



Monday 14 April 2014

Sun's US Projects Update: Drilling to Commence

Normangee Oil Project (Sun 50% WI and Operator)

- Sun is pleased to announce that its first operated well in the Normangee Oil Project is set to spud in the next few days after planning was completed and a rig secured.
- Sun expects the Jack Howe #1H vertical pilot well to take 15 days to drill, core and evaluate with the primary objectives the Lower Woodbine and underlying Buda Formations.
- It is anticipated that subject to pilot well results a 5,000 feet plus lateral will be drilled and completed at the Jack Howe #1H location.

Delta Oil Project (Petro-Hunt AMI Area, Sun 25% WI)

- The Operator, Petro-Hunt (75% WI), has updated Sun that it is continuing with planning to commence drilling a vertical pilot well; the well is currently expected to spud around the end of the month.
- The vertical pilot well will be drilled and logged through the target Lower Woodbine sand prior to a decision on how to proceed, including whether to complete the well as a vertical producer or sidetrack to drill a lateral well bore within the target sands.

Amerril Oil Project: F Thompson #1 (Sun 18% WI)

- Recent flow rates during April 2014 have averaged 319 barrels of fluid per day, with 304 barrels of frac fluid and 15 barrels of oil per day.

Sun Resources NL (**Sun** or the **Company**) (ASX: SUR) is pleased to update shareholders on two Woodbine wells planned to be drilled across its lease areas which are located in Madison and Leon Counties, East Texas, onshore USA and provide an update on the F Thompson #1 well.

Normangee Oil Project (Sun: 50% WI and Operator)

Sun, as Operator, is pleased to announce that it expects to spud its first Operated Lower Woodbine well in the Normangee Oil Project in the next few days with the well to be named the Jack Howe #1H. A vertical pilot well will be drilled to a target depth of approximately 8,550 feet, measured depth (MD). The well is set to conventionally core the Lower Woodbine objective and reach the Buda formation target prior to wireline logging both objectives once total depth (TD) is reached.

Sun is encouraged by the recent results of both EOG Resources Inc and Contango Oil and Gas Company in drilling and completing laterals in the Lower Woodbine to the west and south of Sun's Normangee Oil Project leases, within Madison County, Texas. Sun has a 50% working interest in a 3,952 gross acre package of oil and gas leases located on the Leon County-Madison County border, Texas, USA (Normangee Oil Project). The balance of the working interest (50% WI) in the Normangee Oil Project is held by Amerril Energy LLC.

Delta Oil Project (Petro-Hunt AMI) (Sun: 25% WI)

Petro-Hunt LLC ("Petro-Hunt"), as the Operator of the Joint Venture with Sun (Sun 25% WI) on the Petro-Hunt AMI area, has confirmed that preparations for drilling are continuing and the first well into the Lower Woodbine oil target is currently anticipated to spud around the end of the month.

Once operations commence, the vertical pilot well will be drilled and evaluated. A decision will then be taken by the participants to either complete the pilot well as a vertical producer, or to side track the well bore to drill a lateral into the Lower Woodbine. The AMI consists of approximately 7,832 acres in northern Leon County. Petro-Hunt and Sun have now leased over 3,240 acres within the AMI. Sun retains over 10,000 net acres elsewhere in the Delta Oil Project that may be the subject of future activity, by way of farm-out, joint venture or direct drilling activity.

Amerril Oil Project: F Thompson #1H (Sun 18% WI)

The F. Thompson #1H well continues to flow back a mixture of frac fluid and oil, through recently commissioned permanent production facilities. The most recent production data indicates a total fluid flow rate of 319 barrels per day including 15 barrels of oil per day, during the first 11 days of April 2014 production.

For further information please contact:

Govert van Ek
Managing Director

Telephone: +61 (08) 9321 9886

Email: admin@sunres.com.au

Geological information contained in this report was compiled by the General Manager (Technical) of Sun Resources, Matthew Batrick, BSc (Geol), MPESA, MPESGB, MAAPG, GAICD who has more than 32 years' experience in the practice of 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 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.