

ASX Announcement
4 June 2013

Independent Certification of 540 Bcf 2P Reserves for the Ibhubesi Gas Project

- Independent reserves certification of Ibhubesi Gas Project delivers 1P reserve of 210 bcf, which supports the commerciality of Phase 1 development
- 2P reserves of 540 Bcf represent the most likely recoverable volume and indicates significant expansion potential beyond Phase 1 Development
- Ibhubesi gas marketing discussions underway

Southern African gas explorer and developer, Sunbird Energy Ltd (ASX:SNY) is pleased to announce the completion of an Independent Reserves Assessment of the Ibhubesi Gas Project (SNY 76%) offshore South Africa.

Ibhubesi Gas Project Reserves and Resources Estimates

RESERVES AND RESOURCES (Gross 100%)	Recoverable Gas Volume (Bcf)	Recoverable Condensate Volume (MMbbls)
Proved Reserves (1P)	210	1.7
Proved+Probable Reserves (2P)	540	4.3
Proved+Probable+Possible Reserves (3P)	915	7.3
1C Contingent Resources	50	0.4
2C Contingent Resources	96	0.8
3C Contingent Resources	241	1.9

Ibhubesi Reserves Assessment

In April 2013, Sunbird announced the completion of the Ibhubesi independent technical assessment by RPS Energy (UK). The technical assessment confirmed that the planned Phase 1 development of the Ibhubesi Gas Project can be achieved without the need for further exploration or appraisal drilling. As a result of these findings, Sunbird engaged MHA Petroleum Consultants LLC, based in Denver, Colorado, to complete an Independent Reserves Assessment.

In conducting its assessment, MHA reviewed all available technical and commercial data for the field including interpretation of the large seismic database, discovery well logs and analysis, production tests, the field development plan and integrated project costs.

The reserves assessment confirms the proven 1P reserves of 210 Bcf, which is consistent with the previous estimates undertaken by Degolyer & MacNaughton in 2009 (190 Bcf). This volume of discovered gas is considered to be of high certainty of recovery (P90) and underpins Phase 1 of the Ibhubesi Gas Project development plan.

The 2P estimate of 540 Bcf represents the most likely (P50) recoverable volume for the project, indicating significant potential for project viability beyond the Phase 1 Development.

The targeted production drilling programme planned for the Phase 1 development will provide further appraisal of the field and could enable the upgrading of 2P reserves to the 1P proven category. This will allow Sunbird to progressively upgrade the 1P reserve and expand production from the field.

In estimating the reserves MHA has considered only the geological structures that relate to the wells that have been drilled and discovered gas. Seven of a total 11 wells drilled in the Ibhubesi Gas Project area have encountered gas at commercial volumes suggesting that additional gas volumes are likely to be identified by further drilling during the Phase 1 development.

Sunbird Managing Director, Will Barker, commented on the results of the reserves assessment: “The completion of the Independent Reserves Assessment is an important first step to deliver on our vision to supply gas to the west coast of South Africa. The independent verification of the high certainty proven gas volumes and their ability to underwrite Phase 1 of the Ibhubesi Gas Project - along with the large 2P reserves - provides Sunbird with the confidence to move forward with our partners into the detailed engineering planning, gas sales negotiations and approval process required to bring the project to commercialisation.”

PetroSA Acting Vice-President: New Ventures, Upstream, Andrew Dippenaar said: “PetroSA, as a joint venture partner in the Ibhubesi Gas field, shares Sunbird’s vision to develop the Ibhubesi and other potential west coast gas resources to a South African market as soon as possible. We will study and incorporate the findings of the independent audit report with our own understanding of the Ibhubesi Gas field and the discoveries made in the field to date. We look forward to working with our joint venture partners towards a common goal of monetising the west coast resources as soon as possible.”

Competent Person Statement

The reserves and resource estimates used in this announcement were compiled by Tim Hower of MHA Petroleum Consultants LLC and are consistent with the definitions of proved, probable, and possible hydrocarbon reserves and resources that appear in the Australian Stock Exchange (ASX) Listing Rules. Mr Hower is qualified in accordance with the requirements of ASX listing rule 5.11 and has consented to the use of the reserves and resource figures in the form and context in which they appear in this announcement.

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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 opportunity for the development of large scale energy projects.

Sunbird has executed an agreement to acquire a 76% stake in the Ibhuesi Gas Project offshore of the west coast of South Africa. The transaction, which is subject to approval of a transfer of title from the South African Department of Mineral Resources, will give Sunbird the right to operate and develop the Ibhuesi Gas Project, South Africa's largest undeveloped gas field. The Ibhuesi 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 five Coal Bed Methane (CBM) projects covering an extensive area (9,904km²) of prospective coal basins across in South Africa and Botswana. 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).