

ASX Announcement  
29 July 2015

## SUNBIRD ENERGY FINANCING UPDATE

Sunbird Energy Ltd (**SNY:ASX**) ("**Sunbird**") confirms that it requested a trading halt on 27 July 2015 so that the company could consider its position in relation to company financing requirements and in particular, the impact of an indicative non-binding proposal received from Glendal Power & Industries Proprietary Limited ("**Glendal Power**") to undertake a potential takeover bid of all of the shares of Sunbird at an offer price of A\$0.18 per share ("**Proposal**"). The Proposal is subject to a number of conditions including due diligence, third party financing arrangements and Glendal Power achieving a minimum relevant interest in at least 51% of the aggregate of all Sunbird shares on issue on a fully diluted basis.

The Proposal has an indicative cash consideration of A\$0.18 per share and potentially values Sunbird at over A\$25 million and represents a 44% premium to the spot price and 53% premium to 60-day VWAP as at 24 July 2015.

Glendal Power is a South African based majority black owned power infrastructure company currently active in the Southern African coal-fired power, solar power and gas infrastructure development sectors.

Glendal Power has retained Macquarie First South Capital Proprietary Limited as financial advisers and Baker & McKenzie as legal advisers in relation to the Proposal.

The Board is considering the Proposal and is engaging in discussions with Glendal Power to:

- clarify the terms of the Indicative Offer and associated financing matters;
- assist Glendal Power to complete its due diligence investigations; and
- determine whether to enter into, and negotiate the terms of, a binding implementation agreement.

**Shareholders should note that this does not constitute an announcement or public proposal by Sunbird or Glendal Power that Glendal Power will be making or proposing a takeover bid for Sunbird and there is no guarantee that a takeover bid or any other proposal will be made or proposed. Further, if a takeover bid is made or proposed, there is no guarantee that it will be at a price of \$0.18 per share.**

The Board recommends that shareholders take no action until further advised by the Board. Sunbird is being advised by DLA Piper Australia.

### **Umbono Loan and Short Term Funding**

As previously announced by Sunbird (see various announcements including Half Yearly Report released 16 March 2015) the Umbono Loan entered into by Sunbird on 6 August 2014 falls due on 10

August 2015, the repayment amount is approximately \$900,000 including principle and interest. Sunbird is currently in late stage negotiations with the Umbono Loan lender regarding the refinancing of this loan. Sunbird is also in late stage negotiations with a number of sophisticated investors who have existing debt facilities in place with the company (see Half Yearly Report released 16 March 2015) regarding the provision of a further debt facility.

Sunbird is also pursuing both short term funding and potential transactions with a number of other parties.

**\*\* ENDS \*\***

**For further information please visit [www.sunbirdenergy.com](http://www.sunbirdenergy.com) or contact:**

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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 opportunities for the development of large scale energy projects.

Sunbird owns a 76% interest in the Ibhuesi Gas Project offshore of the west coast of South Africa. Sunbird is developing and will operate 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 Coal Bed Methane (CBM) projects covering an extensive area in prospective coal basins across South Africa. Sunbird is conducting a phased exploration program to define the resource base and demonstrate the commercial potential of its portfolio.

## **About the Ibhuesi Gas Project**

The IGP is South Africa's largest undeveloped gas field, with 1P reserves of 210 BCF (SNY 76%: 159 BCF) and 2P reserves of 540 BCF (SNY 76%: 410 BCF). The Project is located 380km north of Cape Town in Block 2A, which is a Production Right that covers 5,000 km<sup>2</sup>.

The IGP is situated in the offshore Orange Basin, approximately 70 km off the coast in water depths of 250 metres.

The IGP is covered by 1,770 km<sup>2</sup> of 3D seismic and many thousands of km of 2D seismic. Over US\$125 million (R1.2 billion) has been spent on exploration and appraisal of the project since 2000.

The successful development of the IGP would see the replacement of diesel as the current feed stock at the Ankerlig Power Station and/or the development of a ~500MW IPP thereby assisting in meeting the Country's growing energy needs, improving its energy security, creating a new industry and local jobs. The IGP provides numerous additional benefits:

- The IGP is a Strategic Infrastructure Project (SIP5) under the Presidential Infrastructure Coordination Commission;
- The IGP will establish the first critical pipeline infrastructure in the Orange Basin providing a route to market and encouraging further exploration and development;
- Will provide significant revenue to the government in the form of royalties, corporate and payroll taxes and state participation;
- Substantial direct and indirect job creation during construction and production phases leading to the development of local skills and enterprise;
- Balance of Trade benefits from the replacement of imported diesel, which is indexed to \$US and the oil price, with a domestic gas source; and
- Reduction in greenhouse gas and CO<sub>2</sub> emissions via the utilisation of gas.