



SUN RESOURCES NL

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Sun Resources NL Spuds Exploration Well in Bee County, Texas

- **US exploration programme commences**
- **F#1 well spuds at Project Margarita**
- **High impact Meek Prospect to spud October 2008 targeting ~18bcfe and ~2 mmcf/d**
- **Up to four exploration wells planned for Sun's onshore Texas Gulf Coast leases over the next 3-6 months**

Sun Resources NL ("Sun") has been advised by the operator of Project Margarita that the Jones-Stewart Gas Unit #1 well ("the F#1 well") commenced operations yesterday @ 22.30 hours USA central time (CT) and at midnight CT was drilling surface hole at below 33.5 metres. The F#1 well is targeting Frio Formation objectives at Project Margarita above a planned total depth of 1,219 metres on the Herradura (F1) prospect.

Initial drilling at Project Margarita in 2007 discovered three commercial oil and gas pools that now contribute to a total net operating cash flow of approximately US\$150,000 per month to Sun. Costs of the well including completion, where Sun is largely "ground floor", are estimated to be US\$200,000 net to Sun. This well is the first in Sun's current USA exploration drilling program.

The second well of Sun's current USA exploration drilling program is targeting 18bcfe from the Meek Prospect and will commence drilling in October 2008. The Meek Prospect lies adjacent to a producing field at the same reservoir level. The Meek Prospect will target gas and condensate from the Upper Meek Sands of the Middle Wilcox Formation. In addition to the F#1 well and drilling of the Meek Prospect, up to a further two exploration wells are planned for Sun's onshore Texas Gulf Coast leases over the next 3 to 6 months.

Commenting on the upcoming US drill programme, Mr Matt Battrick, Managing Director of Sun Resources stated "This is an exciting time for Sun as we target a 100% increase in our US revenue over the coming 9 months, delivering strong cash flow to reinvest into other high leverage exploration opportunities within our portfolio such as the L20/50 Joint Venture with Carnarvon in Thailand. The initial two wells detailed above represent only a portion of the planned program through to 30 June 2009 with our larger targets to commence late 2008/early 2009 following the completion of leasing and farm-out processes".

Yours faithfully

SUN RESOURCES NL

Mr A P Woods
COMPANY SECRETARY