



Tuesday 30 October 2012

Sun Resources Sells Interest in WA-47-R

- Sun Resources has entered into a binding Sale and Purchase Agreement with a subsidiary of Hydra Energy Pty Ltd to sell its 9.25% working interest (WI) in the Retention License WA-47-R which contains the Sage #1 stranded oil discovery.
- This agreement is subject to Joint Venture and Regulatory Approval and is part of Sun Resources strategy to exit its legacy international portfolio where there is potential to monetise the asset during divestment.
- Sun Resources remains committed to focussing on its substantial Woodbine Tight Oil Play assets.

The Board of Sun Resources NL (“Sun Resources”, “Sun” or “Company”) (ASX:SUR) is pleased to announce that, pursuant to a binding Sale and Purchase Agreement with Hydra Energy (WA) Pty Ltd, a company established and controlled by Hydra Energy Holdings Pty Ltd (“Hydra”), it has agreed to sell its 9.25%WI in the WA-47-R Retention License. The agreement is subject to both Joint Venture and regulatory approvals.

The WA-47-R block contains the small, undeveloped Sage field which is not considered a strategic fit with Sun’s focus on high potential exploration and production in the Woodbine Tight Oil Play of Leon County, Texas. Hydra is a private Australian company backed by Barclays Natural Resource Investments. Hydra has specialist capabilities in small-field development with a focus on undeveloped discoveries and late-life assets in Australia and Asia.

Sun’s Managing Director, Matthew Battrick said:

“We are pleased to announce this transaction, which, along with the recent announcement by Carnarvon Petroleum Limited (ASX:CVN), in relation to our interest in L20/50 in Thailand, demonstrates our commitment to remain focussed on onshore unconventional oil and gas exploration and development, particularly in the Woodbine Tight Oil Play of East Texas.”

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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 30 years’ experience in the practice of geology and more than 25 years’ experience in petroleum geology. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States nor shall there be any sale of the securities in any jurisdiction in which such an offer, solicitation or sale would be unlawful. The securities offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the Securities Act), or any state securities laws and may not be offered or sold in the United States or to U.S. persons (as defined in Regulation S under the Securities Act) except in compliance with the registration requirements or an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws.

This document contains forward-looking statements which reflect management’s expectations regarding expected target dates. These forward-looking statements relate to, among other things, the expected closing dates of tranches 1 and tranche 2, and the closing date of the acquisition, and can generally be identified by words such as

"will", "expects", "intends", or similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. These statements are not historical facts but instead represent management's expectations, estimates and projections regarding future events. Statements relating to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that some or all of the resources and reserves described can be profitably produced in the future.

Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. In addition, if any of the assumptions or estimates made by management prove to be incorrect, actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this document. Such assumptions include, but are not limited to, general economic, market and business conditions and corporate strategy. Accordingly, investors are cautioned not to place undue reliance on such statements.

All of the forward-looking information in this document is expressly qualified by these cautionary statements. Forward-looking information contained herein is made as of the date of this document and Sun Resources disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by law.