

ASX Announcement
1 December 2014

Sunbird and Vandalia Transaction – Stage 2

Southern African gas explorer and developer Sunbird Energy Ltd (**ASX:SNY**) refers to its previous announcements relating to the investment by Vandalia Investments Limited (Vandalia) in Sunbird. Stage 2 of Vandalia's investment required a number of conditions precedent to be satisfied by 30 November 2014.

As previously announced, the parties have experienced delays in satisfying these conditions precedent and as such, Stage 2 of Vandalia's investment in Sunbird will not complete in the form previously announced.

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.

Sunbird and Vandalia continue to work together with the intention of Vandalia completing a further investment in Sunbird.

**** 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 Ibhuesi 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 Ibhuesi 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.