



Tuesday 6 May 2014

Normangee Oil Project: Jack Howe #1H Drilling Update

- Sun is pleased to announce that its first operated well in the Normangee Oil Project (Sun 50% WI and Operator) has successfully drilled to a measured total depth of 8,523 feet (2,598 meters) with the current operation setting cement plugs to temporarily abandon the vertical well bore.
- The Jack Howe #1H vertical pilot well was drilled with the dual objectives of recovering conventional core across the primary objective Lower Woodbine Formation and evaluate the underlying Buda Formation, with hydrocarbon indications being observed in both formations.
- A total of 167 feet of conventional core was recovered from the Lower Woodbine Formation and that will now be analysed in Houston. Those results will be integrated with the wireline log data to determine the optimal target formation for the potential future drilling of the Jack Howe #1H Lower Woodbine horizontal well.
- EOG has recently spudded the Zeus #1H horizontal, its latest Lower Woodbine lateral, approximately 7km east of the Jack Howe #1H surface location.

Sun Resources NL (**Sun** or the **Company**) (ASX: SUR) is pleased to update shareholders on its latest Woodbine well, Jack Howe #1H located in Madison County, East Texas, onshore USA.

Normangee Oil Project (Sun: 50% WI and Operator)

Sun, as Operator, is pleased to announce that the Company's first operated well named Jack Howe #1H has reached total depth (TD) at a final measured depth (MD) of 8,523 feet (ft) or 2,598 meters (m) after spudding on 15th April 2014. Since the last report, an intermediate string of 10.75 inch (273mm) casing was run and cemented at a depth of 4,653ft MD (1,418m) and an 8.75 inch (222mm) diameter hole was drilled to the coring point at the top of the Lower Woodbine Formation.

Four coring runs successfully recovered a total of 167ft of 4 inch (51m of 102mm) conventional core within the Lower Woodbine and this core material has been shipped to Houston for detailed analysis. Promisingly, elevated mud log gas and oil fluorescence were observed during the coring process, in the Lower Woodbine Formation. The well was subsequently drilled to a total depth of 8,523ftMD (2,598m) in the Georgetown Formation, after recording elevated mud log gas readings while drilling through the overlying Buda Formation. A full suite of wireline logs and sidewall cores were recovered from the well at TD and this data will be integrated with the core results ahead of any decision to drill a lateral and which interval to target. Cement plugs are being set in accordance with the Texas Railroad Commission (RRC) requirements for future re-entry to drill a Lower Woodbine lateral from the Jack Howe #1H surface location.

Sun currently has a 50% working interest in a 3,952 gross acre package of oil and gas leases located on the Leon-Madison County border, Texas, USA (Normangee Oil Project).

Sun also wishes to advise shareholders that EOG Resources Inc has this week commenced drilling operations at the Zeus #1H well site, approximately 7 kilometres east of the Jack Howe #1H location, confirming the area is of interest to major independent shale oil players.

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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 shall 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.