

ASX Announcement
20 November 2012

Mopane Drilling Update and Acreage Increase at Springbok Flats

- **Re-drilling of first two core holes at Mopane progressing well – results expected by year end**
- **Second drilling contractor appointed to accelerate remainder of Mopane drilling program**
- **Additional acreage granted at Springbok Flats, increasing Sunbird’s South African licence holding by 28%**

Southern Africa focussed gas explorer Sunbird Energy Ltd (ASX: SNY) is pleased to provide an update on its Mopane and Springbok Flats projects.

Mopane Project

Exploration drilling at Mopane is progressing well following Sunbird’s decision in October 2012 to re-drill the first two core holes, which had encountered operational and mechanical issues.

Re-drilling of the first core hole, MOP001A, has now reached a depth of 348m, having previously set surface casing to a depth of 112m. The second string of casing is due to be set to a depth of 348m this week. The diamond coring rig will then move onto the well to core through the coal package.

Re-drilling of the second core hole, MOP002A, has reached 94m and casing has been cemented in place. Upon completion of the percussion drilling at the MOP001A site, the percussion rig will move back onto the well to drill to 350m. A second diamond drilling rig will then complete coring of the coal package.

Sunbird Managing Director Will Barker said: “We’ve made significant progress in the re-drilling of the Mopane 1 and 2 core holes and we expect to deliver results from these two holes before the end of the year.”

On 30 October 2012, Sunbird announced it had engaged a second drilling contractor, Geoserve Exploration Drilling (Pty) Ltd (Geoserve), to provide additional rigs and drilling services to accelerate the drilling program at Mopane and maintain the overall exploration timeline.

Geoserve is a specialised South African exploration and drilling company offering core drilling services to the resources industry. Geoserve has been in operation since 1996 and has over 25 diamond drill rigs in operation.

Geoserve will mobilise all equipment and crew to site this week and is due to commence drilling on the third Mopane core hole the week commencing 26 November.

“The appointment of a second drilling contractor will accelerate the remainder of the eight well program at Mopane and enable the booking of a contingent resource in the New Year,” said Mr Barker.

The Mopane project is located in the Limpopo Province approximately 420km north east of Johannesburg. The licence area covers 1,577km² under the Mopane Exploration Right.

Based on an Independent Expert Report, Mopane has a Best Estimate Gas in Place (GIP) of 1.9 Trillion Cubic Feet (Tcf), with a High Estimate of 13.66 Tcf.

Springbok Flats

Sunbird is pleased to announce that it has now been formally granted a Technical Co-operation Permit (TCP) for an additional 1,257km² (125,700 hectares) of prospective acreage in the Springbok Flats project, located 150km northeast of Pretoria in northern South Africa. The permit was granted by the Petroleum Agency of South Africa on 12 November 2012.

The addition of the new permit provides contiguous rights over 245,600 hectares of the Springbok Flats Basin and increases Sunbird’s South African holdings by 28%.

Detailed geological assessment of 600 exploration bore holes located across the basin revealed a core area of resource potential within the permit that could significantly increase Sunbird’s resource base at Springbok Flats from its existing Best Estimate GIP of 0.62 Tcf and High Estimate of 1.73 Tcf.

Mr Barker said: “The granting of the TCP consolidates Sunbird's position in Springbok Flats, providing access to prospective deeper sections of the basin.

“We can now undertake technical and desktop studies on the new acreage while we move towards further defining the resource in surrounding acreage.”

On completion of the 12 month TCP term, Sunbird has the exclusive right to apply for and be granted an Exploration Right for the same area.

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About Sunbird Energy Ltd

Sunbird Energy Ltd is an ASX-listed southern Africa-focused coal bed methane (CBM) and unconventional gas explorer and developer.

Sunbird has a portfolio of five CBM projects covering an extensive area (9,904km²) of prospective coal basins across southern Africa, where an abundant coal resource, limited domestic gas supply and growing energy needs have created significant opportunity for the development of large scale energy projects.

Sunbird has a strategic alliance with African joint venture partner Umbono Capital Partners (Proprietary) Limited, which provides Sunbird with an experienced local operational team and new project pipeline.

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) and up to a High Estimate of 29.2 Tcf