

ASX Announcement
24 November 2014

Sunbird and Vandalia Continue to Advance Transaction

Southern African gas explorer and developer Sunbird Energy Ltd (ASX: **SNY**) advises that it is continuing to work with Vandalia Investments Limited (Vandalia) to meet the remaining conditions precedent and to advance Stage 2 of Vandalia's investment in Sunbird.

Stage 1 of the Transaction, which was completed on 6 October, saw Vandalia invest USD\$5,000,000 in Sunbird for the subscription of 20,367,127 fully paid shares, equating to AUD\$0.277 per share, which is a premium of 45.6% to the Company's closing share price on 8 September prior to announcement of the Transaction.

Stage 2 of the investment, which is conditional on receiving shareholder approval and the execution of a Gas Sales Term Sheet with a potential customer, will see an additional US\$18,500,000 invested into Sunbird via a combination of options conversion and new share subscription.

Sunbird and Vandalia continue working together to achieve the remaining conditions precedent and advance Stage 2 of the investment. Meeting the remaining conditions precedent is likely to result in completion occurring post the previously anticipated completion date of 30 November 2014.

**** ENDS ****

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About Sunbird Energy Ltd

Sunbird Energy Ltd is an ASX-listed (ASX:SNY) gas explorer and developer focused on southern Africa where limited domestic gas supply and growing energy needs have created significant opportunity for the development of large scale energy projects.

Sunbird holds a 76% interest in Ibhubesi Gas Project (IGP) which is the largest undeveloped gas discovery in South Africa, 540 Bcf 2P (SNY 76%: 410 Bcf). The IGP is located within Production Right Block 2A, which covers a 5,000km² area within the Orange Basin. The block is located 380km north west of Cape Town and 70 km off the coast of the Northern Cape Province.

The Ibhubesi Gas Project has multiple development opportunities to supply the high value South African energy market including ongoing gas sales negotiations with Eskom for the provision of gas to the existing Ankerlig Power Station, Independent Power Producers and major industrial users.

Sunbird also has a portfolio of five Coal Bed Methane (CBM) projects covering an extensive area (10,070 km²) of prospective coal basins in South Africa and Botswana and with a 644 Bcf 2C (SNY 74%: 477 Bcf) gas resource across its Mopane project in South Africa.