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30 April 2014

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

Dear Sir/Madam

RE: QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 MARCH 2014

Please find the Quarterly Activities Report for the period ended 31 March 2014 for Sun Resources NL (ASX: SUR).

Yours faithfully
SUN RESOURCES NL

A handwritten signature in grey ink, appearing to be 'G. van Ek'.

Dr Govert van Ek
Managing Director



QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDING 31 MARCH 2014

HIGHLIGHTS

Normangee Oil Project, Onshore, East Texas (Sun: 50% WI and Operator)

- The Jack Howe #1H well spudded on 15 April 2014.
- At the time of this report, the vertical portion of the Jack Howe #1H well had reached a measured depth of 8,523 feet.

Delta Oil Project (Petro-Hunt AMI Sun: 25% WI; elsewhere Sun: 100% WI)

- Petro-Hunt LLC is progressing planning and preparation for a well in the Area of Mutual Interest (AMI) it has with Sun, consisting of approximately 7,832 acres in northern Leon County.
- The first well in this AMI will target the Lower Woodbine (referred to as the “C” or “Dexter” sands by Industry) and although some scheduling delays have occurred the well is currently expected to spud in May 2014.

Amerril Oil Project, (Centerville AMI, Sun: ~18% WI)

- The Operator, Amerril Energy LLC (40% WI) completed a 17-stage, multi-stage fracing operation along a total of approximately 5,000 feet of horizontal section in the target Upper Woodbine interval of the F. Thompson #1H well.
- The Operator informed Sun that subsequent flow back operations have recorded oil and frac water at various rates with oil rates between 15 and 45 barrels per day.

Corporate

- Subsequent to the end of the Quarter, Sun announced on 4 April 2014 that the Hon Alexander Downer AC had advised his intention to resign from the Board of Sun from 17 April 2014. This was due to his recent appointment as High Commissioner to the United Kingdom.
- 1,300,000 unlisted employee options to subscribe for fully paid ordinary shares at an exercise price of \$0.12, on or before 6 January 2014, lapsed on 7 January 2014.
- 97,300,000 unlisted options to subscribe for fully paid ordinary shares in the Company, at a price of \$0.025 cents each, exercisable before 31 March 2014, lapsed.

UNITED STATES OF AMERICA

OIL AND GAS EXPLORATION AND DEVELOPMENT

At the end of the reporting period, Sun Resources NL's ("Sun" or "the Company") total net acres of oil and gas leases in the Woodbine Tight Oil Play within Leon and Madison Counties, East Texas was 19,188 acres subject to any changes to be advised by Sun's partners.

Normangee Oil Project, Onshore, East Texas (Sun: 50% WI and Operator)

During the Quarter, Sun, on behalf of its 50% partner Amerril Energy LLC ("Amerril"), progressed with planning for the first pilot well and lateral in the Normangee Oil Project, a 3,952 gross acre package of oil and gas leases located on the Leon County-Madison County border, Texas, USA. Sun has a 50% working interest in the lease tracts and the balance of the working interest (50% WI) in the Normangee Oil Project is held by Amerril. The first well in the Normangee Oil Project will be the Jack Howe #1H pilot and drilling operations commenced during April 2014. Subsequent to the end of the Quarter, the well spudded on 15 April 2014. At the time of this report, the vertical portion of the Jack Howe #1H well had reached a measured depth of 8,523 feet.

The initial vertical pilot well will take approximately three weeks to drill, core and evaluate the Woodbine and deeper targets. 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.

Delta Oil Project, Onshore, East Texas (Sun: 25 - 100% WI)

Petro-Hunt LLC ("Petro-Hunt"), based in Dallas, Texas, is the Operator of the AMI area in the north of the Delta Project lease position and they have advised that planning for the vertical pilot well had progressed at the end of the Quarter. The well will target the Lower Woodbine ("C" or "Dexter Sand") that are producing oil in offset vertical wells. At the time of this report, Sun expects the well to commence operations in May 2014. Once operations commence, the vertical pilot well will take approximately three weeks to drill and evaluate.

Sun executed a binding agreement with Petro-Hunt to jointly explore and develop an Area of Mutual Interest (AMI) consisting of approximately 7,832 acres in Northern Leon County, Texas. Sun and Petro-Hunt have each contributed an initial tranche of oil and gas leases that totalled 3,240 acres. Petro-Hunt has continued to lease oil and gas rights in the AMI and the current gross amount of acres leased stands at approximately 3,641 gross acres (910 acres net to Sun).

Sun retains a further 11,010 net acres elsewhere in the Delta Oil Project for which it continues to seek future activity, by way of farm-out, joint venture or direct drilling activity. A substantial number of net acres under lease are coming up for renewal and Sun is evaluating whether it will extend the leases.

Amerril Oil Project, Onshore, East Texas (Sun: 18-50% WI)

Amerril operates a number of oil and gas leases on behalf of Sun in the Freestone, Eunic, SW Leona and Centerville Project Areas. Sun is attempting to work with the Operator, Amerril to obtain a detailed understanding of the status of the leases and renewals, operational and production matters together with accounting and past cost details.

Amerril Oil Project (Centerville AMI, Sun ~18% WI)

The Operator of the Centerville Area of the Amerril Oil Project advised it had completed the drilling of the F. Thompson #1H well and had successfully cemented 5 ½ inch casing at a final, revised total depth of 12,030 feet MD. The F. Thompson #1H well was subjected to a 17-stage, multi-stage hydraulic fracturing operation along the length of the lateral. The fracturing operation commenced pumping on 27 January 2014 and was completed by the end of the Quarter. Flow back operations commenced immediately via existing frac equipment and subsequent to the end of the Quarter, those flow back operations were continuing through recently installed, permanent production facilities. Flow rates on various dates during the Quarter were reported by Amerril to be:

- 24 February 2014 – 21% frac water recovered with first indications of oil reported,
- 14 March 2014 – 35% frac water recovered; 45 barrels oil per day, with an 8% oil cut,
- 14 April 2014 - 304 barrels of frac fluid and 15 barrels of oil per day.

Amerril Oil Project (SW Leona AMI, Sun: 50% WI)

Amerril reported that operations had resumed at the T. Keeling #1H and Seale #1H Lower Woodbine wells, with minor oil flow rates being recorded at each well. There are no other operations currently planned in this project area.

Beeler Oil Project, Onshore, East Texas (Sun: 13.54–16.67% WI)

During the Quarter, the Operator, Amerril, reported that it continued with production activities at the Ellis #1H well and at the other two lateral Woodbine wells, CW Brown and John Beeler #1H.

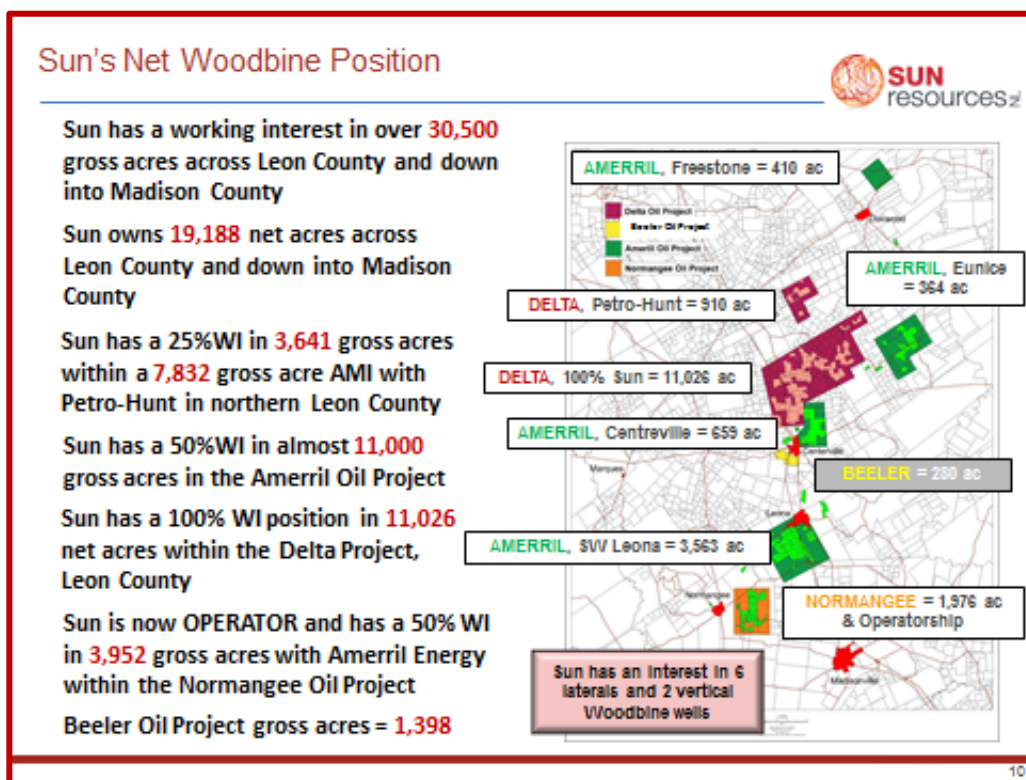


FIGURE 1: SUMMARY MAP OF SUN'S WOODBINE PROJECT AREAS: MARCH 2014

Margarita Project, Onshore, South Texas (Sun: 37.5-50% WI)

Sun continues with its efforts to divest remaining lease hold interests (430 gross acres) in this project.

OIL AND GAS PRODUCTION – ONSHORE USA

Table 1 below summarises Sun’s actual net working interest oil production for the March 2014 Quarter and compares it with the previous Quarter. Production for the Quarter is confined to oil production now coming from the Woodbine laterals in the Beeler Oil Project, in Leon County, East Texas. At the time of this report, production figures for March 2014 were estimated.

PRODUCTION (Sun WI% share)	March 2014 Quarter	December 2013 Quarter
Oil (bo)	1,662	2,383

Table 1: Quarterly Production (units: bo – barrels of oil)

THAILAND

L20/50 Block, Onshore Phitsanulok Basin (Sun Resources – 45% WI)

No activity has been reported by Sun on this asset since the farm-out to the new Operator, Siam Moeco Ltd (“Siam Moeco”) was announced on 29 October 2012. Siam Moeco has notified the previous Operator, Carnarvon Petroleum Limited (“Carnarvon”) that Siam Moeco intended to relinquish this block prior to exploration drilling. As a result, this exploration block will revert back to the Government of Thailand and the commercial arrangement between Siam Moeco, Carnarvon and Sun will lapse. This is expected to be the final report on Thailand activity.

CORPORATE

Sun announced on 13 January 2014 that 1,300,000 unlisted employee options to subscribe for fully paid ordinary shares at an exercise price of \$0.12, on or before 6 January 2014, lapsed on 7 January 2014.

Sun announced on 31 March 2014 that 97,300,000 unlisted options to subscribe for fully paid ordinary shares in the Company, in relation to the original acquisition of leases at a price of \$0.025 cents each to Carina Energy LLC (“Carina”) (Vendor of lease assets to Sun) and other parties, exercisable before 31 March 2014, lapsed. Sun is currently reviewing the details of the original lease acquisitions and expects to make a further report on this in due course. Sun is also making progress on resolving any liability that may be due to creditors of the Beeler Oil Project from the time when Richland Resources Corporation was the Operator.

Subsequent to the end of the Quarter, Sun announced on 4 April 2014 that the Hon Alexander Downer AC had advised his intention to resign from the Board of Sun effective from 17 April 2014. Mr Downer has served as a Non-Executive Director of Sun from 23 September 2013. Mr Downer further advised that given his recent appointment as High Commissioner to the United Kingdom, he was no longer able to fulfil the requirements as a Director on the Sun Board.

Sun held cash of A\$13.4 million at the end of the March 2014 Quarter.

BY ORDER OF THE BOARD



Dr Govert van Ek
Managing Director

This report is lodged on the Company's website, www.sunres.com.au.

Technical information contained in this report was sourced from the Operators of various Joint Ventures in which the Company has interests and was compiled by the General Manager, Technical of Sun Resources, Matthew Battrick, BSc (App. Geol), MPESA, MPESGB, MAAPG, GAICD who has had more than 30 years' experience in the practice of geology generally and more than 30years' experience in petroleum geology.