



Thursday 8 November 2012

## **Richland Oil Project Update**

### **Beeler #1H – Horizontal Woodbine Well**

- Fracing operations are continuing at Sun's first Woodbine horizontal well, Beeler #1H. The 26-stage fracture stimulation program on the 6,100 feet horizontal well bore section ("lateral") within the Upper Woodbine Formation (Woodbine 'A') is now scheduled to be completed by mid-November.

### **John Beeler #1H – Horizontal Woodbine Well**

- Sun's second Woodbine horizontal well, John Beeler #1H, is cased and awaiting fracing operations on the 7,300 feet of horizontal well bore in the target Woodbine 'A' Formation.
- The Operator is proposing to mobilize a second fracing crew to the John Beeler #1H & #2 drill pad to commence fracing operations in mid-November, in parallel with completion and testing operations at Beeler #1H.

### **Ellis #1H – Horizontal Woodbine Well**

- Sun's third Woodbine horizontal well, Ellis #1H, has reached a total measured depth of 14,902 feet in the horizontal well bore section and the next operation will be running and cementing production casing.
- The drilling has achieved over 7,500 feet of horizontal well section, targeting the Middle Woodbine Formation (Woodbine 'B'), immediately below that drilled in the first two lateral wells, Beeler #1H and John Beeler #1H. Multi-stage fracing and completion of the Ellis #1H lateral is currently scheduled for late November 2012 (immediately following fracing operations at Beeler #1H).

### **John Beeler #2 – Vertical Fraced Well**

- Sun's fourth well in the multi-well drilling and fracing program on the Richland Oil Project, John Beeler #2, is cased ready for fracing and completion.
- The John Beeler #2 vertical well will be fraced immediately after the completion of the multi-stage fracing operation on the John Beeler #1H lateral.

Sun Resources NL (**Sun Resources, Sun or Company**) (ASX:SUR) is pleased to provide an update on the drilling activities in the Richland Oil Project, Leon County, Texas.

#### **First Woodbine Well - Beeler #1H - Multi-Stage Frac Underway**

The multi-stage fracing operation at the Beeler #1H horizontal well is continuing. Completion of the fracing operation is now expected by mid-November after some remedial operations in the well bore. The well will then be tested with a flow-back and clean-up process to recover fracing fluids ahead of the measurement of final hydrocarbon flow rates.

#### **Second Woodbine Well - John Beeler #1H - Horizontal Section Awaiting Fracing**

The John Beeler #1H well has had production casing run and cemented in the 7,300 feet horizontal well bore section. The Operator is proposing to mobilize a second fracing crew to the John Beeler drill site to conduct the multi-stage fracing operations on both John Beeler wells, in parallel with completion and testing activities at the Beeler #1H site. Fracing operations are expected to commence in mid-November and take approximately two weeks to perform.

#### **Third Woodbine Well – Ellis #1H – Drilling the Lateral Well Section**

The third well in the current multi-well drilling campaign, Ellis #1H, has reached a total measured depth (MD) of 14,902 feet in the horizontal well section (lateral). The next operation will be to run and cement the production casing ahead of the multi-stage fracing operation in the target Middle Woodbine section. The Ellis #1H lateral production well is currently expected to be drilled, fraced and completed by end-November 2012, with operations to immediately follow the fracing of the Beeler #1H well.

#### **Fourth Woodbine Well – John Beeler #2 – Vertical Well Drilled and Cased for Fracing**

The John Beeler #2 well was drilled from a surface location immediately adjacent to the John Beeler #1H well head. The vertical development well was spudded on 20 October and reached total depth of 7,200 feet MD. The well was logged and cased ready for a vertical fracing process to test the production potential of the stacked pay zones in this area; including the Sub-Clarksville, Eagle Ford Shale, Upper & Lower Woodbine and Buda formations. Most of these zones have been identified as hydrocarbon-bearing in all three pilot holes. The John Beeler #2 well will also be fraced and completed for production testing across all these prospective zones. Fracing and completion for production testing of the John Beeler #2 vertical well is expected to follow these activities at the Beeler #1H well.

Sun's earning and working interest in the Beeler #1H well is:

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

Sun's working interest in the John Beeler #1H, John Beeler #2 and Ellis #1H wells are:

Participant	Working Interest (WI)	Net Revenue Interest (NRI)
Steadfast Resources LLC	50%	37.5%
Richland (Operator)	16.66%	12.5%
<b>Sun Resources NL</b>	<b>16.67%</b>	<b>12.5%</b>
Amerril	16.67%	12.5%
Farmors Overriding Royalty	0%	5%
Lessor Royalty	0%	20%

**Further drilling and completion updates will be provided regularly, as significant operational milestones are achieved. 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 32 years' experience in the practice of petroleum geology.*

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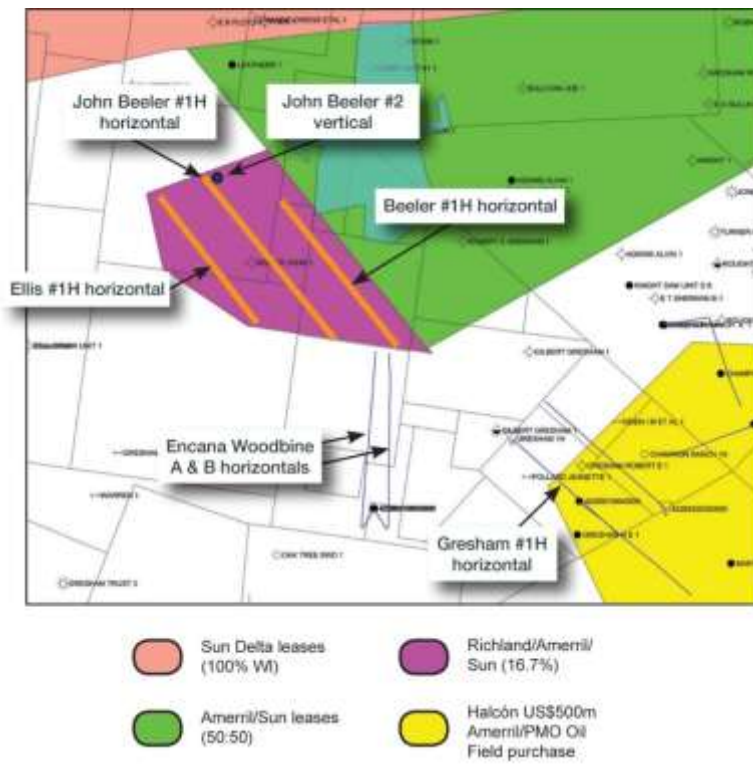


Figure 1: Richland Oil Project (purple): Well locations of Beeler #1H, John Beeler #1H & #2 and Ellis #1H