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Acquisition of new 10,028 acre Eagle Ford and Austin Chalk play

- Sun Resources NL (“Sun”) is pleased to announce that it has entered into a transaction to acquire a 50% non-operated working interest (WI) in the Badger Oil Project area representing a gross position of 10,028 (5,014 net) mineral acres of oil and gas leases.
- The remaining 50% WI will be held by the project operator, Ursa New Ventures LLC, a private oil and gas company with management and operations based in Houston, Texas.
- The Badger Oil Project acquisition underpins Sun’s strategic commitment to grow and high grade its shale oil business in the USA, now expanded to target the Eagle Ford, Austin Chalk as well as the Woodbine unconventional plays.
- Sun will acquire its 50% WI in the Badger Oil Project using existing cash.
- The first horizontal well in the Badger Oil Project is currently expected to spud before the end of November 2014.

Sun Resources NL (“**Sun**” or “**Company**”) (ASX: SUR) is pleased to announce that, Sun has entered into a transaction with Ursa New Ventures LLC, a wholly owned subsidiary of Ursa Resources Group II LLC (collectively “**Ursa**”). Sun has purchased a 50% non-operated working interest in a gross 10,028 acre package of oil and gas leases (5,014 acres net to Sun) within the developing Eagle Ford Shale and Austin Chalk formations, located in Bastrop County, Texas, USA (the **Badger Oil Project**). The remaining 50% WI will be retained and operated by Ursa.

The Badger Oil Project area is located in Bastrop County, on trend with the Eagle Ford Shale unconventional oil play. The project area is also located offset to the Giddings oil field, a prolific Austin Chalk oil field that has produced over 1 billion barrels of oil. Sun and Ursa are planning to spud the first horizontal, multi-staged, fracture stimulated well before the end of November 2014, to test the commercial oil potential of the Eagle Ford and the Austin Chalk formations.

The first well in the Badger Oil Project is currently envisaged to be a 5,500 foot lateral drilled within the Eagle Ford section. The prospects of success are good given that some offset wells on trend in this oil-rich play had initial production rates (IP’s) ranging from 500 – 806 barrels oil per day (bopd), with active operators including Sanchez, Anadarko and Buffco, from reservoir depths as shallow as 6,000ft (1,829m). In addition, the closest offset well drilled by Venado Oil & Gas LLC (to the North) is reported to have IP’d at a rate of 806 bopd (source: Texas Railroad Commission).

Sun will acquire its new lease interests with existing cash and will hold a 50% WI in all leases, which hold rights to all depths and all formations and have ~1.5 years remaining of the initial three-year term. All leases have an additional two-year extension option and the oil and gas leases deliver a 75% net royalty interest (NRI) to Sun. Should the initial well be encouraging then the leases could be retained without further lease costs and significant oil production developed with a 64 lateral well programme - already in design.

About Ursa:

Ursa is a private exploration and production company based in Houston, Texas backed by Denham Capital, a large global energy and resources private equity firm. Ursa is focused on developing oil rich unconventional plays as well as the acquisition of conventional oil and gas producing properties. Ursa already has substantial lease positions - in 4 oil rich unconventional plays across the USA - and a natural gas asset in the Piceance Basin.

The Principals at Ursa have substantial prior experience operating properties in a number of onshore, unconventional basins across the United States, including the Eagle Ford, Barnett and Haynesville Shales in Texas, the Bakken Shale in North Dakota and Montana, and the Fayetteville Shale in Arkansas. (For more information please visit: <http://www.ursaresources.com>).

Sun's Managing Director, Dr. Govert van Ek commented on the new acquisition:

"This exciting new 10,028 acre acquisition materially diversifies Sun's portfolio into the prolific Eagle Ford and Austin Chalk regions.

But as importantly, it also partners Sun with a proven and well backed Operator. In addition to this highly prospective new oil project, the new relationship we have formed with Ursa is strengthening Sun's regional knowledge and 'unconventional' technical and operating expertise."

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Geological information contained in this report was compiled by the General Manager (Technical) of Sun Resources, Matthew Batrick, BSc (Geol), MPESA, MPESGB, MAAPG, GAICD who has more than 33 years' experience in the practice of petroleum geology. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States nor there be any sale of the securities in any jurisdiction in which such an offer, solicitation or sale would be unlawful. The securities offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the Securities Act), or any state securities laws and may not be offered or sold in the United States or to U.S. persons (as defined in Regulation S under the Securities Act) except in compliance with the registration requirements or an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws. This document contains forward-looking statements which reflect management's expectations regarding expected target dates. These forward-looking statements can generally be identified by words such as "will", "expects", "intends", or similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. These statements are not historical facts but instead represent management's expectations, estimates and projections regarding future events. Statements relating to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that some or all of the resources and reserves described can be profitably produced in the future. Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking statements. In addition, if any of the assumptions or estimates made by management prove to be incorrect, actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this document. Such assumptions include, but are not limited to, general economic, market and business conditions and corporate strategy. Accordingly, investors are cautioned not to place undue reliance on such statements. All of the forward-looking information in this document is expressly qualified by these cautionary statements. Forward-looking information contained herein is made as of the date of this document and Sun Resources disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by law.