



SUN RESOURCES NL

ABN 69 009 196 810
(INCORPORATED IN WESTERN AUSTRALIA)

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11 March 2009

Australian Stock Exchange Limited
Company Announcements
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

LODGEMENT OF SIX MONTHLY REPORT DECEMBER 2008

Please find attached the six monthly report of Sun Resources NL for the period ending 31 December 2008.

Yours faithfully
SUN RESOURCES NL

A P Woods
Director

Copy: ASX DD Directors CB/XL File

SUN RESOURCES NL

ABN 69 009 196 810

AND ITS CONTROLLED ENTITIES

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2008

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CORPORATE DIRECTORY**Directors**

Dr Bradford Lawrence Farrell, B.Sc.
 (Hons Econ Geol), M.Sc., Ph.D., FAIMM
 MMICA, CP(Geol), MIMM, CEng, MPESA
 30 Sudbury Way
 City Beach, Western Australia 6015

Director and Chairman

Mr Matthew A Battrick, B.Sc. (Geol)
 MPESA, MPESGB, MAAPG, GAICD
 11 Meadowbank Gardens
 Hillarys, Western Australia 6025

Executive Director and Managing Director

Alan Peter Woods
 FCPA, FTIA, MAICD
 10 Palmer Street
 Attadale, Western Australia 6156

Executive Director and Company Secretary

Dr Philip Linsley, B.Sc. (Hons Geol) (London)
 Ph.D. (London), MBA (Kingston)
 4 Birds Hill Road
 Oxshott, Surrey KT22 0NJ
 England

Non-Executive Director

Dr Wolf Gerhard Martinick
 B.Sc, Ph.D., MAIMM, CP (Env)
 60 Jutland Parade
 Dalkeith, Western Australia 6009

Non-Executive Director**Company Secretary**

Alan Peter Woods
 FCPA, FTIA, MAICD
 10 Palmer Street
 Attadale, Western Australia 6156

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Solicitors

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Australian Stock Exchange Limited
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 Perth, Western Australia 6000
 ASX Code: SUR

SUN RESOURCES NL

DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Sun Resources NL and the entities it controlled at the end of, or during, the half-year ended 31 December 2008.

DIRECTORS

The names of the Directors of the Company in office at the date of this report are:

Dr B L Farrell	Director and Chairman
Mr M A Battrick	Managing Director - Executive
Mr A P Woods	Director and Company Secretary - Executive
Dr P Linsley	Director - Non Executive
Dr W G Martinick	Director - Non Executive

Information on Directors

Bradford L. Farrell, B.Sc (Hons Econ Geol), M.Sc, Ph.D., FAIMM, MICA, CPGeol, MIMM Director and Chairman

Dr Farrell was appointed to the Board on 1 May 1987. He was previously also a Director of ASX listed Basin Minerals Limited for the period November 1995 to October 2002 until its takeover by Iluka Resources Limited. Dr Farrell is a graduate of the University of Adelaide where he obtained a Bachelor of Science, Honours Economic Geology. Subsequently post graduate qualifications of Master of Science and Doctor of Philosophy were obtained at the University of Leicester, United Kingdom. He is a Fellow of the Australasian Institute of Mining and Metallurgy, a Chartered Professional Geologist of that body, Member of the Mineral Industry Consultants Association, a Member of the Institution of Mining and Metallurgy, a Chartered Engineer of that body, Member of the Petroleum Exploration Society of Australia and a Member of the Association of Exploration Geochemists. He has had forty years experience in resource exploration and senior project management and evaluation. During this time he has managed numerous and extensive exploration programmes within Australia and overseas for a variety of mineral commodities for both major and junior exploration companies. Some of these programmes have resulted in significant discoveries, which are currently in production or will see future production.

Dr Farrell holds 22,862,626 fully paid ordinary shares and 1,200,000 unlisted partly paid contributing shares in the Company.

Matthew A. Battrick, B.Sc (Geol), MPESA, MPESGB, MAAPG, GAICD Executive Director and Managing Director

Mr Matthew Battrick was appointed to the Board on 15 January 2008 as Managing Director. He obtained a Bachelor degree in Geology from the Royal Melbourne University of Technology (RMIT) in 1981. He has had a long, international career with both major and large independent oil and gas companies (LASMO, Ampoex, ExxonMobil) before joining ASX-listed Pancontinental Oil & Gas NL in 2004 as Exploration Manager, then General Manager. He is a Member of the Petroleum Exploration Societies of Australia and Great Britain, and a member of the American Association of Petroleum Geologists. He is also a member of the Australian Institute of Company Directors (AICD) and a graduate of their Company Directors Course (CDC). He has been a director since 2001 of the Activ Foundation (Inc.), a Western Australian-based, non-government organisation for people with intellectual disabilities.

Mr Battrick holds 2,000,000 unlisted options in the Company.

DIRECTORS' REPORT

Alan Peter Woods, FCPA, FTIA.

Executive Director, Chief Financial Officer and Company Secretary

Mr Peter Woods was appointed to the Board on 17 October 1989. He was previously also a Director of ASX listed Basin Minerals Limited for the period November 1995 to October 2002 until its takeover by Iluka Resources Limited. Mr Peter Woods is a shareholder and founding Managing Director of APSL Pty Ltd which commenced operations in June 1984. APSL Pty Ltd provides corporate and management services to exploration, mining and technology companies in Australia and overseas. He is a Fellow of the Taxation Institute of Australia, a Member of the Australian Institute of Company Directors and he has thirty-eight years experience in corporate accounting and financial management areas. He has had extensive experience in the provision of management, financial and taxation advice to clients, including several public companies. In recent years, he has developed a close involvement with oil, gas, gold exploration and mining companies. This work has included professional advice in respect to equity capital raisings, corporate reconstructions, mergers, acquisitions, developing extensive gold hedging programs and financing packages in relation to a number of public companies.

Mr Woods holds 7,913,202 fully paid ordinary shares and 1,200,000 unlisted partly paid contributing shares in the Company.

Wolf Gerhard Martinick, B.Sc, Ph.D, MAIMM, EIA, ECA
Environmental Scientist and Director (Non-Executive)

Dr Wolf Martinick was appointed to the Board on 19 February 1996. Dr Martinick is a scientist with extensive experience in the resource industry. For over thirty one years he has been associated with the exploration and mining industry in Australasia, especially with respect to environmental, water, land access and Native Title issues. He is a Fellow and Chartered Professional of the Australian Institute of Mining and Metallurgy and a past Vice President of the Association of Mining and Exploration Companies. In 2003 he became Executive Chairman of ASX listed Ezenet Limited, in 2005 Non-Executive Chairman and Director of AIM listed Weatherly International PLC and in 2006 Director of ASX listed Uran Limited and Windimurra Vanadium Limited. He is also Chairman of MBS Environmental Pty Ltd, a company that provides environmental consultancy services to the resource industry.

Dr Martinick holds 12,821,828 fully paid ordinary shares and 1,200,000 unlisted partly paid contributing shares in the Company.

Philip Linsley, B.Sc. (Hons Geol), Ph.D, MBA
Geologist and Director (Non-Executive)

Dr Philip Linsley was appointed to the Board on 7 May 1997. Dr Linsley is a Non-Executive Director whose primary role is to assist the Board in the acquisition of oil production and to investigate exploration opportunities outside Australia and Oceania. Dr Linsley is also a Director of Carpathian Resources Limited (commencing July 2005) which is listed on both the ASX and AIM and a Director of PXP Management Limited, a well known United Kingdom based consultancy firm focusing on the oil and gas exploration and production industry. He has had some thirty one years experience in oil exploration and production in many parts of the world (Australia, South East Asia, Africa, America, Kazakhstan, Europe and the Middle East) initially in employment with Texaco and Mesa and later as a consultant to companies that include Occidental, Tricentrol, Ashland, Ranger, Svenska and Chase Manhattan Bank.

Dr Linsley holds 1,424,383 fully paid ordinary shares and 1,200,000 unlisted partly paid contributing shares in the Company.

SUN RESOURCES NL

DIRECTORS' REPORT

REVIEW OF OPERATIONS

The consolidated net profit/(loss) for the consolidated entity for the period under review was \$219,887 [2007: (\$2,246,422)]. Comments on the operations and major activities of the Company are set out below.

Sun Resources NL ("Sun Resources") is delivering on its strategy of building significant cash flow in the USA Onshore Gulf Coast and applying this revenue to capture and participate in larger scale, high impact exploration projects, particularly in SE Asia.

A. OIL AND GAS DEVELOPMENT AND PRODUCTION

1. UNITED STATES OF AMERICA

Sun Resources' increasing presence in the USA is due to excellent investment opportunities offered to small companies namely:

- An extremely large market for energy, with a demand supply imbalance that drives costs
- Ready access to infrastructure, even for smaller discoveries
- Lower technical risk within prolific hydrocarbon bearing basins
- Low exploration and development costs by world standards for onshore projects
- High energy pricing, in particular for gas.

Gas prices have a seasonable demand that reflects the use of gas for heating. Oil and gas prices fell during the half-year, but the averages for the December quarter were US\$92.37 per barrel and US\$7.73 per 1,000 cubic feet respectively (3+ times the price received for gas within Australia). It is expected that gas prices will fall in early 2009 to levels probably in the range of US\$4 to US\$5 per mscfg.

Sun Resources current exploration and production emphasis is on both oil and gas in conventional geological settings and within conventional reservoirs, principally located on the South Texas Gulf Coast (Flour Bluff Gas Project, Projects Margarita & Redback) and the Louisiana Gulf Coast (Lake Long Project). Recent drilling has been successful on Gulf Coast, South Texas and Louisiana USA projects and should continue to generate significant cash flow and assist in funding the Company's exploration activities. Revenue has dropped as a consequence of falling prices, but also operationally, due largely to the Lake Long #9 well being offline from early July to late October 2008 plus a small natural decline during the half-year from other wells and fields. The JSGU#1 Well (F1) should have a positive impact during the 1st quarter of 2009, after construction of the production facilities is completed. A successful drilling outcome at the Meek prospect in the next quarter ended March 2009 would add production, adding to the Company's US\$ revenue base.

Lake Long, Louisiana, USA (Sun Resources - 10%)

Update

The SL328 #9 well was shut in on 5 July 2008 after a production log identified a hole in casing below the level of the gas zone perforations. A work-over of this well was completed by late October 2008 and gas production resumed at an initial gross rate of 2.5mmscft/d. The production rate has climbed during the quarter, now close to pre-work-over levels of approximately 2.9mmscft/d gas and 39b/day oil. Production will continue to produce from 24 feet of net pay in the Middle Hollywood Sands. At a later date, after depletion of reserves in the Middle Hollywood, the 13 feet of net pay in the Upper Hollywood Sands will be completed through tubing for further production from this level. Gross reserves at both levels are approximately 3 billion cubic feet of gas equivalent ("bcfge").

SUN RESOURCES NL

DIRECTORS' REPORT

REVIEW OF OPERATIONS

A. OIL AND GAS DEVELOPMENT AND PRODUCTION

1. UNITED STATES OF AMERICA

Lake Long, Louisiana, USA (Sun Resources - 10%)

History and background

In early April 2007, Sun Resources, through its USA subsidiary, Sun Delta Inc, farmed into a development project (Hollywood Prospect) on State Lease SL238 in the Lake Long Field area in Lafourche Parish, Louisiana, USA to earn a 10% Working Interest ("WI") from farmee and local operator, Kriti Exploration, Inc ("Kriti"). An attraction to the farmin was Kriti's nearby (800m distant) under utilised production facility to handle any production from the successful development.

In May 2007 the SL328 #9 well commenced the test of the Hollywood Prospect, a faulted structural high with Lower, Middle and Upper Hollywood Sands objectives with pre drill cumulative unrisks potential of 21 bcfg and 760,000 bo in the three objectives. The prospect was considered relatively low risk as there was good 3D seismic amplitude support of the multi-play targets which were interpreted as indicating gas.

Project Margarita, Texas, USA (Sun Resources - 37.5%)

Amalgamated production from Agavero and Dona Carlota Gasfields, plus the Milagro Oilfield (as it is now entirely oil production) continued during the half, showing a degree of natural decline but averaging 0.304 mmcfgd with 6 bopd, ie 0.34 mmcfgde through the December 2008 quarter.

Flour Bluff Gas Field, Texas, USA (Sun Resources - 20.00 to 24.1667%)

Production from the fields continued through the half, with the total production rate falling due to natural pressure decline, but delivered an average 1.537 mmcfgd with 22 bod, ie 1.669 mmcfgde, during the December 2008 quarter. Work-over operations were completed on the D#24 during the December quarter but the Smith#1 well workover was deferred to the March quarter of 2009. The D24 result was initially positive but the well subsequently produced more water than expected. The Smith workover is expected to increase overall production rates through calendar 2009. A 3D seismic programme is being planned over the West Flour Bluff Gas Field which will detail current reserves and target additional reserves. Following the 3D seismic programme development drilling will commence to further increase production rates.

B OIL AND GAS EXPLORATION

1. THAILAND EXPLORATION

L20/50 Block, Onshore Phitsanulok Basin (Sun Resources - 50%)

Update

The Operator continued with technical studies during the half, including seismic reprocessing and interpretation of the newly scanned data. Planning for the year-2 commitment had commenced during the 4th quarter of 2008 and was continuing at the end of the half-year. Ministerial approval for the planned aeromagnetic survey was still outstanding at the end of the half-year.

SUN RESOURCES NL

DIRECTORS' REPORT

REVIEW OF OPERATIONS

B OIL AND GAS EXPLORATION

1. THAILAND EXPLORATION

L20/50 Block, Onshore Phitsanulok Basin (Sun Resources - 50%)

Background

Sun Resources and Carnarvon Petroleum Ltd ("Carnarvon") accepted the L20/50 block award from the Thai Government at the official signing ceremony in Bangkok on 21 January 2008 and Carnarvon, as Operator, commenced exploration activities on the concession. The block is to the south of and adjacent to the largest onshore oil and gas accumulation in onshore Thailand, the Sirikit Field, which to date has produced ~180 million barrels of oil equivalent ("mmbboe"). L20/50 has only been lightly explored with the last effort some 25 years ago, in a time of low oil prices. There is the possibility of near term production and cash flow on the block from a re-drill of an old shut in well (Nong Bua-1). This well was not brought into production because it required artificial lift to bring the oil to surface, and this higher cost production at the then time of prevailing low oil prices was not considered by the operator as it was fully committed to the development of the prolific Sirikit Field.

2. USA EXPLORATION

Sun Resources will have a material equity position in the following exploration wells, previously scheduled for the remainder of 2008, but now deferred until 2009.

Project	Prospect	Interest	Potential	Comments
Viking	Meek	12.5%	18 bcfe	Middle Wilcox
Margarita	TB#18	37.5%	1.7bcfe	Frio Fm.
Redback	R-1.95	20.0%*	58 bcfe	Middle Vicksburg

* Subject in part to successful farm-out negotiations

Meek Prospect, Onshore Texas, USA (Sun Resources 12.5%)

Update

Sun Resources, farming in to take a 12.5% working Interest (10%NRI) in the Meek Prospect in Wharton County of Southern Texas currently anticipate the contracted drilling rig will arrive on location in late January 2009. Site preparations were about to commence at the end of the half and had been completed by 22 January 2009. The well actually commenced operations on 6 February 2009.

Background

This opportunity also allows Sun Resources to develop a relationship with Mueller Exploration's prospect generator, Viking International, who has a very successful business model, similar to Wandoo Energy. The prospect is now fully farmed out and approved, with a rig contracted and we are now waiting for the rig to complete its other obligations ahead of arriving on location to drill the Meek Prospect as the Ammann Heirs #1 well. The Meek Prospect targets 16 bcfg with 269,000 bo (18 bcfe) in stacked, highly productive, Middle Wilcox (Meek) sands. Nearby production wells in Meek sands are good analogues and have produced similar order of reserves to that being targeted by Sun Resources at the Meek Prospect in 4 to 5 year production periods. The Meek Prospect is relatively low risk because it has been keyed off an adjacent Meek producing field by using good 3D seismic. Seismic attributes indicate the presence of hydrocarbons conforming to the prospect structure.

SUN RESOURCES NL

DIRECTORS' REPORT

REVIEW OF OPERATIONS

B. OIL AND GAS EXPLORATION

2. USA EXPLORATION

Project Margarita, Onshore, South Texas, USA (Sun Resources - 20% to 37.5%)

Update

The F#1 prospect, drilled under the name James Stewart Gas Unit #1, was successfully tested and completed during the half after encountered strong oil and gas shows in the primary target Frio Formation. A testing rig completed an extensive testing program completed for gas production from the Frio Formation at a gross rate of approximately 200mcf/d. Very small amounts of H₂S gas were recorded shortly after the well was opened to sales and at the end of the half, equipment was being installed to manage and mitigate the presence of the gas. The well resumed sales after the end of the reporting period. The TB #18 prospect is still the subject of a leasing process.

Background

The "Deep Wells Programme" will test a number of deeper, larger volume, but higher risk, Wilcox prospects in the deep gas prospect inventory having potential un-risked recoverable volumes of 15 to 200 billion cubic feet of gas ("bcfg"), refer table below. The Cazadores Prospect (20 to 60 bcfg) is the most advanced prospect with the joint venture currently generating farm-in interest for possible drilling in the first quarter of 2009.

Prospect	Gross Potential	Comments
Cazadores	20 to 61 bcf	Upper Wilcox
W2A	100 to 200 bcf	Wilcox
W2B	16 to 32 bcf	Wilcox
W3	15 to 38 bcf	Wilcox
Agave	67 to 208 bcf	Cook Mountain
CM1	5 to 8 bcf	Cook Mountain
CM2	4 to 9 bcf	Cook Mountain

Project Redback, Onshore, South Texas, USA (Sun Resources - 20% to 37.5%)

Sun Resources expects to farm down from the current 37.5% WI to retain a 20% WI through the first well. The top-ranked prospect in the prospect inventory, targeted for farm out after leasing is completed, has multiple targets in the productive Vicksburg Sands with high upside potential for both gas and oil as accompanying condensate (ie up to 58 bcfge). On trend to the Redback area are production analogues of the recognised prospects from the same targeted stratigraphic level. Individual wells from these analogues have produced at high initial daily well production rates of 3 to 4 mmcfd with 100 to 140 bod. Marketing of this project is due to commence after land leasing is complete.

Eagle Project, Onshore San Joaquin Basin, California, USA (Sun Resources 10.0%)

Sun Resources elected to withdraw its support for this project at the end of June quarter 2008. The Eagle farm-out effort by the Operator, Victoria Petroleum NL, has been successful with an announcement expected when the paperwork is completed, in the coming half.

SUN RESOURCES NL

DIRECTORS' REPORT

REVIEW OF OPERATIONS

B OIL AND GAS EXPLORATION

3. MALTA EXPLORATION

Offshore, Southern Mediterranean Sea (Sun Resources 20%)

This is a high impact project is still awaiting settlement of border issues between Malta, Tunisia and Libya that was farmed out to Anadarko International Energy Company ("Anadarko") three years ago. The Joint Venture is now looking to replace Anadarko after three years of inactivity and reluctance from Anadarko to continue. Renewed exploration of the area will be discussed with the government of Malta in the coming quarter.

4. AUSTRALIA EXPLORATION

WA-254-P, Offshore Carnarvon Basin, W. Australia (Sun Resources 7.86% to 9.25%)

The Operator of WA-254-P, Apache Northwest ("Apache"), continues to evaluate the exploration potential of the permit from reprocessed and new 3D seismic data. Sun Resources and two other joint venture parties continue an active divestment process of their combined 24.8% to 29.8% working interest in the permit which contains the Sage-1 oil discovery.

WA-257-P, Offshore Carnarvon Basin, W. Australia (Sun Resources 9.6463%)

Sun Resources elected to withdraw from this permit, effective 18 July 2008.

C MINERAL EXPLORATION AND INVESTMENT

No activity for the half-year. The Joint Venture on the Butterfly gold tenement in the North Coolgardie Mineral Field, Western Australia in which the Company has a 5% NPI interest remains current.

D. CORPORATE

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On the 15 January 2009, the Company issued 1,000,000 Unlisted Options with an exercise price of \$0.125 per option on or before 1 February 2011 to Mr Matthew A Battrock in accordance with his remuneration package.

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration on page 12 forms part of the Directors' Report for the half-year ended 31 December 2008.

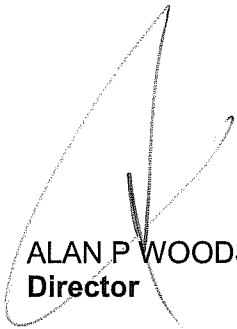
This relates to the review report, where they state that they have issued an independence declaration.

This report is made in accordance with a resolution of the Directors.

For and on behalf of the Board.



MATTHEW A BATTRICK
Director



ALAN P WOODS
Director

Perth, Western Australia
Dated this 11th day of March 2009.

SUN RESOURCES NL

**DIRECTORS' REPORT
TENEMENT DIRECTORY**

PROSPECT	TENEMENTS	INTEREST	COMMENTS
OIL & GAS			
Thailand			
Onshore Phitsahulok Basin	L20/50	50%	Awarded January 2008
Western Australia			
<i>Offshore Northern Carnarvon Basin</i>			
Damper Sub-Basin	WA-254-P	7.86% to 9.25%	Blocks 1,3 & 4 - 7.86% Block 2 – 9.25%
Louisiana, USA			
<i>Gulf Basin</i>			
Lake Long Gas Field	State Lease SL328	10.00%	
Texas, USA			
<i>Texas Gulf Basin</i>			
East Flour Bluff Gas Field	State lease land	24.17%	
West Flour Bluff Gas Field	BLM lease land	20.00%	
Pita Island Gas Field	State lease land	20.00%	
Agavero Gas Field	Private lease land	20.00%	
Milagro Oil Field	Private lease land	20.00%	
Dona Carlota Gas Field	Private lease land	20.00%	
El Viejito Gas Field	Private lease lands	20.00%	
Bondi	Private lease land	15.00%	
<i>South Texas</i>			
Margarita	Private mineral	15% to 37.5%	
Malta			
<i>Pelagian Platform</i>			
	Area 4, Block 3 ESA	20.00%	
	Area 5, ESA	20.00%	
MINERALS			
Western Australia			
<i>North Coolgardie Mineral Field</i>			
Butterfly	M40/110	5.00% NPI	Joint Venture with Kookynie Resources NL on that portion of the lease covered by former P40/462.



BDO Kendalls

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ABN 79 112 284 787

11 March 2009

Board of Directors
Sun Resources NL
Unit 16, Subiaco Village
531 Hay Street
SUBIACO WA 6008

Dear Sirs,

**DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS
OF SUN RESOURCES NL**

As lead auditor for the review of Sun Resources NL for the half-year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- any applicable code of professional conduct in relation to the review.

This declaration is in respect of Sun Resources NL and the entities it controlled during the period.

Brad McVeigh
Director

BDO Kendalls Audit & Assurance (WA) Pty Ltd

Dated this 11th day of March 2009
Perth, Western Australia

SUN RESOURCES NL

DIRECTORS' DECLARATION

The directors of Sun Resources NL declare that:

- (a) the financial statements, comprising the Income Statement, Balance Sheet, Cash Flow Statement, Statement of Changes in Equity and accompanying notes set out on pages 14 to 20 are in accordance with the Corporations Act 2001, and:
 - (i) give a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance represented by the results of its operations and cash flows for the half-year ended on that date; and
 - (ii) comply with Accounting Standards and the Corporations Regulations 2001; and
- (b) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for on behalf of the directors by:



MATTHEW A BATTRICK
Director



ALAN P WOODS
Director

Perth, Western Australia
Dated this 11th day of March 2009

SUN RESOURCES NL

**CONSOLIDATED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

	Note	Consolidated	
		31 December 2008	31 December 2007
		\$	\$
Revenue from continuing operations		1,620,923	655,161
Other income		1,084,592	-
Administration expense		(262,036)	(185,701)
Depreciation and amortisation expense		(1,451,752)	(877,433)
Finance expense		(484,151)	(4,398)
Occupancy expense		(35,003)	(34,568)
Employees expense		(200,464)	(183,555)
Exploration expense		(52,222)	(1,615,928)
		<hr/>	<hr/>
		(2,485,628)	(2,901,583)
Profit/(Loss) before income tax expense		219,887	(2,246,422)
Income tax expense	1	-	-
		<hr/>	<hr/>
Profit/(Loss) for the half-year		219,887	(2,246,422)
		<hr/>	<hr/>
Net Profit/(loss) is attributable to equity holders of Sun Resources NL		219,887	(2,246,422)
		<hr/>	<hr/>
Basic earnings/(loss) per share (cents)		0.098	(1.251)
Diluted earnings per share (cents)		0.098	n/a

The Consolidated Income Statement is to be read in conjunction with the notes to the half-year Financial Statements set out on pages 13 to 20.

SUN RESOURCES NL

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2008**

	Note	Consolidated	
		31 December 2008 \$	30 June 2008 \$
Current assets			
Cash and cash equivalents		3,951,383	1,150,225
Trade and other receivables		152,250	-
Financial assets		1,920	4,100
Total current assets		<u>4,105,553</u>	<u>1,154,325</u>
Non-current assets			
Trade and other receivables		3,011,363	2,418,896
Plant and equipment		28,712	30,981
Exploration expenditure		13,806,987	13,198,839
Total non-current assets		<u>16,847,062</u>	<u>15,648,716</u>
Total assets		<u>20,952,615</u>	<u>16,803,041</u>
Current liabilities			
Trade and other payables		52,649	123,002
Total current liabilities		<u>52,649</u>	<u>123,002</u>
Non-current liabilities			
Convertible Notes	3	4,000,040	-
Total non-current liabilities		<u>4,000,040</u>	<u>-</u>
Total Liabilities		<u>4,052,689</u>	<u>123,002</u>
Net assets		<u>16,899,926</u>	<u>16,680,039</u>
Equity			
Contributed equity	4	31,846,066	31,846,066
Reserves		548,117	548,117
Accumulated losses		(15,494,257)	(15,714,144)
Total equity		<u>16,899,926</u>	<u>16,680,039</u>

The Consolidated Balance Sheet is to be read in conjunction with the notes to the half-year Financial Statements set out on pages 13 to 20.

SUN RESOURCES NL

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

	Consolidated Entity 31 December 2008 \$ Inflow/(outflow)	Consolidated Entity 31 December 2007 \$ Inflow/(Outflow)
Cash flows from operating activities		
Income from Flour Bluff and Other Projects	1,434,035	485,212
Payments for costs of production	(1,435,904)	(531,819)
Payments for exploration	(721,432)	(1,451,489)
Interest received from other parties	105,325	32,621
Payments to suppliers and employees	(475,113)	(404,727)
Net cash flow (used in) operating activities	<u>(1,093,089)</u>	<u>(1,870,202)</u>
Cash flows from investing activities		
Payments for plant and equipment	(2,518)	(11,468)
Net cash flow (used in) investing activities	<u>(2,518)</u>	<u>(11,468)</u>
Cash flows from financing activities		
Proceeds from the issue of shares	-	4,450,966
Associated costs from the issue of shares	-	(299,991)
Proceeds from the issue of convertible notes	4,000,040	-
Associated interest cost from the issue of convertible notes	(211,740)	-
Associated other finance costs from the issue of convertible notes	(316,514)	-
Net cash flow from financing activities	<u>3,471,786</u>	<u>4,150,975</u>
Net increase in cash and cash equivalents	2,376,179	2,269,305
Cash and cash equivalents at beginning of period	1,150,225	1,769,590
Effects of exchange rate changes on cash and cash equivalents	424,979	121
Cash and cash equivalents at end of the half-year	<u>3,951,383</u>	<u>4,039,016</u>

(a) Reconciliation of cash

For the purpose of the Cash Flow Statement, cash includes cash on hand and in banks and deposits at call, net of outstanding bank overdrafts. Cash at the end of the financial period as shown in the Cash Flow Statement is reconciled to the related items in the balance sheet as follows:

	2008 \$	2007 \$
Cash at bank	1,049,923	1,477,390
Deposits on call	2,901,460	2,561,626
Cash per cash flow	<u>3,951,383</u>	<u>4,039,016</u>

The Consolidated Cash Flow Statement is to be read in conjunction with the notes to the half-year Financial Statements set out on pages 13 to 20.

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

	Issued capital	Accumulated losses	Other reserves	Total equity
	\$	\$	\$	\$
At 1 July 2007	27,909,806	(9,946,907)	410,898	18,373,797
Issue of share capital	4,450,966	-	-	4,450,966
Associated costs of share issue	(299,991)	-	-	(299,991)
Share-based payment	(97,417)	-	97,417	-
Net expense for the half-year recognised directly in equity	(97,417)	-	97,417	-
Loss for the year	-	(2,246,422)	-	(2,246,422)
Total recognised income and expense for the half-year	-	(2,246,422)	-	(2,246,422)
At 31 December 2007	31,963,364	(12,193,329)	508,315	20,278,350
Associated costs of share issue	(117,298)	-	-	(117,298)
Share-based payment	-	-	39,802	39,802
Net expense for the half-year recognised directly in equity	-	-	39,802	39,802
Loss for the year	-	(3,520,815)	-	(3,520,815)
Total recognised income and expense for the half-year	-	(3,520,815)	-	(3,520,815)
At 30 June 2008	31,846,066	(15,714,144)	548,117	16,680,039
Profit for the half-year	-	219,887	-	219,887
Total recognised income and expense for the half-year	-	219,887	-	219,887
At 31 December 2008	31,846,066	(15,494,257)	548,117	16,899,926

The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the half-year Financial Statements set out on pages 13 to 20.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS

This general purpose financial report for the interim half-year reporting period ended 31 December 2008 has been prepared in accordance with Australian Accounting Standard 134 "Interim Financial Reporting" and the Corporations Act 2001.

This interim report does not include all of the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. Accordingly, this interim financial report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Sun Resources during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies and methods of computation have generally been followed in this interim financial report. AASB 134: Interim Financial Reporting generally only requires disclosure of accounting policies that have changed from those used in the prior annual reporting period.

(a) Oil and Gas Properties

Exploration Expenditure is measured on the cost basis less impairment losses.

The carrying amount of exploration expenditure is reviewed by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of expected net cash flows that will be received from the assets employment and subsequent disposal.

Sun Resources uses the "Units of Production" (UOP) approach when depreciating and amortising field-specific assets. Amortisation of producing projects for the period ended 31 December 2008 was calculated based on proved and developed reserves.

(b) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

1. BASIS OF PREPARATION OF HALF-YEAR FINANCIAL STATEMENTS (Continued)

(b) Income Tax (Continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Sun Resources and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

2. SEGMENT INFORMATION

Primary reporting - Business Segments

	Oil Exploration \$	Oil Production \$	Corporate Unallocated	Consolidated \$
31 December 2008				
Total segment revenue	-	1,434,035	1,271,480	2,705,515
Segment result	(52,222)	(12,931)	285,040	219,887
31 December 2007				
Total segment revenue	-	622,660	32,501	655,161
Segment result	(1,615,928)	(248,920)	(381,574)	(2,246,422)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

3. CONVERTIBLE NOTES

On the 24 July 2008 the Company issued 7,272,800 Listed Convertible Notes at an issue price of \$0.55 per Convertible Note with an interest rate of 12%, on the terms and conditions as stated in the Prospectus lodged on the 19 June 2008. The issue of these Convertible Notes was ratified at a General Meeting held on the 18 July 2008 and issued on the 24 July 2008.

This issue raised \$4,000,040 before expenses for expenditure as follows:

- Exploration and development of L20/50 in Thailand
- Maintenance and expansion of projects in the USA
- General working capital

The Convertible Notes will mature and be redeemed by the Company (to the extent that they have not already been converted or redeemed) on the Maturity Date. The Convertible Notes will mature on the 30 June 2011.

4. CONTRIBUTED EQUITY

	Consolidated	
	31 December 2008	30 June 2008
	\$	\$
Issued and paid-up capital 225,097,345 (June 2008: 225,097,345) ordinary shares, fully paid	31,846,066	31,846,066

5. EVENTS SUBSEQUENT TO BALANCE DATE

On the 15 January 2009, the Company issued 1,000,000 Unlisted Options with an exercise price of \$0.125 per option on or before 1 February 2011 to Mr Matthew A Battrick in accordance with his remuneration package.

6. CONTINGENT LIABILITIES

There have been no changes in contingent liabilities since the last annual reporting date.



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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SUN RESOURCES NL

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Sun Resources NL, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Sun Resources NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Sun Resources NL is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

BDO Kendalls Audit & Assurance (WA) Pty Ltd

BDO Kendalls
Bill Vyff

Brad McVeigh
Director

Dated this 11th day of March 2009
Perth, Western Australia