

Wednesday 1 October 2014

Jack Howe Drilling Complete, Significant 250ft Net Oil Pay Confirmed

- Sun Resources NL has completed drilling casing operations in the lateral section of the Jack Howe #1H well in the Normangee Oil Project.
- Production casing (5.5", 140mm) has been run and cemented successfully along the entire length of lateral section drilled (approximately 6,100 feet).
- The strong oil and gas shows observed in the lateral well bore were consistent with the integrated wireline log and core analysis data from the vertical pilot hole.
- Confirmation of a significant 250 feet section of oil pay within the "unconventional" Lower Woodbine Target.
- Detailed planning for the multi-stage hydraulic fracturing programme on the lateral is now underway.
- Rights Issue closing at 5pm (AWST) this Friday 3 October 2014.
- All eligible shareholders have the opportunity to subscribe for shares in the Company where significant potential has been unlocked through the drilling of the Jack Howe #1H well.

Sun Resources NL ("**Sun**" or "**Company**") (ASX: SUR) is pleased to announce that drilling and casing operations have been completed at the Jack Howe #1H well location within Sun's Normangee Oil Project. Sun (50%WI and Operator) has, since the last report, run 5.5" (140mm) casing in the horizontal section of the well bore to a final measured total depth of 14,707 feet (4,483 metres). The Nabors Drilling USA LP Rig #53 is currently de-mobilising from location.

Oil Pay Confirmed by Core Analysis, Wireline Log Analysis and Shows while Drilling

Results of the analysis of the conventional core recovered from the Lower Woodbine in the Jack Howe #1H vertical pilot well are now available and have been integrated with the wireline logs to identify the potential oil pay in the well. A total of approximately 250 feet (75 metres) of oil pay is interpreted from the wireline logs, with the core analysis data now integrated. This thickness of oil pay is in line with Sun's pre-drill expectations and confirms the potential for Lower Woodbine oil pay across Sun's Southern Woodbine leases. This pay interval is the zone which was the target for the Jack Howe #1H lateral and the pay potential has been confirmed by the strong oil and gas shows during drilling. Strong oil and gas shows continued while drilling the horizontal section and the shows strengthened toward the end of the well bore, with a total of approximately 6,100 feet of lateral section drilled. The sub-surface technical data and analysis will form the basis of an independent reserve and resources report that will be initiated shortly and prepared over coming weeks.

The data acquired while drilling, plus the core and log analysis will now be integrated to build a model for the design of the hydraulic fracture program for the well. Sun is currently targeting commencing the multi-stage fraccing operation in October 2014. Further updates will be provided as planning progresses.

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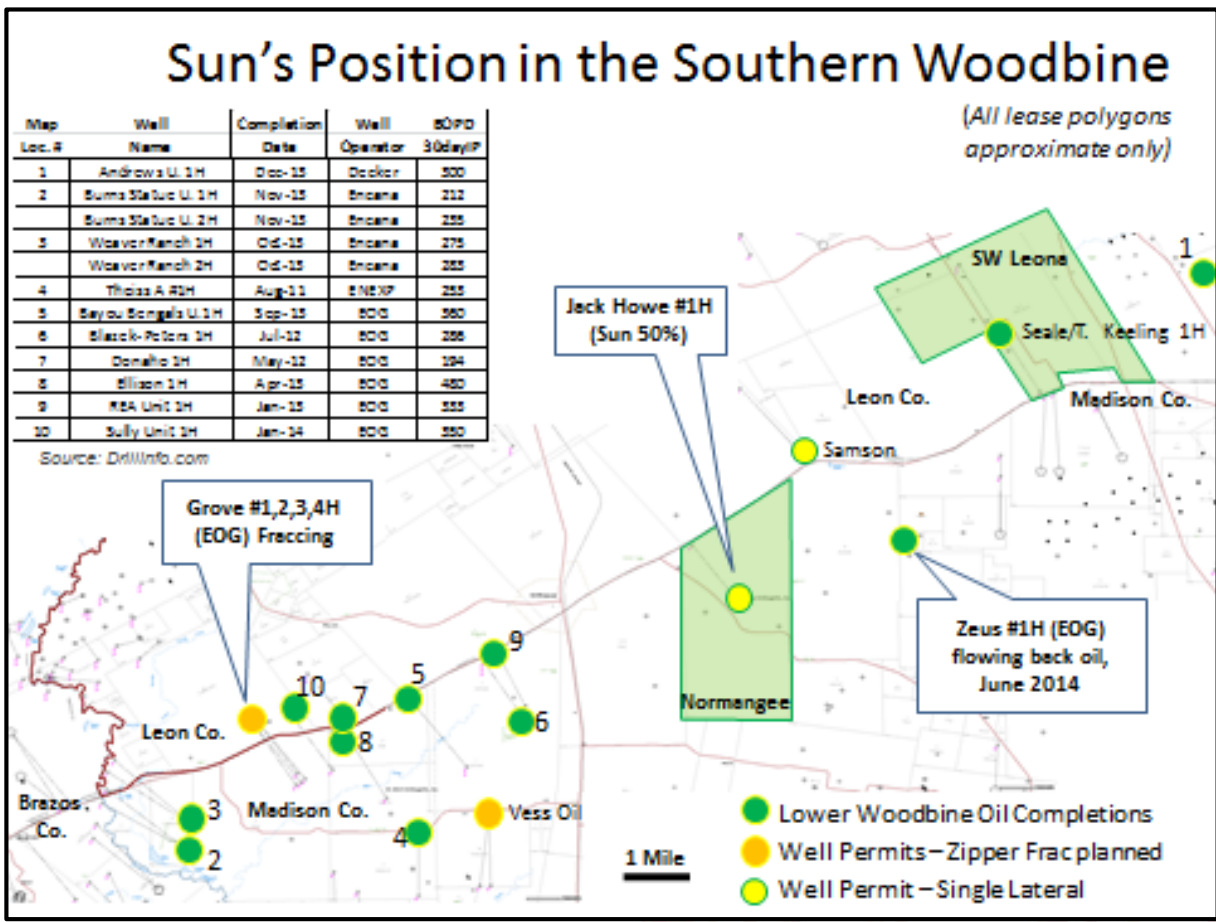


Figure 1: Location of EOG's Lower Woodbine Oil-producing lateral wells and relative position of Sun's Normangee and SW Leona Oil Project areas

Sun notes EOG Resources Inc. (“EOG”) (one of the biggest and most successful independent oil companies in the USA with a market capitalization over US\$50 billion (NYSE: EOG)) has entered the Southern Woodbine area where Sun already has an established land position and has been actively leasing additional acreage recently. EOG has successfully drilled and completed 7 ‘laterals’ in the Lower Woodbine target, to the east and west of Sun’s Normangee Oil Project, in the same Lower Woodbine target identified in Sun’s Jack Howe vertical pilot well. To date, EOG’s Lower Woodbine laterals have delivered a range of 30-day initial production rates of between 200-600 barrels of oil per day. The most recent EOG lateral completion, Zeus #1H was drilled and successfully completed only 6 km east of Sun’s Jack Howe #1H vertical pilot well. Zeus #1H is currently in production with a minimum 500 boepd 30-day IP reported. Zeus #2H is currently being drilled adjacent to Zeus #1H. Sun also understands EOG has completed fracking 4 wells in the Grove area, west of Normangee, with flow back results to be reported in due course.