

ASX Announcement
3 December 2012

Sunbird awarded additional acreage in Ermelo

- **Ermelo West Exploration Right has been formally awarded**
- **Permit covers 79,724 ha and is contiguous with Sunbird's existing Ermelo licence**
- **The permit provides attractive drilling targets for Sunbird's 2013 drilling program**

Southern Africa coal bed methane (CBM) and gas explorer Sunbird Energy Ltd (ASX: SNY) has been awarded the Ermelo West Exploration Right which covers 797 km² (79,724 hectares) of prospective acreage in the Ermelo Project, 200km south east of Johannesburg, South Africa, in the Witbank coal mining region.

The granting of the licence allows Sunbird to focus its exploration efforts at the Ermelo Project on the western licence area where the coals are at greater depth and have the potential to deliver a commercial gas resource.

Ermelo is considered a potential CBM project due to its extensive coal deposits and the presence of large quantities of methane gas in an old coal mine that operated in the area until 1997. Historic drilling provides a detailed understanding of the coal geology. There are five target coal seams with total net coal thickness ranging from 6m to 15m and individual coal seams that are up to 3m thick.

Initial drilling at Ermelo in March 2012 was constrained to the eastern licence area where the coals are shallower, which limited their gas content. Analysis of results from the first drilling campaign, combined with the historic drilling data, has allowed Sunbird to identify attractive drilling targets for a 2013 drilling program.

The key driver for the Ermelo Project is its location immediately adjacent to gas pipeline infrastructure and South Africa's largest gas users. The gas pipeline from Mozambique traverses the licences providing direct access to markets and customers. The project is also located approximately 60km east of Secunda where Sasol operates major coal and gas to liquid fuels and petrochemical complexes.

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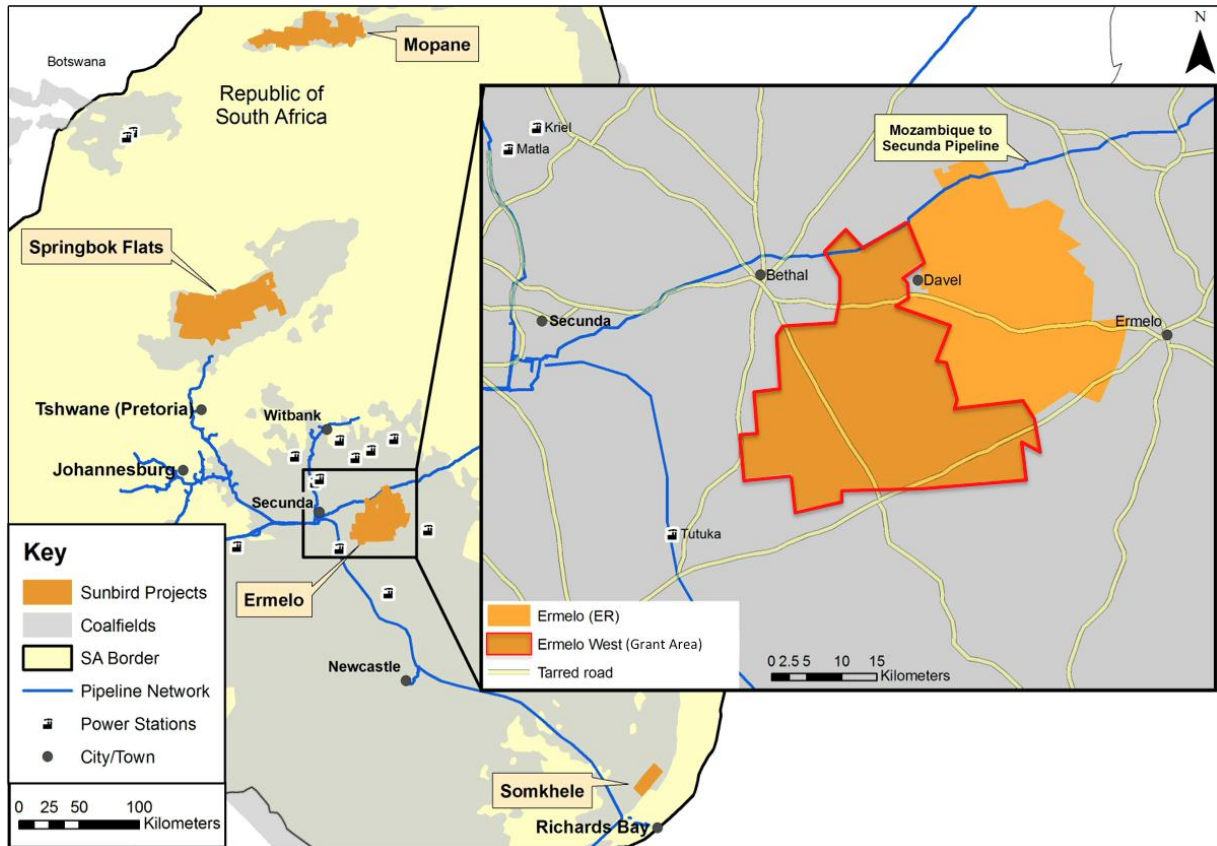


Figure 1. Sunbird's South Africa licence map with details of the Ermelo award.

About Sunbird Energy Ltd

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