



SUN RESOURCES NL

ABN 69 009 196 810
(INCORPORATED IN WESTERN AUSTRALIA)

Unit 16, Subiaco Village, 531 Hay Street
SUBIACO, WA 6008, Australia
PO Box 1786, WEST PERTH, WA 6872, Australia

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Telephone: 61 8 9388 6501
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29 October 2008

Australian Stock Exchange Limited
Company Announcements
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

RE: QUARTERLY REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2008

Please find attached above referenced quarterly report document and Appendix 5B.

Yours sincerely
SUN RESOURCES NL

A P Woods
COMPANY SECRETARY/DIRECTOR

Copy: ASX DD Directors CB/Xin File



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QUARTERLY REPORT FOR THE PERIOD **ENDING 30 SEPTEMBER 2008**

HIGHLIGHTS

- Thailand – Planning of 2D seismic survey over L20/50 Concession commenced
- USA – The F1 exploration well in Project Margarita was successfully drilled and tested after the end of the quarter and is being completed as a gas producer This is expected to make a contribution to operational cashflow in the current quarter and beyond
- USA – The Meek Prospect exploration well currently expected to spud late in the December 2008 quarter
- Net revenue of US\$627,135 received from US operations during the quarter
- Corporate – Completed A\$4 million capital raising pursuant to the issue of convertible notes which in addition to Sun's cash at bank, US\$2.1 million Thailand work bond and strong operating cashflow ensures Sun is well funded to progress its international oil and gas exploration programme

A OIL AND GAS EXPLORATION

Sun Resources NL (“Sun Resources”) is delivering on its strategy of building significant cash flow in the USA Onshore Gulf Coast and applying this revenue to capture and participate in larger scale, high impact exploration projects, particularly in SE Asia, such as Sun’s L20/50 Joint Venture with Carnarvon Petroleum in Thailand.

1 THAILAND EXPLORATION

L20/50 Block, Onshore Phitsanulok Basin (Sun Resources - 50%)

Update

Ministerial approval for the planned aeromagnetic survey is still outstanding but planning for the 2D seismic programme had commenced at the end of the quarter. The Operator is now considering delaying the drilling a “twin well” to Nong Bua-1 until the seismic has been acquired in 2009.

Background

Sun Resources and Carnarvon Petroleum Ltd (“Carnarvon”) accepted the L20/50 block award from the Thai Government at the official signing ceremony in Bangkok on 21 January 2008 and Carnarvon, as Operator, commenced exploration activities on the concession. The block is to the south of and adjacent to the largest onshore oil and gas accumulation in onshore Thailand, the Sirikit Field, which to date has produced ~180 million barrels of oil equivalent (“mmboe”). L20/50 has only been lightly explored with the last effort some 25 years ago, in a time of low oil prices. There is the possibility of near term production and cash flow on the block from a re-drill of an old shut in well (Nong Bua-1). This well was not brought on production because it required artificial lift to bring the oil to surface, and this higher cost production at the then time of prevailing low oil prices was not considered by the operator as it was fully committed to the development of the prolific Sirikit Field.

2 UNITED STATES OF AMERICA

A. OIL AND GAS DEVELOPMENT & PRODUCTION

The table below summarises Sun Resources’ actual net working interest (WI%) production for the quarter and compares it with the previous quarter. The Company has benefited from a sustained period of high prices during the past two quarters. Oil and gas prices obtained for the September quarter were in the range US\$122.64 to 130.56 per barrel and US\$10.31 to 14.50 per 1,000 cubic feet respectively. Revenue has dropped due largely to the main revenue source, the Lake Long #9 well being offline for repairs since early July (expected to recommence production in October), plus natural declines during the quarter from other wells. However, this is partly offset by an improvement in AUS\$/US\$ exchange rate. Production from the recently completed F1 exploration well which is currently being completed as a producer and a successful drilling outcome in the next six months should replace and build production, adding to the Company’s US\$ revenue base.

Production (Sun WI%)	September ‘08 Quarter	June ‘08 Quarter	Variance (%)
Gas (mmcfg)	46.14	83.56	-44.7%
Oil (bo)	1,017	1,437	-29.2%
Revenue (US\$)	\$627,135	\$716,658	-12.5%

Units: mmcfg – million cubic feet gas; bo – barrels of oil

Lake Long, Louisiana, USA (Sun Resources - 10%)

The SL328 #9 well was shut in on July 5th after a production log identified a hole in casing below the level of the gas zone perforations. A work-over of this well was initiated and was continuing at the end of the quarter. It is hoped the well will be back on line by late October and will continue to produce from 24 feet of net pay in the Middle Hollywood Sands. At a latter date, after production decline from the Middle Hollywood, the 13 feet of net pay in the Upper Hollywood Sands will be completed through tubing for further production from this level. Gross reserves at both levels are approximately 3 billion cubic feet of gas equivalent (“bcfge”).

Project Margarita, Texas, USA (Sun Resources - 37.5%)

Amalgamated production from Agavero and Dona Carlota Gasfields, plus the Milagro Oilfield (as it is now entirely oil production) averaged 0.834 mmcf/d with 34 bopd during the September 2008 quarter. The average amalgamated production should significantly increase in the December 2008 quarter following the post quarter successful testing of the James Stewart Gas Unit #1 well on the F1 prospect at 0.300 mmcf/d.

Flour Bluff Gas Field, Texas, USA (Sun Resources - 20.00 to 24.1667%)

Production from the fields during the September 2008 quarter averaged 1.64mmcf/d with 14 bopd. A 3D seismic programme scheduled over the West Flour Bluff Gas Field, to detail remaining reserves and target additional reserves, is undergoing a feasibility study. Development drilling will re-commence following the 3D seismic programme to further increase production rates.

B OIL AND GAS EXPLORATION

Sun Resources will have a material equity position in the following exploration wells currently scheduled for the remainder of 2008:

Project	Prospect	Interest	Potential	Comments
Viking	Meek	12.5%	18 bcfge	Middle Wilcox
Margarita	TB#18	37.5%	1.7bcfge	Frio Fm.
Redback	R-1.95	20.0%*	58 bcfge	Middle Vicksburg

* Subject in part to successful farm-out negotiations

Project Margarita, Onshore, South Texas, USA (Sun Resources - 20% to 37.5%)

The F#1 prospect was drilled as the James Stewart Gas Unit #1 well during September to a total depth of 1,219m below rotary table. The well encountered strong oil and gas shows in the primary Frio Formation target and in the underlying secondary Vicksburg Formation target. The drilling rig was released after production casing was run to total depth and cemented. Post quarter a testing program was successfully completed with a 0.300 mmmscf/d flow from the primary target. The well is currently being tied into a gas sales line for production. Reserves for F#1 are in the range of 0.6bcfge (gross).

Planned drilling of the TB #18 prospect is delayed as it still the subject of a leasing process.

The “Deep Wells Programme” will test a number of deeper, larger volume, but higher risk, Wilcox prospects in the deep gas prospect inventory having potential un-risked recoverable volumes of 15 to 200 billion cubic feet of gas (“bcfg”), refer table below. The Cazadores Prospect (20 to 60 bcfg) is the most advanced prospect with the joint venture currently generating farm-in interest for possible drilling in the first quarter of 2009.

Prospect	Gross Potential	Comments
Cazadores	20 to 61 bcf	Upper Wilcox
W2A	100 to 200 bcf	Wilcox
W2B	16 to 32 bcf	Wilcox
W3	15 to 38 bcf	Wilcox
Agave	67 to 208 bcf	Cook Mountain
CM1	5 to 8 bcf	Cook Mountain
CM2	4 to 9 bcf	Cook Mountain

Project Redback, Onshore, South Texas, USA (Sun Resources - 20% to 37.5%)

The two highest ranked prospects are targeted for farm out after leasing is completed. Sun Resources expects to farm down from the current 37.5% WI to retain a 20% WI through the first well. The top-ranked prospect in the prospect inventory has multiple targets in the productive Vicksburg Sands with high upside potential for both gas and oil as accompanying condensate (ie up to 58 bcfge). On trend to the Redback area are production analogues of the recognised prospects from the same targeted stratigraphic level. Individual wells from these analogues have produced at high initial daily well production rates of 3 to 4 mmcfgd with 100 to 140 bod.

Meek Prospect, Onshore Texas, USA (Sun Resources 12.5%)

Sun Resources finalised its farm-in to a new Joint Venture with Mueller Exploration Inc to take a 12.5% working Interest (10% NRI) in the Meek Prospect in Wharton County of Southern Texas. This opportunity also allows Sun Resources to develop a relationship with Mueller Exploration’s prospect generator, Viking International, who has a very successful business model, similar to Wandoo Energy. The prospect is now waiting for a suitable rig to be contracted after Turnkey Drilling Co. withdrew from its contract. The latest estimate for spudding of the Meek Prospect as the Ammann Heirs #1 well is late December 2008.

The Meek Prospect targets 16 bcfg with 269,000 bo (18 bcfge) in stacked, highly productive, Middle Wilcox (Meek) sands. Nearby production wells in Meek sands are good analogues and have produced similar order of reserves to that being targeted by Sun Resources at the Meek Prospect in 4 to 5 year production periods. The Meek Prospect is relatively low risk because it has been keyed off an adjacent Meek producing field by using good 3D seismic. Seismic attributes indicate the presence of hydrocarbons conforming to the prospect structure.

Eagle Project, Onshore San Joaquin Basin, California, USA (Sun Resources 10.0%)

Sun Resources elected to withdraw its support for this project at the end of June quarter 2008 as the long drawn out Eagle farm-out effort by the Operator was not successful. Notwithstanding the presence of oil in the prospect and the farmout being carried out in a period of high oil prices, peer companies have also recognised the very high technical and geological risks associated with the project to bring into production.

3 MALTA EXPLORATION

Offshore, Southern Mediterranean Sea (Sun Resources 20%, farming down to 5% after 2D Seismic and 2 wells fully funded by Anadarko International Energy Company)

This is a high impact project is still awaiting settlement of border issues between Malta, Tunisia and Libya that has been farmed out to Anadarko International Energy Company ("Anadarko"), one of the world's largest independent oil and gas exploration and production companies. Anadarko has agreed to free-carry Sun Resources for 2D seismic and two wells (a likely US\$100+ million programme) following which Sun Resources would maintain a 5% contributing interest. Renewed exploration of the area will be discussed with the government of Malta in the coming quarter.

4 AUSTRALIA EXPLORATION

WA-254-P, Offshore Carnarvon Basin, W. Australia (Sun Resources 7.86% to 9.25%)

The Operator of WA-254-P, Apache Northwest ("Apache"), continues to evaluate the exploration potential of the permit from reprocessed and new 3D seismic data. Sun Resources and two other joint venture parties continue an active divestment process of their combined 24.8% to 29.8% working interest in the permit which contains the stranded Sage Oilfield. The process commenced in late April 2008 and will hopefully be concluded in Q4 2008 or Q1 2009.

5. MINERAL EXPLORATION/INVESTMENT

No activity for the Quarter. The Joint Venture on the Butterfly gold tenement in the North Coolgardie Mineral Field, Western Australia in which the Company has a 5% NPI interest remains current.

6. CORPORATE

During the quarter, a placement of convertible notes was approved by shareholders and the placement finalised, which in addition to Sun's cash at bank, US\$2.1 million Thailand work bond and strong operating cashflow ensures Sun is very well funded to progress its international oil and gas exploration programme.

BY ORDER OF THE BOARD



**M A BATTRICK
MANAGING DIRECTOR**

This report is lodged on the Company's website, www.sunres.com.au.

Information contained in this report was sourced from the Operators of various Joint Ventures in which the Company has interests and was compiled by the Managing Director of Sun Resources, Matthew Battrick, BSc (Geol), MPESA, MPESGB, MAAPG, GAICD who has had 27 years experience in the practice of geology and more than 5 years experience in petroleum geology.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

SUN RESOURCES NL

ABN

69 009 196 810

Quarter ended ("current quarter")

30 SEPTEMBER 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(996)	(996)
(b) development	-	-
(c) production	-	-
(d) administration	(282)	(282)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (income from Flour Bluff and other)	893	893
Net Operating Cash Flows	(378)	(378)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.9 Proceeds from sale of:		
(a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(378)	(378)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(378)	(378)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from convertible notes	4,000	4,000
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (cost of issue of convertible notes)	(313)	(313)
	Net financing cash flows	3,687	3,687
	Net increase (decrease) in cash held	3,309	3,309
1.20	Cash at beginning of quarter/year to date	1,150	1,150
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	4,459	4,459

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	115
1.24	Aggregate amount of loans to the parties included in item 1.10	NIL

1.25 Explanation necessary for an understanding of the transactions

1.23 Directors provide geological and administrative services to the company. These services are provided at normal commercial rates.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	N/A	N/A
3.2 Credit standby arrangements	40	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	531
4.2 Development	140
Total	671

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,150	1,083
5.2 Deposits at call	3,309	67
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	4,459	1,150

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	✓	Refer Attachments (A) and (B)	✓
6.2	Interests in mining tenements acquired or increased	✓	Refer Attachments (A) and (B)	✓

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

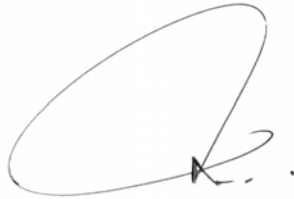
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	225,097,345 4,800,000	225,097,345 -	- 25 cents	- 2.5 cents
7.4 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities (description)	7,272,800	7,272,800	55 cents	55 cents
7.6 Changes during quarter				
(a) Increases through issues	7,272,800	7,272,800	55 cents	55 cents
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options (description and conversion factor)	12,500,000 4,000,000 1,000,000	- - -	Exercise price 20 cents 10 cents 10 cents	Expiry date 30/12/2008 30/06/2010 01/02/2010
7.8 Issued during quarter	-	-	-	-
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures (totals only)	-	-	-	-
7.12 Unsecured notes (totals only)	-	-	-	-

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 28 October 2008
(Director/Company secretary)

Print name: ALAN PETER WOODS

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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**APPENDIX 5B - ASX LISTING RULES
MINING EXPLORATION ENTITY QUARTERLY REPORT**

ITEM 6 - Changes in Interests in Mining Tenements

**SUN RESOURCES NL
ABN 69 009 196 810**

FOR THE QUARTER ENDED 30 SEPTEMBER 2008

	Tenement Reference	Nature of Interest	Interest at Beginning of Quarter	Interest at End of Quarter
(A) Interests in mining tenements relinquished, reduced and/or lapsed				
(B) Interest in mining tenements acquired and/or increased				

+ See chapter 19 for defined terms.

APPENDIX 5B - ASX LISTING RULES
MINING EXPLORATION ENTITY QUARTERLY REPORT

SUN RESOURCES NL
ABN 69 009 196 810

TENEMENT SCHEDULE
30 SEPTEMBER 2008

<u>Tenement Reference</u>		<u>Nature of Interest</u>
<u>Oil & Gas</u>	WA254-P	Offshore, Dampier Sub-Basin 7.869 (Blocks 1,3 & 4) 9.25% (Block 2)
	SL238	Louisiana, USA 10%
	Flour Bluff (private mineral)	Corpus Christi, Texas, USA 20 - 24.167%
	Eagle (private mineral)	San Joaquin Basin, California USA 10%
	AREA 4, Block 3; AREA 5	Malta, ESA 20%
	Margarita (private mineral)	South Texas, USA 37.5%
	L20/50	Onshore, Thailand 50%
<u>Gold/Base Metals</u>	Butterfly - M40/110	5% Net Profit Interest (area only of former P40/462)