



SUN RESOURCES NL

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Monday, 22 September 2008

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

RE: POTENTIAL GAS PAY ENCOUNTERED IN THE F1 EXPLORATION WELL ON THE HERRADURA (F1) PROSPECT, BEE COUNTY, TEXAS

- **US exploration programme resumes after the passing of Hurricane Ike.**
- **The F#1 well intersected the primary target, a possible 5.8 metres of net gas pay as prognosed which is to be tested.**
- **A deeper secondary objective encountered 3.6 metres of 22⁰ API oil shows which is currently being evaluated for testing.**

Sun Resources NL ("Sun") has been advised by the operator of Project Margarita that the Jones-Stewart Gas Unit #1 well ("the F#1 well") on the Herradura (F1) prospect recommenced drilling operations on September 16th, local time, after losing 5 days due to Hurricane Ike. The well reached its planned total depth of 1219 metres during the weekend and was logged to evaluate elevated mud log gas shows, with side wall cores subsequently taken over zones of interest for petrophysical evaluation.

The logs and side wall cores have identified approximately 5.8 meters of possible gas pay in the Frio Formation primary target that will be the subject of a testing program after the well has been cased and 3.6 metres of 22⁰ API oil shows in a deeper secondary Vicksburg objective. The Vicksburg zone is presently undergoing petrophysical evaluation and may also require testing. The results of the testing program will be announced in the next week. Sun Resources' working interest in the Herradura (F1) prospect is 37.5%.

Commenting on the US drill programme, Mr Matt Battrick, Managing Director of Sun Resources stated; "Logged gas pay in our first well in this program is encouraging as the primary target sand appears to be developed as predicted. The unexpected deeper oil shows in a secondary target are a possible bonus. However, we will have to wait for the results of the testing program to understand fully the potential of this well".

Yours sincerely
SUN RESOURCES NL

A P Woods
COMPANY SECRETARY

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