



30 June 2010

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

## **COMPLETION OF PRIVATE PLACEMENT AND PROJECT UPDATE**

### Highlights

- Successful placement to professional and institutional investors raises A\$1.36 million
- Prospectus for Entitlement Issue of Options set to be lodged
- Drilling location selected at Triple Crown with drilling expected commence within the next few months
- Work to progress the new 1,000,000 acre Cranemere application in South Africa underway

Sunset Energy Limited ("Sunset Energy" or "the Company") is pleased to announce that it has finalised the issue of 16,042,000 ordinary fully paid shares at \$0.085 each to raise \$1,363,570 before costs, to investor clients of Redhill Capital Partners (Singapore) Pte Ltd and Chess Capital Partners Pty Ltd. The securities are part of a class of securities quoted on the Australian Stock Exchange Limited (ASX).

There was very strong demand for the placement, with significant oversubscription, and demand for the new shares has come from professional and Institutional investors in Australia and overseas.

These funds will enable the Company to commence exploration activities at the recently acquired Triple Crown Prospect in Edwards County Texas, as well as continuing operations in South Africa.

As previously advised the Company has prepared and will lodge on or about 5 July 2010 a short form prospectus for an entitlement issue of options, with one new option for every two fully paid shares held on the record date. The options will have an issue price of \$0.015 with a \$0.20 exercise price and a 30 June 2012 expiry.

## PROJECT UPDATE

The Company (in consultation with its Houston based partners) has identified two potential drilling locations at the Triple Crown Prospect. Discussions will be held this week with three contract operators, with the expectation that a contract operator can be selected by the middle of July. Subject to finalising terms with the operator, and identifying an appropriate drilling rig, Sunset Energy will look to commence drilling a new well to test the exciting Ellenberger Structure within the next few months.

In South Africa, tenders have been received from experienced South African companies to prepare an Environmental Management Plan (EMP's) for the new extended Cranemere Application area in the Southern Karroo Basin. Sunset Energy expects to select an EMP consultant within the next 10 days, which will enable it to complete the documentation required by the Petroleum Authority of South Africa (PASA) by the end of September 2010.

Yours faithfully,  
For and on behalf of Sunset Energy Limited

Cecilia Chiu



Company Secretary