

ASX Announcement

29 July 2016

June 2016 Quarterly Report

Sunbird Energy Ltd (**ASX: SNY**) is pleased to provide an update on its activities for the quarter ending 30 June 2016.

POST PERIOD UPDATE**Completion of Asset Sale**

As announced on 28 July 2016 the Company has completed the sale of its African Projects, previously announced by the Company on 18 April 2016 (**Transaction**).

The African Projects were sold in consideration for:

- (a) a cash payment of approximately A\$1 million (subject to adjustments);
- (b) the buyback and cancellation of 55 million existing shares in the Company held by parties associated with the Purchaser; and
- (c) assignment of all of the Company's debt, totalling approximately A\$4.8 million, to the Purchaser.

The effect of completion of the Transaction is that the Company now has net cash holdings of approximately A\$850,000, and no debts owing under loan facilities. Further, following processing of the share buyback and cancellation, which is currently under way, there will be 84,592,127 ordinary shares on issue. Announcements on the completion of the buyback process will be made in due course.

Resignation of Directors

Pursuant to the terms of the Transaction, Dorian Wrigley and Kerwin Rana have resigned from the Board of the Company effective from completion. The Board thanks Dorian and Kerwin, who have both been involved with the Company since listing, for their valuable service to the company.

Appointment of Director

As announced 29 July 2016 the Company is pleased to announce the appointment of Mr Barnaby Egerton-Warburton as a director of the company.

Mr Egerton-Warburton holds a Bachelor of Economics Degree and is a graduate of the Australian Institute of Company Directors and a member of the American Association of Petroleum Geologists. He has over 20 years of trading, investment banking, international investment and market experience. He has held positions with global investment banks in Hong Kong, New York and Sydney including JPMorgan, Banque Nationale de Paris and Prudential Securities. Mr Egerton-Warburton is

an experienced company director and is currently also the Managing Director of Eneabba Gas Limited (ASX:ENB) and a Non-Executive Director of iSignthis Limited (ASX:ISX) and Global Geo Science (ASX:GSC).

Corporate activities

The directors of the Company now intend to investigate opportunities from within and outside the oil and gas sector. As announced on 18 April 2016, the Company has executed a corporate advisory mandate with Cygnet Capital Pty Limited (**Cygnet Capital**). Pursuant to the mandate Cygnet Capital will assist the Company with the identification and introduction of new business opportunities.

Following the disposal of the Company's main undertaking the Company has a 6 month period in which to comply with ASX Listing Rule 12.1, in that the Company's operations, must in ASX's opinion be adequate to warrant quotation and continued listing.

The company will also now change its name to "Interpose Holdings Limited".

QUARTERLY ACTIVITY

Corporate Activity

Conditional Asset Sale Agreement Executed

As announced 19 April 2016 the Company executed a conditional agreement for the sale of all non-cash assets, being its 74% interest in the Mopane, Springbok Flats and Springbok Flats West projects in South Africa, and its 76% interest in the Ibhubesi Gas Project in South Africa ("Transaction"). The agreement has been entered into with Sunbird Energy Holdings Pty Ltd ("Purchaser"), a private, black-owned South African company comprised of a consortium of the major shareholders and debt holders of Sunbird and led by Umbono Capital Pty Ltd, a black-owned South African resources and energy investment and development company ("Umbono").

Loan Agreement Executed

As announced on 26 April the Company executed a loan agreement (**Loan Agreement**) with MUSA Group (Pty) Ltd (**MUSA**) for ZAR5,000,000. The loan agreement was to provide the Company with working capital to complete the asset sale.

The Loan Agreement provided that on completion of the Share Sale and Buyback, the Loan Agreement is novated so that the Purchaser replaces the Company as the borrower under the Loan Agreement and the Company will be released of all its obligations under the Loan Agreement from that date. Following close of the Transaction on 28 July 2016 the Company has now been released from the Loan Agreement.

Project Activity

Progressing Fully Termed Gas Sales Agreement with Eskom

As previously reported negotiations regarding the fully termed Gas Sales Agreement (GSA) continue between the Ibhubesi Gas Project (IGP) joint venture, comprising Sunbird (76%) and PetroSA (24%) and Eskom Holdings (SOC) Ltd (Eskom) for the supply of gas to the Ankerlig Power Station.

The previously agreed 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.

Regulatory & Environmental Approvals

The Draft Environmental Impact Report (EIR) in respect of the Ibhubesi Gas Project was issued for public comment on the 30th of September 2015. The second tranche of public meetings were held in Cape Town, Saldanha Bay and Melkbos on the 12th and 13th of October 2015. The Draft EIR public comment period ended on the 11th of November 2015. The Final EIR is now being prepared and is planned to be released for the final public comment period in Q3 2016 before being submitted to the Department of Environmental Affairs for approval.

**** ENDS ****

For further information please visit www.sunbirdenergy.com or contact:

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Tenement Schedule

Sunbird Energy Limited has an interest in the following tenements:

Project Name	Country	Sunbird working interest	Permit(s)	Status	Change During Quarter
Mopane	South Africa	74%	30/5/2/3/ 2/99ER	Exploration Right Granted	Disposed through asset sale
Springbok Flats	South Africa	74%	12/3/104ER	Exploration Right Granted	Disposed through asset sale
Springbok Flats West	South Africa	74%	12/2/46	TCP Granted	Disposed through asset sale
Ibhubesi	South Africa	76%	12/4/03	Production Right	Disposed through asset sale

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

SUNBIRD ENERGY LIMITED

ABN

21 150 956 773

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(7)	(378)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(558)	(2,545)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	6
1.5	Interest and other costs of finance paid	-	(3)
1.6	Income taxes paid	-	-
1.7	Other (recovery of costs from JV partner)	212	447
	Net Operating Cash Flows	(353)	(2,473)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	13
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	-	13
1.13	Total operating and investing cash flows (carried forward)	(353)	(2,460)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(353)	(2,460)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	448	2,008
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (funds received previously for shares issued in the current quarter reclassified to proceeds from issue of shares)	-	-
	Net financing cash flows	448	2,008
	Net increase (decrease) in cash held	95	(452)
1.20	Cash at beginning of quarter/year to date	137	690
1.21	Exchange rate adjustments to item 1.20	6	-
1.22	Cash at end of quarter	238	238

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	100
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments to directors including directors' and executives' fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

Amount available \$A'000	Amount used \$A'000
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+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

3.1	Loan facilities	1,864	3,453
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	-
4.2	Development	-
4.3	Production	-
4.4	Administration	100
Total		100

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	238	45
5.2	Deposits at call	-	92
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		238	137

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	Nil		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	Nil		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)	Nil	Nil	
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil	Nil	
7.3	+Ordinary securities	139,592,127	139,592,127	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	(a) 1,000,000 (b) Nil	(a) 1,000,000 (b) Nil	
7.5	+Convertible debt securities (description)	Nil	Nil	

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil Nil			
7.7	Performance Rights	Total Number	Number Quoted	Issue Price per security (see Note 3) (cents)	
	Total on issue	Nil	Nil	Nil	
7.8	Changes during quarter (a) Increase through issues (b) Decreases through securities matured, converted.	Nil 1,000,000	Nil Nil		
7.9	Options	Number	Number Quoted	Exercise Price	Expiry Date
	SNY05	4,000,000	Nil	20 cents	19-Jan-17
	SNYOIP1	5,000,000	Nil	25 cents	Various
	SNYOIP2	5,000,000	Nil	30 cents	Various
	SNYONV1	5,000,000	Nil	25 cents	Various
	SNYONV2	5,000,000	Nil	30 cents	Various
	SNYOR5	3,000,000	Nil	50 cents	01-Oct-16
7.10	Issued during quarter				
		Nil	Nil		
7.11	Exercised during quarter	Nil			

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.12	Expired during quarter				
		1,000,000	Nil		
7.13	Debenture (totals only)	Nil			
7.14	Unsecured Notes (totals only)	Nil			

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date:
Company Secretary

Print name: Richard Barker

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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