



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

Email: admin@sunres.com.au
Telephone: 61 8 9388 6501
Facsimile: 61 8 9388 7991

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

Dear Sir/Ms

RE: USA EXPLORATION & DEVELOPMENT PROGRAM 2008

Sun Resources is planning to be involved in up to 4 wells within its US Gulf Coast project areas by year end 2008 as it targets a doubling of revenues from US operations.

Sun Resources will have a material equity position in the following wells and their targeted speculative resources potential:

Project	Prospect	Potential	WI Equity	Comments
Margarita	F#1	0.6 bcf	37.5%	Frio
Margarita	TB#18	1.7 bcf	37.5%	Frio
Viking *	Meek	18 bcfe	12.5%	Middle Wilcox
Redback *	Redback #1	18 bcfe	20.0%	Middle Vicksburg

* Subject to successful finalised farm-out negotiations

Comment from Sun Resources MD, Matt Battrick: "This is an exciting time for the company as we target a 100% increase in our US revenue stream over the next 12 -18 months to deliver the cash we need to reinvest in other exploration opportunities within our portfolio. The wells listed above are only a portion of the planned program through to 30 June 2009 with the larger high impact Margarita Cook Mountain and Wilcox targets (to 200 bcfg) to follow the completion of leasing and farm-out processes".

Background

Project Margarita

Sun Resources participates in the exploration and production of oil and gas within a highly prospective portion of the onshore Texas Gulf of Mexico (Gulf Coast) through a number of successful Joint Ventures. One such [ground floor] Joint Venture is called "*Project Margarita*", with Wandoo Energy, LLC ("Wandoo") as the project operator. This opportunity, which commenced in December 2005, has a 530 km² 3D seismic data base covering portions of four main producing trends. Sun Resources holds a 37.5% working interest in the overall project and has the opportunity to farm down to a carried 15 - 25% working interest in the drilling of high graded prospects generated from the 3D seismic

data to balance risk - reward. This position places Sun Resources in a strong commercial position as a 'deal-maker' rather than a 'deal-taker'.

Technical work by the joint venture on the 3D seismic data has identified > 45 leads and prospects in prospective stratigraphic/structural settings at depths ranging from 1,000 to 5,000 metres. Historic production and plays in the project area and environs are Frio and Vicksburg sands at <2,000 metres depth and deeper Yegua, Cook Mountain and Wilcox sands between 2,000 and 5,000 metres depth. The Wilcox sands are under explored with only 5 wells >2,400 metres drilled within the 530 km² 3D seismic area, with 4 of these drilled prior to the 3D seismic. A significant number of high impact Cook Mountain and Wilcox gas prospects (to 200 bcfg) have also been recognised and these lie along trend from significant recent discoveries. These prospects are the high upside of the project.

Project Redback

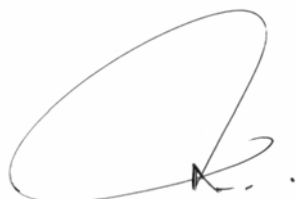
Following the successful outcome of the initial shallow drilling program on the Margarita Project area, onshore Gulf Coast, South Texas, Sun Resources strengthened its exploration activities through a further joint venture with Wandoo, commencing 1 May 2007. The new joint venture between Sun Resources 37.5%, Victoria 37.5% and Wandoo 25% (Operator), called "Redback", is on a 393 km² 3D seismic data base covering a small portion of a highly productive, onshore Gulf Coast, oil and gas trend in South Texas. This is another project area where Sun Resources is in a strong commercial position as a 'deal-maker' as equity will be farmed out ahead of drilling. This is a particularly exciting area due to the potential for a significant liquids stream to flow with any gas production from successful wells. Individual wells on trend have produced up to 10 bcfg plus 250,000 bo at high initial daily well production rates of up to 10 mmscfd with 300 bopd.

Project Viking

Sun Resources also agreed to farm-in to a new Joint Venture with Mueller Exploration Inc to take a 12.5% working Interest (10% NRI) in the Meek Prospect, an undeveloped extension of the gas-condensate New Taiton Field, in Wharton County in South Texas. While delivering only a small equity position, this opportunity allows Sun Resources to develop a relationship with another successful prospect generator, Viking International. The Meek Prospect has been defined by 3D seismic and lies adjacent to a producing field at the same reservoir level (Upper Meek Sands of the Middle Wilcox Formation) and is therefore considered a relatively low risk prospect.

Yours faithfully

SUN RESOURCES NL



Mr A P Woods
COMPANY SECRETARY

This report is lodged on the Company's website, www.sunres.com.au. Information contained in this report was sourced from information provided by miscellaneous Project Operators, and compiled by Managing Director M A 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.