



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

16 November 2009

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

Dear Sir

**RE: NOTICE OF GENERAL MEETING, FORM OF PROXY
& EXPLANATORY STATEMENT**

We advise that the Notice of General Meeting, Explanatory Statement and Proxy Forms for the General Meeting to be held on 17 December 2009 were dispatched to Shareholders today.

We attach herewith a copy of the Notice of General Meeting, Form of Proxy and Explanatory Statement.

Yours faithfully

C Basson
Chief Financial Officer/Company Secretary

SUN RESOURCES NL

ABN 69 009 196 810

NOTICE OF GENERAL MEETING,

EXPLANATORY STATEMENT

AND

PROXY FORM

Date of Meeting

Thursday, 17 December 2009

Time of Meeting

10.00am

Place of Meeting

BDO Kendalls
Level 8
256 St Georges Terrace
Perth, Western Australia

CONTENTS

- A. Notice of General Meeting
- B. Explanatory Statement
- C. Proxy Form

IMPORTANT NOTE

This booklet sets out information to assist Shareholders to assess the resolutions to be considered at the General Meeting.

You should read this information carefully and in its entirety before making a decision as to how to vote at the Meeting. No responsibility is taken for the contents of this booklet by ASIC, ASX or any of their officers.

If you do not fully understand the contents of this information you should consult your financial or legal adviser for assistance.

A notice of General Meeting, Proxy Form and Appointment of Corporate Representative Form are included in this booklet. Shareholders are urged to complete and return the enclosed Proxy Form as soon as possible, irrespective of whether or not they intend to attend the Meeting.

QUESTIONS

If you have any queries regarding the contents of this booklet or in relation to the General Meeting, please contact the Company Secretary, Mr Craig Basson, on (08) 9345 4100.

ELECTRONIC COPIES OF COMPANY REPORT

The Company Annual Report is now available on the Sun Resources NL website www.sunres.com.au.

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders of Sun Resources NL will be held on:

Thursday, 17 December 2009 commencing at 10.00am

at:

BDO Kendalls
Level 8
256 St Georges Terrace
Perth, Western Australia

HOW TO VOTE

You may vote by attending the Meeting in person, by proxy or authorised representative.

VOTING IN PERSON

To vote in person, attend the meeting on the date and at the place set out above. The meeting will commence at 10.00am.

Sun Resources NL

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VOTING BY PROXY

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of General Meeting as soon as possible and either:

- send the proxy by facsimile to the Company Secretary, Mr Craig Basson on facsimile number (08) 9345 4541 (International: + 618 9345 4541); or
- deliver to the Company Secretary, at 5 Bendsten Place, Balcatta, WA, 6021; or
- post to PO Box 332, Greenwood, WA, 6924,

so that it is received not later than 10.00am WST on Tuesday, 15 December 2009.

Your Proxy Form is enclosed

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Sun Resources NL will be held on Thursday, 17 December 2009 at 10.00am, at the office of BDO Kendalls, Level 8, 256 St Georges Terrace, Perth, Western Australia.

The following resolution is to be considered at the meeting and Resolution 1 is discussed in the Explanatory Statement to Shareholders which forms part of this notice.

AGENDA

ORDINARY BUSINESS

1. To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

That for the purposes of ASX Listing Rule 10.11, Part 2E.1 of the *Corporations Act* and for all other purposes, approval is given for the issue of 4,000,000 Options exercisable at 12.5 cents each on or before 16 October 2011 to Mr M A Battrick (or his nominee), on the terms and conditions set out in the Explanatory Statement.

Voting Exclusion: The Company will disregard any votes cast on Resolution 1 by Mr Battrick, any of his associates or any of their nominees. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form, or it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

2. To transact any other business that may be brought forward in accordance with the Constitution of the Company.

EXPLANATORY STATEMENT

Shareholders are referred to the Explanatory Statement accompanying and forming part of this Notice of General Meeting.

VOTING ENTITLEMENT

Regulation 7.11.37 of the Corporations Regulations 2001 permits the Company to specify a time, not more than 48 hours before the meeting, at which a "snap shot" of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting.

For the purposes of determining voting entitlements at the General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 10.00am WST on Tuesday, 15 December 2009. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

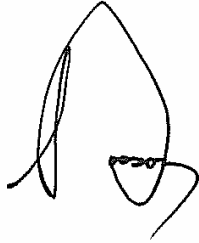
PROXIES

A form of proxy with related information and instructions accompanies this Notice of Meeting.

CORPORATE REPRESENTATIVE

If a representative of a Shareholder corporation is to attend the meeting, the attached Appointment of Corporate Representative Form should be completed and produced prior to the meeting commencing.

Dated at Perth this 13th November 2009
By order of the Board of Directors

A handwritten signature in black ink, appearing to read 'Craig Basson', with a stylized flourish at the end.

Craig Basson
Company Secretary

EXPLANATORY STATEMENT

INTRODUCTION AND BACKGROUND

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the resolutions contained in the accompanying Notice of General Meeting of Sun Resources NL.

Shareholders at the General Meeting will be asked to consider a resolution to approve the issue of 4,000,000 Options to Mr Matthew Arthur Battrick.

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's General Meeting to be held at the offices of BDO Kendalls, Level 8, 256 St Georges Terrace, Perth, Western Australia on Thursday, 17 December 2009 commencing at 10.00am.

The purpose of this Explanatory Statement is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the resolution.

The Directors recommend that Shareholders read this Explanatory Statement before determining whether to support the resolution or otherwise.

RESOLUTION 1 – ISSUE OF OPTIONS TO DIRECTOR

1.1 Background

In accordance with ASX Listing Rule 10.11, and Chapter 2E of the *Corporations Act*, Resolution 1 seeks approval for the issue of 4,000,000 Options to Mr Matthew Arthur Battrick, a Director of the Company, or his nominee. Each Option will be exercisable at 12.5 cents on or before 16 October 2011, and will be otherwise on the terms and conditions set out in Sections 1.4 and 1.5 of the Explanatory Statement.

Shareholder approval for the issue of Options to Mr Battrick is required by ASX Listing Rule 10.11 and Section 208 of the *Corporations Act* because he is a "related party" of the Company as defined for the purposes of the Listing Rules and the *Corporations Act*.

The purpose of the grant of the Options is to provide a performance incentive to Mr Battrick. The Options will be granted and issued no later than one month after this meeting if the resolution is passed, for no consideration.

If the Options are fully exercised by Mr Battrick \$500,000 will be received by the Company. This money will be used by the Company for general working capital purposes. The dilution effect if all Options are exercised by Mr Battrick would amount to approximately 1%, based on the Company's current issued share capital. No material opportunity cost is considered to arise to the Company in respect of the proposed grant of Options to Mr Battrick.

1.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that a listed entity must not issue equity securities to a related party without Shareholder approval. The proposed grant of Options to Mr Battrick requires approval by Shareholders under the Listing Rules as Mr Battrick is a Director of the Company and therefore is a related party of the Company.

If approval is given under Listing Rule 10.11, the Listing Rules specify that approval is not required under Listing Rule 7.1 (which limits the number of equity securities the Company may issue within a 12 month period to not more than 15% of the total number of ordinary securities on issue without the requirement for Shareholder approval).

1.3 Section 208 of the Corporations Act

Chapter 2E of the *Corporations Act* prohibits a public company from giving a "financial benefit" to a "related party" unless the giving of that benefit is approved by shareholders in a general meeting of the Company.

Mr Battrick is a related party of the Company within the meaning of Chapter 2E of the *Corporations Act* and the Options to be granted to him to acquire fully paid ordinary shares in

the Company will constitute a financial benefit for the purposes of Chapter 2E of the *Corporations Act*. The grant will, therefore, involve the giving of a financial benefit to a related party of the Company. Accordingly, the Company is required to seek Shareholder approval of the grant of the Options to Mr Battrick prior to making that grant.

1.4 Specific Disclosure of Information as Required by the *Corporations Act* and the Listing Rules

In accordance with Section 219 of the *Corporations Act*, and for the purposes of Listing Rule 10.11, the following information is provided:

- (a) the related party to whom the Options will be issued is Mr Battrick;
- (b) the financial benefit to Mr Battrick consists of the grant to him of 4,000,000 Options exercisable at 12.5 cents per Option which are subject to the general terms and conditions set out below in Section 1.5;
- (c) the maximum number of Options to be issued by the Company is 4,000,000 Options to Mr Battrick (or his nominee);
- (d) the Options will be issued for nil cash consideration and accordingly, no funds will be raised from the issue of the Options;
- (e) if the Options are fully exercised by Mr Battrick \$500,000 will be received by the Company;
- (f) the Options will be issued on or before 17 January 2010 (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that allotment will occur on one date;
- (g) Mr Battrick has a material personal interest in the outcome of Resolution 1 and accordingly does not wish to provide a recommendation in respect of this Resolution. The other Directors, who do not have a material personal interest in the outcome of Resolution 1, recommend that Shareholders approve Resolution 1 as they are of the view that the issue of Options to Mr Battrick is appropriate in order to provide a material incentive to reach certain milestones, and also assists the Company's cash reserves. The Directors (other than Mr Battrick) considered Mr Battrick's performance, the current market price of the Shares and current market practice when determining the terms of the Options and the number of Options to be issued to Mr Battrick;
- (h) if Shareholders approved the issue of Options to Mr Battrick, and all Options are ultimately exercised, the effect will be to dilute the shareholding of existing Shareholders by approximately 1% on an undiluted basis and based on the number of Shares on issue (as at the date of this Notice) assuming that no other Options are exercised;
- (i) the primary purpose of the issue of Options is to allow the Company to provide a cost-effective incentive for the ongoing dedication and efforts of Mr Battrick and for recognition of Mr Battrick's efforts to date. The Directors (other than Mr Battrick) do not consider there are any significant opportunity costs to the Company or benefits forgone by the Company in issuing the Options to Mr Battrick upon the terms proposed.
- (j) the Options will be issued for nil cash consideration as they are being issued to Mr Battrick in order to provide a material incentive to reach certain milestones designed around the Company's present and ongoing strategy of building a revenue stream from low risk exploration in the USA to reinvest in high impact exploration in SE Asia and approved by the Board. The Board considers the issue of Options to be reasonable in the circumstances, to assist the Company in retaining and rewarding high calibre professionals, while maintaining the Company's cash reserves;

- (k) the current holdings (direct and indirect) of Mr Battrick are as follows:

	Shares	Options
M A Battrick	-	2,000,000

- (l) Mr Battrick's emoluments for the year ended 30 June 2009 is as follows:

	Remuneration
M A Battrick	\$312,584

- (m) in the 12 months before the date of this Notice, the highest, lowest and last trading price of Shares on the ASX are as set out below:

	Date	Price
Highest	5 & 6 August 2009	\$0.110
Lowest	19 February 2009	\$0.026
Last Trading Price	9 November 2009	\$0.082

- (n) ASIC policy in relation to documents lodged under Section 218 relating to the giving of financial benefits to related parties of public companies requires explanatory information regarding the value of the Options proposed to be issued. The value of the Options has been calculated using the Black-Scholes valuation method and is set out in Section 1.6; and
- (o) Mr Battrick presently holds Options set out in the table (k) above that are exercisable as follows:
- 1,000,000 exercisable at 10 cents and expiring on 1 February 2010; and
 - 1,000,000 exercisable at 12.5 cents and expiring on 1 February 2011.

Otherwise the Directors are not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 1.

1.5 Option Terms

The terms of the issue of the Options are as follows:

- (a) each Option is exercisable on or before 16 October 2011;
- (b) the Options held by the holder can be exercised in whole or in part;
- (c) the exercise price is 12.5 cents each (in cash);
- (d) each Option is exercisable into one ordinary fully paid share in the Company which shall rank pari passu with existing shares;
- (e) the Options will not be quoted on the ASX;
- (f) the Company will make an application to the ASX for the quotation of Shares issued on exercise of Options. The Company will not be under any obligation to ensure that such Shares will be quoted;
- (g) the Options shall be exercisable by the option holder by notice in writing to the Company together with a payment of the exercise price of the Options, provided that Mr Battrick is employed by or on behalf of the Company at the time the Options are exercised or he may exercise the Options or part thereof within 60 days of ceasing such employment;
- (h) Any notice of exercise of an Option received by the Company shall be deemed to be a notice of the exercise of the Option on the first business day after the date of receipt of the notice;

- (i) the Optionholder will be permitted to participate in any pro-rata issue of securities of the Company on prior exercise of the Options, in which case the Optionholder will be afforded the period of at least 7 business days prior to and inclusive of the record date to determine entitlements to the issue to exercise the Options;
- (j) the Options do not confer on the holder any right to participate in dividends until Shares are allotted pursuant to the exercise of the Options;
- (k) the Options are non-transferrable;
- (l) in the event of a reorganisation of the issued capital of the Company, the Options will be reorganised in accordance with the Listing Rules (if applicable) and in any case in a manner which will not result in any benefits being conferred on Optionholders which are not conferred on Shareholders and for such purpose the Company may vary the number, exercise price or other terms of the Options in such manner as may be necessary to comply with the Listing Rules;
- (m) the number of Shares to be issued pursuant to the exercise of Options will be adjusted for bonus issues made prior to exercise of the Unlisted Options so that, upon exercise of the Options, the number of Shares received by the Optionholder will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for the bonus issues. The exercise price of the Options shall not change as a result of any such bonus issues;
- (n) Shares issued pursuant to the exercise of the Options will be granted following the receipt of all relevant documentation and payments; and
- (o) in the event of the holder dying whilst an employee of the Company or any of its subsidiaries prior to the expiry of the Options, the right of the holder to exercise the Options shall vest in his executor and/or administrator and they shall have the same rights to exercise the Options as such deceased holder would have had during the option period but for his death.

1.6 Valuation of Options

The Options have been valued as at 16 October 2009 using the Black-Scholes valuation method.

The valuations have been based upon the following inputs and assumptions:

- (a) a spot Share price of 8.3 cents;
- (b) an Option exercisable price of 12.5 cents;
- (c) a risk free rate of 4.97% per annum;
- (d) a volatility factor of 79.9% which has been determined with reference to the historical trading of the Company's Shares on ASX;
- (e) an expiry date of 16 October 2011; and
- (f) all other terms and conditions as outlined in Sections 1.4 and 1.5 of this Explanatory Statement.

Based on the above, the Options to be issued pursuant to Resolution 1 have been valued at \$0.028 each under the Black-Scholes valuation method.

1.7 Voting Restrictions

The Company will disregard any votes cast on this Resolution by Mr Battrick or his associates. However, the Company need not disregard a vote if:

- a) It is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or

- b) It is cast by the Chairman of the meeting as proxy for a person who is entitled to vote as the proxy decides.

2. GLOSSARY

In the Notice of Meeting and this Explanatory Statement:-

- (a) "ASIC" means Australian Securities & Investments Commission.
- (b) "ASX" means Australian Stock Exchange Limited.
- (c) "*Corporations Act*" means the *Corporations Act 2001 (Cth)*.
- (d) "Listing Rules" means the Listing Rules of the ASX.
- (e) "Option" means an option to acquire a Share.
- (f) "Share" means fully paid ordinary share in the capital of the Company.
- (g) "Sun" and "Company" means Sun Resources NL (ABN 69 009 196 810).

Proxy Form

Shareholder Details

Name:

Address:

Contact Telephone No:

Contact Name (if different from above):

Appointment of Proxy

I/We being a shareholder/s of Sun Resources NL and entitled to attend and vote hereby appoint

[]

The Chairman of the meeting (mark with an 'X')

OR

[]

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting Members of Sun Resources NL to be held at the office of BDO Kendalls, Level 8, 256 St Georges Terrace, Perth, Western Australia, on Thursday the 17th day of December 2009 at 10.00am WST and at any adjournment of that meeting.

[]

IMPORTANT

If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote, please place a mark in this box with an 'X'. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of the resolutions and that votes cast by him, other than as a proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on the resolutions and your votes will not be counted in computing the required majority if a poll is called. The Chairman of the Meeting intends to vote undirected proxies in favour of each resolution.

Voting directions to your proxy – please mark [X] to indicate your directions

Ordinary Business

For Against Abstain*

1 Issue of Options to Director

[] [] []

*If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Appointment of a second proxy (see instructions overleaf).

If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form

[] %

DATED the day of 2009

PLEASE SIGN HERE

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented

Individual or Shareholder 1

[]

Sole Director and Sole Company Secretary

Shareholder 2

[]

Director

Shareholder 3

[]

Director/Company Secretary

How to complete this Proxy Form

1 Your Name and Address

Please print your name and address as it appears on your holding statement and the Company's share register. If shares are jointly held, please ensure the name and address of each joint Shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a Shareholder of the Company.

3 Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company on (08) 9345 4100 or you may photocopy this form.

To appoint a second proxy you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
Joint Holding: where the holding is in more than one name, all of the shareholders should sign.
Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

6 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting. I.e. no later than 10.00am WST on Tuesday 15 December, 2009. Any Proxy Form received after that time will not be valid for the scheduled meeting.

This Proxy Form (and any Power of Attorney and/or second Proxy Form) may be sent or delivered to the Company's registered office at 5 Bendsten Place, Balcatta, WA, 6021 or PO Box 332, Greenwood, WA, 6924 or sent by facsimile to the registered office on (08) 9345 4541.

Appointment of Corporate Representative Form

Shareholder Details

This is to certify that by a resolution of the Directors of:

(Company)

(Insert name of shareholder company)

The Company has appointed:

(Authorised corporate representative)
--

(Insert name of corporate representative)

in accordance with the provisions of section 250D of the *Corporations Act 2001*, to act as the body corporate representative of that Company at the General Meeting of Sun Resources NL to be held on Thursday the 17th day of December 2009 at 10.00am WST and at any adjournments of that meeting.

DATED

.....2009

Please sign here

Executed by the Company

in accordance with its constituent documents

Signed by authorised representative

Signed by authorised representative

Name of authorised representative (print)

Name of authorised representative (print)

Position of authorised representative (print)

Position of authorised representative (print)

Instructions for Completion

1. Insert name of appointer Company and the name or position of the appointee (e.g. "John Smith" or "each Director of the Company").
2. Execute the Certificate following the procedure required by your Constitution or other constituent documents.
3. Print the name and position (e.g. Director) of each Company officer who signs this Certificate on behalf of the Company.
4. Insert the date of execution where indicated.
5. The certificate must be produced prior to admission to the Meeting. This certificate may be sent or delivered to the Company's registered office at 5 Bendsten Place, Balcatta, WA, 6021 or PO Box 332, Greenwood, WA, 6924 or sent by facsimile to the registered office on (08) 9345 4541.