31 March 2009

Manager Announcements
Company Announcements Office
Australian Securities Exchange
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Update on the Testing Program at the Maricopa Project

Sunset Energy Limited ("Sunset Energy") (ASX Code: SEY) announces that the testing program at the Wellington Maricopa #4 well at the Maricopa Project has been completed.

The testing at Wellington Maricopa involved re-entering a well bore drilled in the 1930's in an attempt to produce oil from a zone proven productive in the well and in the field. Operations discovered that the old existing perforations in the Wellington Maricopa #4 well were cemented off and the well was cleaned out through the Contact Sands to about 3,328 feet. The well was swab tested and failed to recover oil due to fluid leaking from other sections. The well has been shut-in pending further evaluation. The test at Wellington Maricopa #4 was an inexpensive test of a proven oil column without the need to drill a new well. However, with well costs having fallen sharply over past months future operations will most likely involve drilling a new well to access the oil column.

Sunset has already drilled two successful new wells on the field which is currently in commercial production. Sunset expects to drill further new wells over the medium term in order to increase production.

Sunset Energy has a 50% interest in Maricopa Project. Solimar Energy Limited (ASX Code: SGY) also has 50% interest in the project and is operator of the project.

About the Maricopa Project

Sunset Energy currently has a 50% interest in a 120 acre lease located two miles east of the town of Maricopa within the southeast end of the Midway-Sunset Oil Field. The Midway Sunset field is one of the largest onshore oil fields in the world with reserves in excess of 3 billion barrels. The lease already contains five wells completed as producers with close to 1 million barrels being produced from the lease and some 2.2 million barrels from immediate adjoining leases since 1930.

Sunset Energy and its joint venture partner, Solimar Energy, have drilled two successful oil wells at the Maricopa Project.

The Wellington Maricopa #7 well was the first appraisal well drilled in September 2008 at the Maricopa Project and follows the discovery well, Wellington Maricopa #6, which was drilled in March 2008. The Wellington Maricopa #7 well has been shut-in due to

1

high water cuts and the current low oil prices, however as more production of oil is added to the field the company has alternative plans to dispose of water in a more cost efficient manner. Production of oil from the Wellington Maricopa #6 well in February 2009 averaged about 30 bbls per day.

Additional follow-up locations in the Maricopa Project have also been identified, including up to 3 vertical well locations and possibly 2 horizontal locations. A new geologic review is underway to identify further new drilling locations to increase potential production.

Yours sincerely,

David Prentice
Director

Forward Looking Statements
This announcement contains forward looking statements that are subject to risk factors associated with oil and gas businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause the actual results to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserves and resources estimates, loss of market, industry competition, environmental risks, physical risks, legislative changes, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.