

ASX Announcement

11 March 2014

Sunbird Receives Independent Certification of 7.8 Tcf (SNY 76%: 5.9 Tcf) of Best Estimate Prospective Resources for Block 2A in South Africa

- **Independent certification of Block 2A delivers Best Estimate Prospective Resource of 7.8 Tcf (SNY 76%: 5.9 Tcf)**
- **The independent prospectivity assessment was completed following a review of all available drilling, 2D and 3D seismic data**
- **The large Prospective Resource Certification confirms the significant exploration potential for Block 2A that has the potential to enhance the longevity and commerciality of the planned Ibhubesi Gas Project**

Southern African gas explorer and developer, Sunbird Energy Ltd (ASX:SNY) is pleased to announce the completion of an Independent Resource Assessment of Block 2A in South Africa. Sunbird holds a 76% interest in the block and is the nominated operator. Block 2A is currently in year 5 of a 30 year production right from the Department of Mineral Resources, South Africa.

In October 2013, following the completion of the field development concept studies by Wood Group Kenny and the USTDA grant contributing to the undertaking of a full field development plan, Sunbird commissioned MHA Petroleum Consultants, Denver (MHA), to complete an independent assessment of the prospectivity of the 5000km² Block 2A in which the Ibhubesi Gas Project (IGP) is located. The objective of the independent evaluation was to identify the exploration potential of the block and thereby assess the volume of gas that could potentially deliver future incremental gas to the IGP project.

Sunbird is pleased to announce that these studies are now complete and have determined a Best Estimate 7.8 TCF (SNY: 5.9 TCF) of prospective gas resources within Block 2A.

Block 2A Prospective Resources Estimates:

Prospective Resources	Recoverable Gas Volume (Bcf) (Gross 100%)	Recoverable Gas Volume (Bcf) (Sunbird 76%)
Low Estimate	4,509	3,427
Best Estimate	7,783	5,915
High Estimate	13,304	6,495

Source: "Prospective Resources Evaluation, Block 2A, South Africa" by MHA Petroleum Consultants, 28th February 2014

The estimate of a material volume of prospective resource confirms the significant exploration potential of Block 2A. Sunbird believes that given the historically high exploration success rate within the block, which has seen 7 of the 11 wells drilled to date discover commercial volumes of gas, that there is a reasonable chance of further gas

discoveries with which to build the gas portfolio and enhance the commercial potential of the IGP project.

Subsequent to this review, it is Sunbird's intention to high grade the portfolio through additional geological studies to identify key targets for future exploration drilling based on geological certainty, size of the prospects and proximity to the planned IGP development. Sunbird intends to initiate these geological studies during 2014.

Sunbird Managing Director, Will Barker, commented on the results of the resource assessment: "The booking of 7.8 TCF of Best Estimate Prospective Resources for Block 2A (SNY 76%: 5.9 Tcf), in and around Sunbird's planned Ibhubesi Gas Project, confirms the significant exploration potential within a block that has a proven track record of exploration success with 7 of the 11 wells drilled to date encountering commercial gas volumes."

"During 2014 Sunbird will continue to pursue our development planning, engineering design and gas commercialisation negotiations for the IGP. The completion of this material prospective resource evaluation provides Sunbird with important information to increase the gas portfolio, provides a roadmap to focus future exploration activities and confirms the potential of the greater Block 2A to supply additional gas to the IGP and ultimately gas-to-power customers in the energy constrained South African market."

Prospective Resources Evaluation – Technical Description

In evaluating the prospective resources, MHA reviewed and interpreted the regional 2D seismic, the large 3D seismic data set and existing geological and drilling data.

During the review, MHA identified two major petroleum systems within Block 2A – the Albian fluvial channel system that is productive at the Ibhubesi Gas Project, and the Barremian "Kudu" non-marine gas play that is productive at the Namibian Kudu field, north of Block 2A.

The methodology applied in the evaluation is described below:

- a) Extensive 2D seismic (65% of the Block) and 3D seismic (35% of the block) exists over the block. Using this data, the individual prospects were mapped in seismic software SMT Kingdom, depth converted using the time depth correlations established for the IGP development and tied to the existing well control and known reservoirs to establish four depositional sequences in the Albian sandstones and the Barremian "Kudu" level.
- b) The individual prospects volumes were then calculated on a deterministic basis using inputs from the statistical means derived from petrophysical results from the existing well control.
- c) Following the estimation of the deterministic mean, probabilistic distributions of key input parameters were applied to calculate the low, best and high ranges of prospective resources for each prospect and sequence level. The 5 discrete sequences (four in the Albian and one in the Barremian "Kudu" level) were subsequently arithmetically summed to provide the Block 2A prospective resources estimates in this report.

Albian Sandstone Reservoirs

The Ibhubesi gas field is located in the offshore Orange Basin that extends along the western coastline of South Africa into south western Namibia.

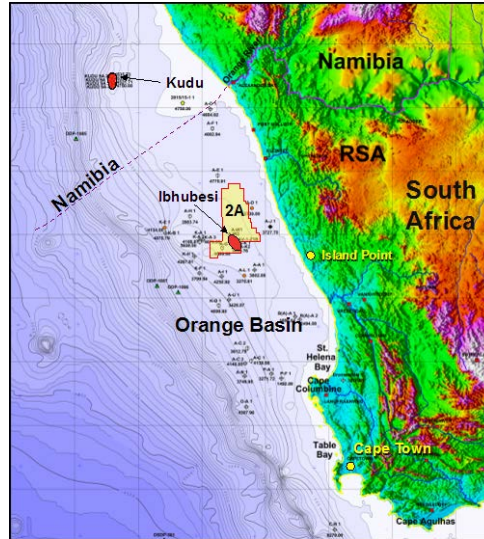


Figure 1: Location of Orange Basin, South Africa & Namibia

The Ibhubesi gas field has tested gas from Cretaceous Albian aged sandstone reservoirs which are identified with a high degree of accuracy from seismic data due to the impedance effect of the porosity of the reservoirs. These same reservoirs have also tested gas at the A-F1 well in Block 1 near the northern border with Block 2A, delineating a productive trend at least 200 kilometers long.

The Albian high porosity sandstone reservoirs are located in channelised reservoirs through which over 25 penetrations (from 11 wells) have been calibrated to collect log, core and seismic data. The seismic amplitudes, representing potential gas reservoirs, have been identified on 2D and 3D seismic. The resulting prospective targets, with a Best Estimate Prospective Resource of 7.0 Tcf (SNY 76%: 5.3 Tcf) are shown in the map below.

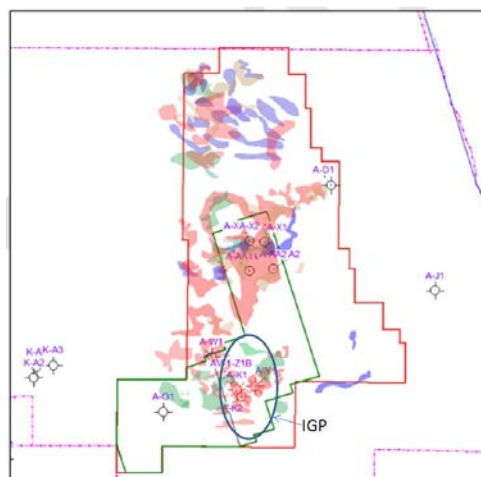


Figure 2: Albian Sandstone Potential Drill Targets

Barremian “Kudu” Non-Marine Reservoirs

To the north of Block 2A, but within the Orange Basin, the Kudu Gas Field has proven Cretaceous Barremian age non-marine reservoirs.

A structural closure has been identified at the Barremian “Kudu” level, the 13At1 seismic horizon, in the central area of the Block 2A. The 13At1 seismic marker, a regional unconformity, was interpreted within the merged 3D area and identified a large prospect at the Kudu reservoir level with a Best Estimate Prospective Resource of 0.8 Tcf (SNY 76%: 0.6 Tcf).

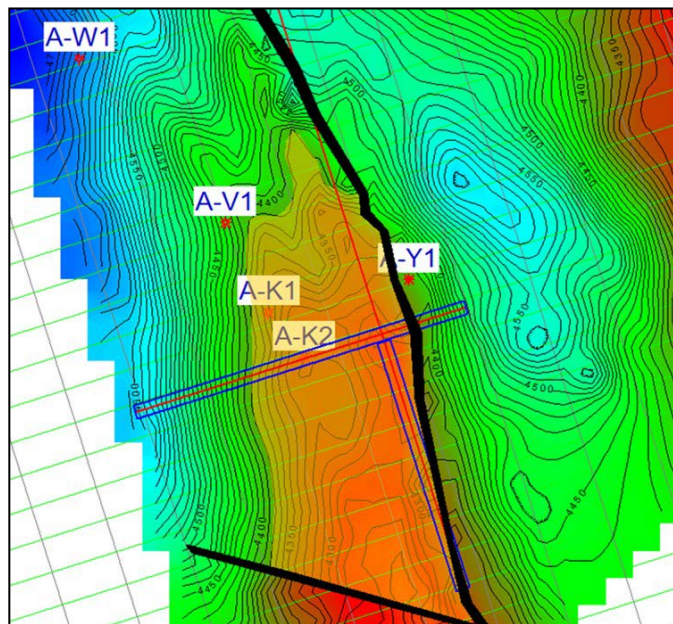


Figure 2: Barremian “Kudu” Potential Drill Target

A summary of the prospectivity in Block 2A by reservoir target is provided in the table below:

Prospective Resources	Low Estimate (Bcf)	Best Estimate (Bcf)	High Estimate (Bcf)
Albian Prospects	4361	7023	9412
Barremian “Kudu” Prospect	149	761	3893
Gross Prospective Resources (100%)	4509	7783	13304
Net Prospective Resources (SNY 76%)	3427	5915	10111

Table 2: Prospect Details by Target Reservoir

Note: Prospective Resource Cautionary Statement (ASX Listing Rules 5.28.2)

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Competent Person Statement

The reserves and resource estimates used in this announcement were compiled by Jeff Aldrich 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 Aldrich, who is not an employee of Sunbird, 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.

ASX Listing Rule 5.31.3

Block 2A is the subject of a 30 year Production Right granted in terms of Section 84(1) of the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002) by the Minister of Minerals and Energy for and on behalf of the Government to South Africa to Forest Exploration International (South Africa) (Pty) Ltd (53.2%) and Anschutz Overseas (South Africa) (Pty) Ltd (22.8%) (both being entities in which Sunbird has acquired a wholly owned 100% interest with the required consent and approval of the Minister) and to PetroSA (24%) with effect from 26th October 2009. At the date of this announcement, the Production Right is valid and subsisting.

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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 received government approval for its proposal to acquire a 76% stake in the Ibhubesi Gas Project offshore of the west coast of South Africa. The transaction gives Sunbird the right to operate and develop 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 five Coal Bed Methane (CBM) projects covering an extensive area (10,070 km²) 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.