

ASX Announcement
18 April 2016

SUNBIRD EXECUTES CONDITIONAL ASSET SALE AGREEMENT

- **Sunbird executes conditional agreement to sell all non-cash assets to a private, black-owned South African consortium led by Umbono Capital**
- **Total transaction value of approximately A\$8.5 million**
- **Consideration to include approximately A\$1 million cash, the buyback and cancellation of 55 million existing Sunbird shares (held by parties associated with the purchaser) and the assignment of all Sunbird's outstanding debt to the purchaser**
- **Current Sunbird directors Kerwin Rana and Dorian Wrigley, who are also directors of Umbono Capital, to resign from the Board of Sunbird on completion**
- **Post completion, Sunbird will have 83,592,127 ordinary shares on issue, net cash holdings of approximately A\$1 million, and no debt**
- **Cygnat Capital engaged to assist with identification and introduction of new business opportunities**

The directors of Sunbird Energy Limited (SNY:ASX) ("Sunbird" or "the Company") are pleased to announce that the Company has executed a conditional agreement for the sale of all of Sunbird's 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").

Upon completion of the Transaction, the total consideration payable to Sunbird will include:

- (a) Cash payment of approximately A\$1 million (subject to minor adjustment to account for GST returns owing to the Company and Transaction and administration costs to completion);
- (b) the buyback and cancellation of 55 million existing shares in Sunbird held by parties associated with the Purchaser; and
- (c) assignment of all of Sunbird's debt, totaling approximately A\$4.8 million, to the Purchaser.

The Transaction will be effected by Sunbird, among other things:

- (a) selling all the issued share capital of Sunbird Energy (Ibhubesi) Pty Ltd and Sunbird's 74% interest in Pretzavest 37 (Pty) Ltd to the Purchaser, pursuant to a share sale agreement;

- (b) undertaking a selective share buyback pursuant to a buyback agreement; and
- (c) assigning Sunbird's current debt and associated loan deeds to the Purchaser, pursuant to a deeds of assignment and release.

Pursuant to the terms of the agreement, current directors Kerwin Rana and Dorian Wrigley, who are also directors of Umbono, have agreed to resign from the Board of Sunbird effective from completion.

Completion of the Transaction will be subject to the satisfaction of various conditions, including approval by Sunbird shareholders. Such approval is to be sought at a general meeting, expected to be held in late May 2016, with a notice of general meeting, Explanatory Memorandum and Independent Expert's Report to be released shortly.

In addition to the Transaction agreement, the company has also 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 completion of the Transaction, Sunbird will have 83,592,127 ordinary shares on issue, net cash holdings of approximately A\$1 million, and no debts owing under loan facilities.

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

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