

29 November 2010
ASX Limited
Company Announcements
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Sun and Carnarvon Agree to Multi-Well Drilling Programme at L20/50, Onshore Thailand

Highlights

- **L20/50 Joint Venture commits to second firm well as part of the high impact multi-well drill programme to commence next month at L20/50, onshore Thailand**
- **Drilling program now confirmed as two firm wells plus one contingent well to test in excess of 80mmbo speculative potential which is a best estimate based on gross recoverable oil. The wells will test oil potential across multiple stacked targets**
- **The three well locations have now been agreed, and the Operator, Carnarvon Petroleum Limited, advises that site construction and road access is underway**
- **First well targeting spudding in mid January 2011**
- **Peak Oil & Gas Limited will free-carry Sun through its share of the first obligation well for a total cash consideration of A\$1.3 million to earn its initial 7.5% working interest**

Sun Resources NL ("**Sun**" or "the **Company**") is pleased to report that it has agreed with the Operator of the L20/50 Joint Venture, Carnarvon Petroleum Limited ("**Carnarvon**"), to increase the number of firm wells drilled in the maiden drilling programme to two (2), with one (1) additional well to be considered based on the results of the first two firm wells.

The three highest-ranked prospects have been selected from which two firm wells plus one contingent well have been approved by the Joint Venture for drilling, which will test in excess of 80mmbo of speculative potential, which is a best estimate based on gross recoverable oil. In prioritising the well locations, the Joint Venture has utilised the results of its high quality seismic data acquired in 2009, which identified 23 leads and prospects within 5 different play types over an area of 548km covered by the seismic survey. If all 3 wells are drilled, the programme will test 3 different prospect styles.

Each well will take approximately two-three weeks to drill and complete, with each well testing multiple reservoir horizons where the potential for stacked oil pools exists. The well locations and targets of each well are detailed below.

Well # 1 - the Tapao Kaew Prospect

The first well will be drilled into the Tapao Kaew Prospect (figures 1 & 3), a 4-way anticlinal structure with stacked targets on the western edge of the basin, immediately adjacent to the interpreted hydrocarbon kitchen.

The Joint Venture estimates the Tapao Kaew Prospect to have a gross speculative potential resource of approximately 21 million barrels. The Tapao Kaew-1 well will test up to three separate mapped horizons between approximately 700 - 1,715 metres.

Well # 2 - the Krai Thong Prospect

The second well will be drilled into the Krai Thong Prospect (figures 1 & 4), a faulted anticlinal structure with multiple stacked targets.

The Joint Venture estimates the Krai Thong Prospect to have a gross speculative potential resource of approximately 37 million barrels. The Krai Thong-1 well will target two separate mapped horizons between approximately 700 - 1,450 metres.

Well # 3 (Contingent) - the Chalawan Prospect

If sufficient encouragement is demonstrated by the first two wells, the Joint Venture may drill a third well as part of this initial drill program. This well would be at the Chalawan Prospect (figure 1). This structure comprises a series of tilted fault closures on the eastern edge of the basin. The Joint Venture estimates the Chalawan Prospect to have a gross speculative potential resource of approximately 32 million barrels. If this prospect is drilled, it is planned to be a shallow well to a total depth of 950 metres.

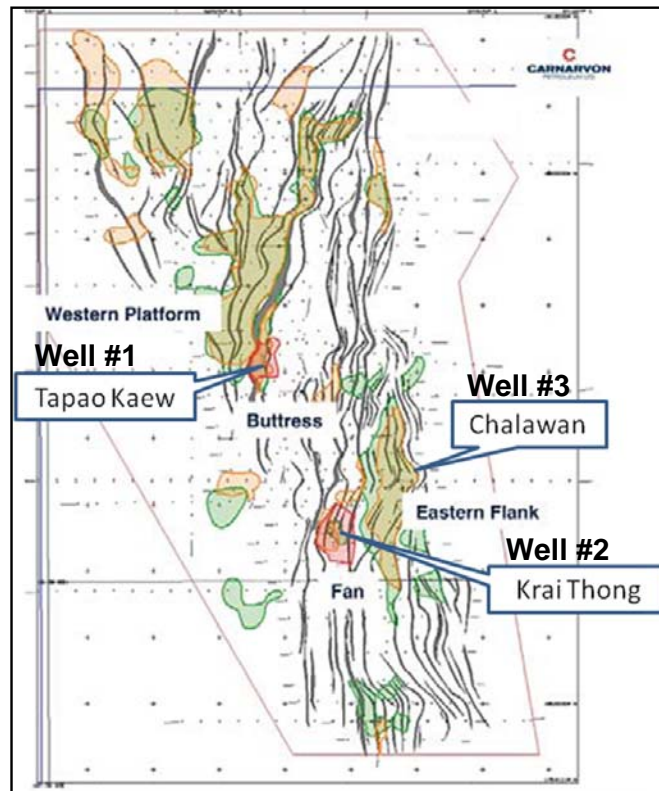


Figure 1, Prospect location map, L20/50 Permit

The joint venture's upcoming drill campaign is targeting the 'classic' sandstone reservoirs. In addition, the permit also has potential for analogous structures to Carnarvon's Phetchabun basin oil fields, with the potential for oil in stacked, shallow, fractured volcanic reservoirs. Previous drilling in the permit (e.g. the off structure Nong Bua-1 well) has demonstrated that oil has been generated within the L20/50 concession and has migrated through deeper sandstone reservoirs.

Commenting on the work programme, Sun Resources' Managing Director, Matthew Battrick said:

"This commitment to a second firm well demonstrates the Joint Venture's intent to aggressively explore this high potential oil play which lies on trend with the largest onshore oil field complexes in Thailand. As a consequence of Sun's recent successful capital-raising, we are in a strong financial position to realise the potential of this exploration fairway by retaining a material interest in any and all discoveries we make in the imminent, high-impact drilling programme at L20/50, onshore Thailand. As demonstrated by our Operator Carnarvon elsewhere in Thailand, any discovery at L20/50 can be very quickly commercialised with crude oil transported by truck to one of Thailand's nearby oil refineries for sale."

Weather permitting, drilling is scheduled to commence in mid January 2011, subject to final government approvals of the detailed drilling proposals, an executed rig contract and completion of site construction efforts. Carnarvon has advised that site construction and road access is underway across the 3 well locations, and final negotiations in relation to the rig contract are near complete. Over the coming weeks Sun's expects to provide further updates about the logistics and timing of its high impact multi-well drill programme at L20/50.

Sun will be free-carried through the first well by Peak Oil & Gas Limited ("**Peak**"), which will earn a 7.5% working interest by funding Sun's A\$1.3 million share of the first well costs. At the end of the first well, Sun will retain a 42.5% interest in the L20/50 permit. Pursuant to the farm-in agreement between Peak and Sun, Peak may earn a maximum interest of 20% in the permit, subject to various terms and conditions.

About the L20/50 Permit

The L20/50 permit lies on the onshore Phitsanulok Basin, located between Thailand's two largest producing onshore field complexes, being the next basin along from Carnarvon Petroleum Limited's Phetchabun Basin Oil Fields (producing up to 15,000 bopd with >60 mmboc estimated ultimate recovery) and 20 kilometres south, in the same basin as the prolific Sirikit Oil Field (producing ~20,000 bopd with >200 mmboc estimated ultimate recovery), figure 2.

The L20/50 Joint Venture exploration program is targeting a resource of similar size to that of Carnarvon and Pan Orient who are producing up to 15,000 bopd (with >60 mmboc estimated gross ultimate recovery) from a number of new oil pools in the "volcanic play" in the adjacent Phetchabun Basin, 50 kilometres to the east. The primary reservoir target in the wells testing the firm prospects is the traditional sandstone reservoirs that produces most of the oil from the prolific Sirikit Oil Field and is present in multiple levels in the Nong Bua-1 well within L20/50.

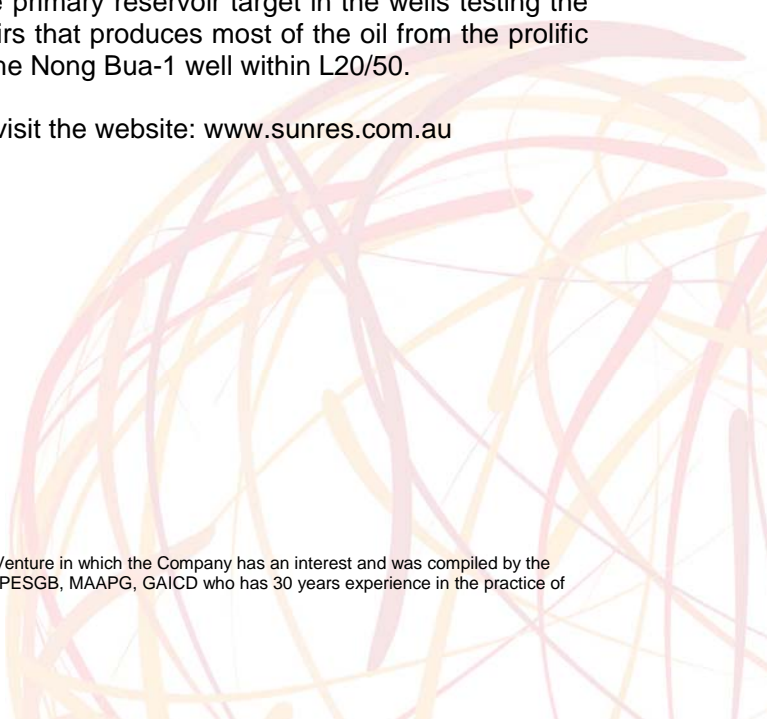
For more information and regular updates, please visit the website: www.sunres.com.au

Yours faithfully



SUN RESOURCES NL
Matthew Battrick
MANAGING DIRECTOR

Information contained in this report was sourced from the Operator of the Joint Venture in which the Company has an interest and was compiled by the Managing Director of Sun Resources, Matthew Battrick, BSc (Geol), MPESA, MPESGB, MAAPG, GAICD who has 30 years experience in the practice of geology and more than 25 years experience in petroleum geology.



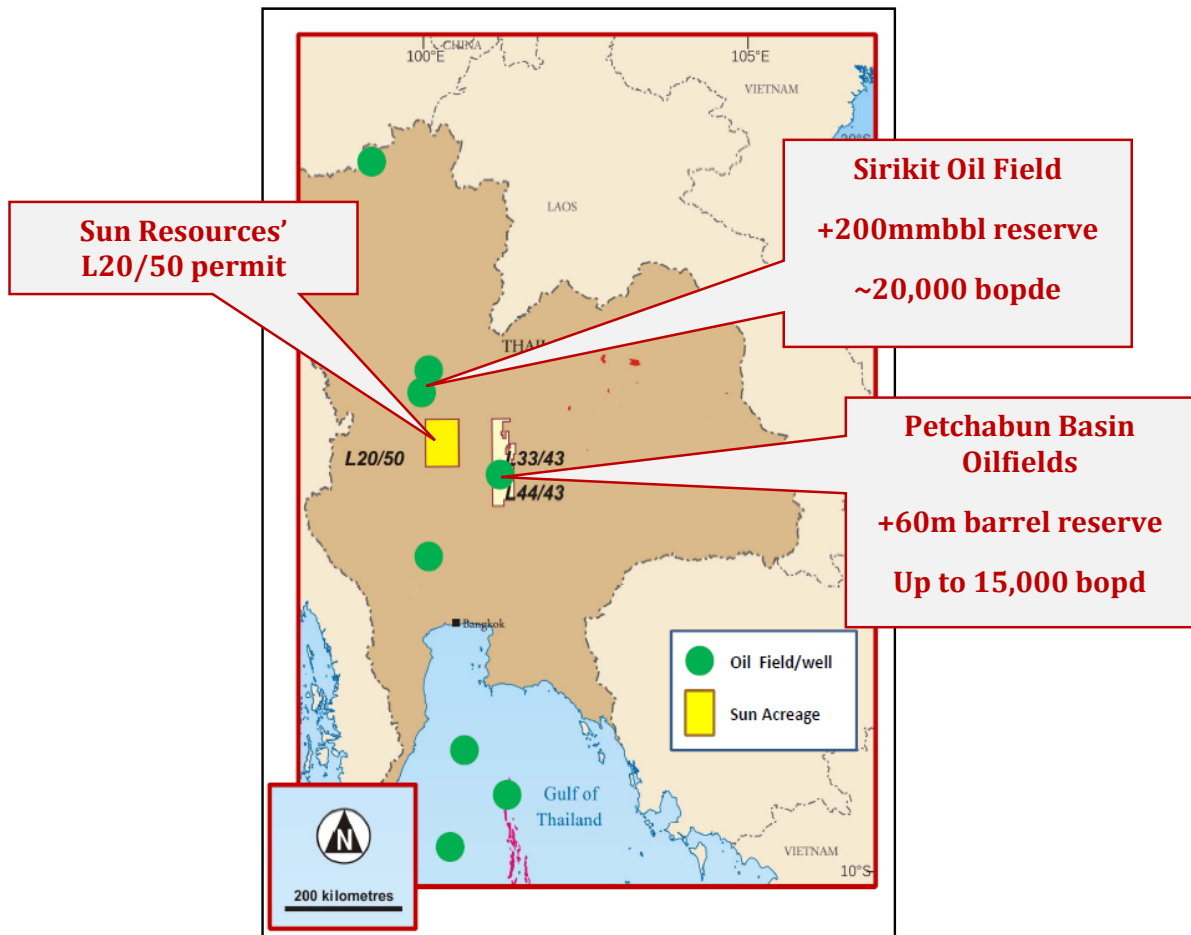


Figure 2: Location of L20/50 Concession in relation to the Sirikit and Petchabun Basin Oilfields onshore Thailand

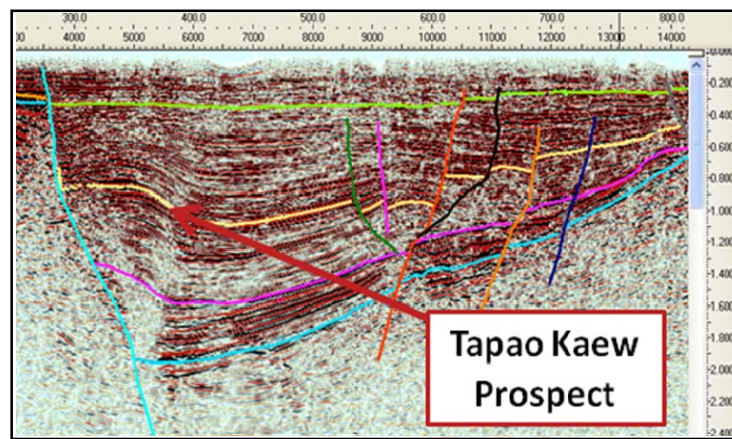


Figure 3: Seismic cross-section showing of the structural prospect Tapao Kaew, with gross speculative potential across 3 stacked targets to test = 21 million barrels (Operator estimate); confirmed for testing as the first well in the forthcoming drilling campaign

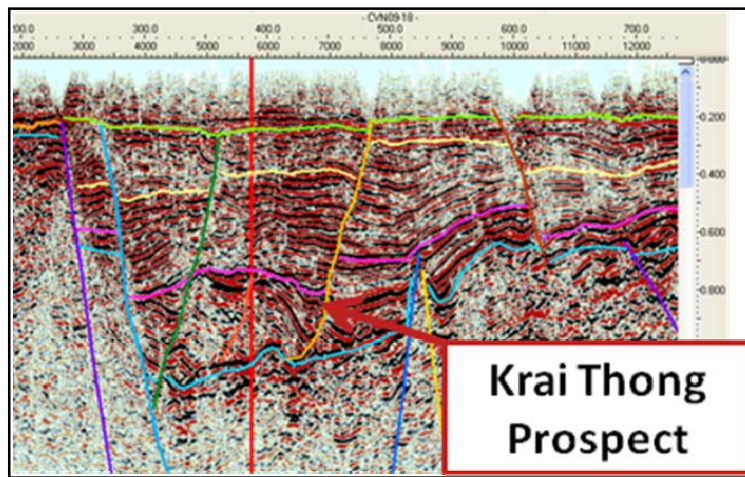


Figure 4: Structural cross-section showing trap style of the Krai Thong Prospect, with gross speculative potential across 2 stacked targets to test 37 million barrels (Operator estimate) and confirmed as the second well test

