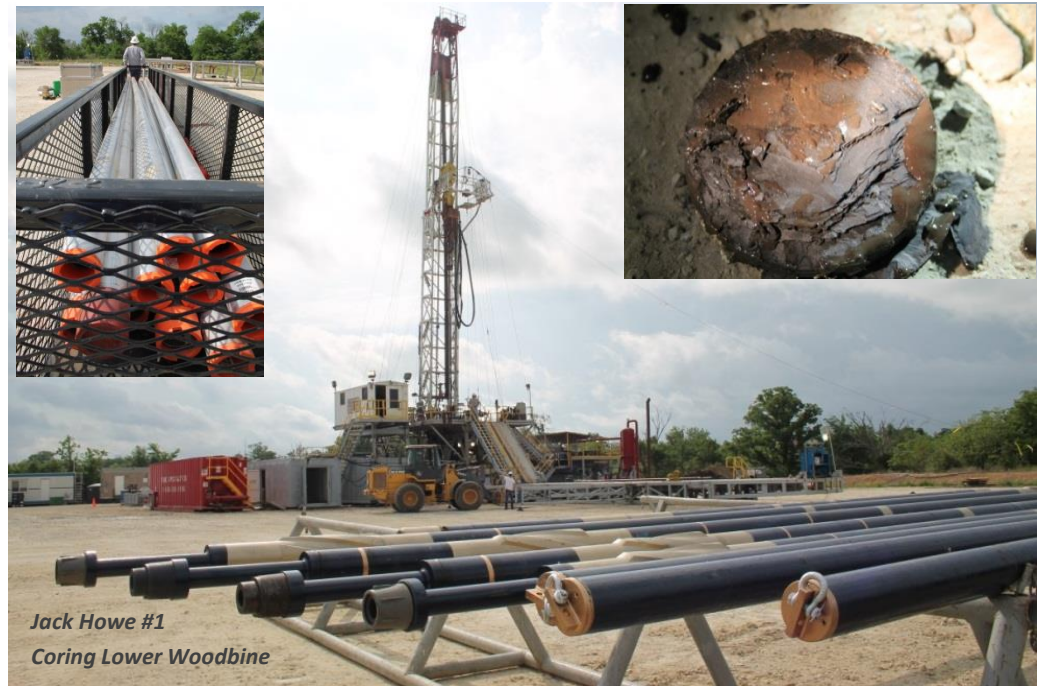


# High Impact, Funded Near-Term Drilling

RIU Good Oil Conference, September 2014



*Jack Howe #1  
Coring Lower Woodbine*

**SUN**  
resources 

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# Investment Highlights



## ✓ Premier Acreage Position

- Diversified position within two leading US onshore unconventional resource plays in Texas
  - Woodbine<sup>1</sup>: 28,669 gross (18,203 net<sup>1</sup>) acres
  - Eagle Ford: 10,028 gross (5,014 net) acres
  - Total acreage position: up to 38,697 gross (23,217 net) acres
- Actively seeking opportunities to further expand portfolio with prime acreage

## ✓ Strong Management Team

- Focused leadership team including ‘on the ground’ experienced local Texas operators
- Recent successful transition to operatorship – Sun successfully drilled the Jack Howe 1 as a qualified operator in a tight timeframe
- Growing relationships with high quality partners and operators

## ✓ Significant Imminent Catalysts

- Normangee (Woodbine) lateral well scheduled for September 2014
- 1 – 2 wells proposed in new Lower Woodbine leases<sup>2</sup>
- Badger Project (Eagle Ford) well scheduled for mid-Q4 2014<sup>2</sup>

## ✓ Robust Business Plan

- Significant work undertaken to build a platform for future growth
- Focused on drilling acres to convert Prospective Resources to 3P Reserves
- Continue to seek opportunistic, complimentary ‘liquids rich’ acquisition opportunities

## ✓ Significant Interest & Supportive Shareholder Base

- Significant funding interest shown from a number of potential international investors
- Continued support of key shareholder, Hancock Prospecting

### Notes:

1. A portion of the Land Acquisitions lie within AMI areas held between Sun (50%WI) and Amerril Energy LLC (50%WI) and are subject to an offer to participate that may be accepted or declined by Amerril
2. Subject to raising required financing

# Capital Raising Details



## Capital Raising Details

### Capital Raising

- \$10.0m capital raising comprising a \$4.0 million institutional placement and \$6.0 million renounceable rights issue
- Issue price of 1.0 cent with a one (1) for two (2) free-attaching option exercisable at 2.5 cents with 3 year expiry

### Placement

- Placement of 398m shares at A\$0.01/share to raise of total of \$3.98m
- Issued under Sun's 25% capacity in accordance with Listing Rules 7.1 and &.1A

### Rights Issue

- Renounceable 1 for 5 Rights Issue at \$0.01/share to raise up to \$6.0m
- Underwritten to \$5.25m by Patersons Securities

### Use of funds

- Total funds raised of \$10m to be applied to:
  1. Drilling of Jack-Howe #1H: \$1.2m
  2. Hydraulically fracture the Jack Howe #1H well: \$2m
  3. Lease bonus payments for new oil & gas leases: \$2m
  4. Resolve matters with Amerril Energy LLC in respect of SW Leona Oil Project: \$2.3m
  5. General working capital: \$2.5m

## Transaction Timetable

<b>1. Announcement</b> of Capital Raising and resumption of trading	28 August
<b>2. Lodgement</b> of Prospectus and Appendix 3B with ASX	29 August
<b>3. Rights trading</b> commences	1 September
<b>3. Settlement and allotment</b> of Placement shares	2 September
<b>4. Record Date</b> for participation in the Entitlement Offer	8 September
<b>7. Dispatch of Prospectus</b> and Rights Issue opening date	10 September
<b>3. Rights trading</b> ceases	16 September
<b>8. Rights Issue closing date</b>	23 September
<b>9. Trading of Rights Issue shares</b>	1 October

#### Notes:

1. Volume Weighted Average Price.

# Corporate Overview



## Capital Structure : Post-Capital Raising<sup>1</sup>

ASX code	SUR
Ordinary shares on issue	3,652m
Performance options <sup>2</sup>	140m
Listed options	504m
Unlisted options (various prices)	215m
Current share price (8-Sep-14)	\$0.008
<b>Market capitalisation (@ \$0.009)</b>	<b>A\$29.2m</b>
Pro-forma Net Cash <sup>3</sup>	A\$9.5m
<b>Enterprise Value</b>	<b>A\$19.8m</b>

## Share Price / Volume History



## Major Shareholders

Hancock Prospecting	19.5%
Amerril Energy LLC	9.6%
<b>Total</b>	<b>29.1%</b>

## Board of Directors








<b>Professor Ian Plimer</b>	Non-Executive Chairman
<b>Damian Kestel</b>	Non-Executive Director
<b>Wolf Martinick</b>	Non-Executive Director
<b>Matthew Battrick</b>	Interim CEO

### Notes:

1. Assumes full \$6.1m successfully raised pursuant to the Rights Issue
2. Performance options convert into ordinary shares upon achievement of certain project milestones (these are detailed in Sun's Notice of General Meeting announced to ASX on 21 November 2011, and also Sun's announcement dated 27 July 2012).
3. Pro-forma cash position at completion of Capital Raising excluding Jack Howe drilling expenses (final amount TBC)

# Experienced Board & Management Team

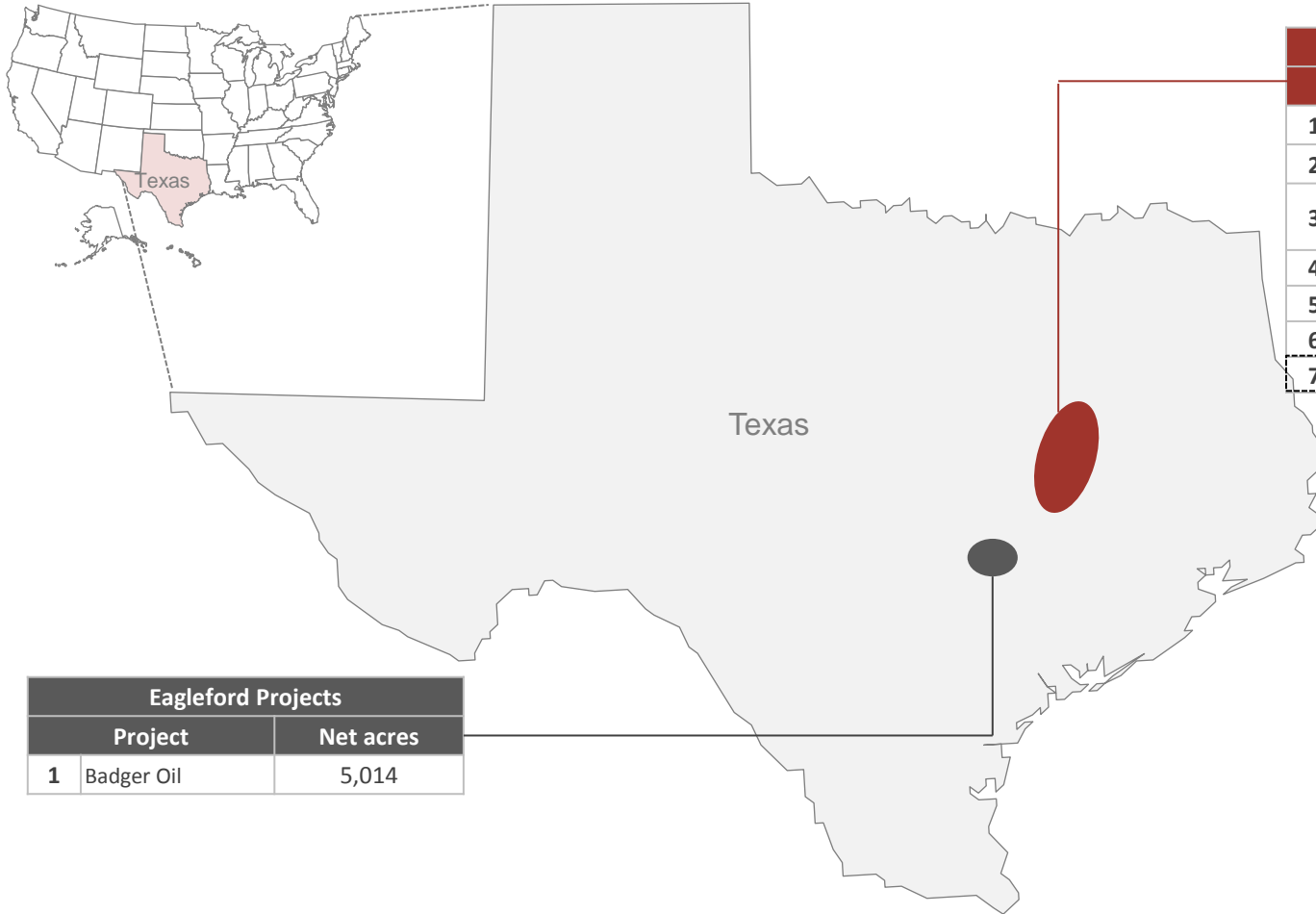


<p><b>Prof. Ian R Plimer</b> (Non Exec. Chairman)</p>	<ul style="list-style-type: none"> <li>Currently an Emeritus Professor at the University of Melbourne, Fellow of the Academy of Technological Sciences and Engineering and a Fellow of the Australasian Institute of Mining and Metallurgy</li> <li>Serves on the boards of several listed companies including Silver City Minerals Ltd (ASX: SCI) , Lakes Oil NL (ASX: LKO), Niuminco Group Ltd (ASX:NIU), and Kefi Minerals (AIM: KEFI)</li> </ul>	
<p><b>Mr Damian Kestel</b> (Non Exec. Director)</p>	<ul style="list-style-type: none"> <li>15+ years experience in Asian equity capital markets,</li> <li>Previous roles include ten years with CLSA Asia-Pacific Markets where he remains a consultant</li> <li>Holds a LLB (Hons) from the University of Adelaide, BCom from the University of Western Australia and a Graduate Diploma in Securities and Investment from Australian Securities Institute</li> </ul>	
<p><b>Wolf G Martinick</b> (Non Exec. Director)</p>	<ul style="list-style-type: none"> <li>Environmental scientist with 40 years experience in exploration and mining in Australasia</li> <li>Currently Executive Chairman of ASX listed Chile focused gold/copper explorer Oro Verde Limited (ASX:OVL), Non-Executive Director Weatherly International PLC (AIM: WTI) and Non-Executive Director of Azure Minerals Limited (ASX: AZS)</li> </ul>	
<p><b>Matt Battrick</b> (Interim CEO)</p>	<ul style="list-style-type: none"> <li>34 years upstream industry experience in Juniors, large Independents and Major oil companies: ExxonMobil, ENI, Ampolex and LASMO.</li> <li>Geoscience management through exploration, development and production phases, both onshore and offshore</li> <li>Holds a Bachelor degree in Applied Geology from the Royal Melbourne University of Technology (RMIT)</li> </ul>	
<p><b>Mr Craig Basson</b> (CFO)</p>	<ul style="list-style-type: none"> <li>20 years in auditing, accounting and financial management companies in multiple industries including resources</li> <li>Fellow of the Institute of Chartered Accountants, a Fellow of the Governance Institute of Australia, Graduate of the Australian Institute of Company Directors and holds a Bcom (Hons) degree in accounting and finance from the University of the Witwatersrand, Johannesburg</li> </ul>	
<p><b>Steve Smith</b> (Vice President, USA)</p>	<ul style="list-style-type: none"> <li>36 years of international and US O&amp;G experience – drilling, well engineering, related logistics, planning and operations</li> <li>Previously held upstream senior management and leadership with Anadarko</li> </ul>	
<p><b>Rodney Kilborn</b> (Commercial)</p>	<ul style="list-style-type: none"> <li>Senior advisor, corporate finance and business development .</li> <li>20 years in corporate finance, enterprise strategy, operations management, mergers, acquisitions and divestitures</li> <li>Expert in Multi-industry turn-around and restructure and well connected among energy-focussed global institutional capital markets</li> </ul>	

# Asset Portfolio - Snapshot



Upon successful completion of the Land Acquisitions, Sun will have an interest in ~23,000 net acres across 8 projects.



Woodbine Projects		
	Project	Net acres
1	Delta (Petro-Hunt AMI)	910
2	Delta Oil	9,803
3	Southern Oil (Amerril, mostly SW Leona)	2,991
4	Beeler Oil	230
5	Normangee Oil	1,926
6	Centreville AMI	363
7	Southern Woodbine	1,980
Total		18,203

*New leases acquired pursuant to the Land Acquisitions*

Eagleford Projects		
	Project	Net acres
1	Badger Oil	5,014



## Woodbine Projects



# Woodbine: Sun's Projects



Sun has a working interest in over ~18,000 net acres across its 7 Woodbine Projects.

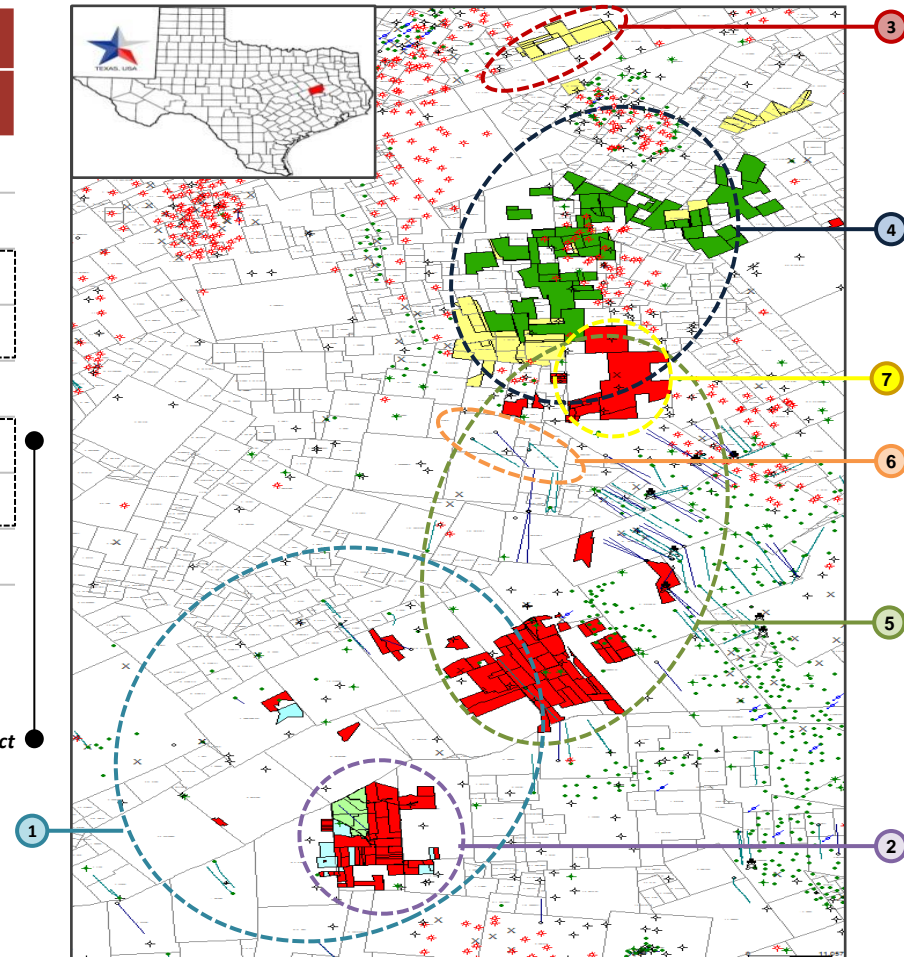
## Project Table

Map	Project	Working Interest (%)	Net Royalty Interest (%)	Acres	
				Gross	Net
1	Southern Woodbine <sup>1</sup>	TBC	TBC	1,980	1,980
2	Normangee	50.0%	37.5%	3,852	1,926
3	Petro-Hunt AMI	25.0%	18.75%	3,640	910
4	Delta	100.0%	75.0%	9,803	9,803
5	Amerril	50.0%	37.5%	5,982	2,991
6	CW Brown #1H	13.5%	10.5%	-	-
	Beeler Remainder	16.7%	12.5%	1,398	230
7	Centreville AMI	18.0%	13.5%	2,014	363
	<b>Total</b>			<b>28,669</b>	<b>18,203</b>

Together referred to as the Delta Oil Project

Together referred to as the Beeler Project

## Leasehold and activity map



### Notes:

1. A portion of the Land Acquisition's lie within AMI areas held between Sun (50%WI) and Amerril Energy LLC (50%WI) and are subject to an offer to participate that may be accepted or declined by Amerril

# Funded For Up-coming High Impact Drilling Program



- **Primary purpose of the Capital Raising is to fund the drilling, multi-stage fracking and flow testing of Jack Howe #1 Lateral Well (“Jack Howe”)**
- **Located in the Normangee Oil Project (Sun 50% WI and Operator) in Southern Woodbine Region)**
  - Successful vertical pilot well with hydrocarbon indications in both primary Lower Woodbine Formation
- **Rig secured and mobilizing to site – spudding expected shortly**
- **EOG Resources LLC (“EOG”) has successfully drilled and completed 7 ‘laterals’ in the Lower Woodbine Target, to both the east and west of Jack Howe with initial 30-day IP’s of between 200 – 600 barrels of oil per day**
  - Market capitalization of > US\$50b & actively leasing
  - Recent successful laterals: Zeus #1H, is only 6km east of Jack Howe
  - EOG currently fracking 4 wells in the Grove area, west of Jack Howe

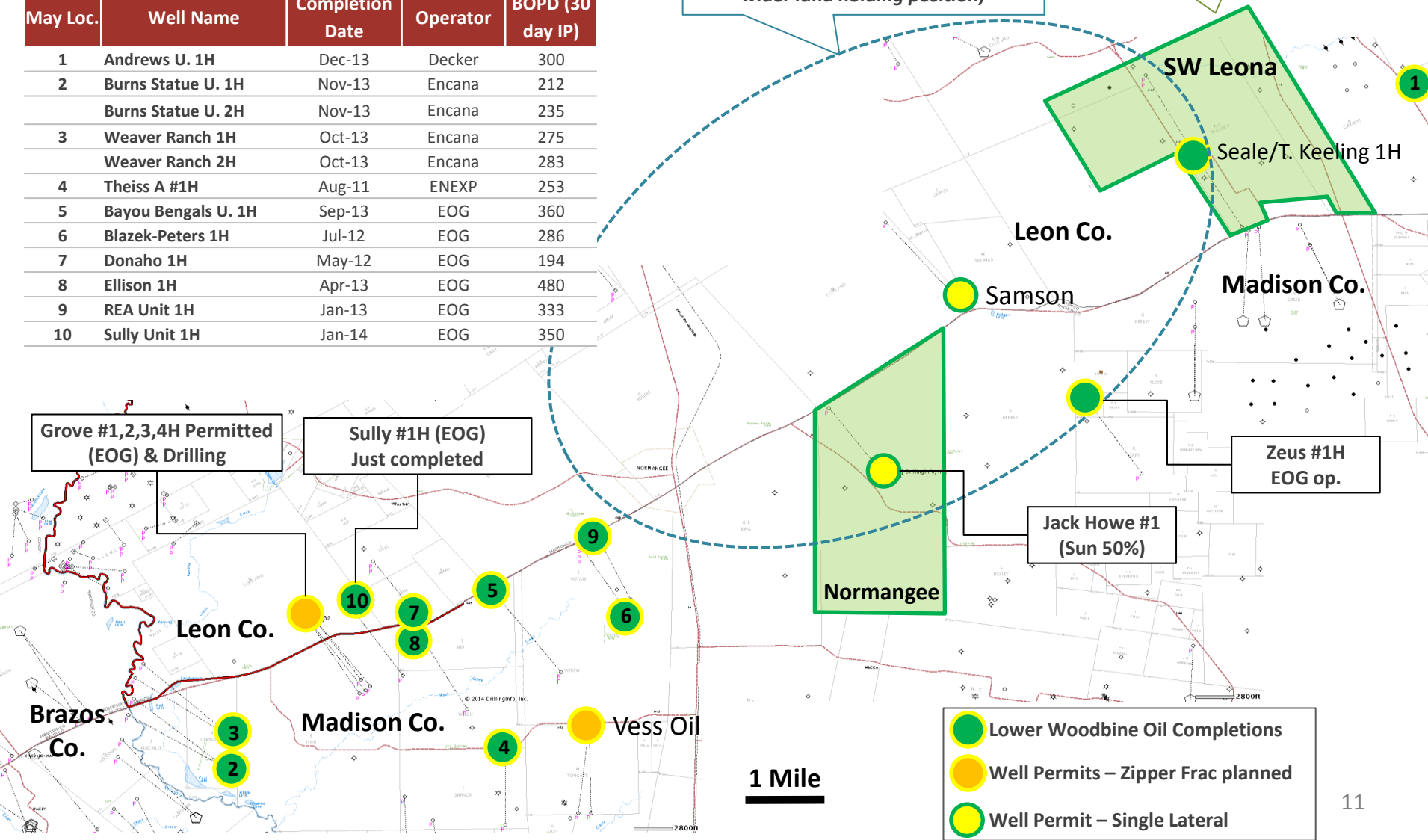
# Lower Woodbine Lateral Well Oil Completions:

## Southern Woodbine Leases

May Loc.	Well Name	Completion Date	Operator	BOPD (30 day IP)
1	Andrews U. 1H	Dec-13	Decker	300
2	Burns Statue U. 1H	Nov-13	Encana	212
	Burns Statue U. 2H	Nov-13	Encana	235
3	Weaver Ranch 1H	Oct-13	Encana	275
	Weaver Ranch 2H	Oct-13	Encana	283
4	Theiss A #1H	Aug-11	ENEXP	253
5	Bayou Bengals U. 1H	Sep-13	EOG	360
6	Blazek-Peters 1H	Jul-12	EOG	286
7	Donaho 1H	May-12	EOG	194
8	Ellison 1H	Apr-13	EOG	480
9	REA Unit 1H	Jan-13	EOG	333
10	Sully Unit 1H	Jan-14	EOG	350

① Location of New Sun Leases: Currently ~1,980 gross acres. (Refer to slide 12 for project mapping to wider land holding position)

⑤ SW Leona Area of Amerril Oil Project (Refer to slide 12 for project mapping to wider land holding position)

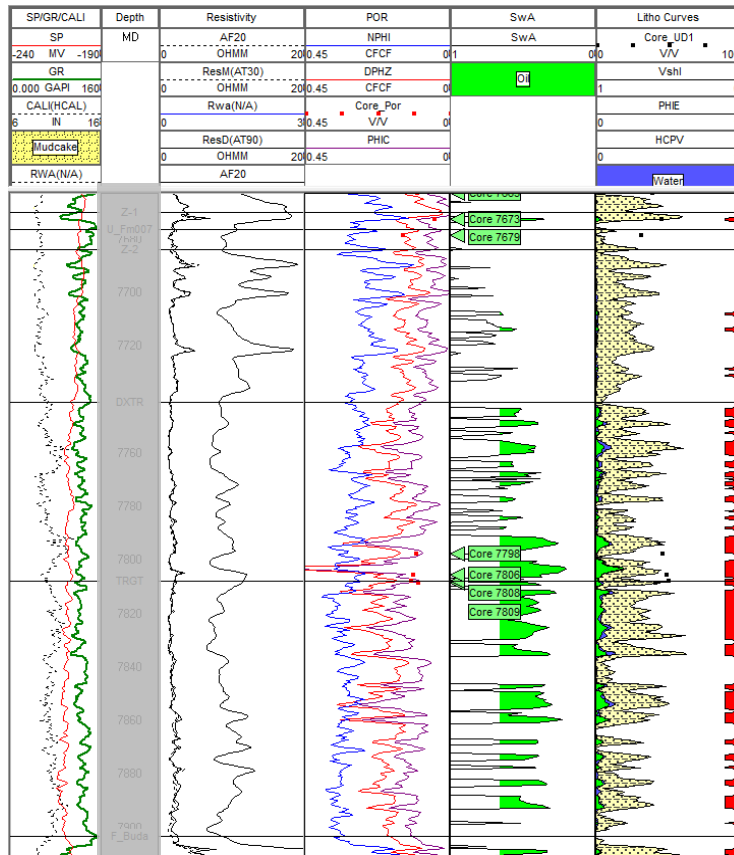


# Woodbine: Multiple Oil Targets



Multiple oil targets ... focus required

- Austin Chalk
- Sub Clarksville Sandstone
- Eagleford Shale
- Woodbine
- Buda
- Bossier



Stratigraphic Column				PRODUCTIVE INTERVALS			
SYSTEM	SERIES	STAGE	EAST TEXAS (SUBSURFACE)	Oil Gas	Age		
CRETACEOUS	LATE	SANITONIAN	AUSTIN CHALK	Oil Gas	88MA		
		CONIACIAN	SUBCLARKSVILLE	Oil Gas			
		TURONIAN	EAGLE FORD SHALE	Oil Gas			
			WOODBINE	HARRIS	Oil Gas		
				LEWISVILLE	Oil Gas		
		DEXTER		Oil Gas			
		GENOMANIAN	EAGLE FORD SHALE	Oil Gas			
			MANESS SHALE	Oil Gas			
			BUDA	Oil Gas			
			DEL RIO	Oil Gas	97MA		
		EARLY	ALBIAN	UPPER	GEORGETOWN	Oil Gas	
					EDWARDS	Oil Gas	
					PALUXY SHALE	Oil Gas	
			MIDDLE	GLEN ROSE	Oil Gas	110MA	
LOWER			MASSIVE ANHYDRITE				
			RODESSA				
			JAMES				
		PETTET/SLIGO					
COCHULIAN		TRAVIS PEAK					
		COTTON VALEY/ BOSSIER					
JURASSIC	UPPER JURASSIC		SMACKOVER				

Upper  
Middle  
Lower

## **Eagle Ford Project**

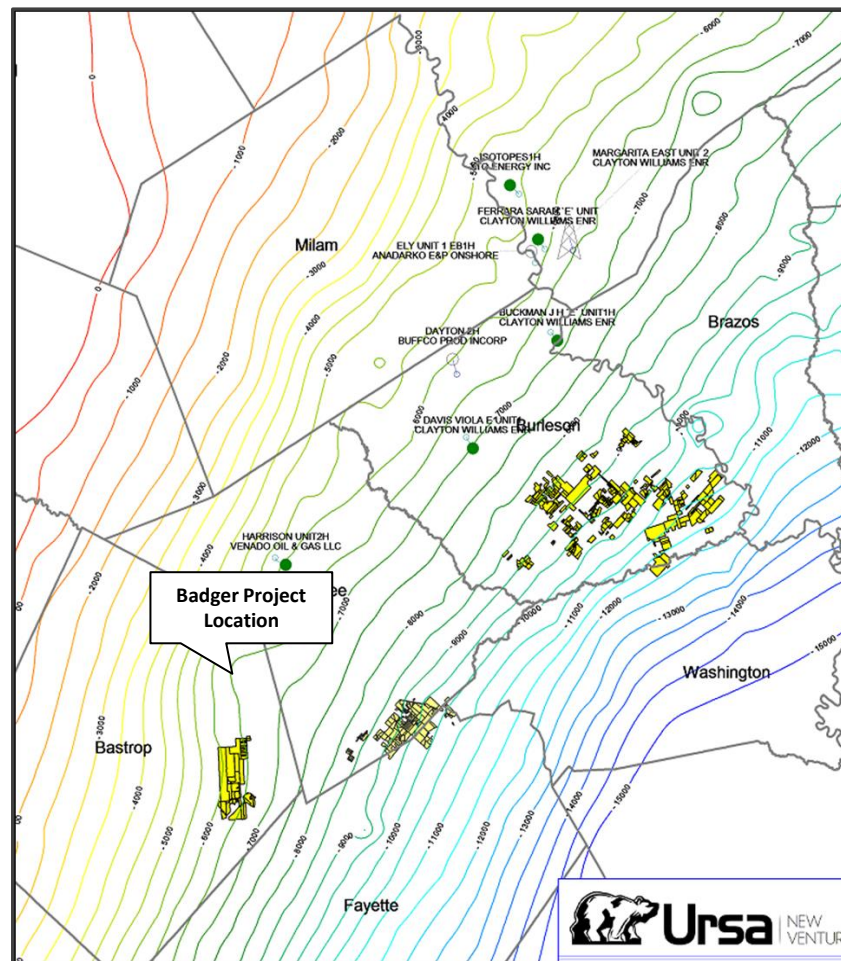
# Eagle Ford: Badger Project



## Asset Overview

<b>WI%</b>	▪ 50%
<b>NRI%</b>	▪ Sun leases at 75% NRI
<b>Operator</b>	▪ Ursa
<b>Net Acres</b>	▪ 5,014
<b>Location</b>	<ul style="list-style-type: none"> <li>▪ Bastrop County, Texas</li> <li>▪ Acreage adjacent to the Giddings oil field, a prolific Austin Chalk oil field that has produced over 1 billion barrels of oil</li> </ul>
<b>Lease</b>	<ul style="list-style-type: none"> <li>▪ Leases hold rights to all depths and all formations and have ~1.5 years remaining of the initial three-year term</li> <li>▪ Have additional two-year extension option</li> </ul>
<b>Operational Highlights</b>	<ul style="list-style-type: none"> <li>▪ First Lateral well planned for mid-Q4 2014</li> <li>▪ Planning to spud first horizontal, multi-staged, fracture stimulated well before end of November 2014</li> </ul>
<b>Comments</b>	<ul style="list-style-type: none"> <li>▪ Targeting Combo-zone: Austin Chalk + Eagle Ford Shale</li> <li>▪ Sun's new ~5,000 acres have un-risked intrinsic value per zone, once drilled &amp; delivering commercial IP rate successes: <ul style="list-style-type: none"> <li>- US\$175 million @ \$35,000 per acre</li> <li>- US\$360 million @ \$72,000 per acre</li> </ul> </li> </ul>
<b>Transaction</b>	▪ Purchased 50% non-operated working interest from Ursa New Ventures in May 14

## Leasehold and activity map



## Contact Sun, or visit the website for further information

[www.sunres.com.au](http://www.sunres.com.au)

Matthew Battrick  
Interim CEO



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