



Monday 3 March 2014

Lower Woodbine Oil Projects: Drilling Update

Delta Oil Project (Petro-Hunt AMI Area, Sun 25% WI)

- The Operator, Petro-Hunt (75% WI) has updated Sun that it plans to commence drilling with a vertical pilot well expected to spud around the end of the first Quarter.
- The vertical pilot well will be drilled and logged through the target Lower Woodbine sand prior to a decision on how to proceed, including whether to complete the well as a vertical producer or sidetrack to drill a lateral well bore within the target sands.

Normangee Oil Project (Sun 50% WI and Operator)

- Planning for the Jack Howe #1H lateral well is advancing including moving ahead on resolving some land lease matters. It is expected these matters will be resolved and the well should spud in April 2014.
- It is anticipated that a vertical pilot well will initially be drilled and that a conventional core of the Lower Woodbine will be taken. Subject to the satisfactory evaluation of the target section, a 5,000 feet plus lateral is planned to be drilled and completed.

Sun Resources NL (**Sun** or the **Company**) (ASX: SUR) is pleased to update shareholders on two Woodbine wells planned to be drilled across its lease areas which are located in Leon and Madison Counties, East Texas, onshore USA.

Delta Oil Project (Petro-Hunt AMI) (Sun: 25% WI)

Petro-Hunt LLC ("Petro-Hunt") as the Operator of the Joint Venture with Sun (Sun 25% WI) on the Petro-Hunt AMI area has advised that the first well into the Lower Woodbine oil target is now likely to be drilled around the end of the first Quarter. On 28 February 2014, Sun executed an amendment to the Joint Operating Agreement with Petro-Hunt at their request providing them with more optionality around whether to drill a lateral well (as had been originally agreed) or instead drill a vertical well based on the drilling results. Once operations commence, the vertical pilot well will be drilled and evaluated. A decision will then be taken by the participants whether to proceed and complete the pilot well as a vertical producer or to drill a lateral into the Lower Woodbine. The AMI consists of approximately 7,832 acres in northern Leon County. Petro-Hunt and Sun have now leased over 3,240 acres within the AMI. Sun retains a further 11,010 net acres elsewhere in the Delta Oil Project that may be the subject of future activity, by way of farm-out, joint venture or direct drilling activity.

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

Sun as Operator, has further advanced plans to spud its first Operated Woodbine well in the Normangee Oil Project. It is anticipated that the first well will be a Lower Woodbine well, Jack Howe #1H and drilling operations are now expected to commence in April 2014 subject to the satisfactory resolution of land leasing matters. Sun has also been in discussions with a leading unconventional focussed US oil and gas company that has expressed an interest in potentially partnering with Sun in Normangee and drilling as Operator. Although discussions are continuing, Sun is currently proceeding with its previously advised plan to drill the well as Operator. Sun has a 50% working interest in a 3,952 gross acre package of oil and gas leases located on the Leon County-Madison County border, Texas, USA (Normangee Oil Project). The balance of the working interest (50% WI) in the Normangee Oil Project is held by Amerril Energy LLC.

Sun further notes the encouraging recent results published by Contango Oil and Gas that showed it had successfully drilled 4 new Lower Woodbine wells to the south of Sun's Normangee prospect, with 30 day IP's of 463 - 810 boepd. The wells were drilled and completed at \$5.5-\$6.2m each.

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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 32 years' experience in the practice of petroleum geology.

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