



SUN
resources 

GOOD OIL PRESENTATION

BOWSPRIT PROJECT
CONVENTIONAL OIL DEVELOPMENT:
OFFSHORE LOUISIANA

Alex Parks
Managing Director and CEO

12 September 2019

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Competent Person - All of the technical information, including information in relation to reserves and resources that is contained in this document has been reviewed internally by the Company's Director, Mr Alexander Parks. Mr Parks is a Petroleum Engineer, and SPE member, who is a suitably qualified person with over 20 years' experience in assessing hydrocarbon reserves and has reviewed the release and consents to the inclusion of the technical information.

- Focus on Gulf of Mexico High Profit Margin Conventional Oil
 - *Sun has 100% Working Interest in 1,154 acres leased in the Breton Sound Area, inland shallow waters offshore Louisiana, 70km southeast of New Orleans*
 - *Conventional exploration and development, with good quality reservoir, and light-sweet oil*
 - *Sun is seeking Farm-in Partner(s) – offering a near term, low cost, low risk, horizontal development well, in to proven, produced oil sand, with exploration upside.*
 - *A field re-development project will initially target, vertical well appraisal of prospective sands and development of a proven oil sand, with a 1,200-1,500ft horizontal completion, between three former oil production wells*
 - *First well in Q1 2020 funded via farm out and/or capital raising.*
 - *First oil production potentially in Q3 2020*
 - *Well cost estimated at US\$3.6M*
 - *Breakeven oil price of ~US\$25-30/bbl, low risk, high return, providing attractive ROI*
 - *Consistent news flow over the next 6 months leading into drilling and production*

CORPORATE SNAPSHOT



Capital Structure: As at 31 August 2019

ASX code	SUR
Ordinary shares on issue as at July 2019	1,319m
Listed options (A\$0.01) exp. 19 October 2020	393.8m
Unlisted options (A\$0.004) exp. 31 Dec 2020 (+153.75m once AGM approved)	147.33m
Share price as at 31 August 2019	A\$0.002
Market capitalisation (@ A\$0.002)	A\$2.7m
Cash at 31 Aug 2019	~A\$350k

Top Six Shareholders: As at 31 August 2019

Fast Lane Aust. P/L	17.4%
Bellarine Gold P.L	4.6%
Mr Ian James McCubbing	3.1%
CM super Fund P/L	3.0%
Mr William Bloking	2.6%
Mr Alexander Parks	2.6%

Note: The top 50 shareholders, including Board, hold 75% of shares currently on issue. The Board and Management own 9.8% (all purchased)

Share Price History: As at a 31 August 2019



Partner buy out announced 29 July 2019 Sun 100% of Project
Placement of A\$615,000 completed 22 August 2019

Board of Directors

Mr Ian McCubbing	Non-Executive Director, Chairman
Mr Alex Parks	Managing Director & Chief Executive Office
Mr William Bloking	Non-Executive Director
Mr Patrick Glovac	Non-Executive Director

Convertible Note

Sun has a convertible note with Winform Nominees P/L (a subsidiary of Hancock Prospecting) for \$1million plus interest. The loan is repayable out of future production from Bowsprit by 31 March 2021

SUN RESOURCES BOARD & MANAGEMENT



Ian McCubbing
Chairman



- *GAICD Professional Director & Chartered Accountant with 30 years of Corporate Experience*
- *15 years with resource companies including Eureka Energy, Territory Resources, Swick Mining Services*
- *Appointed 20 Oct 2016*

William Bloking
Director



- *FAICD - Leading Energy expert with 40 years in oil and gas mostly Exxon and BHP.*
- *Small Company experience with Nido, Eureka Energy, Challenger, Transerv.*
- *Appointed Oct 2016*

Patrick Glovac
Director



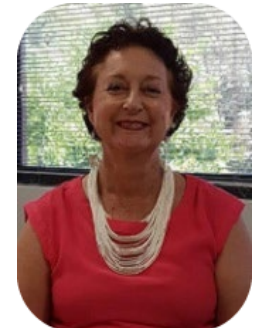
- *Resources and Corporate Finance Executive. GTT Founding Partner*
- *Small Company experience with Tao Commodities, Global Oil & Gas.*
- *Appointed Aug 2019*

Alex Parks
Managing Director



- *GAICD - Petroleum Engineer with 20 years in oil and gas*
- *Extensive Small Company Executive experience with Otto, Mosaic, Cue, Tamaska, TMK Montney Ltd, Transerv.*
- *~ 25% of Renumeration in Performance Shares*
- *Appointed NED Feb 2016*
- *MD / CEO Dec 2017*

Jo-Ann Long
CFO/Co Sec



- *FCA, GAICD – Chartered Accountant and Co Sec with 30 years corporate Experience*
- *21 year in Executive Management with Oil Companies including Woodside, Transerv, Norwest*
- *Appointed April 2018*

Corporate Advisor – GTT Ventures

Lead Manager Capital Raise August 2019
12-month corporate advisor mandate

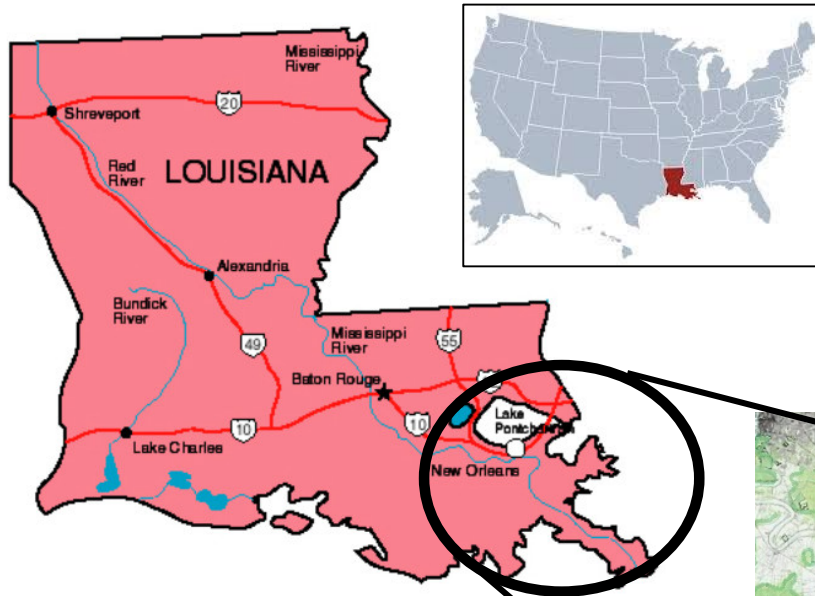
Major Shareholder – David Neate

Fastlane Australia Pty Ltd 17.4% of Sun
Backed Board for rejuvenation of Sun, and Committed > A\$ 1million to date

Skin in the Game

Board holds ~9.8% of Sun – (shares all purchased)
Directors funded initial Bowsprit Lease
Supported Company with deferred fees, loans and have participated in all capital raisings

BRETON SOUND, LOUISIANA

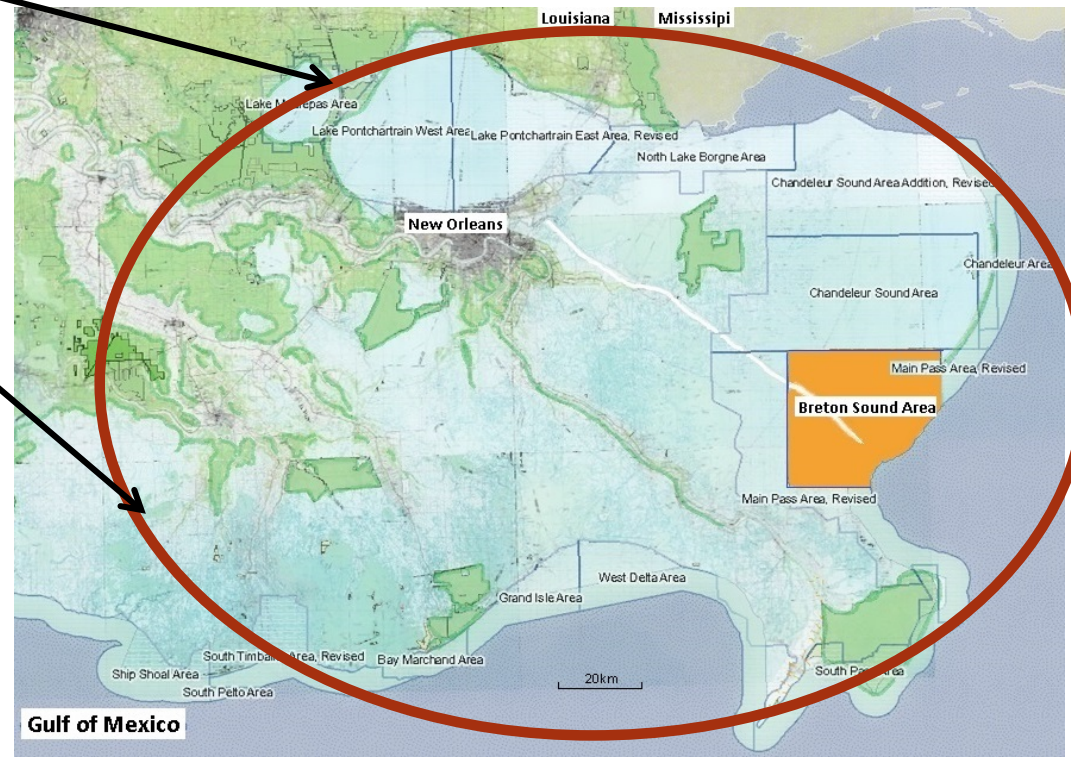


Prolific Hydrocarbon Province

- Production from Miocene reservoirs of over three billion barrels of oil along the Louisiana Gulf Coast
- 1.2 billion bbls of oil and 5.2 Tcf of gas since 1978 near Breton Sound
- Shallow water, barge rig accessible
- Production & sales infrastructure adjacent
- Services & equipment available locally

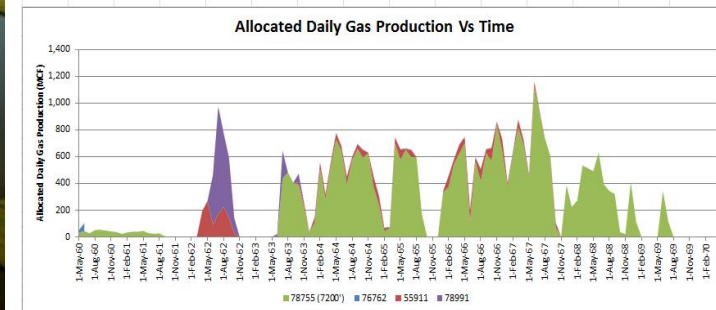
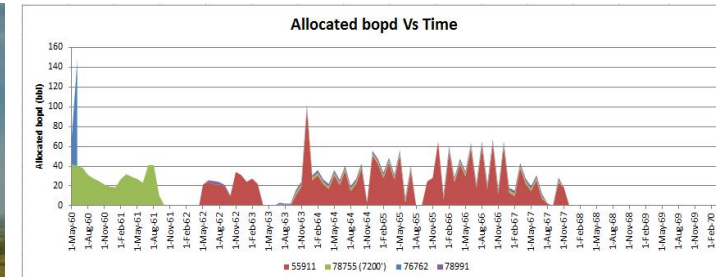
Bowsprit Project

- Conventional Oil
- Proven oil in Upper Miocene (76,000 bbls produced)
- Up dip potential to be tested
- Commercial at current oil prices
- Horizontal well development
- Minimum Economic pool size estimated to be <0.5MMbbls



■ The Bowsprit Lease

- *The lease area contains several historical fields, including an undeveloped oilfield*
- *Lease overlies a field first developed by Shell in the 1960s for deep gas (450ft column, ~46bcf produced)*
- *Oil & gas has been proven to flow from shallower oil zones but was too small to fully develop in 1960s (76,000bbls & 1bcf) – “Bowsprit”*
- *Minimum economic field size is <0.5MMbbls (possible from Proven sand)*
- *Secondary potential in additional sands*



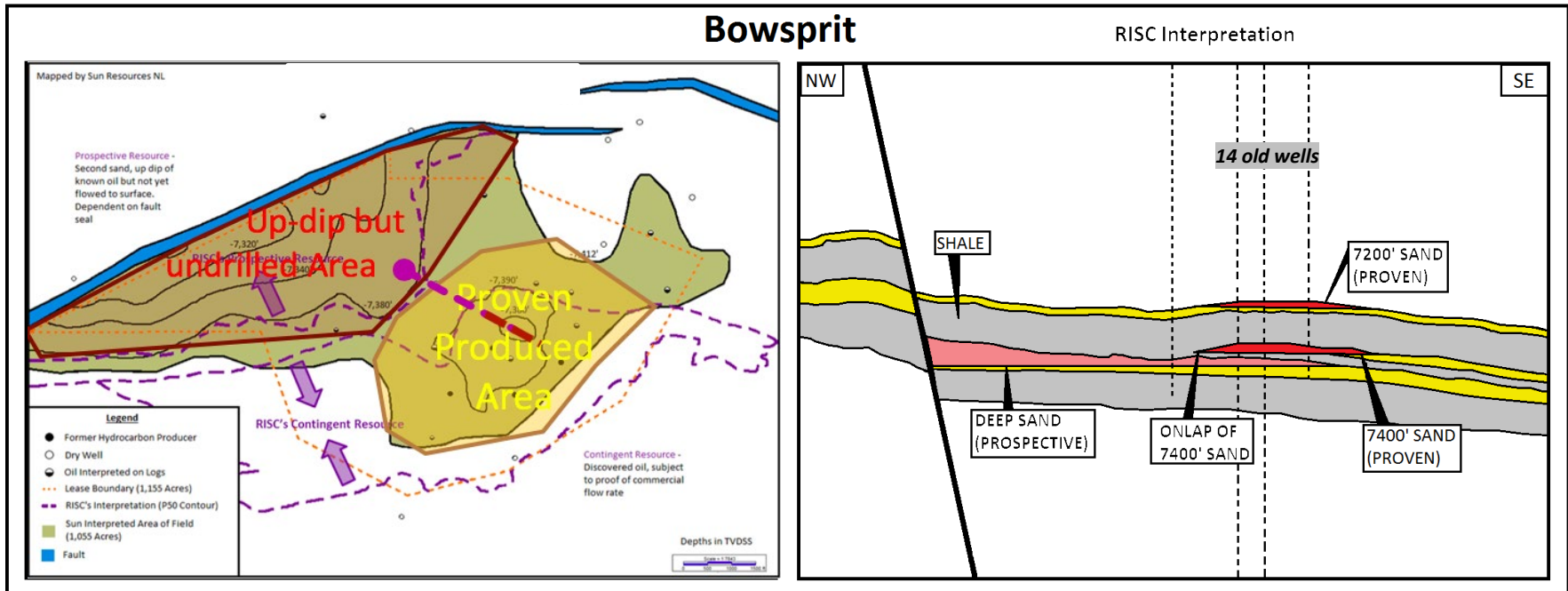
**Production History of the Bowsprit Field
1960 to 1969**

Bowsprit Redevelopment Potential

- *Low drilling costs using readily available Barge Drilling Rigs*
- *Low cost production facilities: in < 3m of water, extensive existing infrastructure, ready offtake arrangements and low unmanned operating costs*
- *Horizontal Drilling – Miocene Sands are thin for vertical offshore wells, but horizontal wells should increase IP's and EUR's to commercial volumes*
- *Horizontal well in nearby analogous field was production tested at 1,500bopd. RISC modelled a 1,200ft horizontal crestal well in Bowsprit capable of IP of 2,000bopd and EUR of 670,000bbbls (Ref ASX release 5 April 2018)*
- *1 horizontal wells to be drilled into proven main sand at 7,400 ft*
- *Up to 4 horizontal wells to be drilled into prospective target sand at 7,400 ft, constrained to an average IP of ~1,000bopd*
- *Secondary exploration potential in other sands and possibly a redevelopment of Shell gas field*

Field schematic RISC interpretation

- The Bowsprit Field is covered by high quality 3D seismic, it has an area of approximately 1,000 acres (4km²)
- The 7,200' sand has a strong structurally conforming seismic amplitude anomaly. The 7,200' sand is juxtaposed against the 7,400' sand to the north of the fault
- RISC separate the 7,400' into two sands. 7,400 Upper (Proven) and 7,400 Deep Sand (Prospective)
- The 7,400' sand package contains proved moveable oil (Only 76,000bbls produced) the 7,400' Deep Sand is a Prospective Resource target assuming a fault seal to the North West



RISC RESOURCE SUMMARY



RISC Advisory Ltd probabilistically estimated the following contingent and prospective resources for the Bowsprit Project as of 15 March 2018: *RISC's independent estimate of resources for the field within polygon of held leases is tabulated below (Sun increased from 50% to 100% Working Interest July 2019¹)*

	Contingent Resources 100% of Field			
Sand	1C	2C	3C	Units
7,200'	0.14	0.42	0.76	Bscf
7,400'	0.08	0.76	1.7	MMbbls
7,400' Associated Gas	0.08	0.84	1.9	Bscf

Contingent on appraisal well confirming horizontal well deliverability at commercial rates

	Unrisked Prospective Resources 100% of Field			
Sand	Low	Best	High	Units
7,400' Deep	0.1	1.72	6.08	MMbbls
7,400' Deep associated Gas	0.1	1.66	8.88	Bscf

Contingent on appraisal well confirming "resistivity kick" on logs is actually moveable oil

Sun's Conceptual Field Development Plan

- An appraisal well is planned for Q1 2020 to:
 - Vertical Pilot to establish the Prospective Resources are present and moveable (Sun interprets oil on logs)
 - Ideally a Horizontal section to be drilled and flow tested to prove deliverability of Contingent Resources
- Subject to results of the appraisal well – Sun estimates approximately 2.5MMbbls of Oil and 3.5Bscf of Gas may be produced from 5 horizontal development wells with a breakeven oil price of ~US\$25-30/bbl

RISC assesses the chance of success for the prospective resources as 20% (1 in 5)

Due to the old data set, RISC have assumed a wide range of parameters, that will narrow dramatically once an appraisal well is drilled

1. See ASX Release of 5 April 2018 for the full Initial Resource Assessment disclosure and Cautionary Statements

Sun increase from 50% to 100% of the Field – subject to completion of buy out of Pinnacle.

RISC Advisory Ltd has probabilistically estimated the following STOIP & GIIP for the Bowsprit Project as of 15 March 2018:

Sand	Potential Hydrocarbons Initially in Place			Units	Status
	P90	P50	P10		
7,200'	1.47	1.89	2.37	Bscf	Proven in Place Flowed 1Bscf in 1960's
7,400' Upper Miocene	0.7	5.01	12.6	MMbbls	Proven in Place Flowed 75,700bbls in 1960's
7,400' Deep Middle Miocene	0.99	11.8	49.00	MMbbls	Prospective Possible separate sand unit. Up dip of known (flowed) oil, resistivity on logs, but not yet flowed to surface

Cautionary Statement – See ASX release 5 April 2018 for detailed Initial Resource Assessment and full cautionary Statements
RISC assesses the chance of success for the prospective resources as 20% (1 in 5)

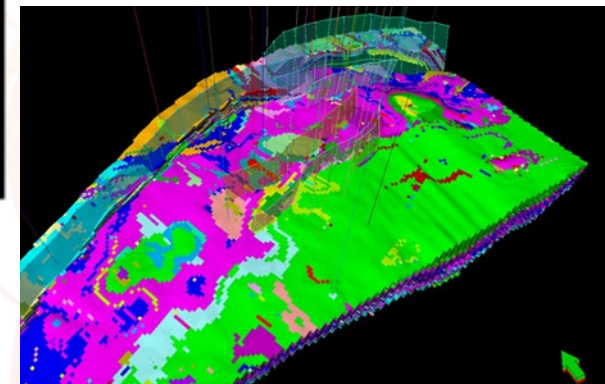
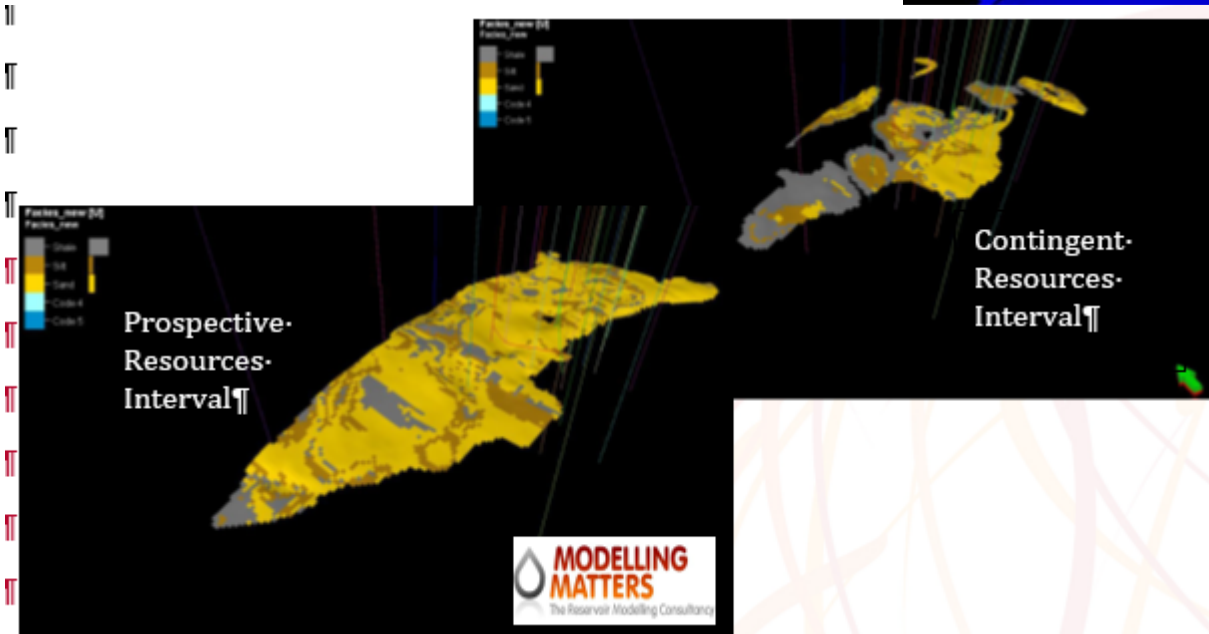
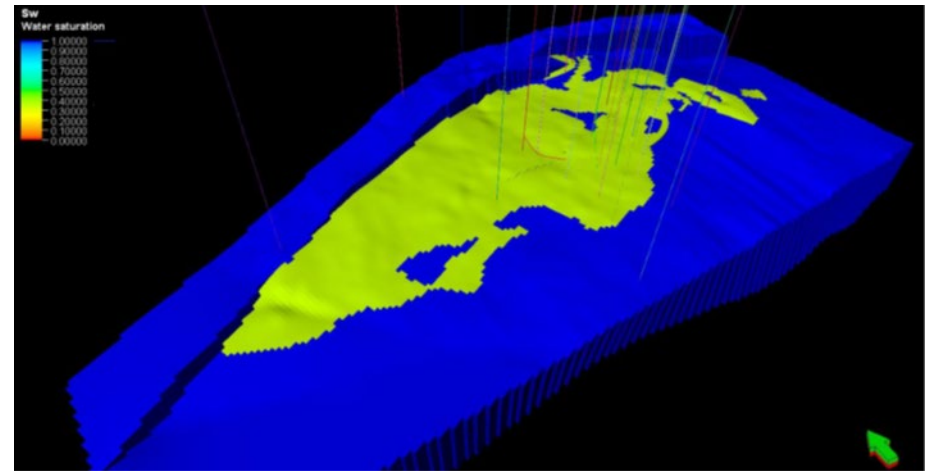
Recovery Factor

- RISC estimated a horizontal well could produce at initial rates of 2,000bopd (EUR of approx 670,000 bbls of oil)
- RISC has assumed a Recovery Factor of 15% to 25% of the Field STOIP assuming full field development
- RISC estimates **P50 EUR for 7,400' sand (whole Structure) as 0.97MMbbls + gas**
- Subject to Prospective Resources being present and moveable RISC estimates P50 EUR for 7,400' Deep sand **(whole Structure) as 2.33MMbbls + gas**
- **Subsequent to the RISC Resource Estimate Report, Sun has utilized digitized well logs and found additional data enabling improved calibration to the 3D, resulting in significant enhancement to the understanding of the geological model of the field, to produce the “best case” deterministic model for the sands.**

BOWSPRIT 3D MODELLED STRUCTURE

Map and Area of Contingent Resources, Prospective Resources and Suns Top Structure Map

- RISC maps an onlap (7,400' sand) and underlying deeper sand (7,400' deep)
- Subsequently with digitised logs and facies modelling
- Sun mapped a package of sands under the 200ft thick shale that separates the 7,200' and 7,400' zones
- Supports Hydraulic isolation between Upper and Middle Miocene sands and within Middle Miocene



3D Modelling of the Bowsprit Field by Modelling Matters

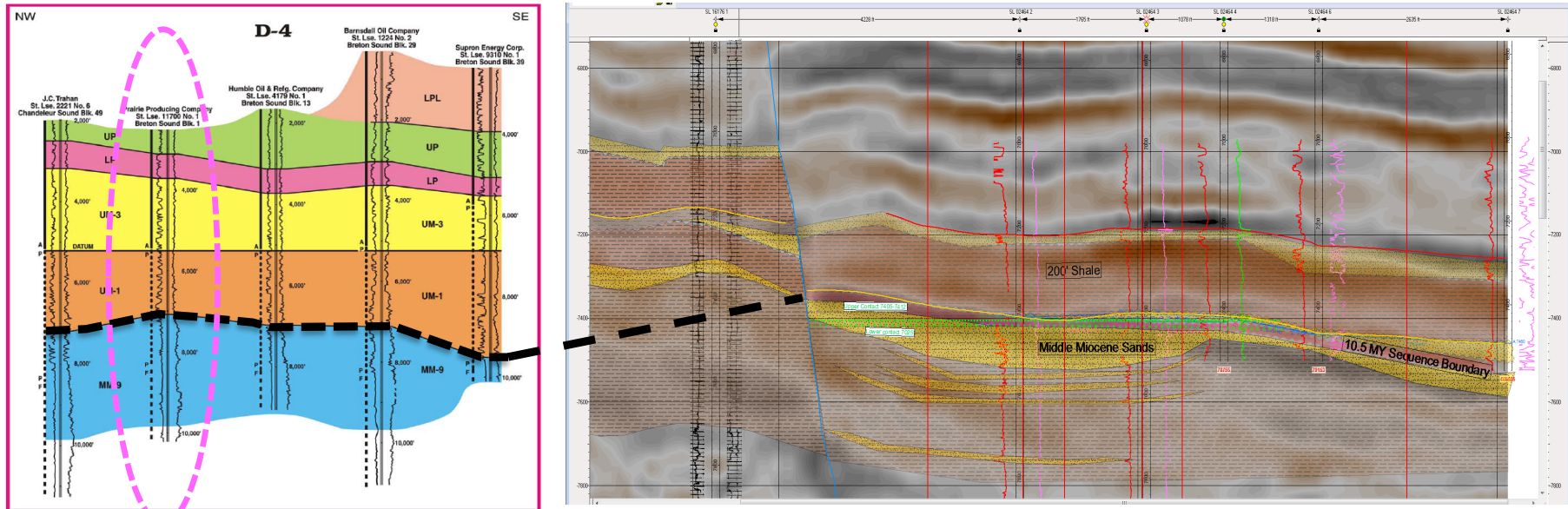


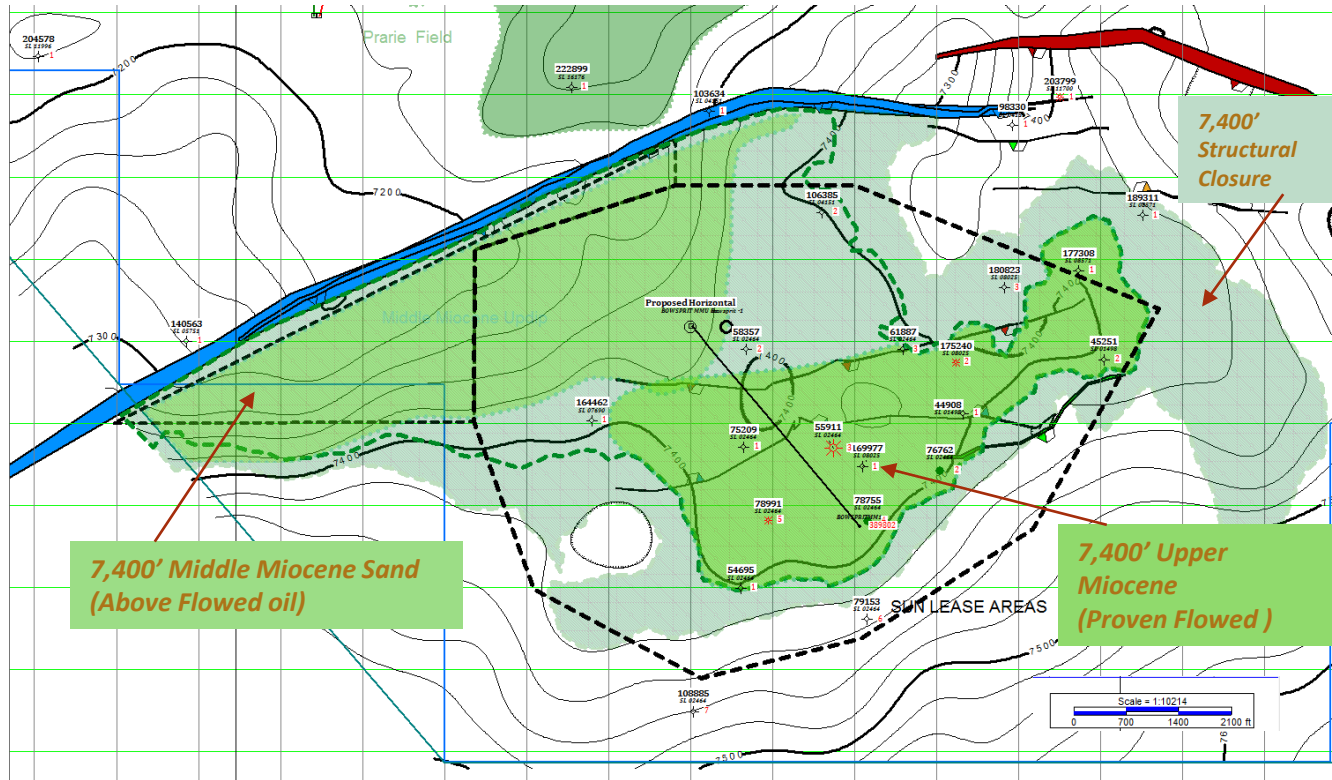
Figure 6. Northwest-southeast chronostratigraphic cross section through the central part of Breton Sound, showing log correlations and genetic facies systems which are indicated on the side of the electric logs (A-aggradational facies, P-progradational facies, F-submarine fan facies). See Figure 1 for line of section.

7400 pick event is a well documented recognised Type I sequence boundary separating the Middle and Upper Miocene (10.5my SB)

The 7,400 Sand is an Upper Miocene Sand. The 7,400 Deep is a Middle Miocene Sand
 The 10.5 Sequence boundary is a disconformable surface with some induration and cementation. Cementation immediately below the sequence boundary creates some lithology related resistivity others may be hydrocarbon related.

The good quality Middle Miocene Sands (fluvial and shallow marine) are interpreted to extend up dip to the fault in the Northwest of the field within closure

SUN'S DETERMINISTIC MAPPING TO LOCATE WELL-1



Well 1 in Proven Area – to show commercial Rate possible (~1,000bopd) from Horizontal well. 76,000bbls flowed in 1960's at ~100bopd.

Potential for early tie back to nearby facilities under investigation

	RISC Potential Hydrocarbons Initially in Place Probabilistic				SUN DETERMINISTIC STOIP
Sand	P90	P50	P10	Units	
7,400' (Upper Miocene)	0.7	5.01	12.6	MMbbls	High Confidence of 1.6-3MMbbls
7,400' Deep (Middle Miocene)	0.99	11.8	49.00	MMbbls	~13.5 MMbbls above contact
Middle Miocene Lead	Not Reviewed by RISC				~21Bcf in mapped closure ¹

¹ See ASX release 11 September 2019

APPRAISAL WELL - VERTICAL PILOT + HORIZONTAL



Sun's Target Timetable & Work Program

Permit appraisal well surface location

Sept – November 2019

Permitted to drill by

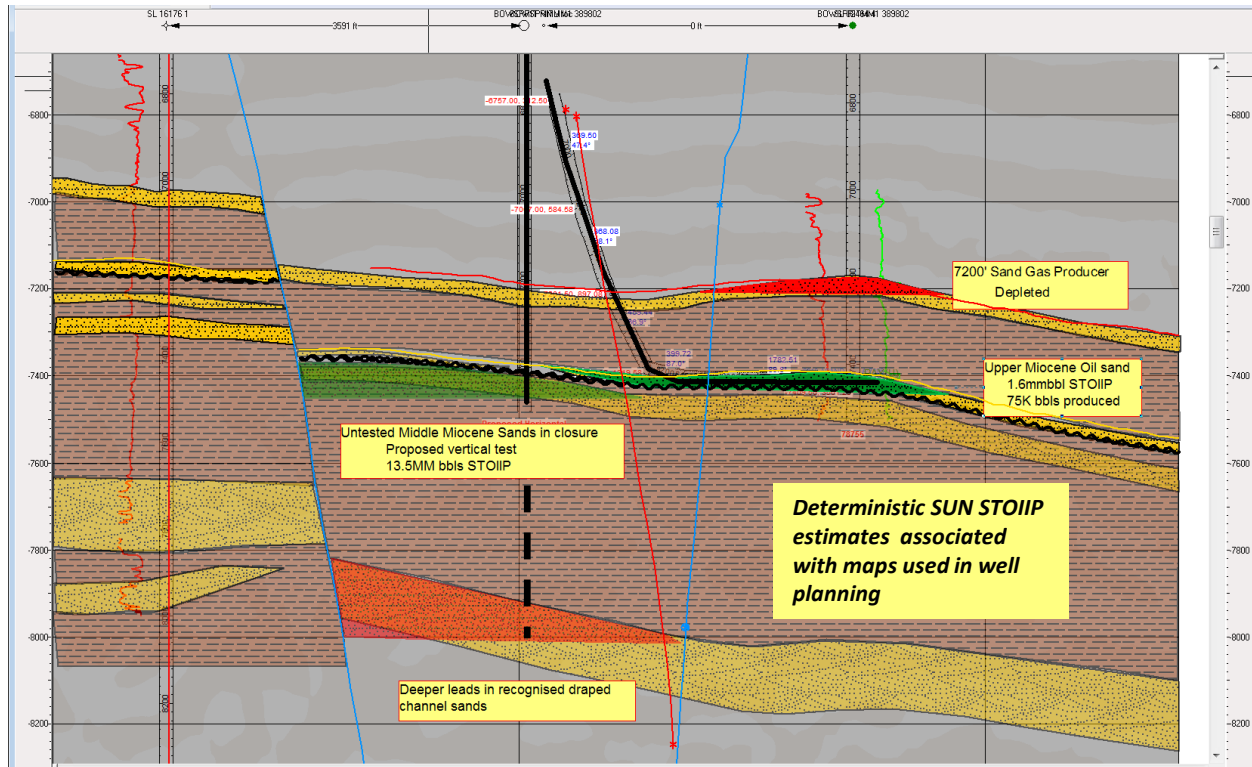
December 2019

*Drill pilot hole to test Middle Miocene
and Horizontal Well to flow test Upper Miocene*

Q1 2020

First Commercial Oil Production

Potentially Q3 2020



FIT FOR PURPOSE, LOW COST DEVELOPMENT OPTIONS



Shallow-draft barge drilling rig



Suspended well with protection cage



Typical production facility



Production facility



Typical well head with walkway to facilities



Storage tanks with walkway to facilities

▪ Foundation Asset – Bowsprit Lease (Sun 100%)

- *Primary field on known accumulation with redevelopment potential*
- *3D modelling and visualization, permitting in progress*
- *Farm –out & funding support for drilling*
- *Drill & flow test well 1 to prove commercial rates & prove whole structure contains moveable oil*
- *Install production facilities, produce first oil – 2-4 further development wells*
- ***Sun's prime focus will be on progressing Bowsprit to production ASAP***

▪ Expansion - Identify and secure follow up Projects 2/3/4 in area

- *Data purchase and detailed work up of opportunities, development and appraisal concepts*
- *Nominate and secure acreage*
- *Detailed planning and desk top work, FEED etc*
- *Fund development planning from Bowsprit cashflow and farm out to fund drilling / development*

▪ Long Term Growth

- *Identify new exploration and use new, cable-less 3D Seismic to identify deeper fields*
- *Use Quantitative Seismic Interpretation techniques on areas never before covered by high resolution 3D Seismic*

EXPECTED NEWSFLOW OVER THE NEXT 6 MONTHS



Permit surface location _____ **~3 months**

- Initial Seabed, water depth and debris survey completed January 2019
- Oyster bed and bed firmness survey - September 2019
- State Permit 1: Louisiana Office of Coastal Management
- State Permit 2: St. Bernard Parish Drilling Permit
- Federal Permit – U.S. Army Corps of Engineers

Farm-in Partner _____ **Q4 2019**

- Farm out Process updates
- MOU & Deal(s)

Permitted to drill appraisal well _____ **December 2019**

- Contract drilling group
- Well design
- Rig selection & contracting

Drilling Appraisal Well _____ **Q1 2020**

- Rig mobilisation
- Pilot hole result
- Horizontal well result and flow test

Interpret drilling results _____ **Q1 2020**

- Reserve Update

FID – fund and design facilities _____ **by end Q2 2020**

Develop & First oil _____ **Q3 2020**

- ***Sun seeks to deliver project value for Shareholders from its 100% holder and Operator of a Low CAPEX, high margin, oil appraisal / development project.***

- *Project offers significant potential compared to current Market Cap of A\$2.64million*
 - *Sun intend to raise funds to drill and/or farm out , although substantial compared to the company market cap, it is less substantial compared to the project value.*
 - *The major Shareholders support the Company's strategy*
 - *Will see Sun:*
 - *Positioned for drilling Q1 2020 (Ideally a horizontal well subject to Funding/farm-out)*
 - *Re-rateable by research companies and supporting broker*
 - *Prospective News flow*
 - ✓ *Partners working interest acquired*
 - ✓ *Well location picked, site permitting underway*
 - *Farmout / Funding – next goal*
 - *Rig identified*
 - *Drilling planned to commence Q1 2020*



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