

19 January 2011
ASX Limited
Company Announcements
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Sun Resources Commences Rig Mobilization for Multi-Well Drilling Programme at L20/50 Onshore Thailand

Sun Resources NL (“Sun” or “the Company”) (ASX:SUR) is pleased to announce that it has been advised by Carnarvon Petroleum Limited, the Operator of L20/50 onshore Thailand, that the drill rig mobilisation process has commenced as part of its high impact, multi-well drilling programme. Some equipment is expected on location at the Tapao Kaew-1 well site by Friday January 21st. Sun Resources will provide a further update next week regarding the progress of rig-up of the AD-1 drilling rig and likely timing for spudding of the well.

Peak Oil and Gas Limited (“Peak”) will free-carry Sun through its share of the first well which will test a gross speculative resource of 21 million barrels of oil at the Tapao Kaew Prospect.

Sun will maintain a very significant 42.5% interest in L20/50 following farm-out to Peak, providing maximum leverage to its shareholders in the upcoming multi-well drilling programme that will test up to 90 million barrels of oil (speculative potential which is a best estimate based on gross recoverable oil).

Each well will take approximately two-three weeks to drill and complete, with each well testing multiple reservoir horizons where the potential for stacked oil pools exists. The well locations and targets of each well are detailed below.

As demonstrated by our Operator elsewhere in Thailand, any discovery at L20/50 can be very quickly commercialised with crude oil transported by truck to one of Thailand’s nearby oil refineries for sale.

For more information and regular updates, please visit the website: www.sunres.com.au

Yours faithfully

SUN RESOURCES NL



Matthew Batrick
MANAGING DIRECTOR

Information contained in this report was sourced from the Operator of the Joint Venture in which the Company has an interest and was compiled by the Managing Director of Sun Resources, Matthew Batrick, 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.



AD-1 drilling Rig

About L20/50 Drilling Programme

Well # 1 - the Tapao Kaew Prospect

The first well will be drilled into the Tapao Kaew Prospect (figure 1), a 4-way anticlinal structure with stacked targets on the western edge of the basin, immediately adjacent to the interpreted hydrocarbon kitchen. The Joint Venture estimates the Tapao Kaew Prospect to have a gross speculative potential resource of approximately 21 million barrels. The Tapao Kaew-1 well will test up to three separate mapped horizons between approximately 700 - 1,715 metres.

Well # 2 - the Krai Thong Prospect

The second well will be drilled into the Krai Thong Prospect (fig. 1), a faulted anticlinal structure with multiple stacked targets. The Joint Venture estimates the Krai Thong Prospect to have a gross speculative potential resource of approximately 37 million barrels. The Krai Thong-1 well will target two separate mapped horizons between approximately 700 - 1,450 metres.

Well # 3 (Contingent) - the Chalawan Prospect

If sufficient encouragement is demonstrated by the first two wells, the Joint Venture may drill a third well as part of this initial drill program. This well would be at the Chalawan Prospect (fig. 1). This structure comprises a series of tilted fault closures on the eastern edge of the basin. The Joint Venture estimates the Chalawan Prospect to have a gross speculative potential resource of approximately 32 million barrels. If this prospect is drilled, it is planned to be a shallow well to a total depth of 950 metres.

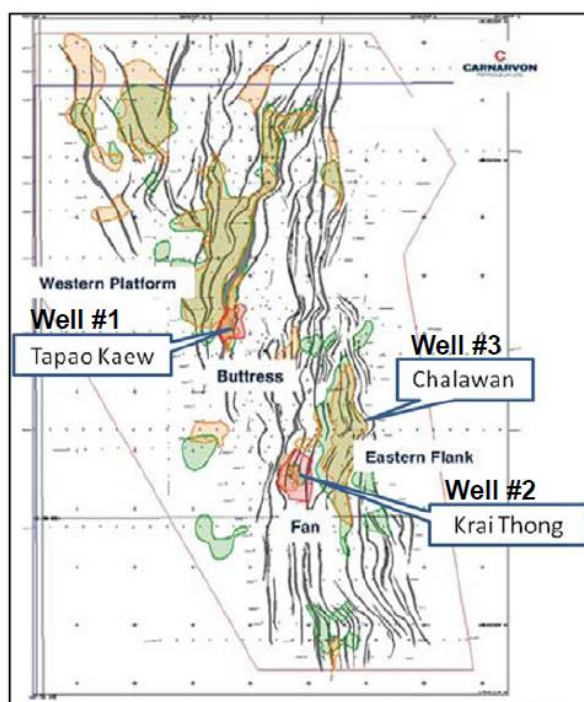


Figure 1, Prospect location map, L20/50 Permit

About the L20/50 Permit

The L20/50 permit lies on the onshore Phitsanulok Basin, located between Thailand's two largest producing onshore field complexes, being the next basin along from Carnarvon Petroleum Limited's Phetchabun Basin Oil Fields (producing up to 15,000 bopd with >60 mmboc estimated ultimate recovery) and 20 kilometres south, in the same basin as the prolific Sirikit Oil Field (producing ~20,000 bopd with >200 mmboc estimated ultimate recovery), figure 2.

The L20/50 Joint Venture exploration program is targeting a resource of similar size to that of Carnarvon and Pan Orient who are producing up to 15,000 bopd (with >60 mmboc estimated gross ultimate recovery) from a number of new oil pools in the "volcanic play" in the adjacent Phetchabun Basin, 50 kilometres to the east. The primary reservoir target in the wells testing the firm prospects is the traditional sandstone reservoirs that produces most of the oil from the prolific Sirikit Oil Field and is present in multiple levels in the Nong Bua-1 well within L20/50.