

Thursday 27 September 2012

## **Richland Oil Project - Update on 3 Wells**

### **Beeler #1H**

- Sun's first Woodbine horizontal well, Beeler #1H, has drilled to a total depth of 12,756 feet measured depth (MD), after running intermediate casing, delivering a 'lateral' production length of approximately 6,100 feet. The next phase of operations on the Beeler #1H horizontal well will be running production casing followed by conducting a 32 stage fracture stimulation and then completing the well for production. Beeler #1H should now be drilled, fraced and completed by late October 2012.

### **John Beeler #1H**

- Sun's second Woodbine well, John Beeler #1H, is currently at total depth of 7,250 feet MD in the vertical pilot hole and wireline logs have now been run across all the prospective sections. These logs confirm the westward extension of all three hydrocarbon-bearing zones seen in the adjacent Beeler #1H well; namely, the Woodbine A & B, plus Sub-Clarksville formations.
- The Operator will now immediately commence drilling the horizontal well section of the John Beeler #1H well into the target Woodbine A formation, the same zone being completed in the adjacent Beeler #1H well, with a planned horizontal well bore length of 7,000 feet.
- The Operator currently expects to finish drilling, fracing and completion for production of the John Beeler #1H horizontal well in mid-November 2012.

### **Ellis #1H**

- Sun's third Woodbine well, named Ellis #1H, is currently planned to be spudded on or around 7 October 2012 with the same drilling rig that is currently finishing up operations on the Beeler #1H well. Drilling, fracing and completion of the Ellis #1H horizontal well is currently scheduled for late November 2012.

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Sun Resources NL (**Sun Resources, Sun** or the **Company**) (ASX:SUR) is pleased to provide an update on the drilling activities of the 3 wells in the Richland Oil Project.

### **First Woodbine Well - Beeler #1H - at Total Depth, Multi-Stage Frac to Commence**

The Beeler #1H horizontal well has completed drilling in the horizontal production well section after setting intermediate casing across the 'bend' in the well. Beeler #1H reached total depth of 12,756 feet measured depth (MD), delivering a horizontal section (lateral) of approximately 6,100 feet in length, as

measured from the intermediate casing shoe. The next phase of operations on the Beeler #1H well will be to run production casing and conduct the multi-stage fracking process (approximately 32 stages) to complete the well for production. This phase should now be completed by late October 2012.

### Second Woodbine Well - John Beeler #1H - Completed Pilot Hole, Horizontal Section to Commence

The John Beeler #1H well has completed drilling the vertical pilot hole to a depth of 7,250 feet MD and the Operator has completed wireline logging operations across all the prospective zones. This pilot hole confirmed the westward extension of all three hydrocarbon-bearing zones observed in the adjacent Beeler #1H well; namely, the Woodbine A & B, plus Sub-Clarksville formations. The Operator will immediately commence drilling of the horizontal section of the well, targeting a lateral section of 7,000 feet in the Woodbine A (upper) Formation, the same zone that is being completed in the Beeler #1H lateral. The John Beeler #1H horizontal production well is currently expected to be drilled, fraced and completed by mid-November 2012.

### Third Woodbine Well – Ellis #1H – Pilot Hole to Spud 7 October 2012

The Operator, Richland Resources Corporation (**Richland**), has informed the joint venture that the third well in the current multi-well drilling campaign has been named Ellis #1H. This well, including both the vertical pilot hole and the horizontal production well section (“lateral”), will be spudded using the Nabors M47 rig that is currently operating on the Beeler #1H location. The Ellis #1H well will commence operations immediately after the Beeler #1H well has been drilled and cased. Spud date is currently estimated to be on or around 7 October 2012 and the Ellis #1H well is currently expected to be drilled, fraced and completed by the end of November 2012.

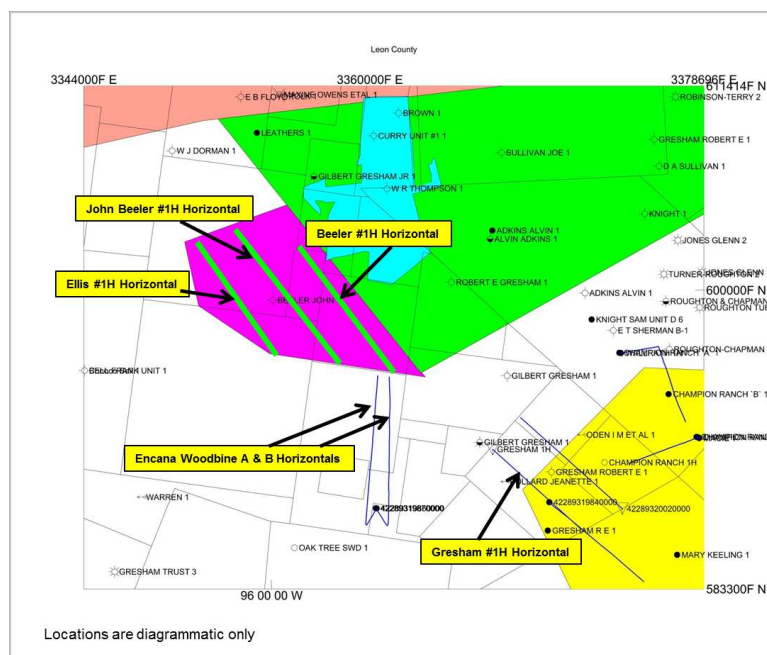


Figure 1: Richland Oil Project (purple): Well locations of Beeler #1H, John Beeler #1H and Ellis #1H.

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

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 (Operator)	16.66%	13.5416%	10.1562%
Sun Resources NL	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 working interests in the John Beeler #1H and the Ellis #1H wells is:

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

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

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