



sunset energy Ltd

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

Triple Crown Prospect – Well Spud

The Board of Sunset Energy Ltd ("Sunset" or "the Company") is pleased to announce that the rig secured to drill the first test of the Triple Crown Prospect in Texas has mobilised to site and is rigged up ready to Spud the well today.

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, and both the Managing Director – Paul Bilston and the recently appointed COO – David Woodley will be on site during the key operations.



Figure 1 – Rig on Location

The Triple Crown Prospect possesses three independent exploration opportunities across over 45,000 acres of leasehold. The first and primary opportunity is to explore for potentially huge gas production in the vertically fractured Ellenburger Dolomite trapped on 3 large-scale, anticlinal closures. The second opportunity consists of complementary exploration for multiple Lower Canyon Sand gas reservoirs deposited around and over the Ellenburger structures. The third is to develop an unconventional gas play within the prospect area.

The well has been designed to test all three opportunities with the well located on the largest of the known anticlinal closures.

The well has the following objectives:

- ▶ Confirm presence of gas in the different target zones
- ▶ Confirm thickness of gas reservoirs
- ▶ Determine reservoir quality and confirm the presence of the fracture network in the Ellenburger.

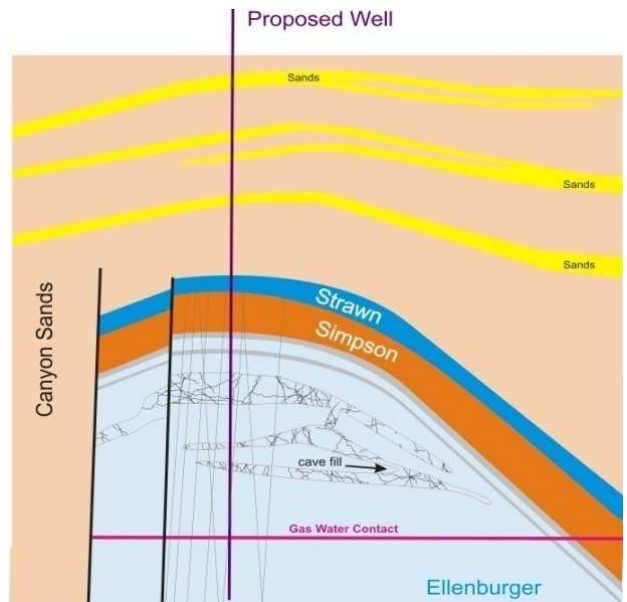


Figure 2
Schematic Cross Section across Prospect

The provisional well plan is to:

- ▶ Drill and set surface casing 13 3/8th at approximately 2000 ft
- ▶ Drill to total depth with air.
- ▶ Run a modern logging suite and take side wall cores from selected zones subject to drilling conditions.
- ▶ Set production casing (7"), ready for the next phase of operations which will include stimulation and production testing
- ▶ Horizontal drilling will be evaluated as part of the next stage

Further updates will be provided as the well progresses.

Yours faithfully,

For and on behalf of Sunset Energy Limited

Paul Bilston
Managing Director

address Level 17, 500 Collins Street, Melbourne, VIC, 3000
telephone + 61 3 9614 0600 **facsimile** +61 3 9614 0550
email admin@sunsetenergy.com.au
website www.sunsetenergy.com.au

ACN 123 591 382