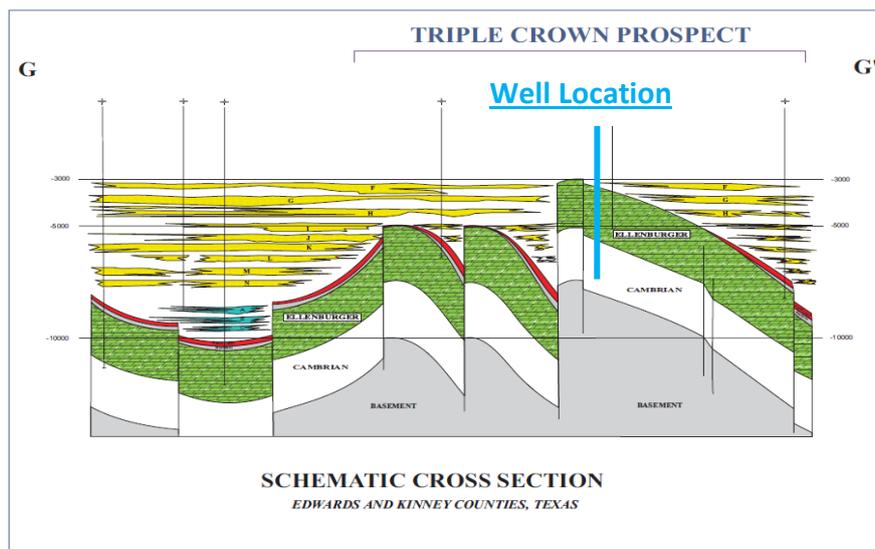


Figure 1 – Schematic Cross Section across Prospect

The well has been designed to test the primary opportunity which is potentially huge gas production from the vertically fractured Ellenburger Dolomite trapped on the largest of the known anticlinal closures. The well is also expected to intersect the secondary target which is some of the known Canyon Sand gas reservoirs deposited around and over the Ellenburger structures. In addition to

these targets samples to be taken from the well will also provide important information about a new unconventional gas play which provides further upside for the project.

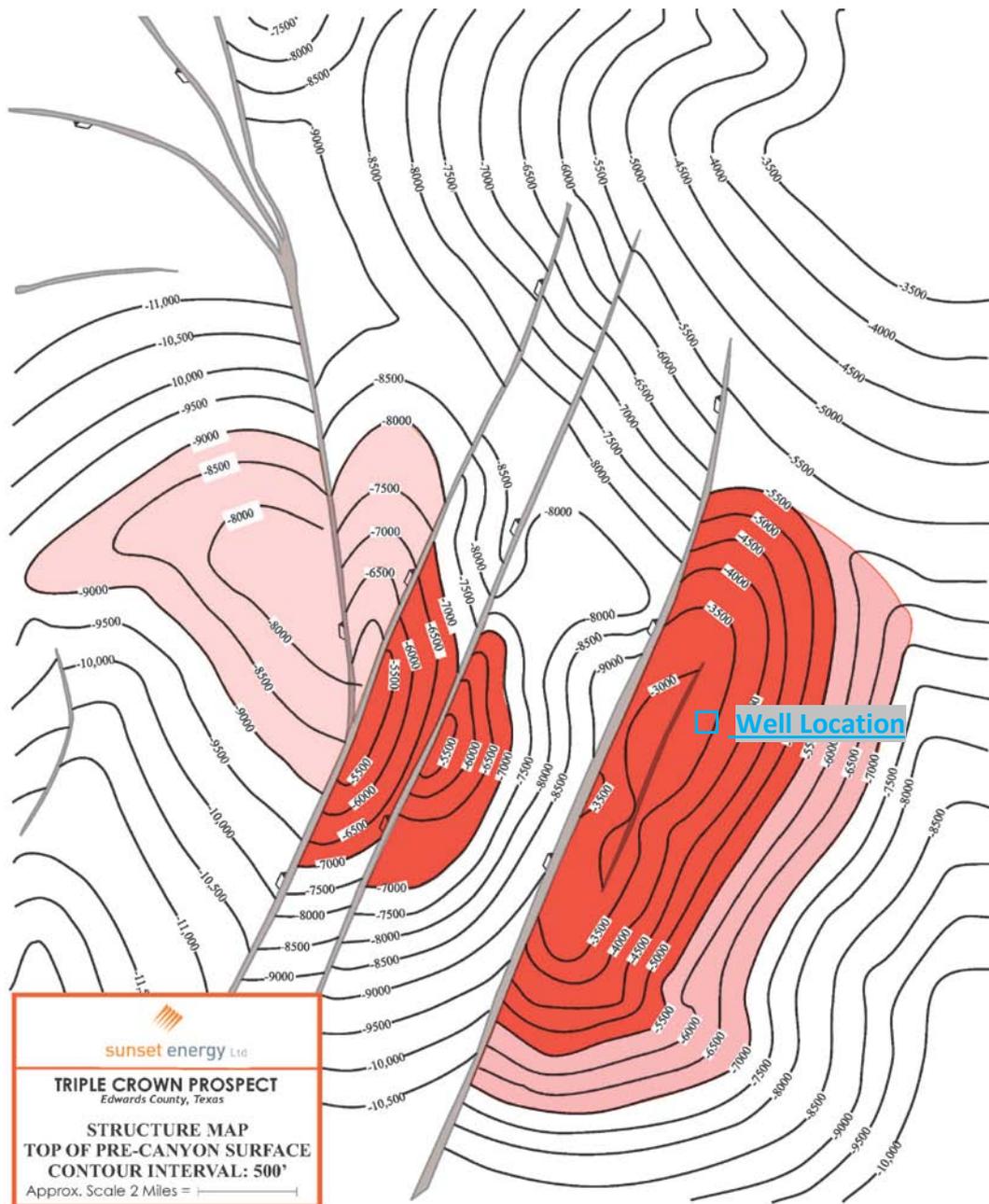


Figure 2 – Ellenburger Structure

Sunset will continue to keep the market informed as operations progress.

Yours faithfully,

For and on behalf of Sunset Energy Limited

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