



ABN 21 150 956 773

Annual Report
30 June 2015

Contents

Chairman's Letter	1	10. Trade and Other Receivables	50
Review of Operations	2	11. Property, Plant and Equipment	50
Director's Report	4	12. Exploration and Evaluation Expenditure	51
Directors' Declaration	22	13. Trade and Other Payables	52
Independent Audit Report	23	14. Borrowings	52
Independence Declaration	25	15. Share Capital	54
Consolidated Statement of Profit or Loss and Other Comprehensive Income	26	16. Reserves	56
Consolidated Statement of Financial Position	27	17. Interests in Other Entities	57
Consolidated Statement of Changes in Equity	28	18. Reconciliation of Loss after Income Tax To Net Cash Outflow Used	58
Consolidated Statements of Cash Flows	29	19. Parent Entity	58
Notes to the Consolidated Financial Statements	30	20. Related Party Transactions	59
1. Summary of Significant Accounting Policies	30	21. Share-Based Payments	60
2. Financial Risk Management	42	22. Events Occurring After Reporting Date	64
3. Critical Accounting Estimates and Judgements	45	23. Capital and Other Commitments	64
4. Segment Information	46	24. Contingencies	64
5. Corporate Costs	47	Corporate Governance Statement	65
6. Professional Fees	47	Shareholder Information	69
7. Taxation	48	Statement of Reserves and Resources	73
8. Loss per Share	49	Schedule of Tenements	74
9. Cash and Cash Equivalents	49		

Corporate Directory

Directors

Mr Kerwin Rana
Executive chairman

Mr William Barker (resigned 31 July 2015)
Managing director

Mr Andrew Leibovitch (resigned 31 July 2015)
Executive director

Mr Marcus Gracey
Executive director

Mr Dorian Wrigley (appointed 12 May 2015)
Non-executive director

Mr Gabriel Chiappini (appointed 6 August 2015)
Non-executive director

Company Secretary

Mr Mark Balfour (resigned 11 July 2014)

Mr Richard Barker (appointed 11 July 2014)

Registered Office

Level 1, 50 Ord Street
West Perth WA 6005
Tel: +618 9463 3260
Fax: +618 9463 6630

Share Register

Link Market Services Limited
Level 4 Central Park
152 St Georges Terrace
Perth WA 6000
Tel (within Australia): 1300 554 474
Tel (outside Australia): +61 2 8280 7111

Stock Exchange Listings

Australian Securities Exchange (ASX: SNY)

Auditor

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Solicitors

DLA Piper Australia
31/152-158 St Georges Terrace
Perth WA 6000

Website

www.sunbirdenergy.com

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CHAIRMAN'S LETTER

Dear investor

On behalf of the Board, I am pleased to present Sunbird Energy's 2015 Annual Report.

Over the 2014/2015 financial year Sunbird has made critical commercial and technical progress on its cornerstone Ibhubesi Gas Project (IGP). In March 2014 Sunbird announced that the IGP joint venture, comprising Sunbird (76%) and PetroSA (24%) - South Africa's National Oil Company - has entered a Gas Sales Agreement (GSA) Term Sheet with Eskom Holdings (SOC) Ltd (Eskom) for the supply of gas to the Ankerlig Power Station.

The GSA Term Sheet is a culmination of two years of work between the technical, commercial and legal teams of the respective parties and sets the key commercial terms and processes for the finalisation of a binding GSA during the course of 2015. The GSA Term Sheet includes provisions for the supply of 30 billion cubic feet (Bcf) of gas per year for up to 15 years to the Ankerlig Power Station about 40km north of Cape Town.

Following the execution of the GSA Termsheet the parties established working groups to progress to a fully termed GSA and advisors appointed by Sunbird including Weber Wentzl (legal advisors) and Standard Bank (financial advisors). The respective parties are working together on progressing the GSA negotiations, detailed engineering studies and approvals to enable the conclusion of a fully termed GSA on an aggressive timetable targeting finalisation before the calendar year end 2015.

A key aspect of the approvals on the critical path for the development of the Ibhubesi Gas Project is the Environmental Impact Assessment and Report. This continued to progress well during the year with specialised studies and initial reports nearing completion and with final submission anticipated in Q4 of 2015.

On 4 March 2015 Sunbird received formal approval from the South African Department of Minerals and Energy for the extension to the Gas Market Development Period (GDMP) for a further period of 3 years to September 2017. On completion of the GDMP, the Block 2A Production Right (in which the IGP is located) will re-enter its Production Period. There are no exploration or development work commitments during the GDMP.

In October 2014 Sunbird completed a capital raising with Vandasia Investments Limited (Vandasia). The USD\$5,000,000 investment by the Pan-African investment company Vandasia for subscription of 20,367,127 fully paid shares provided funds to progress the IGP towards commercialisation.

In August 2015 Sunbird successfully negotiated a A\$4 million debt reconstruction and financing package with Sunbird's single largest shareholder Umbono Capital ("Umbono") and a consortium of sophisticated South African investors already supporting the company. This new funding package consists of A\$2.5 million of refinanced existing debt plus new cash for working capital of A\$1.5 million. The restructured and new debt will attract interest at 20% per annum and at the election of the lenders and subject to shareholder approval, part or all of the debt may be converted to equity prior to repayment.

August 2015 also saw the resignations of Will Barker and Andrew Leibovitch and the appointment of Gabriel Chiappini. The newly restructured Board looks forward to progressing the IGP and CBM assets in the coming year.



Kerwin Rana
30 October 2015

REVIEW OF OPERATIONS

Sunbird owns a 76% working interest and is operator of Production Right Block 2A, covering approximately 5,000km² within the Orange Basin and contains the Ibhubesi Gas Project (IGP), South Africa's largest undeveloped gas field. The block is located 380km north west of Cape Town and 70km off the coast of the Northern Cape Province. Sunbird's joint venture partner is PetroSA (24%), the national oil company of South Africa.

Sunbird also has a portfolio of Coal Bed Methane (CBM) projects in prospective coal basins across South Africa. Sunbird is conducting a phased exploration program to define the resource base and demonstrate the commercial potential of its portfolio.

Ibhubesi Gas Project

IGP Block 2A Reserves and Resources

Over USD\$125m has been invested in the exploration and appraisal of Block 2A since 2000, with 7 of the 11 wells drilled to date resulting in a discovery of commercial volumes of gas. In addition to the existing discoveries there is significant prospectivity for additional gas resources.

Reserves ¹			Prospective Resources ²		
Gross (100%)		Net (76%)	Gross (100%)		Net (76%)
1P	210	160	Low	4509	3427
2P	540	410	Best	7783	5915
3P	915	695	High	13304	10111

Source:

1 "Ibhubesi Field Reserves and Resources Evaluation and Certification" by MHA Petroleum Consultants, as announced on 4th June 2013

2 "Prospective Resources Evaluation, Block 2A, South Africa" by MHA Petroleum Consultants, 28th February 2014

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Ibhubesi Technical Work Program

During the year Sunbird has continued to progress a major work program of activities focused on the commercialisation of the IGP. A detailed technical program currently underway covers field development planning, engineering studies and environmental regulatory approvals.

The core technical focus has been the Field Development Plan (FDP) and the Basis of Design (BoD) studies for the IGP. Both The FDP and BoD studies were completed during the year providing the the final well designs, locations and scheduling, the engineering designs of the gas processing facilities and the preferred sales pipeline size and route. Additionally significant work was completed to prepare the information required to move to the Front End Engineering Designs (FEED), which is expected to occur in parallel with the gas sales negotiations to provide additional detailed engineering cost and schedule to progress the project towards an investment decision.

Regulatory & Environmental Approvals

As part of the original licensing process for the Block 2A Production Right in 2009, a range of environmental approvals were attained through a detailed Environmental Impact Assessment (EIA) process, including many of the approvals required for the Ibhubesi upstream field-related development.

Sunbird has since undertaken a program to obtain the additional approvals necessary for the revised Ibhubesi development concept, namely the offshore facilities, gas export pipeline and onshore gas processing facility.

The EIA was been registered with the Department of Environmental Affairs (DEA) in September 2013. The Final Scoping Report (FSR) was prepared and submitted in August 2014 and was approved by the DEA in November 2014.

Sunbird has also commenced the Specialist Scientific Studies. These studies are used as input into the Environmental Impact Report, which sits alongside the Final Scoping Report as the deliverable for the ultimate approval of the EIA and is expected to be submitted to the DEA by the end of 2015.

Gas Marketing Opportunities – Ankerlig Power Station

In March 2014 Sunbird signed a Gas Sales Agreement (GSA) Term Sheet with Eskom, South Africa's State-owned energy company, to investigate indigenous gas sales from the IGP to Eskom's Ankerlig Power Station on the Western Cape (Eskom Ankerlig Project).

The GSA Term Sheet is a culmination of two years of work between the technical, commercial and legal teams of the respective parties and sets the key commercial terms and processes for the finalisation of a binding GSA during the course of 2015. The GSA Term Sheet includes provisions for the supply of 30 billion cubic feet (Bcf) of gas per year for up to 15 years to the Ankerlig Power Station about 40km north of Cape Town

Coal Bed Methane

Mopane Project

The Mopane Project has a licence area of 1,577km² and is located in the Limpopo Province of South Africa, approximately 420km northeast of Johannesburg.

The project lies on the western limit of the Tshipise Coalfield, is traversed by major electricity transmission lines that form part of the Southern African Power Pool and is situated close to major local mining and mineral processing facilities.

Mopane Contingent Resources		
	Gross (100%)	Net (74%)
1C	351	260
2C	644	477
3C	1018	753

Source: "Contingent Resource Assessment – Mopane CBM Project South Africa" by MHA Petroleum Consultants, 31 October 2013

During the year, Sunbird has been planning the initial Pilot Production Program. The objective of the Pilot Production Program is to determine gas flow rates and provide information on the commercial potential of the project. If successful this may enable Sunbird to book gas reserves and accelerate the opportunity for development of power generation at Mopane for supply into the national power network.

Springbok Flats Project

Sunbird holds two licence areas in Springbok Flats with a combined acreage of 1,199 km² and has a further application area of 1,423km². The Springbok Flats area is considered favourable for the occurrence of CBM due to the presence of extensive coal deposits at depths suitable for CBM development and preservation.

In 2013, Sunbird applied for the existing licences to be combined into a joint exploration right. This application was subsequently been approved in September 2015.

Other CBM Projects

As announced in March 2015, Sunbird applied for the relinquishment of three licence areas – Ermelo, Ermelo West and Somkhele due to re-evaluation of the CBM potential. In September 2015 these relinquishment applications were approved.

Directors' Report

The directors of Sunbird Energy Ltd ("the company") present their report for the financial year ended 30 June 2015.

1. DIRECTORS, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

The directors and the company secretary of the company at any time during or since the end of the financial year are as follows.

Directors

Mr Kerwin Rana - Executive Chairman

(Appointed 12 October 2011)

Mr Rana graduated from the University of Natal in 1995 with a BSc (Chemical Engineering) degree and is a registered professional engineer, Pr.Eng., with the Engineering Council of South Africa. He attended the Wits Business School, the Gordon Institute of Business Science and the London Business School, UK in attaining his executive education.

Mr Rana has 20 years of minerals and energy resource industry experience in Southern and East Africa including being the Head of New Business for De Beers and was a founding director and Executive Chairman of Sunbird Energy Limited ("Sunbird") in 2011.

Mr Rana is also Managing Director of Umbono Capital Partners (Pty) Limited ("Umbono"). Umbono is a black-owned natural resources and energy investment and project development company, that has been in business for over 17 years with a diverse portfolio of interests across the resources and energy sectors in South Africa, across Africa, Europe and North America.

Mr Rana was formerly a non-executive director of the South African Diamond and Precious Metals Regulator ("SADPMR"). Mr Rana isn't a director of any other ASX-listed entities at present, or in the last 3 years.

Mr Marcus Gracey – Non-Executive Director

(Appointed 17 May 2011)

Mr Gracey is a corporate lawyer with extensive international experience gained across various markets, including energy. His expertise and experience is backed by a strong set of academic and professional credentials which include a Bachelor of Economics, Bachelor of Laws, Master of Laws and an Executive Master of Business Administration. Having also completed the AICD International Company Directors Course and being a qualified Chartered Company Secretary, Mr Gracey has developed a strong skill set built around risk management, strategy and compliance.

Mr Gracey was previously a director of Torrens Energy Limited and is presently the Business Development Manager and General Counsel of New Standard Energy Limited, focussed on developing and producing onshore unconventional oil & gas in Texas, along with oil & gas exploration activities in the Cooper, Carnarvon and Canning Basins in Australia.

Mr William Barker - Managing Director

(Appointed 17 May 2011; resigned 31 July 2015)

Mr Andrew Leibovitch – Executive Director

(Appointed 17 May 2011; resigned 31 July 2015)

Directors' Report**1. DIRECTORS, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER (continued)****Mr Dorian Wrigley – Non-executive Director***(Appointed 12 May 2015)*

Mr Wrigley is a professional engineer registered with the Engineering Council of South Africa. He holds a BSc Engineering degree from the University of Cape Town, an MSc Engineering degree from the University of the Witwatersrand and a Graduate Diploma in Utility Management from Samford University in the US.

Mr Wrigley is a founding shareholder of Umbono Capital Partners (Pty) Ltd (Umbono), a black empowered South African Investment Bank focused on natural resources. Umbono develops and manages junior mining and energy companies with a focus on the development of a project from concept through to bankable feasibility. He currently serves as the Managing Director of Umbono responsible for its African and European business interests. Umbono Capital Partners (Pty) Ltd, Umbono Capital Partners LLC and Mr Wrigley also have a relevant interest in the Sunbird shares held by Salt.

Before forming Umbono, Mr Wrigley worked as an engineer for Eskom (The state owned power company) and then as an investment banker and strategy consultant for the Monitor Company (now owned by Deloitte).

Mr Wrigley has previously served on the board of Village Main Reef, a mining company listed on the Johannesburg Stock Exchange.

Mr Gabriel Chiappini – Non-executive Director*(Appointed 6 August 2015)*

Mr Chiappini is a Chartered Accountant with over 20 years of experience as a finance and governance professional. He is a current member of the Australian Institute of Company Directors and Institute of Chartered Accountants (Australia).

Mr Chiappini's professional foundation was laid with Ernst and Young (EY) and following EY, he moved onto various Chief Financial Officer roles in London and Perth.

Mr Chiappini is currently a Director of Black Rock Mining Ltd, DMY Capital Ltd and Company Secretary of Avita Medical Ltd, Katana Capital Ltd and Global Construction Services Ltd.

Directors' Report

1. DIRECTORS, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER (continued)

Details of Company Secretary and Chief Financial Officer

Mr Richard Barker – Company Secretary

(Appointed 11 July 2014)

Mr Barker is a solicitor with over 15 years' experience working for some of Australia's top law firms in Sydney and Perth. Mr Barker holds both a Bachelor of Laws Degree and a Master of Laws Degree (Intellectual Property).

For the last 4 years Mr Barker has worked in the oil and gas industry, both in Australia and internationally providing corporate consultancy and risk management and company secretarial services.

Mr Mark Balfour – General Counsel & Company Secretary

(Appointed 18 April 2013 – Resigned 11 July 2014)

Ms Carla Mackay – Chief Financial Officer

(Resigned 12 September 2014)

1.1 Directors' Meetings

The number of directors' meetings and number of meetings attended by each of the directors of the company during the financial period were:

Director	Board of directors	
	Present	Held
Kerwin Rana	6	6
William Barker	6	6
Andrew Leibovitch	6	6
Marcus Gracey	6	6
Dorian Wrigley	2	2

During the reporting period, the directors also met or communicated as a collective group at least bi-weekly and on numerous of these occasions to discuss and consider governance and operational strategies and resolutions. The directors executed seven (7) circular resolutions during the period, arising out of matters discussed and considered in these informal meetings and communications and to evidence the formal resolutions made by them in respect to such matters.

1.2 Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Sunbird Energy Ltd support and have adhered to the principles of sound corporate governance. The board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that the company is in compliance with those guidelines which are of importance to the commercial operation of a junior listed resource company. During the financial year, shareholders received the benefit of an efficient and cost-effective corporate governance policy for the company.

Directors' Report

2. REMUNERATION REPORT - AUDITED

This Remuneration Report outlines the remuneration arrangements which were in place during the year, and remain in place as at the date of this report, for the directors and key management personnel of Sunbird Energy Ltd ("the company").

(a) Key management personnel

Directors of the company, who had authority and responsibility during the financial period for planning, directing and controlling the activities of the group, directly or indirectly, as well as other senior executives are the key management personnel disclosed in this report.

Name	Position
<u>Company Directors</u>	
Kerwin Rana	Executive Chairman
Marcus Gracey	Non-Executive Director
Dorian Wrigley (appointed 12 May 2015)	Non-Executive Director
William Barker (<i>resigned 31 July 2015</i>)	Managing Director
Andrew Leibovitch (<i>resigned 31 July 2015</i>)	Executive Director
<u>Senior Executives</u>	
Nathan Rayner	Technical Director
Richard Barker	Company Secretary
Mark Balfour (<i>resigned 11 July 2014</i>)	General Counsel and Company Secretary
Carla Mackay (<i>resigned 12 September 2014</i>)	Chief Financial Officer

(b) Non-executive director remuneration policy

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the board.

The base remuneration of directors is set at A\$36,000 per annum commencing from 30 April 2014.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at A\$300,000 per annum and was approved by shareholders at the general meeting on 12 October 2011.

(c) Executive remuneration policy and framework

In determining executive remuneration, the board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the company to attract and retain key talent;
- aligned to the company's strategic and business objectives and the creation of shareholder value;
- transparent; and
- acceptable to shareholders.

The executive remuneration framework has two components:

- base pay and benefits, including superannuation; and
- long-term incentives through the issue of options and performance rights.

Base pay and benefits

Base pay is structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the board's discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market.

There are no guaranteed base pay increases included in executives' contracts. There are no short term cash bonuses included in the figures contained in the Remuneration Report.

Directors' Report**2. REMUNERATION REPORT – AUDITED (continued)****(c) Executive remuneration policy and framework (continued)***Superannuation*

Retirement benefits are limited to superannuation contributions as required under the Australian superannuation guarantee legislation.

Long-term incentives

Long-term incentives are provided to directors and executives as incentives to deliver long-term shareholder returns. Some of the issued options and performance rights are granted only if certain performance conditions are met and the directors and executives are still employed by the company at the end of the vesting period. Vesting conditions are include on page 13 of the Remuneration Report.

Share trading policy

The Company has a share trading policy in place and a copy is available on the Company's website. The Board of Directors ratified and approved the share trading policy previously adopted without change, on 25 October 2013.

(d) Link of remuneration to company performance and shareholders' wealth

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. Currently, this is facilitated through the issue of options and performance rights to directors and executives to encourage the alignment of personal and shareholder interests. There are currently various financial and other targets set for the performance related remuneration, and therefore, remuneration is linked to company performance or shareholder wealth.

(e) Use of remuneration consultants

The company did not use the services of remuneration consultants for designing the remuneration policies for directors or key management personnel.

(f) Service agreements

On appointment to the board, all non-executive and executive directors and key management personnel enter into a service agreement with the company. The agreement details the board policies and terms, including compensation, relevant to the office of director.

The company currently has service contracts in place with the following four board members. Details of the service agreements are listed below.

Mr Kerwin Rana – Executive Chairman

- Commencement date: 12 October 2011
- Base management fee at 30 June 2014 was A\$ 214,000 per annum
- Director fee at 30 June 2014 was A\$ 36,000 per annum
- The agreement is subject to a three months' notice period

Mr William Barker - Managing Director

- Commencement date: 17 May 2011
- Base management fee at 30 June 2014 was A\$ 325,000 per annum
- Director fee at 30 June 2014 was A\$ 50,000 per annum
- Superannuation is payable at statutory rates on the base management and director fees
- The agreement expires 1 October 2015

Directors' Report**2. REMUNERATION REPORT – AUDITED (continued)****(f) Service agreements (continued)**

Mr Andrew Leibovitch - *Executive Director*

- Commencement date: 17 May 2011
- Base management fee at 30 June 2014 was A\$ 200,000 per annum
- Director fee at 30 June 2014 was A\$ 50,000 per annum
- Superannuation is payable at statutory rates on the base management and director fees
- The agreement expires 1 October 2015

Mr Marcus Gracey - *Non-Executive Director*

- Commencement date: 17 May 2011
- Director fee at 30 June 2014 was A\$ 50,000 per annum
- Management Consulting contract at A\$1,500 per day as required by the Board
- Superannuation is payable at statutory rates on base director fee
- The agreement is not subject to any termination notice period

Mr Dorian Wrigley - *Non-Executive Director*

- Commencement date: 12 May 2015
- Director fee at 30 June 2015 was A\$ 50,000 per annum
- The agreement is not subject to any termination notice period

Mr Gabriel Chappini – *Non-executive Director*

- Commencement date: 6 August 2015
- Director fee at 6 August 2015 was A\$ 50,000 per annum
- The agreement is not subject to any termination notice period

The company currently has service contracts in place with the following two key management personnel. Details of the service agreements are listed below.

Mr Nathan Rayner – *Technical Director*,

- Commencement date: 1 July 2013
- Base management fee at 30 June 2014 was A\$ 375,000 per annum
- The agreement is subject to a three months' notice period

Mr Richard Barker – *Company Secretary*

(Appointed 11 July 2014)

- Commencement date: 11 July 2014
- Base company secretary fee at commencement date was A\$ 50,000 per annum
- Base fee as at 30 June 2015 was A\$ 182,000 per annum
- Superannuation is payable at statutory rates on the base company secretary fee
- The agreement is subject to a three months' notice period

Directors' Report**2. REMUNERATION REPORT – AUDITED (continued)****(f) Service agreements (continued)**

Ms Carla Mackay – *Chief Financial Officer*

(Resigned 12 September 2014)

- Commencement date: 1 February 2013
- Base fee at 30 June 2014 was R 900,000 (approximately A\$ 90,180 per annum)
- The agreement is subject to a three months' notice period

Mr Mark Balfour – *General Counsel and Company Secretary*

(Resigned 11 July 2014)

- Commencement date: 1 May 2013
- Base fee at 30 June 2014 was A\$ 180,000 per annum
- Base company secretary fee at 30 June 2014 was A\$ 50,000 per annum
- Superannuation is payable at statutory rates on the base company secretary fee
- The agreement is subject to a three months' notice period

The service contract with Mr Mark Balfour was terminated by mutual agreement between the Company and Mr Balfour effective 31st July 2014.

No other key management personnel have service contracts in place with the consolidated entity.

Directors' Report

2. REMUNERATION REPORT – AUDITED (continued)

(g) Details of remuneration

The following tables set out remuneration paid to key management personnel of the company during the reporting period:

	Employee benefits		Share-based payments		Total	Proportion of remuneration	
	Short-term	Post employment				Fixed	Performance linked
	Cash salary and fees *	Super annuation	Options	Performance rights			LTI
2015	A\$	A\$	A\$	A\$	A\$	%	%
<i>Non-executive directors</i>							
Marcus Gracey	121,500	4,719	-	44,520	170,739	74	26
Dorian Wrigley (appointed 12 May 2015)	-	-	-	-	-	-	-
Total non-executive directors	121,500	4,719	-	44,520	170,739	74	26
<i>Executive directors</i>							
Kerwin Rana	250,000	-	-	267,122	517,122	51	49
William Barker (resigned 31 July 2015)	380,583	33,370	-	445,204	859,157	48	52
Andrew Leibovitch (resigned 31 July 2015)	280,833	22,511	-	222,602	525,946	58	42
Total executive directors	911,416	55,881	-	934,928	1,902,225	52	48
<i>Key management</i>							
Nathan Rayner	353,287	-	-	365,232	718,519	49	51
Richard Barker (appointed 11 July 2014)	230,581	4,615	-	149,806	385,002	61	39
Carla Mackay (resigned 12 September 2014)	60,531	-	-	-	60,531	100	-
Mark Balfour (resigned 11 July 2014)	22,917	385	-	16,764	40,066	58	42
Total key management	667,316	5,000	-	531,802	1,204,118	56	44
Total (Note 1 below)	1,700,232	65,600	-	1,511,250	3,277,802	54	46

* No short-term cash bonuses included as paid or accrued for during the year ended 30 June 2015.

Note 1 – Total remuneration from cash salary, fees and superannuation is \$1,765,832.

Directors' Report

2. REMUNERATION REPORT – AUDITED (continued)

(g) Details of remuneration (continued)

The following tables set out remuneration paid to key management personnel of the company during the previous reporting period:

	Employee benefits		Share-based payments		Total	Proportion of remuneration	
	Short-term	Post employment				Fixed	Performance linked
	Cash salary and fees *	Super annuation	Options	Performance rights			LTI
2014	A\$	A\$	A\$	A\$	A\$	%	%
<i>Non-executive directors</i>							
Marcus Gracey	50,000	4,625	220	85,630	140,475	36	64
Total non-executive directors	50,000	4,625	220	85,630	140,475	36	64
<i>Executive directors</i>							
Kerwin Rana	250,000	-	-	513,778	763,778	33	67
William Barker	375,000	34,688	24,632	856,297	1,290,617	29	71
Andrew Leibovitch	250,000	23,125	30,827	428,149	732,101	34	66
Total executive directors	875,000	57,813	55,459	1,798,224	2,786,496	31	69
<i>Key management</i>							
Nathan Rayner	375,000	-	-	570,349	945,349	40	60
Carla Mackay	90,180	-	70,489	-	160,669	56	44
Mark Balfour	230,000	4,625	-	93,526	328,151	70	30
Total key management	695,180	4,625	70,489	663,875	1,434,169	48	52
Total (Note 1 below)	1,620,180	67,063	126,168	2,547,729	4,361,140	37	63

* No short-term cash bonuses included as paid or accrued for during the year ended 30 June 2014.

Note 2 – Total remuneration from cash salary, fees and superannuation is \$1,687,243.

Since the long-term incentives are provided exclusively by way of performance rights and options, the share based payments disclosed also reflect the value of remuneration consisting of performance rights and options, based on the value of the performance rights and options granted during the year.

Directors' Report

2. REMUNERATION REPORT – AUDITED (continued)

(h) Share-based compensation

Performance rights

The terms and conditions of each grant of performance rights affecting remuneration in the current or future reporting periods are as follows:

Grant date	Date vested and exercisable	Expiry date	Exercise Price (cents)	Value at grant date - per right (cents)	Performance milestone to be achieved	Vested %
15-Sep-14	1-May-14	1-May-15	-	35	Continued service	100%
15-Sep-14	3-Sep-14	1-Jul-17	-	22.5	Continued service	100%
15-Sep-14	31-Dec-14	1-Jul-17	-	22.5	Continued service	100%
15-Sep-14	30-Apr-15	1-May-15	-	22.5	Continued service	100%
15-Sep-14	1-Aug-15	1-Jul-17	-	22.5	Continued service	-
15-Sep-14	1-Nov-15	1-Jul-17	-	22.5	Continued service	-
15-Sep-14	1-Feb-16	1-Jul-17	-	22.5	Continued service	-
15-Sep-14	1-May-16	1-Jul-17	-	22.5	Continued service	-

* Performance rights vest upon achieving a milestone, on or before the expiry date.

Details of vesting profiles of the performance rights granted as remuneration to each director of the company and each named company executive is set out below. When exercisable, each right is convertible into one ordinary share of Sunbird Energy Ltd. When vested, each right is convertible into one ordinary share of Sunbird Energy Ltd at no cost to the holder of the right.

Name	Year of grant	Number of rights granted	Value of rights at grant date A\$	Number of rights vested during the year	Vested %	Year in which rights may vest	Max value yet to vest A\$
Nathan Rayner	2013	100,000	35,000	100,000	100%	-	-
	2015	250,000	56,250	250,000	100%	-	-
	2015	250,000	56,250	250,000	100%	-	-
Richard Barker	2015	400,000	90,000	400,000	100%	-	-
	2015	100,000	22,500	-	-	2016	22,500
	2015	100,000	22,500	-	-	2016	22,500
	2015	100,000	22,500	-	-	2016	22,500
	2015	100,000	22,500	-	-	2016	22,500

Details of ordinary shares in the company issued to key management personnel of the group as a result of the exercise of performance rights are set out below.

Name	Date of exercise of rights	Number of ordinary shares issued on exercise of rights during the year	Value at exercise date*	Price per share on exercise date (cents)
<i>Other key management personnel</i>				
Nathan Rayner	30-Jun-15	600,000	60,000	10
Richard Barker	1-May15	400,000	64,000	16

* The value at the exercise date of performance rights that were granted as part of remuneration and were exercised during the year has been determined as the intrinsic value of the rights at that date.

Directors' Report

2. REMUNERATION REPORT – AUDITED (continued)

Fair value of performance rights

The assessed fair value at grant date of options granted during the year ended 30 June 2015 was 22.5 cents per performance right. The fair value at grant date is independently determined using an adjusted form of the Black Scholes Model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk free interest rate for the term of the option and the correlations and volatilities of the peer group companies.

(i) Equity instruments held by key management personnel

(i) Options and performance rights holdings

The following table shows share options and performance rights held by key management personnel during the financial year.

2014 Name	Balance at start of the period	Granted as compensation	Exercised/ Lapsed	Balance at the end of the year	Vested during the year	Vested and exercisable	Unvested
Marcus Gracey							
Options	750,000	-	(750,000)	-	-	-	-
Performance rights	300,000	-	(300,000)	-	-	-	-
William Barker							
Options	18,500,000	-	(4,500,000)	14,000,000	-	-	-
Performance rights	3,000,000	-	(3,000,000)	-	-	-	-
Andrew Leibovitch							
Options	18,500,000	-	(4,500,000)	14,000,000	-	-	-
Performance rights	1,500,000	-	(1,500,000)	-	-	-	-
Kerwin Rana							
Options	-	-	-	-	-	-	-
Performance rights	1,800,000	-	(1,800,000)	-	-	-	-
Nathan Rayner							
Options	-	-	-	-	-	-	-
Performance rights	2,100,000	500,000	(2,600,000)	-	-	-	-
Richard Barker							
Options	-	-	-	-	-	-	-
Performance rights	-	800,000	(400,000)	400,000	-	-	-
Mark Balfour							
Options	-	-	-	-	-	-	-
Performance rights	200,000	-	(200,000)	-	-	-	-
Carla Mackay							
Options	1,500,000	-	(1,250,000)	250,000	-	-	-
Performance rights	-	-	-	-	-	-	-

Directors' Report

2. REMUNERATION REPORT – AUDITED (continued)

(i) Equity instruments held by key management personnel (continued)

(ii) Share holdings

The following table shows ordinary shares held by key management personnel during the financial year.

	Balance at start of the year	Received on exercise of options during the year	Received on vesting of rights during the year	Other changes during the year	Balance at the end of the year
Marcus Gracey	170,000	-	-	-	170,000
William Barker	3,050,000	-	-	-	3,050,000
Andrew Leibovitch	2,800,000	-	-	-	2,800,000
Kerwin Rana	600,000	-	-	-	600,000
Dorian Wrigley*	-	-	-	100,000	100,000
Nathan Rayner	800,000	-	600,000	(371,110)	1,028,890
Richard Barker	-	-	400,000	-	400,000
Mark Balfour	336,030	-	-	-	336,030
Carla Mackay	-	-	-	-	-
	7,756,030	-	1,000,000	(271,110)	8,484,920

* Initial interest

(j) Loans to key management personnel

There were no loans to key management personnel made during the year ended, or outstanding as at 30 June 2015.

(k) Other transactions with key management personnel

A related party entity to Andrew Leibovitch, namely Serval Enterprises, was paid A\$650 (2014: A\$1,145).

Directors, Kerwin Rana and Dorian Wrigley, are directors of Umbono Capital Partners (Proprietary) Limited ("Umbono"), who are the operators of the group's South African projects. During the reporting period a total of A\$187,481 (2014: A\$600,000) was due to Umbono for their services; the outstanding amount was settled in full against the Umbono loan facility (refer to note 14 of the Annual Financial Statements). There were no unpaid Umbono invoices at 30 June 2015 (2014: A\$200,000).

All transactions were made on normal commercial terms and conditions and at market rates. There were no other transactions with related parties during the reporting period.

The following directors' and executive fees for the financial year were payable to entities related to key management personnel:

Related entity	Key management person	2015 A\$	2014 A\$
Stratosphere Consulting Group	Marcus Gracey	26,500	-
Millenium Falcon Pty Ltd	Marcus Gracey	45,000	-
Ballymoyer Pty Ltd	William Barker	309,750	387,292
Crest Corporation Pty Ltd	Andrew Leibovitch	199,041	241,689
Khanyile Consulting Limited	Kerwin Rana	241,000	124,833
Rayner Consultants Pty Ltd	Nathan Rayner	353,287	-
Barston Corporation Pty Ltd	Richard Barker	183,756	-

Directors' Report**2. REMUNERATION REPORT – AUDITED (continued)****(k) Other transactions with key management personnel (continued)**

As at 30 June 2015, no balances were outstanding and payable in respect to those transactions (2014: A\$361,562).

Related entity	Key management person	2015 A\$	2014 A\$
Ballymoyer Pty Ltd	William Barker	-	178,750
Crest Corporation Pty Ltd	Andrew Leibovitch	-	111,479
Khanyile Consulting Limited	Kerwin Rana	-	71,333

End of Audited Remuneration Report.

3. PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity carried out during the course of the financial year consisted of the fulfilment and satisfaction of conditions subsequent under the acquisition agreement for the 76% participating interest in the existing offshore gas reserve known as the Ibhubesi Gas Project, in southern Africa, and the development thereof, and the continued evaluation and exploration of coal bed methane (CBM) and other unconventional gas.

The Ibhubesi Gas Project transaction, which has been closed from a contractual perspective, was granted the approval for the transfer of title from the South African Department of Mineral Resources, thereby giving Sunbird the right to operate and develop the Ibhubesi Gas Project, South Africa's largest undeveloped gas field. The Ibhubesi Gas Project has multiple development opportunities including gas-fired power projects to supply the high value South African energy market. Sunbird's joint venture partner in the project is PetroSA (24%), the national oil company of South Africa.

Sunbird is conducting a phased exploration program that will define the resource base and demonstrate the commercial potential of its portfolio of CBM assets, which contain a Best Estimate Gas-in-Place of 5.3 Tcf (trillion cubic feet).

4. RESULTS AND DIVIDENDS

The consolidated entity's loss after tax attributable to members of the consolidated entity for the financial year ending 30 June 2015 was A\$5,771,238 (2014: A\$10,984,239).

No dividends have been paid or declared by the company during the year ended 30 June 2015 (2014: nil).

5. LOSS PER SHARE

The basic loss per share for the consolidated entity for the year was 4.4 cents per share (2014: 9.6 cents per share).

6. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS***Issue of shares to Vandasia***

The company issued Vandasia 20,367,127 fully paid ordinary shares for an aggregate subscription amount of USD\$5,000,000 (A\$5,353,500) pursuant to the terms of a share subscription agreement (Share Subscription Agreement).

White Swan Loan Repayment

On 18 March 2015 Sunbird announced that A\$2,650,000 debt provided under the previously announced White Swan loan (see ASX announcement 26th Feb, 2014) has been repaid plus interest, and security provided to the Lenders under that loan has been extinguished. The loan was repaid using funds received from the US\$5,000,000 equity raising completed in October 2014 at a share price of AU\$0.277 per share.

Directors' Report**6. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS (continued)*****South African Loans***

On 26 February 2015, the company secured a commitment from sophisticated investors in South Africa in respect to debt funding of A\$1,257,800 which has now been received in full. The loans are for a period of 12 months, repayable on 26 February 2016 and attract interest of 20% per annum. At the election of the lenders, subject to shareholder approval, part or all of the debt may be converted to equity. The conversion to equity being at the lesser rate of A\$0.25 per share, and the price per Share upon which the Company raises capital by way of equity in cleared funds during the term of the loan.

Expiry of Options

During the financial year 66,250,000 unlisted options in the Company lapsed, of which 62,250,000 options with exercise price of 20 cents, 3,000,000 options with exercise price of 25cents and 1,000,000 options with exercise price of 30 cents.

Issue of Shares and Performance Rights

On 7 October 2014 the USD\$5,000,000 Stage 1 investment by the Pan-African investment company Vandasias Investments Limited (Vandasias) was completed and 20,367,127 fully paid shares were issued.

On 1 May 2015 1,900,000 fully paid ordinary shares were issued to meet contractual obligations, and 400,000 unlisted Performance rights were issued under an employee incentive strategy. The performance rights do not have an exercise price, but vest on satisfaction of various milestones.

7. EVENTS SUBSEQUENT TO REPORTING DATE

Matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, results or state of affairs of the group in future financial years which have not been disclosed publicly at the date of this report are:

Debt Restructure and New Financing Package

On 10 August 2015 Sunbird announced that it had successfully negotiated a A\$4 million debt reconstruction and financing package with Sunbird's single largest shareholder Umbono Capital ("**Umbono**") and a consortium of sophisticated South African investors already supporting the company. This new funding package consists of A\$2.5 million of refinanced current debt plus new cash for working capital of A\$1.5 million. The restructured and new debt attracts interest at 20% per annum and at the election of the lenders and subject to shareholder approval, part or all of the debt may be converted to equity prior to repayment.

The loans include A\$2.5 million of refinanced loans and A\$1.5 million of new loans are repayable at the earlier of 31 December 2016 or the Final Investment Decision ("**FID**") on Sunbird's flagship Ibhubesi Gas Project ("**IGP**") development. The new capital of A\$1.5 million may be drawn down in 3 tranches, with the second and third tranches subject to shareholder approval for conversion having been received.

The refinanced loans are convertible, in whole or part, during the period of the loan at the election of the lenders at a rate of A\$0.12 per share, or any lower price at which the company raises equity during the loan period, with a minimum floor conversion price of A\$0.01. The four separate loans of which the refinanced loans comprise are each subject to a break fee of \$100,000 should share holder approval of conversion not be received.

The Company expects to repay the loan amounts drawn down within the loan period by the application of funds procured from alternate debt or equity or debt/equity raising strategies that will be available to the Company within that period. The Loan Facility agreement provides that upon such repayment of the Loan Facility, the Security shall be discharged and released.

The restructured loans are secured against Sunbird's interest in the shares of its wholly owned subsidiary, Sunbird Energy (Ibhubesi) Pty Ltd, which holds an indirect participating interest of 22.8% in the South African Block 2A Production Right which incorporates the Ibhubesi Gas Project.

Directors' Report**7. EVENTS SUBSEQUENT TO REPORTING DATE (continued)****Board Restructure**

Sunbird's rapid evolution from a purely upstream, junior exploration company to a gas project development company partnering with PetroSA and working in conjunction with South African state-owned utility Eskom as its customer, has necessitated a shift in the "centre of gravity" of activity from Australia to South Africa, where the IGP project is geographically located. To support this evolution, Sunbird anticipates building up a stronger management presence in South Africa while crucial experience and expertise will continue to be provided from Australia. This shift is also in line with austerity measures being introduced by the Company to minimise operating overhead while ensuring that limited Company resources are being primarily focussed on agreed value accretive project activities.

In line with this evolution, Sunbird announces the resignation from the Board of Sunbird of Managing Director Will Barker and Executive Director Andrew Leibovitch, both effective immediately. Their respective resignations from the Board of the Company also coincide with the conclusion of their executive consulting roles. Commenting on their departure to pursue other interests, Sunbird Executive Chairman, Kerwin Rana, said: "Will and Andrew were founding directors of Sunbird and their invaluable contribution to the establishment of the company and the advancement of the IGP opportunity will always be remembered and appreciated. The Board of Sunbird wishes them well in their future endeavours."

Given the above resignations, and also the compliance requirement to have 2 Australian directors on the board, Sunbird announces the simultaneous appointment of Gabriel Chiappini to the Board of Sunbird as a non-executive director. Gabriel is a Chartered Accountant with over 20 years of experience as a finance and governance professional. He is a current member of the Australian Institute of Company Directors and Institute of Chartered Accountants (Australia). Gabriel's professional foundation was laid with Ernst and Young (EY) and following EY, he moved onto various Chief Financial Officer roles in London and Perth. His strong commercial experience will be invaluable as Sunbird progresses the commercialisation of its project portfolio, particularly the IGP given the current GSA negotiation.

Management Restructure

Given the departure of the Company's Managing Director, Sunbird is now commencing an executive search process to identify a suitably experienced and qualified Chief Executive Officer with global oil and gas project delivery experience to be based in South Africa. This is an extremely important role and function for the Company and we will endeavour to keep the market informed of progress in this regard. While this search is being undertaken, Mr Kerwin Rana, the current Executive Chairman of the Company will act as the Company's interim Chief Executive.

Founding Non-Executive and Independent Director Marcus Gracey, has also agreed to step in to the Company as an Executive Director for a short period to provide support and stability to the executive function of the Company, particularly while the Company transitions many of its functions to South Africa. Mr Gracey will assist with change management, corporate logistics and with the execution of near term strategic objectives during this critical period for the Company.

With the momentum building around the IGP development and the maturation of the GSA negotiation with Eskom, Sunbird is also pleased to announce the appointment of Nathan Rayner as Chief Operating Officer of the Company. Nathan has been with Sunbird for just over two years and has a proven track record of delivery in the oil and gas sector having been the former Chief Operating Officer of ASX-listed Dart Energy and holding senior technical roles at Origin Energy Limited, Addax Petroleum Corporation Limited and Arrow Energy Limited. Nathan holds a masters degree in Petroleum Engineering from the University of NSW and a Graduate Certificate in Business Administration from Queensland University of Technology.

Besides the above, no matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, results or state of affairs of the group in future financial years which have not been disclosed publicly at the date of this report.

Directors' Report

8. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The company will continue to pursue activities within its corporate objectives. Further information about likely developments in the operations of the company and the expected results of those operations in the future financial years has not been included in this report because disclosure would likely result in unreasonable prejudice to the company.

9. ENVIRONMENTAL REGULATIONS

The consolidated entity's operations are subject to environmental regulations under the legislation of African countries in which it operates. The board believes there are adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply.

The company is not subject to the reporting requirements of either the Energy Efficiency Opportunities Act 2006 or the National Greenhouse and Energy Reporting Act 2007.

10. DIRECTORS' AND EXECUTIVES' INTERESTS

As at the date of this report, the interests of the directors and executives in the shares, options and performance rights of the company were:

	Shares	Performance rights	Option strike price		
			\$0.20	\$0.25	\$0.30
Directors					
Marcus Gracey	170,000	-	-	-	-
Dorian Wrigley	100,000	-	-	-	-
William Barker	3,050,000	-	4,000,000	5,000,000	5,000,000
Andrew Leibovitch	2,800,000	-	4,000,000	5,000,000	5,000,000
Kerwin Rana	600,000	-	-	-	-
Key management					
Nathan Rayner	1, 028,890	-	-	-	-
Richard Barker	400,000	400,000	-	-	-
Total	8,148,890	400,000	8,000,000	10,000,000	10,000,000

11. SHARES UNDER OPTION

As at the date of this report, there were 34,250,000 unlisted options over ordinary shares on issue detailed as follows:

Options Code	No. of	Strike Price	Expiry Date
SNYO4	4,000,000	\$0.20	19-Jan-16
SNYO5	4,000,000	\$0.20	19-Jan-17
SNYOIP1	5,000,000	\$0.25	11-Nov-16
SNYOIP2	5,000,000	\$0.30	11-Nov-16
SNYONV1	5,000,000	\$0.25	11-Nov-16
SNYONV2	5,000,000	\$0.30	11-Nov-16
SNYOR3	250,000	\$0.20	31-Dec-15
SNYOR4	1,000,000	\$0.25	31-Dec-15
SNYOP6	500,000	\$0.25	31-Dec-15
SNYOP7	500,000	\$0.30	31-Dec-15
SNYOR8	1,000,000	\$0.50	1-Oct-16
SNYOR9	1,000,000	\$0.50	1-Oct-16
SNYOR10	2,000,000	\$0.50	1-Oct-16
Total	34,250,000		

Directors' Report

11. SHARES UNDER OPTION (CONTINUED)

Option holders do not have any right, by virtue of the option, to participate in any share issue of the company.

Included in these options are options granted as remuneration to the directors and key management personnel, as disclosed in the remuneration report.

As at the date of this report, there were 400,000 unlisted performance rights to ordinary shares on issue detailed as follows:

Performance Rights Code	No. of rights	Strike Price	Expiry Date
SNYPR6	400,000	\$0.00	01-Jul-17
Total	400,000		

Rights holders do not have any right, by virtue of the performance right, to participate in any share issue of the company until the performance milestone has been achieved and the right vested absolutely.

The majority of these rights are rights granted as remuneration to the directors and key management personnel, as disclosed in the remuneration report.

12. INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

Indemnification

An indemnity agreement has been entered into with each of the directors, chief financial officer and company secretary of the company named earlier in this report. Under the agreement, the company has agreed to indemnify those officers against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities to the extent permitted by law. There is no monetary limit to the extent of this indemnity.

Insurance

During the financial year the company has taken out an insurance policy in respect of directors' and officers' liability and legal expenses for directors and officers.

13. CORPORATE STRUCTURE

Sunbird Energy Ltd is a company limited by shares that is incorporated and domiciled in Australia. The company is listed on the Australian Securities Exchange under the code "SNY".

14. AUDIT AND NON-AUDIT SERVICES

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and the experience with the company and/or the group are important.

Details of the amounts paid or payable to the auditor, BDO Audit (WA) Pty Ltd ("BDO"), are set out below.

The board of directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the board to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

Directors' Report

14. AUDIT AND NON-AUDIT SERVICES (CONTINUED)

During the reporting period, the following fees were paid or payable for audit and non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	30-Jun-15 A\$	30-Jun-14 A\$
Services provided by the Auditor – BDO Audit (WA) Pty Ltd		
Audit and review of financial statements	58,877	64,473
Tax compliance services	4,218	14,017
Total services provided by the Auditor	63,095	78,490
 Services provided by network firms of BDO Audit (WA) Pty Ltd		
Audit and review of financial statements	-	22,174
Due diligence audit	28,560	-
Total services provided by BDO Audit (WA) Pty Ltd and network firms	91,655	100,664

15. AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's Independence Declaration is set out on page 25 and forms part of the directors' report for the financial year ended 30 June 2015.

This report is signed in accordance with a resolution of the board of directors and is signed on behalf of the directors by:



Kerwin Rana
Chairman
Johannesburg, 30 September 2015

Directors' Declaration**SUNBIRD ENERGY LTD AND ITS CONTROLLED ENTITIES**

In the directors' opinion:

- (a) the financial statements and notes set out on pages 26 to 64 are in accordance with the Corporations Act 2001, including:
 - i. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional requirements, and
 - ii. giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, and
- (c) The consolidated entity has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

Note A(i) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the board of directors and is signed on behalf of the directors by:



Kerwin Rana
Chairman

Johannesburg, 30 September 2015

INDEPENDENT AUDITOR'S REPORT

To the members of Sunbird Energy Ltd

Report on the Financial Report

We have audited the accompanying financial report of Sunbird Energy Ltd, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1A, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which

has been given to the directors of Sunbird Energy Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Sunbird Energy Ltd is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1A.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1A in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through debt or equity financing. This condition, along with other matters as set out in Note 1A, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

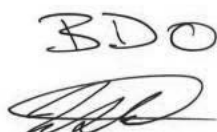
Report on the Remuneration Report

We have audited the Remuneration Report of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Sunbird Energy Ltd for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd



Ian Skelton

Director

Perth, 30 September 2015

DECLARATION OF INDEPENDENCE BY IAN SKELTON TO THE DIRECTORS OF SUNBIRD ENERGY LTD

As lead auditor of Sunbird Energy Ltd for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Sunbird Energy Ltd and the entities it controlled during the period.



Ian Skelton

Director

BDO Audit (WA) Pty Ltd
Perth, 30 September 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income*for the year ended 30 June 2015*

	Note	2015 A\$	2014 A\$
Interest revenue		42,504	34,563
Exploration expenses		(2,174,636)	(5,213,925)
Corporate cost	5	(986,182)	(450,184)
Professional fees	6	(254,663)	(515,741)
Directors' and executives' fees		(165,000)	(236,002)
Share-based payment expense	21	(1,631,210)	(4,092,600)
Impairment of E&E	12	(34,461)	(752,749)
Finance costs		(704,888)	(92,503)
Loss before income tax		(5,908,536)	(11,319,141)
Income tax expense	7	-	-
Loss from continuing operations after income tax		(5,908,536)	(11,319,141)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation – members of parent entity	16	168,147	(50,674)
Foreign currency translation – non-controlling interest	16	(7,212)	-
Total other comprehensive loss for the year		(5,747,601)	(11,369,815)
Loss for the period attributable to:			
Members of the parent entity		(5,771,238)	(10,984,239)
Non-controlling interest	17	(137,298)	(334,902)
Total loss from continuing operations		(5,908,536)	(11,319,141)
Total comprehensive loss for the period attributable to:			
Members of the parent entity		(5,603,091)	(11,034,913)
Non-controlling interest	17	(144,510)	(334,902)
Loss for the year attributable to owners of the parent		(5,747,601)	(11,369,815)
<i>Loss per share from continuing operation attributable to the ordinary equity holders of the Company</i>			
Basic and diluted loss per share (cents)	8	(4.40)	(9.60)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position*as at 30 June 2015*

	Note	2015 A\$	2014 A\$
Assets			
<i>Current assets</i>			
Cash and cash equivalents	9	690,654	373,043
Trade and other receivables	10	212,990	867,839
Total current assets		903,644	1,240,882
<i>Non-current assets</i>			
Property, plant and equipment	11	33,468	56,577
Exploration and evaluation expenditure	12	3,888,289	3,754,489
Total non-current assets		3,921,757	3,811,066
Total assets		4,825,401	5,051,948
Liabilities			
<i>Current liabilities</i>			
Trade and other payables	13	517,637	1,787,337
Borrowings	14	2,321,456	2,484,763
Finance lease obligation		6,177	5,234
Total current liabilities		2,845,270	4,277,334
<i>Non-current liabilities</i>			
Finance lease obligation		11,576	17,138
Total non-current liabilities		11,576	17,138
Total liabilities		2,856,846	4,294,472
Net assets		1,968,555	757,476
Equity			
Share capital	15	19,320,504	14,338,035
Reserves	16	6,913,307	4,768,949
Accumulated loss		(23,356,561)	(17,585,323)
Total equity attributable to owners of Sunbird Energy Ltd		2,877,250	1,521,661
Non-controlling interest	17	(908,695)	(764,185)
Total equity		1,968,555	757,476

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the year ended 30 June 2015

	Share capital A\$	Foreign currency translation reserve A\$	Share-based payment reserve A\$	Total reserves A\$	Accumulated loss A\$	Total attributable to equity holders of the group/ company A\$	Non-controlling interest share of foreign exchange A\$	Total equity A\$
Balance at 30 June 2013	14,263,035	83,820	643,203	727,023	(6,601,084)	8,388,974	(429,283)	7,959,691
Loss for the year	-	-	-	-	(10,984,239)	(10,984,239)	(334,902)	(11,319,141)
Foreign currency translation	-	(50,674)	-	(50,674)	-	(50,674)	-	(50,674)
Total comprehensive loss for the year	-	(50,674)	-	(50,674)	(10,984,239)	(11,034,913)	(334,902)	(11,369,815)
Issue of shares – net of transaction costs	75,000	-	-	-	-	75,000	-	75,000
Share-based payments	-	-	4,092,600	4,092,600	-	4,092,600	-	4,092,600
Non-controlling interest	-	-	-	-	-	-	-	-
Total distributions to owners of Company recognised directly in equity	75,000	-	4,092,600	4,092,600	-	4,167,600	-	4,167,600
Balance at 30 June 2014	14,338,035	33,146	4,735,803	4,768,949	(17,585,323)	1,521,661	(764,185)	757,476
Loss for the year	-	-	-	-	(5,771,238)	(5,771,238)	(137,298)	(5,908,536)
Foreign currency translation	-	168,147	-	168,147	-	168,147	(7,212)	160,935
Total comprehensive loss for the year	-	168,147	-	168,147	(5,771,238)	(5,603,091)	(144,510)	(5,747,601)
Issue of shares – net of transaction costs	4,982,469	-	-	-	-	4,982,469	-	4,982,469
Share-based payments	-	-	1,976,211	1,976,211	-	1,976,211	-	1,976,211
Non-controlling interest	-	-	-	-	-	-	-	-
Total distributions to owners of Company recognised directly in equity	4,982,469	-	1,976,211	1,976,211	-	6,958,680	-	6,958,680
Balance at 30 June 2015	19,320,504	201,293	6,712,014	6,913,307	(23,356,561)	2,877,250	(908,695)	1,968,555
Note(s)	15	16	16					

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Consolidated Statements of Cash Flows
for the year ended 30 June 2015

	Note	2015 A\$	2014 A\$
<i>Cash flows from operating activities</i>			
Interest received		42,504	34,563
Payment to suppliers and employees		(1,279,893)	(1,071,217)
Exploration payments		(3,575,989)	(4,505,219)
Reimbursement by PetroSA for IGP expenses		1,008,460	242,563
Net cash used for operating activities	18	(3,804,918)	(5,299,310)
<i>Cash flows from investing activities</i>			
Cash payment for property, plant and equipment		(7,897)	(5,245)
Payment of exploration and evaluation expenditure		-	(335,887)
Net cash used for investing activities		(7,897)	(341,132)
<i>Cash flows from financing activities</i>			
Proceeds from issue of shares/exercise of options net of issuance costs	15	5,327,469	75,000
Proceeds from borrowings net of raising costs	14	1,924,690	2,575,624
Repayment of borrowings - capital		(2,650,000)	(329,813)
Interest paid		(481,494)	(5,428)
Finance lease payments		(6,749)	(7,337)
Net cash from financing activities		4,113,916	2,308,046
Total cash movement for the year		301,101	(3,332,396)
Cash at the beginning of the year		373,043	3,714,244
Exchange rate adjustment		16,510	(8,805)
Total cash at the end of the year	9	690,654	373,043

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. The financial statements are for the consolidated entity consisting of Sunbird Energy Ltd and its subsidiaries.

A Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. Sunbird Energy Ltd is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the Sunbird Energy Ltd group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB).

Where necessary, comparatives have been reclassified and repositioned for consistency with the current year disclosures.

(ii) New and amended standards adopted by the group

The group has applied the following standards and amendments for first time for their annual reporting period commencing 1 July 2015:

- AASB 2013-2 Amendments to AASB 136 - *Recoverable Amount Disclosures for Non-Financial Assets*
- 2013-4 Amendments to Australian Accounting Standards – *Novation of Derivatives and Continuation of Hedge Accounting* [AASB 139]
- 2014-1 Amendments to Australian Accounting Standards (Part A – Annual Improvements 2010-2012 and 2011-2013 Cycles)
- Amendments made to Australian Accounting Standards by AASB 2015-1 (improvements 2012-2014 cycle)
- Amendments made to AASB 101 by AASB 2015-2 (Disclosure initiative)

There has been no change in the accounting policies arising from the adoption of new and amended standards and there were no adjustments to the amounts recognised in the financial statements. The standards only affected the disclosures in the notes to the financial statements.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(iii) Early adoption of standards

The consolidated entity has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2014.

A Basis of preparation (continued)

(iv) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

(v) Going concern

The financial statements have been prepared on a going concern basis.

As at 30 June 2015 the consolidated entity had net assets of A\$1,968,555 (2014: A\$757,476). The consolidated entity had A\$690,654 in cash and cash equivalents (2014: A\$373,043) for the year ended 30 June 2015, and a net current liability position of A\$1,941,626 (2014: A\$3,036,452). Included in current liabilities is a borrowing balance of A\$2,321,456. This was refinanced subsequent to the reporting date.

On 10 August 2015 Sunbird announced that it had successfully negotiated a A\$4 million debt reconstruction and financing package with Sunbird's single largest shareholder Umbono Capital ("Umbono") and a consortium of sophisticated South African investors already supporting the company. This new funding package consists of A\$2.5 million of refinanced current debt plus new cash for working capital of A\$1.5 million. The restructured and new debt attracts interest at 20% per annum and at the election of the lenders and subject to shareholder approval, part or all of the debt may be converted to equity prior to repayment.

As at 30 June 2015, total loan facilities of the group were A\$3.757 million, of which A\$2.097 million were used, leaving A\$1.660 million of the Umbono facility available for use (details on loan facilities are disclosed in note 14). Pursuant to the reconstruction on 10 August 2015, all of the facilities were refinanced, with the unused funds under the Umbono facility remaining available.

The debt under the refinanced facilities and the new loan facility of A\$1.5 million is repayable at the earlier of 31 December 2016 or the Final Investment Decision ("FID") on Sunbird's flagship Ibhubesi Gas Project ("IGP") development. The new capital of A\$1.5 million may be drawn down in 3 tranches, with the second and third tranches subject to shareholder approval for conversion having been received.

Since 30 June 2015 Sunbird has drawn down the first tranche of the Refinanced loans, totalling approximately A\$0.480 million (subject to exchange rates). Subject to meeting the condition precedent of shareholder approval for the conversion of debt to equity (such conversion being at the option of the lenders). The Notice of Meeting for shareholders to consider approval of the conversion right has been dispatched and the meeting shall take place on 9 October 2015.

At the date of this report the consolidated entity has A\$2.020 million available under the refinanced facilities.

In the event that shareholders do not approve the conversion rights on 9 October 2015, and the consolidated entity is not able to raise any other debt or equity financing, there may be an existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern.

Over the course of the next 12 months, the Directors consider that there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable and that the going concern basis of preparation remains appropriate when preparing the annual report. Should the consolidated entity be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the consolidated entity be unable to continue as a going concern and meet its debts as and when they fall due.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Sunbird Energy Ltd ("the company" or "the parent entity") as at 30 June 2015 and the results of all subsidiaries for the year then ended. Sunbird Energy Ltd and its subsidiaries together are referred to in this financial report as the group or the consolidated entity.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases. Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition method of accounting is used to account for business combinations by the group. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of comprehensive income, statement of financial position and statement of changes in equity.

C Segment reporting

AASB 8 Operating Segments requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The functional currency of Sunbird is Australian dollars ("A\$").

The consolidated financial statements are presented in Australian dollars, which is the company's presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are translated to the functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to A\$ at foreign exchange rates ruling at the dates the fair value was determined.

(iii) Financial statements of foreign operations

The revenues and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to Australian dollars at rates approximating to the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on translation are recognised directly in the foreign currency translation reserve ("FCTR"), as a separate component of equity. When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss, as part of the gain or loss on sale where applicable.

E Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Net financial income

Net financial income comprises interest payable on borrowings calculated using the effective interest method, interest receivable on funds invested, dividend income and foreign exchange gains and losses.

Interest income is recognised in the profit and loss as it accrues, using the effective interest method.

Management fees are recognised in the profit and loss as the right to a fee accrues, in accordance with contractual rights.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F Income tax

The income tax expense for the period presented comprises current and deferred tax. Income tax is recognised in the statement of profit and loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised, or to the extent that the group has deferred tax liabilities with the same taxation authority.

G Business combination

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

H Asset acquisition

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities, as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I Impairment of assets

The carrying amounts of the company's assets, other than inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and it is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. The reversal is recognised in the income statement.

J Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the group's contractual rights to the cash flows from the financial assets expire or if the group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Purchases and sales of financial assets are accounted for at trade date, i.e. the date that the group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J Financial instruments (continued)

(ii) Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Details on how the fair value of financial instruments is determined are disclosed in note 2.

(iii) Impairment

The group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

K Cash and cash equivalents

Cash and cash equivalents comprise cash balances, short-term bills and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the consolidated entity's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

L Trade and other receivables

Trade and other receivables are recorded at amounts due less any allowance for doubtful debts.

M Other financial assets

The group classifies its investments in the following categories: loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

Investments in subsidiaries are carried at cost, net of any impairment.

N Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a work condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items ("major components").

(ii) Subsequent costs

The consolidated entity recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other costs are recognised in profit and loss as an expense as incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N Property, plant and equipment (continued)

(iii) Depreciation

With the exception of freehold land and mineral property and development assets, depreciation is charged to profit and loss using a straight value method over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. Mineral property and development assets are depreciated on the units of production basis over the life of the economically recoverable reserves.

The estimated useful lives in the current period are as follows:

Item	Average useful life
Plant and equipment	3 to 10 years
Software	2.5 years
Furniture and fittings	10 years
Motor vehicles	3 years

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

O Exploration and evaluation expenditure

Exploration and evaluation costs are allocated separately to specific areas of interest. Each area of interest is limited to a size related to a known and probable Mineral Resource capable of supporting a mining operation. Such costs comprise net direct costs and an appropriate portion of related overhead expenditure directly related to activities in the area of interest.

Exploration and evaluation costs incurred in the normal course of operations are written off immediately.

Exploration and evaluation costs are capitalised where they are the result of an acquisition from a third party. These capitalised costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

When a decision to proceed to development is made the exploration and evaluation costs capitalised to that area are transferred to mine development within property, plant and equipment. All costs subsequently incurred to develop a mine prior to the start of mining operations within the area of interest are capitalised. These costs include expenditure to develop new ore bodies within the area of interest, to define further mineralisation in existing areas of interest, to expand the capacity of a mine and to maintain production.

P Environmental protection and replacement

Expenditures related to ongoing environmental activities are charged against earnings as incurred or capitalised and depreciated depending on their relationship to future earnings. The fair value of the liability for an asset retirement obligation is recognised in the period incurred. The fair value is added to the carrying amount of the associated asset and depreciated over the asset's useful life. The liability is accreted over time through periodic charges to earnings and it is reduced by actual costs of decommissioning and reclamation. Estimates of decommissioning and reclamation costs could change as a result of changes in regulatory requirements and cost estimates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q Trade and other payables

Trade and other payables are non-interest bearing liabilities stated at cost and settled within 30 days.

R Goods and Services Tax / Value Added Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax ("GST") or Value Added Tax ("VAT"), except where the amount of GST/VAT incurred is not recoverable from the taxation authority. In these circumstances, the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST/VAT included. The net amount of GST/VAT recoverable from, or payable to, the relevant tax authority is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST/VAT components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the relevant tax authority are classified as operating cash flows.

S Provisions

A provision is recognised in the statement of financial position when the consolidated entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

T Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not incremental costs relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

U Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, for example as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V Dividends

Dividends are recognised as a liability in the period in which they are declared.

W Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and other salary related expenses are recognised as expenses in the year in which the associated services are rendered by employees of the company. Short-term accumulating compensated absences such as paid annual leave are recognised when services rendered by employees, that increase their entitlement to future compensated absences, occur. Short-term accumulating compensated absences such as sick leave are recognised when absences occur.

(i) Defined contribution plans

Employee benefits include statutory social insurance payments to the State Social Insurance Scheme. Contributions to this defined contribution plan are recognised as an expense as incurred.

(ii) Share-based payments

The company provides benefits to employees (including directors) of the company in the form of share-based payment transactions, whereby employees render services in exchange for shares or options over shares ("equity-settled transactions").

The fair value of options is recognised as an expense with a corresponding increase in equity (share-based payments reserve). The fair value is measured at grant date and recognised over the period during which the holder become unconditionally entitled to the options. Fair value is determined by an independent valuer using a Black-Scholes option pricing model. In determining fair value, no account is taken of any performance conditions other than those related to the share price of Sunbird ("market conditions"). The cumulative expense recognised between grant date and vesting date is adjusted to reflect the directors best estimate of the number of options that will ultimately vest because of internal conditions of the options, such as the employees having to remain with the company until the vesting date, or such that employees are required to meet internal performance targets.

(iii) Share-based payments

No expense is recognised for options that do not ultimately vest because internal conditions were not met. An expense is still recognised for options that do not ultimately vest because a market condition was not met.

Where the terms of options are modified, the expense continues to be recognised from grant date to vesting date as if the terms had never been changed. In addition, at the date of the modification a further expense is recognised for any increase in fair value of the transaction as a result of the change.

Where options are cancelled, they are treated as if vesting occurred on cancellation and any unrecognised expenses are taken immediately to the statement of comprehensive income. However, if new options are substituted for the cancelled options and designated as a replacement on grant date, the combined impact of the cancellation and replacement options are treated as if they were a modification.

X Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for the bonus elements in ordinary shares issued during the year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

X Earnings per share (continued)

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Y Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting period and on foreseeable future transactions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Z New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below.

Title of standard	Nature of change	Impact on application	Application date
AASB 9 <i>Financial Instruments</i>	Amends the requirements for classification, measurement and derecognition of financial assets and financial liabilities.	Adoption of AASB 9 is only mandatory for the year ending 30 Jun 2016. The entity has not yet made an assessment of the impact of these amendments.	Annual reporting periods beginning on or after 1 Jan 2018
AASB 15 <i>Revenue from Contracts with Customers</i>	An entity will recognise revenue to depict the transfer of promised good or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue.	The entity expects that this standard will have some impact on the timing and amount of revenue recognised, however the entity is not in a position to quantify the impact on the entity upon initial application of this standard. Management is in the process of reviewing its systems, processes and customer contracts to ensure revenue will be accurately reported when the standard becomes effective.	Annual reporting periods beginning on or after 1 Jan 2018

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2. FINANCIAL RISK MANAGEMENT

The group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the group. The group uses different methods to measure different types of risk to which it is exposed.

Risk management is carried out by the management under policies approved by the board of directors. Group management identifies, evaluates and hedges financial risks by holding cash in interest earning deposits.

The group holds the following financial instruments:

	30-Jun-15 A\$	30-Jun-14 A\$
Financial assets		
Cash and cash equivalents	690,654	373,043
Trade and other receivables	212,990	867,839
Total financial assets	903,644	1,240,882
Financial liabilities		
Trade and other payables	(517,637)	(1,787,337)
Finance lease obligation	(17,753)	(22,372)
Borrowings	(2,321,456)	(2,484,763)
Total financial liabilities	(2,856,846)	(4,294,472)
Net financial instruments	(1,953,202)	(3,053,590)

(a) Market risk*Foreign currency risk*

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign operations. The consolidated entity has the Australian dollar (A\$) as its functional currency, which is also the currency for the group's transactions. Some exposure to foreign exchange risk exists in respect to the South African subsidiaries which have transactions denominated in South African Rand (ZAR). The risk is measured using sensitivity analysis and cash flow forecasting.

The group's exposure to foreign currency risk at the reporting date, expressed in Australian Dollars, was:

Cash and cash equivalents	340,999	185,502
Trade and other receivables	144,041	595,978
Trade and other payables	(171,788)	(271,778)
Borrowings	(1,257,563)	-
Total exposure to foreign currency risk	(944,311)	509,702

Group sensitivity to movements in foreign exchange rates is shown in the summarised sensitivity analysis table below:

30-Jun-15	Carrying amount A\$	Foreign exchange risk			
		-10% Profit A\$	Equity A\$	10% Profit A\$	Equity A\$
Financial assets					
Cash and cash equivalents	340,999	-	(34,100)	-	34,100
Trade and other receivables	144,041	-	(14,404)	-	14,404
Financial liabilities					
Trade and other payables	(171,788)	-	17,179	-	(17,179)
Borrowings	(1,257,563)	-	125,756	-	(125,756)
Net exposure to foreign currency risk	(944,311)	-	(94,431)	-	94,431

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

	Carrying amount A\$	Foreign exchange risk			
		-10%	Equity	10%	Equity
		Profit	A\$	Profit	A\$
30-Jun-14		A\$		A\$	
Financial assets					
Cash and cash equivalents	185,502	-	(18,550)	-	18,550
Trade and other receivables	595,978	-	(59,598)	-	59,598
Financial liabilities					
Trade and other payables	(271,778)	-	27,178	-	(27,178)
Net exposure to foreign currency risk	509,702	-	(50,970)	-	50,970

Foreign exchange volatility was chosen to reflect expected short-term fluctuations in the South African Rand.

Price risk

The group does not hold investments and therefore is not exposed to equity securities price risk.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, the ability to meet obligations when due and to close out market positions.. Due to the dynamic nature of the underlying businesses, the management aims at maintaining flexibility in funding by keeping committed credit lines available with a variety of counterparties. Surplus funds are only invested in instruments that are tradeable in highly liquid markets.

The tables below analyse the group's financial liabilities into relevant maturity groupings. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 6 months	Total contractual cash flows	Carrying amount of liabilities
30-Jun-15			
Borrowings	2,321,456	2,321,456	2,321,456
Trade and other payables	517,637	517,637	517,637
Finance lease obligation	6,177	17,753	23,930
Total exposure to liquidity risk	2,845,270	2,856,846	2,863,023

	Less than 6 months	Total contractual cash flows	Carrying amount of liabilities
30-Jun-14			
Borrowings	2,484,763	2,484,763	2,484,763
Trade and other payables	1,787,337	1,787,337	1,787,337
Finance lease obligation	5,234	22,372	22,372
Total exposure to liquidity risk	4,277,334	4,294,472	4,294,472

2. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk

The group's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and liabilities is set out below:

	Weighted average interest rate	30-Jun-15	Weighted average interest rate	30-Jun-14
Floating interest rate:				
Cash available at call	2.03%	418,989	2.40%	123,699
Fixed interest rate:				
Term deposits	2.40%	271,665	2.58%	249,343
Borrowings	20%	(2,321,456)	20%	(2,484,763)
Finance lease obligation	8.50%	(23,930)	8.50%	(22,372)
Total exposure to interest rate risk		(1,654,732)		(2,134,093)

The group has significant interest-bearing borrowings; however a percentage change in interest rates would not have a material impact on the results. The group's sensitivity to movement in interest rates is shown in the summarised sensitivity analysis table below:

	Interest rate risk				
	Carrying amount A\$	-10 bps		+10 bps	
		Profit A\$	Equity A\$	Profit A\$	Equity A\$
30-Jun-15					
Cash and cash equivalents	690,654	(691)	-	691	-
30-Jun-14					
Cash and cash equivalents	373,043	(373)	-	373	-

Interest rate volatility was chosen to reflect expected short-term fluctuations in market interest rates.

(c) Credit risk

The carrying amount of cash and cash equivalents and trade and other receivables (excluding prepayments) represent the group's maximum exposure to credit risk in relation to financial assets.

Cash and short-term liquid investments are placed with reputable banks, so no significant credit risk is expected. The group does have a material exposure to a single debtor, namely PetroSA, but no significant credit risk is expected. None of the financial assets are either past due or impaired.

(d) Fair value measurements

The carrying values less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

A number of the group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact future recoverability include the level of reserves and resources, future technological changes, cost of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

(b) Income taxes

The group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the provision for income taxes across the group. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The group estimates its tax liabilities based on the group's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

(c) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at inception.

(d) Share-based payment transactions

The fair value of share appreciation rights is measured using a Black-Scholes model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(e) Borrowings

All of the group's debt is repayable within 12 months and convertible to equity upon maturity, at the option of the lenders. The conversion is subject to shareholders' approval (scheduled for 9 October), thus the debt is recognised and measured in accordance with the group's accounting policy on borrowings.

4. SEGMENT INFORMATION

(a) Description of segments

The Company's Board of Directors, who are collectively the "Chief Operating Decision Maker", receives financial information for two reportable segments being "Corporate" and "Exploration".

(b) Segment information

	Exploration A\$	Corporate A\$	Eliminations A\$	Consolidated A\$
<i>For the year ended 30 June 2015</i>				
Total segment revenue	-	42,504	-	42,504
Profit (loss) before income tax	(2,174,636)	(3,733,900)	-	(5,908,536)
<i>Segment Assets</i>				
Property, plant and equipment	16,403	17,065	-	33,468
Exploration and evaluation property	3,888,289	-	-	3,888,289
Cash and cash equivalents	255,719	434,935	-	690,654
Other	144,041	68,949	-	212,990
Total Segment Assets	4,304,452	520,949	-	4,825,401
<i>Segment Liabilities</i>				
Finance lease obligation	17,753	-	-	17,753
Trade and other payable	170,197	347,445	-	517,642
Other	-	2,321,457	-	2,321,457
Total Segment Liabilities	187,950	2,668,902	-	2,856,852
<i>For the year ended 30 June 2014</i>				
Total segment revenue	9,612	24,951	-	34,563
Profit/(loss) before income tax	(5,548,029)	(13,737,112)	7,966,740	(11,319,141)
<i>Segment assets</i>				
Property, plant and equipment	35,282	21,295	-	56,577
Exploration and evaluation property	3,754,489	-	-	3,754,489
Cash and cash equivalents	185,502	187,541	-	373,043
Trade and other receivable	615,122	252,717	-	867,839
Total segment assets	4,590,395	461,553	-	5,051,948
<i>Segment liabilities</i>				
Finance lease obligation	22,372	-	-	22,372
Trade and other payable	290,919	1,496,418	-	1,787,337
Borrowings	-	2,484,763	-	2,484,763
Total segment liabilities	313,291	3,981,181	-	4,294,472

5. CORPORATE COSTS

	2015 A\$	2014 A\$
Consultants' fees	209,806	223,235
Insurance	20,498	2,794
Occupancy	126,825	20,164
Travel	200,266	10,202
Depreciation	11,870	913
Corporate compliance and communication	195,393	112,459
Office and other costs	221,524	80,417
Total corporate costs	986,182	450,184

6. PROFESSIONAL FEES

	2015 A\$	2014 A\$
<i>Services provided by the Auditor – BDO Audit (WA) Pty Ltd</i>		
Audit and review of financial statements	58,877	64,473
Tax compliance services	4,218	14,017
Total services provided by the Auditor	63,095	78,490
<i>Services provided by network firms of BDO Audit (WA) Pty Ltd</i>		
Audit and review of financial statements	-	22,174
Due diligence audit	28,560	-
Total services provided by the Auditor's network firms	28,560	22,174
Total services provided by BDO Audit (WA) Pty Ltd and network firms	91,655	100,664
<i>Other professional fees</i>		
Corporate advisory fees	-	170,000
Legal fees	146,647	65,821
Capital raising fees	-	154,189
Other fees	16,361	25,067
Total other professional fees	163,008	415,077
Total professional fees	254,663	515,741

7. TAXATION

	2015 A\$	2014 A\$
INCOME TAX EXPENSE		
The components of tax expense comprise:		
Current income tax charge (benefit)	-	-
Adjustments in respect of previous current income tax	-	-
Total income tax expense from continuing operation	-	-
A reconciliation of income tax expense (benefit) applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the company's effective income tax rate for the years ended 30 June 2015 and 30 June 2014 is as follows:		
Accounting profit (loss) before tax from continuing operations	(5,908,536)	(11,319,141)
Accounting profit (loss) before income tax	(5,908,536)	(11,319,141)
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2013: 30%)	(1,772,560)	(3,395,742)
<i>Add:</i>		
Non-deductible expenses	492,470	1,232,354
NANE related expenditure	884,544	225,825
Difference in overseas rates	10,362	104,721
Temporary differences and losses not recognised	385,183	1,832,820
Income tax expense/(benefit)	-	-
The applicable weighted average effective tax rates are as follows:	0%	0%
Unrecognised deferred tax assets/(liabilities)		
Deferred tax assets/(liabilities) have not been recognised in respect of the following items:		
Trade and other payables	2,451	42,512
Australian tax losses	1,041,650	626,744
Foreign tax losses - revenue	2,832,873	2,687,801
	3,876,974	3,357,057
Offset against deferred tax liabilities recognised	-	-
Deferred tax assets not brought to account	3,876,974	3,357,057

The tax benefits of the above deferred tax assets will only be obtained if:

- The consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- The consolidated entity continues to comply with the conditions for deductibility imposed by law; and
- No changes in income tax legislation adversely affect the consolidated entity from utilising the benefits.

8. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share at the reporting date was based on the loss attributable to ordinary shareholders of A\$5,771,238 (2014: A\$10,984,239) and a weighted average number of ordinary shares outstanding during the current financial year of 132,368,256 (2014: 114,759,726) shares calculated as follows:

	2015 A\$	2014 A\$
Loss for the year	(5,771,238)	(10,984,239)
<i>Loss attributable to ordinary shareholders</i>		
Issued ordinary shares at the beginning of the year	116,325,000	112,700,000
Effect of shares issued during the year	15,980,607	2,059,726
Weighted average number of ordinary shares (basic)	132,305,607	114,759,726
Effect of options on issue	-	-
Weighted average number of ordinary shares (diluted)	132,305,607	114,759,726
Basic loss per share (cents)	(4.40)	(9.60)

Diluted loss per share

Potential ordinary shares are not considered dilutive, thus diluted loss per share is the same as basic loss per share.

9. CASH AND CASH EQUIVALENTS

	2015 A\$	2014 A\$
Cash and cash equivalents consist of:		
Cash on hand	418,989	123,700
Cash in term deposits	271,665	249,343
Total cash and cash equivalents	690,654	373,043

Interest rate risk exposure

The Group's exposure to interest rate risk is discussed in note 2.

10. TRADE AND OTHER RECEIVABLES

	2015 A\$	2014 A\$
Trade receivable	41,010	-
Deposits	23,054	23,054
GST and VAT receivable	86,935	323,455
Other receivables	61,991	521,330
Total trade and other receivables	212,990	867,839

None of the current receivables are past due.

Risk exposure

Information about the group's exposure to credit, foreign exchange and interest rate risk is provided in note 2.

11. PROPERTY, PLANT AND EQUIPMENT

Reconciliation of property, plant and equipment – 2015

	Plant & equipment	Motor vehicles	Software	Furniture and fittings	Total
At cost					
Opening balance as at 1 July 2014	23,863	49,349	3,827	18,096	95,135
Additions	7,640	-	-	-	7,640
Disposals	-	-	-	-	-
Effects of foreign currency translation – current year	437	3,004	197	-	3,638
Closing balance as at 30 June 2015	31,940	52,353	4,024	18,096	106,413
Accumulated depreciation					
Opening balance at 1 July 2014	10,005	19,658	2,340	6,555	38,558
Depreciation for the year	8,653	15,926	1,077	5,435	31,091
Disposals	-	-	-	-	-
Effects of foreign currency translation – current year	395	2,705	196	-	3,296
Closing balance as at 30 June 2015	19,053	38,289	3,613	11,990	72,945
Carrying value					
Opening carrying value as at 1 July 2014	13,858	29,691	1,487	11,541	56,577
Additions	7,640	-	-	-	7,640
Disposals	-	-	-	-	-
Depreciation for the year	(8,653)	(15,926)	(1,077)	(5,435)	(31,091)
Effects of foreign currency translation – current year	42	299	1	-	342
Closing balance as at 30 June 2015	12,887	14,064	411	6,106	33,468

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of property, plant and equipment – 2014

	Plant & equipment	Motor vehicles	Software	Furniture and fittings	Total
At cost					
Opening balance as at 1 July 2013	21,203	54,569	2,087	20,796	98,655
Additions	6,403	-	2,083	-	8,486
Disposals	(3,063)	-	-	(2,700)	(5,763)
Effects of foreign currency translation – current year	(680)	(5,220)	(343)	-	(6,243)
Closing balance as at 30 June 2014	23,863	49,349	3,827	18,096	95,135
Accumulated depreciation					
Opening balance at 1 July 2013	4,497	3,549	1,104	3,017	12,167
Depreciation for the year	5,894	16,449	1,315	3,619	27,277
Disposals	(265)	-	-	(81)	(346)
Effects of foreign currency translation – current year	(121)	(340)	(79)	-	(540)
Closing balance as at 30 June 2014	10,005	19,658	2,340	6,555	38,558
Carrying value					
Opening carrying value as at 1 July 2013	16,706	51,020	983	17,779	86,488
Additions	6,403	-	2,083	-	8,486
Disposals	(2,798)	-	-	(2,619)	(5,417)
Depreciation for the year	(5,894)	(16,449)	(1,315)	(3,619)	(27,277)
Effects of foreign currency translation – current year	(559)	(4,880)	(264)	-	(5,703)
Closing balance as at 30 June 2014	13,858	29,691	1,487	11,541	56,577

12. EXPLORATION AND EVALUATION EXPENDITURE

As at 30 June 2015, the carrying value of the capitalised exploration and evaluation properties of the consolidated entity was A\$3,888,289 (2014: A\$3,754,489); the carrying amounts of individual projects are as per the reconciliation of movement in exploration and evaluation property below.

Reconciliation of movement in exploration and evaluation property

	Note	2015 A\$	2014 A\$
Ibhubesi Gas Project			
Project carrying value at 1 July		3,754,489	1,915,359
Forest Payment – deposit consideration upon the Section 11 Approval		-	515,368
Forest Payment – escrow funds release upon the Section 11 Approval		-	1,145,307
		3,754,489	3,576,034
Costs incurred during the year		-	178,455
Impairment		(34,461)	-
Effect of translation to presentation currency		168,261	-
Project carrying value at 30 June		3,888,289	3,754,489

12. EXPLORATION AND EVALUATION EXPENDITURE (CONTINUED)

Reconciliation of movement in exploration and evaluation property (continued)

	Note	2015 A\$	2014 A\$
Coal Bed Methane (CBM) Project			
Project carrying value at 1 July		-	751,660
Effect of translation to presentation currency		-	1,089
Impairment		-	(752,749)
Project carrying value at 30 June		-	-
Total carrying value of capitalised exploration and evaluation at 30 June		3,888,289	3,754,489

The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

13. TRADE AND OTHER PAYABLES

	2015 A\$	2014 A\$
Trade creditors	319,394	1,388,598
Other payables	29,607	77,835
Accruals	168,636	320,904
Total trade and other payables	517,637	1,787,337

Trade and other payables are non-interest bearing liabilities stated at cost and settled within 30 days. Information about the group's exposure to foreign currency risk is provided in Note 2.

14. BORROWINGS

White Swan Loan Facility

During the financial year, the Company repaid the total debt of A\$3,131,494 owed to White Swan Nominees Pty Ltd ("White Swan Loan Facility"); the amount repaid includes the principal of A\$2,650,000 and A\$481,494 of interest. The White Swan Loan Facility was repaid on 9 March 2015; it attracted interest at 20% per annum, capitalised monthly.

Umbono Loan Facility

On 10 August 2014, the consolidated entity arranged the Umbono Loan Facility of A\$2,500,000 with Umbono Capital Partners LLC. The loan agreement provides for the drawdown in tranches as the working capital requirements of the Company demand the use of such funds, and the aggregate loan drawn down in tranche payments is repayable within twelve (12) months of the first drawdown of funds. Interest on the amount of facility used is 20% per annum, calculated daily and payable monthly. Subject to shareholder approval, at the election of Umbono, all or the part of the outstanding amount of the Facility may be converted from debt to equity in the Company at a conversion price of 25 cents per share.

On 11 August 2014, the company made the first draw down of A\$400,000 under the facility and settled A\$440,025 of outstanding invoices owed to Umbono against the loan during the financial year. The amount of interest accrued during the reporting period on the loan was A\$143,910.

14. BORROWINGS (CONTINUED)

New Loans Facility

Between 26 February and 11 March 2015, the Company received a total of A\$1,257,563 from parties in South Africa under the New Loans Facility. These loans are for a period of 12 months and repayable on 26 February 2016. Interest on the loans is 20% per annum. At the election of the lenders, and subject to shareholders' approval, the outstanding amount of the loans may be converted from debt to equity in the Company at 12 cents per share and, thereby, potentially avoid the necessity for the Company to repay the whole or part of the loans converted to equity.

The funds available under the facility, fully drawn during the financial year, were provided by the following South African parties:

		Amount	Capitalised interest	Total
	Date	A\$	A\$	A\$
Brian Glover	22-Feb-15	110,664	7,738	118,402
Brian Glover	6-Mar-15	217,055	14,112	231,167
Neville Cornish	10-Mar-15	429,844	27,002	456,846
Allan Mackintosh	11-Mar-15	500,000	31,106	531,106
		1,257,563	79,958	1,337,521

At 30 June 2015, the total secured liabilities are as follows:

	2015 A\$	2014 A\$
White Swan Loan Facility - principal	-	2,400,000
White Swan Loan Facility - capitalised interest	-	84,763
	-	2,484,763
Umbono Loan Facility – principal	840,025	-
Umbono Loan Facility – capitalised interest	143,910	-
	983,935	-
New Loans - principal	1,257,563	-
New Loans – capitalised interest	79,958	-
	1,337,521	-
Total borrowings	2,321,456	2,484,763
<i>Total facilities</i>		
White Swan Loan Facility	-	5,000,000
Umbono Loan Facility	2,500,000	-
New Loans Facility	1,257,563	-
Total facilities	3,757,563	5,000,000
<i>Used at the reporting date</i>		
White Swan Loan Facility	-	2,400,000
Umbono Loan Facility	840,025	-
New Loans Facility	1,257,563	-
Total facilities used	2,097,588	2,400,000
<i>Unused at the reporting date</i>		
White Swan Loan Facility	-	2,600,000
Umbono Loan Facility	1,659,975	-
New Loans Facility	-	-
Total facilities available	1,659,975	2,600,000

15. SHARE CAPITAL

The group's capital is comprised of ordinary shares and options over ordinary shares of the Company.

	2015 A\$	2014 A\$
Shares on issue	21,166,247	15,527,725
Issuance cost	(1,845,743)	(1,189,690)
Total share capital	19,320,504	14,338,035

	Date	Number of shares	A\$
Reconciliation of movement in issued capital			
Balance as at 1 July 2013		112,700,000	14,263,035
Issue of shares – conversion of performance options (3,050,000 @ A\$0.00)	30-Jun-14	200,000	-
Issue of shares – exercise of options (375,000 @ A\$0.20)	24-Feb-14	375,000	75,000
Issue of shares – conversion of performance options (3,050,000 @ A\$0.00)	11-Nov-13	3,050,000	-
Balance as at 30 June 2014		116,325,000	14,338,035
Balance as at 1 July 2014		116,325,000	14,338,035
Issue of shares to Vandasia	9-Oct-14	20,367,127	5,638,522
Issue of shares to Musa Capital – capital raising fees*	15-Sep-14	1,500,000	345,000
Issue of shares - conversion of performance rights (400,000 @ A\$0.00)	1-May-15	400,000	-
Issue of shares - conversion of performance rights (600,000 @ A\$0.00)	30-Jun-15	600,000	-
Issuance costs*		-	(1,001,053)
Balance as at 30 June 2015		139,192,127	19,320,504

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in the proportion to the number and amount paid on the shares held.

*The fair value of 1.5 million shares issued in settlement of capital raising fees was A\$345,000. This amount is included in the issuance costs.

15. SHARE CAPITAL (CONTINUED)

Options over ordinary shares

At 30 June 2015, the company had 34,250,000 (2014: 100,500,000) unlisted options over ordinary shares on issue.

Reconciliation of movement**in unlisted options over ordinary shares**

	Number	Issue date	Expiry date	Exercise price (cents)
Total unlisted options as at 1 July 2013	97,875,000			
Merchant engagement - Retention options	1,000,000	21-May-13	1-Oct-16	50
Merchant engagement - Incentive options	2,000,000	21-May-13	1-Oct-16	50
Sign on and retention options exercised	(375,000)	24-Feb-14		
Total unlisted options as at 30 June 2014	100,500,000			
Total unlisted options as at 1 July 2014	100,500,000			
<i>Options lapsed during the year</i>				
SNYO3 - Sign on and Retention Options	(4,000,000)	22-Sep-11	19-Jan-15	20
SNYOC1 - Incentive options - cornerstone	(5,000,000)	22-Sep-11	12-Nov-16	20
SNYOP6 - Ibhubesi performance option	(1,000,000)	13-Dec-12	31-Dec-15	25
SNYOP6 - Ibhubesi performance Options	(1,000,000)	01-Feb-13	31-Dec-15	25
SNYOP6 - Ibhubesi performance rights	(1,000,000)	13-Dec-12	31-Dec-15	25
SNYOP7 - Ibhubesi performance options	(1,000,000)	13-Dec-12	31-Dec-15	30
SNYOPT1 - Director options	(750,000)	22-Sep-11	19-Jan-15	20
SNYOPT1 - Investor options	(12,250,000)	22-Sep-11	19-Jan-15	20
SNYOPT1 - Investor options	(40,000,000)	23-Jan-12	19-Jan-15	20
SNYOR3 - Sign on and Retention Options	(250,000)	01-Feb-13	31-Dec-15	20
Total unlisted options as at 30 June 2015	34,250,000			

Options over ordinary shares carry no voting or dividend rights.

Capital risk management

The group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

16. RESERVES

	2015 A\$	2014 A\$
Share-based payments reserve	6,712,014	4,735,803
Foreign currency translation reserve	201,293	33,146
Total reserves	6,913,307	4,768,949

*Reconciliation of movement in reserves***Share-based payments reserve**

Balance as at 1 July	4,735,803	643,203
Equity settled share-based payments	1,976,211	4,092,600
Balance as at 30 June	6,712,014	4,735,803

Foreign currency translation reserve

Balance as at 1 July	33,146	83,820
Effect of foreign currency translation	168,147	(50,674)
Balance as at 30 June	201,293	33,146

Total reserves balance as at 30 June

6,913,307	4,768,949
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Share-based payments reserve

The share-based payments reserve represents the value of options and performance rights issued under the compensation arrangement that the consolidated entity is required to include in the consolidated financial statements. No gain or loss is recognised in the profit or loss on the purchase, sale, issue or cancellation of the consolidated entity's own equity instruments.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

17. INTERESTS IN OTHER ENTITIES

(a) Material subsidiaries

The consolidated entity's principal subsidiaries at 30 June 2015 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the consolidated entity, and the proportion of ownership interests held equals the voting rights held by the consolidated entity. The country of incorporation or registration is also their principal place of business. Principal activity of all subsidiaries is gas exploration and development.

	Place of business/ country of incorporation	Ownership interest held by			
		the consolidated entity		non-controlling interests	
		2015	2014	2015	2014
Pretzavest 37 Pty Ltd	South Africa	74%	74%	26%	26%
Greatways Holdings (BVI) Ltd	BVI	100%	100%	-	-
Sunbird Energy (SA) Pty Ltd	South Africa	100%	100%	-	-
Sunbird Australia (Mozambique) Pty Ltd	Australia	100%	100%	-	-
Sunbird Energy (Ibhubesi) Pty Ltd	Australia	100%	100%	-	-

(b) Non-controlling interests

Set out below is summarised financial information of Pretzavest 37 Pty Ltd, which has non-controlling interests. The amounts disclosed are before inter-company eliminations.

	2015 A\$	2014 A\$
Summarised balance sheet		
Current assets	271,752	279,758
Current liabilities	81,456	274,671
Current net assets	190,296	5,087
Non-current assets	16,403	35,282
Non-current liabilities	3,701,681	3,109,558
Non-current assets	(3,685,278)	(3,074,276)
Net assets	(3,494,982)	(3,069,189)
Accumulated NCI	(908,695)	(764,185)
Summarised statement of comprehensive income		
Revenue	-	-
Loss for the period	(528,069)	(1,600,084)
Other comprehensive income	(208,154)	223,611
Total comprehensive income	(736,223)	(1,376,473)
Loss allocated to NCI	(144,510)	(334,902)
Summarised cash flows		
Cash flows from/(used in) operating activities	(697,837)	(888,819)
Cash flows from/(used in) investing activities	-	-
Cash flows from/(used in) financing activities	707,317	596,890
Net increase/(decrease) in cash and cash equivalents	9,480	(291,929)

(c) Transactions with non-controlling interests

There were no transactions with the non-controlling interests during the reporting period.

18. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH OUTFLOW USED

	2015 A\$	2014 A\$
Loss after taxation	(5,908,536)	(11,319,141)
Add/(less) non-cash items:		
Depreciation	31,091	28,240
Share-based payments expense	1,631,210	4,092,600
Impairment of investment	34,461	752,749
Accrued interest expense	303,824	84,763
Brokerage fees - Financing cash flows	-	154,189
Finance fees - financing cash flows	488,243	5,428
Foreign currency translation reserve	-	98,452
Changes in working capital:		
Increase in trade and other receivables	764,221	(577,077)
Increase in trade and other payables	(1,149,432)	1,380,487
Net cash outflow used	(3,804,918)	(5,299,310)

Non-cash transactions

During the financial year, the company had the following non-cash transactions:

- A total of A\$440,025 of outstanding invoices payable to Umbono Capital Partners LLC was settled against the loan under the Umbono Loan Facility.
- Capital raising fees included in equity as share issuance costs with the fair value of A\$345,000, were paid by the issue of 1.5 million shares.

19. PARENT ENTITY

	2015 A\$	2014 A\$
Current assets	503,884	440,258
Non-current assets	3,892,309	4,298,399
Total assets	4,396,193	4,738,657
Current liabilities	1,727,291	3,981,181
Total liabilities	2,668,902	3,981,181
Net assets	1,727,291	757,476
Contributed equity	19,320,504	14,338,035
Share-based payment reserve	6,712,013	4,735,803
Foreign currency translation reserve	-	-
Accumulated losses	(24,063,962)	(18,316,362)
Total equity	1,968,555	757,476
Loss for the year	(5,771,238)	(13,737,852)
Total comprehensive loss for the year	(5,771,238)	(13,737,852)

Commitments

There were no commitments at 30 June 2015 (2014: A\$ NIL).

Contingencies

There were no contingent assets or liabilities of the parent as at 30 June 2015 (30 June 2014: A\$ NIL).

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity and some of its subsidiaries are party to a deed of cross guarantee under which each company guarantees the debts of the others.

20. RELATED PARTY TRANSACTIONS

(a) Parent entities

The ultimate parent entity within the group is Sunbird Energy Ltd incorporated in Australia.

(b) Subsidiaries

Interests in subsidiaries are set out in note 17(a).

(c) Loans to/from related parties

The following table sets out the loans to or from related parties at the current and previous reporting date:

Loan to	Loan from	2015 A\$	2014 A\$
Pretzavest 37 Pty Ltd	Sunbird Energy Ltd	3,585,603	3,493,615
Forest Exploration (SA) Pty Ltd	Sunbird Energy Ltd	4,604,165	4,459,496
Anschutz Overseas (SA) Pty Ltd	Forest Exploration (SA) Pty Ltd	1,166,474	1,098,997
Forest Exploration (SA) Pty Ltd	Pretzavest 37 Pty Ltd	174,747	397,832

(d) Other related party transactions

A related party entity to Andrew Leibovitch, namely Serval Enterprises, was paid A\$650 (2014: A\$1,145).

Directors, Kerwin Rana and Dorian Wrigley, are directors of Umbono Capital Partners (Proprietary) Limited ("Umbono"), who are the operators of the group's South African projects. During the reporting period a total of A\$187,481 (2014: A\$600,000) was due to Umbono for their services; the outstanding amount was settled in full against the Umbono loan facility (refer to note 14 of the Annual Financial Statements). There were no unpaid Umbono invoices at 30 June 2015 (2014: A\$200,000).

All transactions were made on normal commercial terms and conditions and at market rates. There were no other transactions with related parties during the reporting period.

(e) Key management personnel

The following persons were directors and key management personnel of Sunbird Energy Ltd during the financial year:

(i) <i>Executive Chairman</i>	Mr K Rana
(ii) <i>Executive directors</i>	Mr W Barker, Managing Director (resigned 31 July 2015) Mr A Leibovitch, Executive Director (resigned 31 July 2015)
(iii) <i>Non-executive directors</i>	Mr M Gracey Mr D Wrigley (appointed 12 May 2015)
(iv) <i>Key management personnel</i>	Mr N Rayner, Technical Director Mr R Barker (appointed 11 July 2014) Mr M Balfour, General Counsel and Company Secretary (resigned 11 July 2014) Ms C Mackay, Chief Financial Officer (resigned 12 September 2014)

There were no other persons, beside the Directors and Executive Management, identified as key management personnel of the Company during the reporting period.

20. RELATED PARTY TRANSACTIONS (CONTINUED)

(f) Key management personnel compensation

The key management personnel compensation was as follows:

	2015 A\$	2014 A\$
Short-term employee benefits	1,700,232	1,620,180
Post-employment benefits	65,600	67,063
Share-based payment	1,511,250	2,673,897
Total key management personnel compensation	3,277,082	4,361,140

Directors and executive fees, included in the short-term benefits, were paid to entities related to key management personnel as follows:

Related entity	Key management person	2015 A\$	2014 A\$
Stratosphere Consulting Group	Marcus Gracey	26,500	-
Millenium Falcon Pty Ltd	Marcus Gracey	45,000	-
Ballymoyer Pty Ltd	William Barker	309,750	387,292
Crest Corporation Pty Ltd	Andrew Leibovitch	199,041	241,689
Khanyile Consulting Limited	Kerwin Rana	241,000	124,833
Rayner Consultants Pty Ltd	Nathan Rayner	353,287	-
Barston Corporation Pty Ltd	Richard Barker	183,756	-

As at 30 June 2015, no balances were outstanding and payable in respect to those transactions (2014: A\$361,562).

Related entity	Key management person	2015 A\$	2014 A\$
Ballymoyer Pty Ltd	William Barker	-	178,750
Crest Corporation Pty Ltd	Andrew Leibovitch	-	111,479
Khanyile Consulting Limited	Kerwin Rana	-	71,333

Detailed remuneration disclosures are provided in the remuneration report on pages 7 to 15.

21. SHARE-BASED PAYMENTS

(a) Employee and other options and rights over ordinary shares

The company has no formal document under which options and rights are issued. Decisions to grant options and rights are made by the Board and are based on aligning the long-term interests of key management personnel, employees, consultants and strategic external parties with those of the company's shareholders.

Options and rights are granted for no consideration, are subject to vesting conditions and carry no dividend or voting rights.

The exercise price of options is based on the weighted average price at which the company's shares are traded on the Australian Securities Exchange (ASX) on or about the date of grant.

Each option and right is convertible into one ordinary share upon vesting.

21. SHARE-BASED PAYMENTS (CONTINUED)

Share options granted during the reporting period

	2015		2014	
	Average exercise price per option	Number of options	Average exercise price per option	Number of options
As at 1 July	22.6	100,500,000	21.7	97,875,000
Granted during the year	-	-	50.0	3,000,000
Exercised during the year	-	-	20.0	(375,000)
Lapsed during the year	20.38	66,250,000		
As at 30 June	27.15	34,250,000	22.6	100,500,000
Vested and exercisable at 30 June				

Share options outstanding at the end of the year

Grant date	Expiry date	Exercise price (cents)	Number of options	
			2015	2014
9-Oct-13	1-Oct-16	50	3,000,000	3,000,000
21-May-13	30-Nov-15	25	1,000,000	1,000,000
1-Jan-13	2-Jul-16	20	500,000	500,000
1-Feb-13	2-Jan-17	20	500,000	500,000
1-Feb-13	4-Nov-16	20	1,000,000	1,000,000
1-Feb-13	31-Dec-15	20	-	250,000
1-Feb-13	31-Dec-16	20	250,000	250,000
1-Feb-13	31-Dec-15	25	-	1,000,000
13-Dec-12	31-Dec-15	25	-	2,000,000
13-Dec-12	31-Dec-15	30	-	1,000,000
12-Oct-11	19-Jan-15	20	-	4,000,000
12-Oct-11	19-Jan-16	20	4,000,000	4,000,000
12-Oct-11	19-Jan-17	20	4,000,000	4,000,000
13-Oct-11	19-Jan-15	20	-	13,000,000
12-Oct-11	4-Nov-16	25	5,000,000	5,000,000
12-Oct-11	4-Nov-16	30	5,000,000	5,000,000
12-Oct-11	12-Nov-16	25	5,000,000	5,000,000
12-Oct-11	12-Nov-16	30	5,000,000	5,000,000
12-Oct-11	19-Jan-15	20	-	5,000,000
23-Jan-12	19-Jan-15	20	-	40,000,000
			34,250,000	100,500,000

Weighted average remaining contractual life of options outstanding at 30 June 2015 is 1.2 years (2014: 1.2 years).

21. SHARE-BASED PAYMENTS (CONTINUED)

Performance rights granted during the reporting period

During the year ended 30 June 2015, the company issued the following performance rights:

	2015	2014
	Number of rights	Number of rights
As at 1 July	9,150,000	12,000,000
Granted during the year	1,300,000	400,000
Exercised during the year	(1,000,000)	(3,250,000)
Expired during the year	(9,050,000)	-
As at 30 June	400,000	9,150,000
Vested and exercisable at 30 June	-	200,000

Weighted average share price at the date of exercise of performance rights exercised during the year ended 30 June 2015 was 12.4 cents (2014: 47 cents)

Performance rights outstanding at the end of the year

	Number of rights	
Expiry date	2015	2014
1-May-15	-	8,850,000
1-May-15	-	200,000
1-Nov-15	-	100,000
1-Jul-17	400,000	-
	400,000	9,150,000

Weighted average remaining contractual life of performance rights outstanding at 30 June 2015 is 2 years (2014: 0.8 years).

21. SHARE-BASED PAYMENTS (CONTINUED)

(b) Fair valueFair value of share options

No options were granted during the financial year.

Fair value of performance rights

For performance rights granted during the year ended 30 June 2015

Code	Number	Grant date	Expiry date	Share price (cents)	Price volatility	Expected dividend yield	Risk-free rate	Fair value (cents)
SNYPR6	400,000	15-09-14	01-05-15	22.5	83%	0%	2.5%	22.5
SNYPR6	400,000	15-09-14	01-07-17	22.5	83%	0%	2.5%	22.5
NR	500,000	15-09-14	01-07-17	22.5	83%	0%	2.5%	22.5
	1,300,000							

For performance rights granted during the year ended 30 June 2014

Code	Number	Grant date	Expiry date	Share price (cents)	Price volatility	Expected dividend yield	Risk-free rate	Fair value (cents)
SNYPR5	400,000	01-07-13	01-05-15	35	85%	0%	2.46%	35
	400,000							

(c) Expenses arising from share-based payment transactions

	2015 A\$	2014 A\$
Options expense	31,729	1,104,789
Rights expense	1,599,481	2,987,811
Total share-based payments expense recognised in income statement	1,631,210	4,092,600
Capital issuance costs recognised in equity	345,000	-
Total share-based payment expense	1,976,210	4,092,600

22. EVENTS OCCURRING AFTER REPORTING DATE

Matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, results or state of affairs of the group in future financial years which have not been disclosed publicly at the date of this report include:

Refinanced Loans

On 6 August 2015 both the Umbono Loan and the New Loans Facility were refinanced. The refinancing package increased the total draw down available under these loans, and extended the repayment date to the earlier of FID or 31 December 2016. Since 30 June 2015 Sunbird rolled over approximately A\$2,500,000 of existing debt and received approximately A\$480,000. Additional A\$2,500,000 remains available for drawn down following shareholder approval of the lenders right to convert debt to equity.

No other matter or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, results or state of affairs of the group in future financial years.

23. CAPITAL AND OTHER COMMITMENTS

There were no commitments in the parent entity or the group at 30 June 2015 (30 June 2014: A\$ NIL), other than a finance lease commitment made by Pretzavest 37 Pty Ltd amounting to A\$19,651 (2013: A\$22,372) for the purchase of a motor vehicle repayable over 5 years at 8.5% per annum.

24. CONTINGENCIES

The group had contingent liabilities at 30 June 2015 of A\$186,385 (R) (2014: A\$167,343 (R1,753,391)) in respect to the restoration and rehabilitation bonds held by the Petroleum Agency South Africa (PASA).

In addition, under the Ibhubesi Agreement and, in addition to the Initial Payments and the Forest Payment, conditional on Sunbird Ibhubesi achieving certain project milestones and commercial development success, the following enhancement payments are also payable to Forest, Anschutz Overseas and Forest Netherlands, subject to stated conditions:

- A total of US\$5 million (A\$5.47 million) payable on execution of a Gas Sales Agreement
- A total of US\$10 million (A\$10.94 million) on Final Investment Decision or First Gas Sales

Further under the Ibhubesi Agreement, the following enhancement payment is also payable to Forest and Anschutz Overseas from Block produced gas sales achieved during the term of the Production Right for the Block and any extension thereof:

- A total of Sales Enhancement Fee equal to 0.76% of net gas sales revenues

These liabilities have not been brought to account in these financial statements as the contractual cash flow only arises upon the occurrence of the above milestones. Should the milestones not occur, no further amounts are payable by Sunbird to the Sellers under the Ibhubesi Agreement.

CORPORATE GOVERNANCE STATEMENT

Sunbird Energy Limited (Sunbird) is committed to continuously improving and achieving high standards of corporate governance. The Board assesses its governance framework and practice believing good corporate governance is closely related to performance and serves in the best interests of shareholders and stakeholders.

Sunbird's corporate governance statement has been prepared in accordance with the 3rd Edition of the Australian Securities Exchange's ('ASX') Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council ('ASX Principles and Recommendations') and is included in the company's Annual Report pursuant to ASX Listing Rule 4.10.3. The Corporate Governance Report is available at www.sunbirdenergy.com. The ASX Principles and Recommendations and the company's response as to how and whether it follows those recommendations are set out below.

A description of the Company's main corporate governance practices and its 'if not, why not' report on compliance with the guidelines is set out below. Where the Company's practices depart from a recommendation, the Board has disclosed the departure along with reasons for adoption of its own practices.

	Follows ASX Principles and Recommendations	If not, why not
Recommendation 1.1	✓	
Recommendation 1.2	✓	
Recommendation 1.3	✓	
Recommendation 1.4	✓	
Recommendation 1.5		✓
Recommendation 1.6	✓	
Recommendation 1.7	✓	
Recommendation 2.1		✓
Recommendation 2.2		✓
Recommendation 2.3	✓	
Recommendation 2.4		✓
Recommendation 2.5		✓
Recommendation 2.6	✓	
Recommendation 3.1	✓	
Recommendation 4.1	✓	
Recommendation 4.2	✓	
Recommendation 4.3	✓	
Recommendation 5.1	✓	
Recommendation 6.1	✓	
Recommendation 6.2	✓	
Recommendation 6.3	✓	
Recommendation 6.4	✓	
Recommendation 7.1	✓	
Recommendation 7.2	✓	
Recommendation 7.3	✓	
Recommendation 7.4	✓	
Recommendation 8.1	✓	
Recommendation 8.2	✓	
Recommendation 8.3	✓	

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Sunbird has a Corporate Governance Statement on its website www.sunbirdenergy.com containing the key Sunbird corporate governance documents which establish the roles and functions reserved for the Board, the roles and functions delegated to the Managing Director and/or Executives, and the relationship between the Board and the Managing Director and/or Executives.

The Board's primary responsibility is to safeguard and enhance the interests of shareholders and stakeholders by overseeing the Company's business activities and undertaking the effective functions of strategy formulation, policy design, and supervision.

The Managing Director is responsible and charged with running the affairs of the Company and executing the strategy set by the Board.

The Board annually assesses and evaluates the performance of the Board and the Managing Director. Performance measures are established by the Board and outcomes of the review are reported to the Board.

Each Director has access to the Company Secretary for advice and support in effectively discharging their roles. Additionally, each Board member may seek external professional advice at the expense of the Company in respect of their roles with the approval of the Chairman.

Mr Kerwin Rana was appointed Interim Managing Director on 6 August 2015 and as such during the current year the Company has not done an evaluation of the Managing Director's performance.

An evaluation of the performance of the Board and its Directors is undertaken each year. The Chairman of the Board is the leader and driver of this process. The evaluation of the performance of the Board's various committees is undertaken on an 'exception' basis. The Chair of the Board is also the leader of the evaluation. The process for evaluating the performance of the Board, its committees and directors, has yet not been documented.

Sunbird is committed to creating a diverse workplace, which reflects the breadth of talent available in the communities it operates in. The Company believes a range of employees encompassing diversity of gender, age, ethnicity, and cultural background enables greater innovation by drawing on diverse backgrounds, experience, and skills. Improving the level of diversity, female participation, and female promotion in Sunbird remains an objective of the Board. The company's ability to roll out its diversity policy is limited by the size of the current full time work force.

Sunbird operates in a traditionally male dominated industry and is therefore predictably under represented by women in its workforce. When the opportunity arises, enhancing the participation of women in the workplace will become a focus of the Sunbird Board. Whilst no formal policy has been adopted, the company does adhere to the gender reporting requirements and diversity principles outlined in the recommendations.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

As at 20 October 2015 the Sunbird Board comprises four Directors:

Kerwin Rana	Executive Chairman	Non-Independent
Dorian Wrigley	Non-Executive Director	Non-Independent
Marcus Gracey	Non-Executive Director	Independent
Gabriel Chiappini	Non-Executive Director	Independent

The Company is not in compliance with Recommendation 2.4, the Board does not consist of a majority of independent Directors where an independent Director is a Non-Executive Director who meets the criteria for independence included in the ASX Best Practice Recommendations.

The composition of the Board reflects the size of the Company and the unique and significant industry experience the Directors bring to the Board. These factors currently constrain the practicality in Sunbird having a majority of independent Directors on its Board.

During the Reporting Period, the role of the Nomination Committee was carried out by the full Board. The Board considered that no efficiencies or other benefits would be gained by establishing a separate nomination committee during this time. The Board believes that given the size of the Company and its Board, it is not practical to have a majority of independent Directors managing the Nomination Committee. All Directors therefore have an active role in the Nomination Committee.

Each new member of the Board participates in an induction program which encompasses: the duties, roles, and

responsibilities of each Director; the operations of the Board and its Committees; and outlines the Company's culture and values as well as the strategic, financial, operational, and risk issues within the Company.

Following the departure of Sunbird's previous Managing Director, from 6 August 2015 Kerwin Rana took on the role of Interim Managing Director.

A biography profiling each Directors' skill, experience, and expertise is set out in the Directors' Report along with their respective term of office.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

Sunbird has adopted a Code of Conduct, which prescribes guidelines and policies aimed at maintaining high ethical standards and good corporate behaviour in the workplace. The Code of Conduct may be found in the Corporate Governance section of the Company's website.

Sunbird encourages the reporting of instances which may involve a breach (or suspected breach) of the Code of Conduct.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

The Board has established an Audit and Risk Management Committee to facilitate the verification and the safeguarding of the integrity of the Company's financial reporting, internal control structure, risk management procedures, and the internal and external audit function.

The Company does not comply with Recommendation 4.1(a), as the composition of the Board does not lend to the practicality of a majority of independent Directors managing the Audit and Risk Management Committee. The full board are responsible for the verification and the safeguarding of the integrity of the Company's financial reporting, internal control structure, risk management procedures, and the internal and external audit function.

The Board meets at least four times per annum. The Board has access to external auditors and a high degree of financial literacy is prevalent amongst the committee members. The details, qualifications, and experience of each Board member and the attendance of Board members at Board meetings are contained in the Directors' Report.

The Managing Director and the Chief Financial Officer equivalent have provided the Board with a declaration in accordance with Section 295A of the *Corporations Act 2001*, assuring the Board that a sound system of risk management and internal control is operating effectively in aspects related to financial reporting risks.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURES

The Company has established policies to ensure compliance with the continuous disclosure regime of the Corporations Law and the Listing Rules of the Australian Securities Exchange Limited.

The Board has ultimate authority and responsibility for disclosures made to the market. Board approval is a prerequisite of significant matters requiring disclosure. The Company Secretary is charged with the establishment, communication, and maintenance of this policy as well as ensuring that material information is disclosed to the ASX.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

Sunbird's Shareholder Communication's Policy has been designed to facilitate the means of effective communications with shareholders. The policy is available in the 'Investors' section of the Company's website.

Sunbird's overarching communication strategy promotes effective communication with shareholders and other stakeholders in an open, regular, and timely manner. The policy encourages shareholder attendance and participation at member meetings as it represents an opportunity to meet, question, and discuss issues with the Board and Executives. The Board and external auditors all attend the Company's Annual General Meeting and are available for shareholders queries.

The Sunbird website is a central source of information for shareholders. The Company's Shareholder Communications Policy is available on the Company's website in the 'Investors' section and the Company encourages security holders to contact and communicate with the company and security register electronically.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Sunbird is committed to the identification, monitoring, and management of risks associated with its business activities as a key part of its good business practices and governance activities.

The Company has implemented a number of controls in its risk management and reporting systems and regularly assesses and improves its risk management systems to best practice bench marks.

The Board is responsible for approving the Company's policies and risk oversight as well as satisfying itself that management continues to implement, develop, and improve its risk regime in accordance with the strategic risk policies. The daily

operational management of risk is delegated to management throughout all levels of the organisation under the direction of the Managing Director. The Board monitors and receives reports on areas of operational and financial risk, and thereafter considers strategies for appropriate risk management arrangements.

The Board monitors the integrity of financial reporting and the internal risk control regime. The categories of risks monitored including: operational; health and safety; contracting; environmental; statutory and compliance; product; reputation; credit and financial; business security; and interruption.

The Company does not comply with Recommendation 7.1, as the composition of the Board does not lend to the practicality of a majority of independent Directors managing the Audit and Risk Management Committee.

The board has met during the year and has considered the entity's risk management framework and associated risks. The Board and committee do not consider that the Company currently has any material exposure to economic, environmental or social sustainability risk. The Company faces risks inherent to its business, including economic environmental and social sustainability risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term. The Company has policies and procedures in place to help mitigate and manage these risks.

The Managing Director and the Chief Financial Officer equivalent have provided the Board with a declaration in accordance with Section 295A of the *Corporations Act 2001*, assuring the Board that a sound system of risk management and internal control is operating effectively in aspects related to financial reporting risks.

The Company does not have an internal audit function, however manages part of this process via, internal controls and risk management overseen by the Managing Director and the Chief Financial Officer equivalent.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Given the current size and structure of the Board, the Board has not established a separate Remuneration Committee. Matters typically dealt with by such a committee are dealt with by the Board.

The duties of the Remuneration Committee will be carried out by the Board until such time as the Board considers that a separate committee is required. The company's policy and framework for remuneration of Executives and Non Executive Directors are disclosed in the Remuneration Report that can be found in the Annual Report.

SHAREHOLDER INFORMATION

EXCHANGE LISTING

Sunbird Energy Ltd shares are listed on the Australian Securities Exchange. The Company's ASX code is SNY.

SUBSTANTIAL SHAREHOLDERS (HOLDING NOT LESS THAN 5%)

As at 15 October 2015, there were 3 shareholders who had a holding of 5% or more, as follows:

Name of Ordinary Shareholder	A/C Designation	Shares Held	% of
SALT MINERAL INVESTMENTS LTD		40,000,000	29.26%
VANDASIA INVESTMENTS LIMITED		20,367,127	14.90%
DECK CHAIR HOLDINGS PTY LTD		7,520,000	5.43%

CLASS OF SHARES AND VOTING RIGHTS

At 15 October 2015 there were 462 holders of 138,592,127 ordinary fully paid shares of the Company. The voting rights attaching to the ordinary shares are in accordance with the Company's Constitution being that:

- a. each Shareholder entitled to vote may vote in person or by proxy, attorney or Representative;
- b. on a show of hands, every person present who is a Shareholder or a proxy, attorney or Representative of a shareholder has one vote; and
- c. on a poll, every person present who is a shareholder or a proxy, attorney or Representative of a shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or Representative, have one vote for the Share, but in respect of partly paid Shares, shall, have such number of votes as bears the proportion which the paid amount (not credited) is of the total amounts paid and payable (excluding amounts credited).

The number of shareholders holding less than a marketable parcel is 53.

UNLISTED SECURITIES

The Company does not have any unlisted securities as at 15 October 2015.

CASH USAGE

Since the time of listing on ASX, the entity has used its cash and assets in a form readily converted to cash that it had at the time of admission to the official list of ASX in a manner which is consistent with its business objectives.

LISTING OF 20 LARGEST SHAREHOLDERS AS AT 15 OCTOBER 2015

	Name of Ordinary Shareholder	A/C Designation	Shares Held	% of Share
1	SALT MINERALS INVESTMENTS LIMITED		40,000,000	29.26%
2	VANDASIA INVESTMENTS LIMITED		20,367,127	14.90%
3	DECK CHAIR HOLDINGS PTY LTD		7,520,000	5.43%
4	INVESTMENT HOLDINGS PTY LTD	<INVESTMENT HOLDINGS UNIT A/C>	4,625,000	3.34%
5	MAHSOR HOLDINGS PTY LTD	<ROSHAM FAMILY SUPERA/C>	3,090,747	2.23%
6	HOLDREY PTY LTD	DON MATHIESON FAMILY	2,500,000	1.80%
7	MS MERLE SMITH & MS KATHRYN SMITH	<THE MINI PENSION FUND A/C>	2,200,000	1.59%
8	MAHSOR HOLDINGS PTY LTD	ROSHAM FAMILY S/F NO2	1,830,000	1.32%
9	MUSA CAPITAL LIMITED		1,500,000	1.08%
10	MR ANDREW LEIBOVITCH & MRS KAREN RUTH LEIBOVITCH	<KATSS INVESTMENT A/C>	1,387,500	1.00%
11	INVERMAY NOMINEES PTY LTD		1,302,876	0.94%
12	DON MARTIN SUPERANNUATION PTY LTD	<DON MARTIN SUPER FUND A/C>	1,300,000	0.94%
13	FNL INVESTMENTS PTY LTD	<SUPERANNUATION PLAN A/C>	1,200,000	0.87%
14	INVERMAY NOMINEES PTY LTD	INVERMAY	1,000,000	0.72%
15	BRISPOT NOMINEES PTY LTD	<HOUSE HEAD NOMINEE NO 1 A/C>	975,608	0.70%
16	MR JASON MAN-HIN NG		966,000	0.70%
17	WALSAL NOMINEES PTY LTD		958,000	0.69%
18	DIGITAL INVESTMENTS PTY LTD	ROBERTS SUPER FUND	852,121	0.61%
19	MATCH CORP PTY LTD	<CAA A/C>	812,500	0.59%
20	MR EGON KARL WALTER MAUSS		810,823	0.59%
Total			95,198,302	68.68%
Balance of register			43,393,825	31.31%
Grand total			138,592,127	100.00%

DISTRIBUTION OF SHAREHOLDERS

Spread of Holdings	Ordinary Shareholders
1 – 1,000	11
1,001 – 5,000	27
5,001 – 10,000	51
10,001 – 100,000	239
100,001 and over	134
Total	462

LISTING OF 20 LARGEST RIGHTS HOLDERS AS AT 15 OCTOBER 2015

(a) Retention Rights (SNYPR4) vesting on 1 May 2015 and expiring on 1 May 2015

	Name of Rights holder	Rights Held	% of Rights
1	Allison Jane Rayner	100,000	100%
Total		100,000	100%

(b) Options (SNYO4) exercisable at \$0.20 each expiring on or before 19 January 2016 (escrowed until 18 January 2014)

	Name of Rights holder	A/C Designation	Rights Held	% of Rights
1	Andrew Leibovitch and Karen Leibovitch	<Katss Investment A/C>	2,000,000	50%
2	Invermay Nominees Pty Ltd	<Invermay Trust A/C>	2,000,000	50%
Total			4,000,000	100%

(c) Options (SNYO5) exercisable at \$0.20 each expiring on or before 19 January 2017 (escrowed until 18 January 2014)

	Name of Rights holder	A/C Designation	Rights Held	% of Rights
1	Andrew Leibovitch and Karen Leibovitch	<Katss Investment A/C>	2,000,000	50%
2	Invermay Nominees Pty Ltd	<Invermay Trust A/C>	2,000,000	50%
Total			4,000,000	100%

(d) Options (SNYOIP1) exercisable at \$0.25 each expiring various dates (escrowed until 18 January 2014)

	Name of Rights holder	A/C Designation	Rights Held	% of Rights
1	Andrew Leibovitch and Karen Leibovitch	<Katss Investment A/C>	2,500,000	50%
2	Invermay Nominees Pty Ltd	<Invermay Trust A/C>	2,500,000	50%
Total			5,000,000	100%

(e) Options (SNYOIP2) exercisable at \$0.30 each expiring various dates (escrowed until 18 January 2014)

	Name of Rights holder	A/C Designation	Rights Held	% of Rights
1	Andrew Leibovitch and Karen Leibovitch	<Katss Investment A/C>	2,500,000	50%
2	Invermay Nominees Pty Ltd	<Invermay Trust A/C>	2,500,000	50%
Total			5,000,000	100%

(f) Options (SNYONV1) exercisable at \$0.25 each expiring various dates (escrowed until 18 January 2014)

	Name of Rights holder	A/C Designation	Rights Held	% of Rights
1	Andrew Leibovitch and Karen Leibovitch	<Katss Investment A/C>	2,500,000	50%
2	Invermay Nominees Pty Ltd	<Invermay Trust A/C>	2,500,000	50%
Total			5,000,000	100%

(g) Options (SNYONV2) exercisable at \$0.30 each expiring various dates (escrowed until 18 January 2014)

	Name of Rights holder	A/C Designation	Rights Held	% of Rights
1	Andrew Leibovitch and Karen Leibovitch	<Katss Investment A/C>	2,500,000	50%
2	Invermay Nominees Pty Ltd	<Invermay Trust A/C>	2,500,000	50%
Total			5,000,000	100%

(h) Retention Options (SNYO6) exercisable at \$0.50 each expiring on or before 22 May 2016

	Name of Option holder	A/C Designation	Rights Held	% of Rights
1	Argonaut Investments Pty Ltd	<Argonaut Investment A/C>	1,000,000	100%
Total			1,000,000	100%

(i) Retention Options (SNYOR3) exercisable at \$0.20 each expiring on or before 31 December 2015

	Name of Option holder	A/C Designation	Rights Held	% of Rights
1	Carla Mackay		500,000	100%
Total			500,000	100%

(j) Retention Options (SNYOR4) exercisable at \$0.25 each expiring on or before 31 December 2015

	Name of Option holder	A/C Designation	Rights Held	% of Rights
1	Sundil Ramluggan		1,000,000	100%
Total			1,000,000	100%

(k) Performance Options (SNYOP6) exercisable at \$0.25 each expiring on or before 31 December 2015

	Name of Rights holder	A/C Designation	Rights Held	% of Rights
1	Sundil Ramluggan		500,000	100%
Total			500,000	100%

(l) Performance Options (SNYOP7) exercisable at \$0.20 each expiring on or before 31 December 2015

	Name of Rights holder	A/C Designation	Rights Held	% of Rights
1	Sundil Ramluggan		500,000	100%
Total			500,000	100%

(m) Performance Options (SNYPR6) conditional rights vesting on various dates

	Name of Rights holder	A/C Designation	Rights Held	% of Rights
1	RICHARD BARKER & FELICITY BARKER	BARSTON	400,000	100%
Total			400,000	100%

Statement of Reserves and Resources

Reserves

Sunbird Reserves (Undeveloped)	2014		2015		Variation	
	Ibhubesi Gas Project		Ibhubesi Gas Project		Ibhubesi Gas Project	
	Gas (BCF)	Condensate (MMstb)	Gas (BCF)	Condensate (MMstb)	Gas (BCF)	Condensate (MMstb)
1P	160	1.3	160	1.3	-	-
2P	410	3.3	410	3.3	-	-
3P	695	5.5	695	5.5	-	-

Resources

Sunbird Resources	Gross (100%)			Net (IGP 76%; CBM 74%)		
	Ibhubesi Gas Project		Mopane CBM Project	Ibhubesi Gas Project		Mopane CBM Project
	Gas (BCF)	Condensate (MMstb)	Gas (BCF)	Gas (BCF)	Condensate (MMstb)	Gas (BCF)
1C	50	0.4	351	38	0.3	260
2C	96	0.8	644	73	0.6	477
3C	241	1.9	1018	183	1.4	753
Low	4509	-	-	3427	-	-
Best	7783	-	-	5915	-	-
High	13304	-	-	10111	-	-

Listing Rule 5.39.5 Statement

To ensure the highest quality and most objective reserves assessments, the Board of Sunbird has mandated that all reserves evaluations and estimations undertaken on the Company's assets shall be conducted by independent third party consultants that comply with listing Rule 5.11. These assessments are to be completed or updated a) immediately upon coming aware of a material change that could impact the existing Reserves Assessments or b) As soon as practical upon the completion of an acquisition or divestment event (including change in working interest).

ASX Listing Rule 5.43 Statement

Sunbird Energy Ltd declares that the reserves and resource estimates used in this announcement were announced by Sunbird Energy Ltd to the Australian Securities Exchange (ASX) on 4 June 2013 (Original Ibhubesi Reserves Announcement), 11 March 2014 (Original Prospective Resource Announcement) and on 9 October 2013 (Original CBM Resources Announcement) and is not aware of any new information or data that materially affects the information provided in the Original Announcements and confirms that all the material assumptions and technical parameters underpinning the estimates in the Original Announcements continue to apply and have not materially changed.

Qualified Petroleum Evaluator

The reserves and resource estimates used in this announcement were compiled by Tim Hower (Registered Professional Engineer (Colorado #9597), and member of the Society of Petroleum Engineers) and Jeffrey B. Aldrich a Certified Petroleum Geologist, #3791, by the American Association of Petroleum Geologists (AAPG) and member of the Society of Petroleum Engineers (SPE). Both Mr Hower and Mr Aldrich are of MHA Petroleum Consultants LLC. The definitions of proved, probable, and possible hydrocarbon reserves and resources are consistent with those as they appear in the ASX Listing Rules. Mr Hower and Mr Aldrich are qualified in accordance with the requirements of ASX listing rule 5.42 and has consented to the use of the reserves and resource figures in the form and context in which they appear in this announcement.

SCHEDULE OF TENNEMENTS

As at 15 October 2015, Sunbird Energy Limited has an interest in the following tenements:

Project Name	Country	Sunbird working interest	Permit(s)	Status	Change During Quarter
Kasane	Botswana	100%	024/2010, 025/2010, 026/2010, 027/2010, 028/2010, 029/2010, 030/2010	N/A	Awaiting renewal
Mopane	South Africa	74%	30/5/2/3/ 2/99ER	Exploration Right Granted	Part relinquishment underway
Springbok Flats	South Africa	74%	12/3/104ER	Exploration Right Granted	Merged with 12/3/106ER
Springbok Flats West	South Africa	74%	12/2/46	TCP Granted	No Change
Ermelo	South Africa	74%	12/3/95/ER	Exploration Right Granted	Relinquished
Ermelo West	South Africa	74%	12/3/227ER	Exploration Right Granted	Relinquished
Somkhele	South Africa	74%	12/3/140ER	Exploration Right Granted	Relinquished
Ibhubesi	South Africa	76%	12/4/03	Production Right Granted – Currently in Gas Marketing Development Period	No Change

