

**ASX Announcement
14 September 2015**

ASX GRANTS WAIVER OF LISTING RULE 10.1

As announced on 10 August 2015 Sunbird Energy Ltd (ASX: SNY) executed an agreement with Umbono Capital Partners LLC (“Umbono”) for a secured loan facility of up to US\$2,000,000 (“Loan Facility”). On 11 September 2015 the ASX granted Sunbird a waiver from listing rule 10.1 to enable the grant of security over up to 40% of Sunbird’s shares in its wholly owned subsidiary Anschutz Overseas (SA) Pty Ltd in favour of Umbono in relation to the Loan Facility.

The terms of the waiver granted by the ASX are set out below:

1. The loan deed includes a term that if an event of default occurs and Umbono exercises its rights under the loan deed, neither Umbono nor any of its associates can acquire any legal or beneficial interest in an asset of Sunbird in full or part satisfaction of Sunbird’s obligations under the loan deed, or otherwise deal with the assets of Sunbird, without Sunbird first having complied with any applicable listing rules, including listing rule 10.1, other than as required by law or through a receiver, or receiver and manager (or any other person acting on behalf of Umbono) appointed by Umbono exercising its power of sale under the loan deed and selling the assets to an unrelated third party on arm's length commercial terms and conditions and distributing the cash proceeds to Umbono in accordance with its legal entitlements.
2. A summary of the material terms of the loan deed is made in each annual report of Sunbird during the term of the loan deed.
3. Any variations to the terms of loan deed which are:
 - a. not a minor change; or
 - b. inconsistent with the terms of the waiver, must be subject to shareholder approval.
4. Sunbird must seek to discharge the loan deed when the Loan Facility under the loan deed is repaid in full, or if it is not discharged, seek shareholder approval for the continuation of the loan deed for any further period.
5. Sunbird expects to repay the loan drawn on or before 31 December 2016 by the application of funds procured from alternate debt or equity or debt/equity raising strategies that will be available to Sunbird within that period. The loan deed agreement provides that upon such repayment of the Loan Facility, the security shall be discharged and released.

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About Sunbird Energy Ltd

Sunbird Energy Ltd is an ASX-listed (ASX: SNY) gas explorer and developer focused on southern Africa where limited domestic gas supply and growing energy needs have created significant opportunities for the development of large scale energy projects.

Sunbird owns a 76% interest in the Ibhubesi Gas Project offshore of the west coast of South Africa. Sunbird is developing and will operate 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 also has a portfolio of Coal Bed Methane (CBM) projects covering an extensive area 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.

About the Ibhubesi Gas Project

The IGP is South Africa's largest undeveloped gas field, with 1P reserves of 210 BCF (SNY 76%: 159 BCF) and 2P reserves of 540 BCF (SNY 76%: 410 BCF). The Project is located 380km north of Cape Town in Block 2A, which is a Production Right that covers 5,000 km².

The IGP is situated in the offshore Orange Basin, approximately 70 km off the coast in water depths of 250 metres.

The IGP is covered by 1,770 km² of 3D seismic and many thousands of km of 2D seismic. Over US\$125 million (R1.2 billion) has been spent on exploration and appraisal of the project since 2000.

The successful development of the IGP would see the replacement of diesel as the current feed stock at the Ankerlig Power Station and/or the development of a ~500MW IPP thereby assisting in meeting the Country's growing energy needs, improving its energy security, creating a new industry and local jobs. The IGP provides numerous additional benefits:

- The IGP is a Strategic Infrastructure Project (SIP5) under the Presidential Infrastructure Coordination Commission;
- The IGP will establish the first critical pipeline infrastructure in the Orange Basin providing a route to market and encouraging further exploration and development;
- Will provide significant revenue to the government in the form of royalties, corporate and payroll taxes and state participation;
- Substantial direct and indirect job creation during construction and production phases leading to the development of local skills and enterprise;
- Balance of Trade benefits from the replacement of imported diesel, which is indexed to \$US and the oil price, with a domestic gas source; and
- Reduction in greenhouse gas and CO₂ emissions via the utilisation of gas.