



Friday 21 December 2012

Amerril Oil Project Update

Seale #1 – Vertical Woodbine Well

- The Seale #1 vertical well (Sun 50% WI) has been cased for future fracking with ‘multi-zone’ production planned to occur in mid-February 2013.

T. Keeling #1H – Horizontal Woodbine Well

- The T. Keeling #1H horizontal well is currently drilling ahead toward its intermediate casing point at the base of the ‘bend’ of the horizontal well. The well will target a 7,500 foot horizontal section in the Middle Woodbine Formation, where strong oil shows were recorded in the Seale #1 vertical well.

Seale #1H – Horizontal Woodbine Well

- The Seale #1H will be drilled immediately after the T. Keeling #1H lateral and will target up to 6,000 feet of horizontal well section (lateral) in the Middle Woodbine Formation.

Drilling Summary

- The drilling program in the “SW Leona Area” of the Amerril Oil Project is operated by Sun Resources’ joint venture partner and largest shareholder, Amerril Energy LLC (Amerril).
- The current drilling program consists of three wells: one vertical well; Seale #1, and two horizontal wells; T. Keeling #1H and Seale #1H, all targeting the Woodbine Formation (Sun 50% WI).
- All three wells will be drilled separately from the same drill pad with drilling, fracking and completion of all three wells currently estimated to be completed by late March 2013.
- The Amerril Oil Project wells are in addition to the four well program currently underway at the Richland Oil Project, where production from all four wells is expected early in the new year.

Sun Resources NL (**Sun Resources, Sun or Company**) (ASX:SUR) is pleased to provide an update on the 3 well drilling programme in the Amerril Oil Project, which is a 50:50 joint venture with Amerril Energy LLC (**Amerril**), the Operator of the Amerril Oil Project and Sun’s largest shareholder.

This drilling program is located in the southernmost tracts within the Amerril Oil Project, called the SW Leona Area, close to the border with Madison County. These tracts total to approximately 5,660 acres and are approximately 10 kilometres south of Sun’s Richland Oil Project wells, and half-way between the Richland Oil Project area and Sun’s Normangee Oil Project area (Figure 1).

All three wells will be drilled from separate surface locations, on the same drill pad, with the first well (Seale #1) drilled as a vertical 'pilot' hole and both logged and cased for future production. The second and third wells will both be horizontal wells drilled into the Middle Woodbine Formation. The fracing and completion of all three wells will follow the drilling and casing operations on all three wells.

Seale #1 - Vertical Woodbine Well – Cased ready for fracing and completion.

The first well in the 3 well drilling and fracing program, Seale #1, is a vertical well that has been drilled as a pilot hole and cased as a separate production well, ahead of the drilling of the two horizontal wells: T. Keeling #1H and Seale #1H. The well was drilled to a revised (deepened) TD of 9,938 feet MD, to investigate the Glen Rose Formation, and has been logged and sampled as a 'pilot hole'. It has been cased for a later vertical fracing and completion program. Wireline logs have identified potential hydrocarbon pay in five (5) stacked formations: Sub-Clarksville, Upper Woodbine, Middle Woodbine, Lower Woodbine and Glen Rose. Each formation encountered more than 110 feet (34m) of gross hydrocarbon pay potential with particularly strong oil indications seen in the Middle Woodbine interval at approximately 7,600 feet MD. In aggregate, there appears to be 670 feet of gross hydrocarbon pay. Each of the five sections is sufficiently thick to merit a horizontal well lateral. The details of the five pay intervals are set out below:

Target Formation	Approximate Top depth (feet MD)	Gross Pay Interval (feet)
Sub-Clarksville	7,120	110
Upper Woodbine ('A')	7,310	110
Middle Woodbine ('B')	7,550	120
Lower Woodbine ('C')	7,720	190
Buda-Georgetown	8,250	No pay
Glen Rose	9,520	140
Total Pay Thickness	-	670 feet

T. Keeling #1H – Horizontal Woodbine Well – Spudded, drilling to intermediate casing point.

The T. Keeling #1H, has been spudded and at the time of this report the well was drilling ahead in the bend of the horizontal toward the intermediate casing point. The T. Keeling #1H will target up to 7,500 feet of horizontal well section (lateral) in the Middle Woodbine Formation at around 7,670 feet MD, where strong oil shows, including oil over the shale shakers, were observed while drilling this section in the vertical Seale #1 well. The T. Keeling #1H lateral well will be drilled in a northerly trajectory to maximise the length of the lateral while remaining within the boundaries of the lease.

Seale #1H – Horizontal Woodbine Well – To Follow T. Keeling #1H

The third well in the current multi-well drilling campaign, Seale #1H will be drilled immediately after the T. Keeling #1H lateral and will target up to 6,000 feet of horizontal well section (lateral) in the Middle Woodbine Formation. The lateral well will be drilled in a southerly trajectory to maximise the length of the lateral while remaining within the boundaries of the lease.

Sun's working interest in the Seale #1, Seale #1H and T. Keeling #1H wells are:

Participant	Working Interest (WI)	Net Revenue Interest (NRI)
Sun Resources NL	50%	37.5%
Amerril Energy LLC (Operator)	50%	37.5%

Updates will be provided regularly, as significant operational milestones are achieved. For further information please contact:



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Information contained in this report was compiled by the Managing Director of Sun Resources, Matthew Battrick, BSc (Geol), MPESA, MPESGB, MAAPG, GAICD who has more than 32 years' experience in the practice of petroleum geology.

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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.

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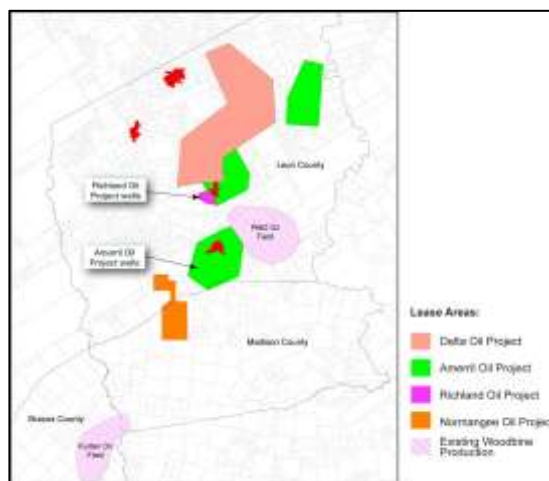


Figure 1: Location Map of Sun's Four Woodbine Tight Oil Project areas

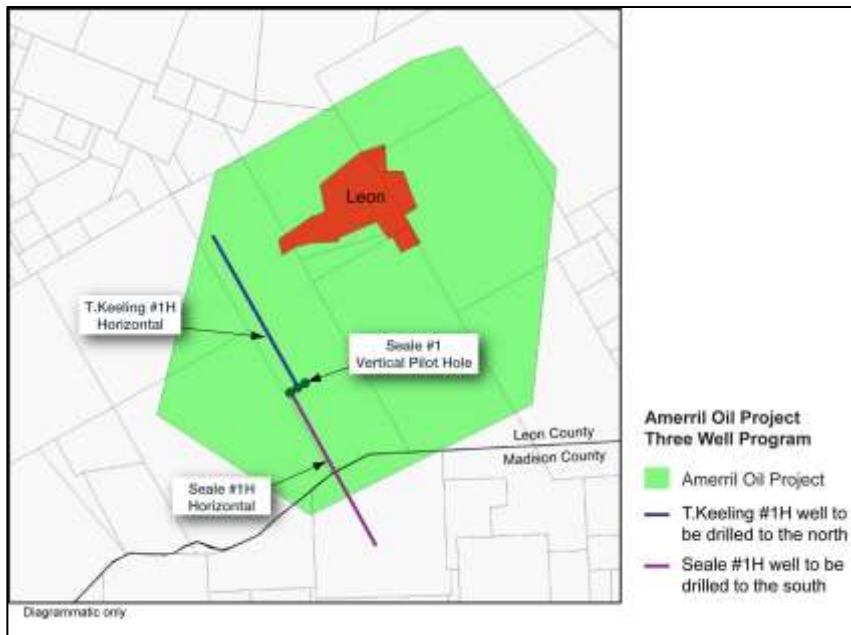


Figure 2: Approximate surface location and orientation of horizontal wells in the SW Leona Area of the Amerril Oil Project.

