ASX Announcement
10 December 2012

Second Mopane Core Hole Delivers Excellent Results

- **Over 38 metres of net coal intersected in second Mopane core hole**
- **Results are over double the coal thickness used in Independent Gas-in-Place estimate of 1.9 Tcf**
- **Excellent gas recordings throughout the 128 metre Ecca Coal package**

Southern Africa coal bed methane (CBM) and gas explorer Sunbird Energy Ltd (ASX: SNY) has further enhanced the prospectivity of the Mopane Project with the intersection of a thicker than expected coal package and high gas measurements from the drilling of a second core hole (MOP002A).

The core hole, which was drilled to a total depth of 504 metres (m), intersects 128m of the Ecca Coal package between a depth of 366m and 495m. This package contained a net coal thickness of 38.2m and resulted in 29 coal samples being taken for gas desorption analysis. Initial field and laboratory gas measurements indicate that the coals have excellent levels of gas saturation.

The 38.2m of net coal intersected was above pre-drilling expectations of 32m and over double the 15m coal thickness used by Independent Experts when they determined the project could contain a Best Estimate Gas in Place (GIP) of 1.9 Trillion Cubic Feet (Tcf).

Sunbird Energy Managing Director Will Barker said: **"**These results reinforce our expectation that the Mopane Project has the potential to be a world class CBM project.

"These results confirm the presence of a thick and gassy coal package at ideal depths for CBM development and located immediately adjacent to electricity transmission infrastructure providing access to the national grid and major energy customers.

"Following completion of the expanded eight core holes program in the new year, Sunbird will be in a position to define the contingent resource base of the project over a large proportion of the basin."

Drilling of the third core hole is well advanced with Sunbird's second drilling contactor having piloted the hole to a depth of 100m. The bore hole will now be prepared for coring in early January 2013.

Prior to the Christmas break the MOP002A core hole will undergo wireline logging and permeability tests to determine the reservoir properties of the coal.

 

Figure 1 & 2: Gassy coal sample from core hole MOP002A at Mopane Project

The Mopane Project is located in the Limpopo Province of South Africa about 420km northeast of Johannesburg. The project lies on the western limit of the Tshipise Coalfield which contains coal projects owned by Coal of Africa. Mopane is traversed by major electricity transmission lines that form part of the Southern African Power Pool and is also close to major local mining and mineral processing facilities. With a licence area of 1,577km^2, the project is held by Sunbird (74%) and Umbono (26%). Based on an Independent Expert Report, Mopane has a Best Estimate Gas in Place (GIP) of 1.9 Tcf, with a High Estimate of 13.66 Tcf.

The coal seams within the Mopane area are the equivalent formation and similar in quality to those that have been successfully developed by Anglo American for CBM production in the neighbouring Waterberg Basin, where a 1 Tcf CBM resource has been defined.

** ENDS **

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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 (9,904km^2) 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.