



Wednesday 8 August 2012

## Richland Oil Project – Update on Beeler #1H

- The Farminors of the Richland Oil Project have exercised their right to participate in the Beeler #1H horizontal well, through their nominee company. Their nominee company will now pay 50% of the cost of the Beeler #1H well and earn a 40.625% working interest (WI) for doing so, under the same terms as Sun is participating.
- Sun believes this demonstrates the Farminors confidence in the Richland Oil Project, the Operator and the Beeler #1H well. The following parties will now earn the following working interests and net revenue interests in the Beeler #1H well:

Participant	Earning Interest	Working Interest (WI)	Net Revenue Interest (NRI)
Farminors	0%	18.75%	14.0625%
Farminor's Nominee Company	50%	40.625%	30.4687%
Richland	16.66%	13.5416%	10.1562%
Sun	16.67%	13.5417%	10.1563%
Amerril	16.67%	13.5417%	10.1563%
Farminors Overriding Royalty	0%	0%	5%
Lessor Royalty	0%	0%	20%

- Sun's earning interest in the well will now be 16.67% (25% prior to election of Farminor) and as a result Sun's contribution to the cost of the Beeler #1H well will be approximately US\$1.26 million (US\$1.9 million prior to election of Farminor).
- Beeler #1H is currently planning to spud on or about Wednesday, 15 August 2012, 2 days ahead of schedule. Beeler #1H is expected to be drilled, fraced and completed by 25 September 2012.

Sun Resources NL (**Sun Resources, Sun** or the **Company**) (ASX:SUR) has been informed by the Operator of the Beeler #1H horizontal well, Richland Resources Corporation (**Richland**), that the Farminors have exercised their option to participate alongside the 3 farminee parties: Sun, Richland and Amerril, to drill and complete the Beeler #1H horizontal well.

The Farminors nominee company, Steadfast Resources LLC, will pay 50% of the cost of Beeler #1H and will earn a 40.625%WI for doing so. The location of the Beeler #1H horizontal well within the 1,360 acres that comprise the Richland Oil Project is shown in the map that follows:

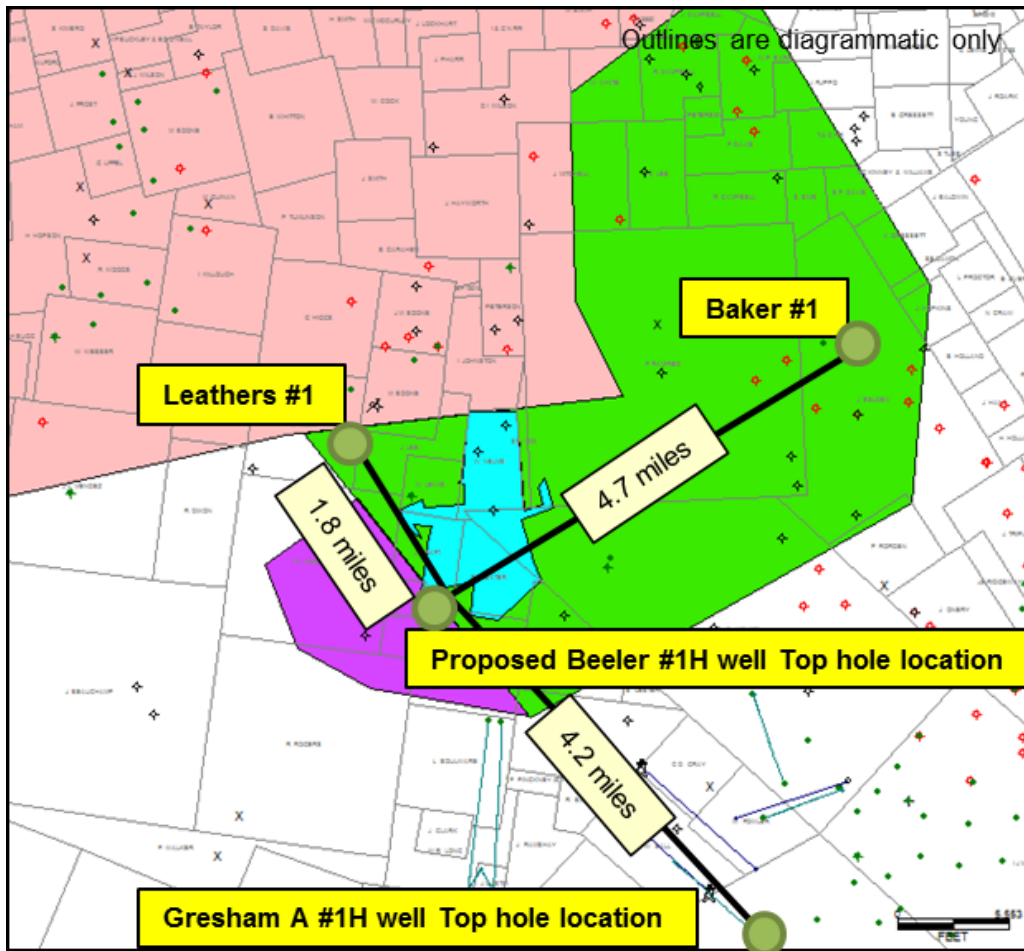


Figure 1. Beeler #1H Well Location

The following parties will now earn the following working interests and net revenue interests (NRI) in Beeler #1H and in the corresponding well unit area:

Participant	Earning Interest	Working Interest (WI)	Net Revenue Interest (NRI)
Farminors	0%	18.75%	14.0625%
Steadfast Resources LLC	50%	40.625%	30.4687%
Richland	16.66%	13.5416%	10.1562%
Sun	16.67%	13.5417%	10.1563%
Amerril	16.67%	13.5417%	10.1563%
Farminors Overriding Royalty	0%	0%	5%
Lessor Royalty	0%	0%	20%

Accordingly, Sun's earning interest in the well will now be 16.67% (25% prior to election of Farminor) and as a result Sun's contribution to the cost of Beeler #1H will be approximately US\$1.26 million (US\$1.9 million prior to election of Farminor). For any second well or further well the parties will have the following respective working interests and net revenue interests:

Participant	Working Interest (WI)	Net Revenue Interest (NRI)
Steadfast Resources LLC	50%	37.5%
Richland	16.66%	12.5%
Sun	16.67%	12.5%
Amerill	16.67%	12.5%
Farminors Overriding Royalty	0%	5%
Lessor Royalty	0%	20%

Save for the well unit area surrounding Beeler #1H, the above parties will earn an interest in the 1,360 acres that comprise the Richland Oil Project in the above stated proportions. Accordingly, Sun will earn a net 226 acres (one sixth of 1,360 gross acres) by way of the Richland Oil Project.

Richland is the Operator of these 1,360 acres that comprise the Richland Oil Project. The drilling pad is currently being prepared and the drilling rig arrives on site within the next 48 hours. Beeler #1H is currently scheduled to spud on or about Wednesday 15 August 2012, 2 days ahead of schedule. Beeler #1H is expected to be drilled, fraced and completed by 25 September 2012. Further information on the Richland Oil Project can be found in the ASX announcement released on 25 July 2012.

**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 30 years' experience in the practice of geology and 31 years' experience in petroleum geology.*

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