



Thursday 6 December 2012

## Richland Oil Project Update

### Beeler #1H – Horizontal Woodbine Well

- Clean-up and flow back of the Beeler #1H horizontal well continues. Oil is flowing to surface at increasing rates as clean-up progresses. An initial production (IP) oil flow rate will be provided when the clean-up process is complete and oil production has stabilised.

### John Beeler #1H – Horizontal Woodbine Well

- Fracing operations on the John Beeler #1H horizontal well have commenced and the 37 stage fracing operation is expected to be completed in mid-December.

### John Beeler #2 – Vertical Fraced Woodbine Well

- The John Beeler #2 vertical well will be fraced immediately after the completion of the fracing operations on the John Beeler #1H horizontal well.

### Ellis #1H – Horizontal Woodbine Well

- Multi-stage fracing and completion of the Ellis #1H horizontal well is now scheduled for late December 2012.

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Sun Resources NL (**Sun Resources, Sun or Company**) (ASX:SUR) is pleased to provide an update on the activities underway at its Richland Oil Project, Leon County, Texas.

### **Beeler #1H Horizontal Woodbine Well**

The fracing operations at the Beeler #1H horizontal well were completed with a total of 27 stages of hydraulic fracturing along the 6,100 feet lateral section in the Upper Woodbine zone (Woodbine 'A'). Clean-up and flow back of the Beeler #1H horizontal well is progressing. Oil is flowing to surface at increasing rates as clean-up progresses on a restricted surface choke. Choke sizes will be increased and artificial gas lift equipment will be installed over the coming days to further facilitate the clean-up process. An initial production (IP) oil flow rate will be provided when the clean-up process is complete and oil production has stabilised.

### **John Beeler #1H Horizontal Woodbine Well**

The Operator has mobilized the fracing crew to the John Beeler #1H drill site and fracing operations have commenced. The 37 stage fracing process will be undertaken along the 7,300 feet length of the lateral. Fracing operations are expected to be completed by mid-December 2012.

### John Beeler #2 Vertical Woodbine Well

The John Beeler #2 vertical well will be fraced and completed for production testing across several stacked prospective zones, including the Sub-Clarksville, Eagle Ford Shale, Upper, Middle and Lower Woodbine and the Buda formation. Fracing and completion for production testing of the John Beeler #2 vertical well is expected to be completed in mid to late December 2012 immediately following activities at the John Beeler #1H horizontal well.

### Ellis #1H Horizontal Woodbine Well

The third horizontal well in the current multi-well drilling campaign, Ellis #1H, is now expected to be fraced and completed by late December 2012, with operations expected to immediately follow the fracing of the John Beeler #2 vertical well.

Sun's earning and working interest in the Beeler #1H well is:

Participant	Earning Interest	Working Interest (WI)	Net Revenue Interest (NRI)
Farmors	0%	18.75%	14.0625%
Steadfast Resources LLC	50%	40.625%	30.4687%
Richland (Operator)	16.66%	13.5416%	10.1562%
<b>Sun Resources NL</b>	<b>16.67%</b>	<b>13.5417%</b>	<b>10.1563%</b>
Amerril	16.67%	13.5417%	10.1563%
Farmors Overriding Royalty	0%	0%	5%
Lessor Royalty	0%	0%	20%

Sun's working interest in the John Beeler #1H, John Beeler #2 and Ellis #1H wells are:

Participant	Working Interest (WI)	Net Revenue Interest (NRI)
Steadfast Resources LLC	50%	37.5%
Richland (Operator)	16.66%	12.5%
<b>Sun Resources NL</b>	<b>16.67%</b>	<b>12.5%</b>
Amerril	16.67%	12.5%
Farmors Overriding Royalty	0%	5%
Lessor Royalty	0%	20%

**Further updates will be provided regularly, as significant operational milestones are achieved.  
For further information please contact:**



**Matthew Battrick  
Managing Director**

Telephone: (08) 9388 6501 Email: [admin@sunres.com.au](mailto:admin@sunres.com.au)

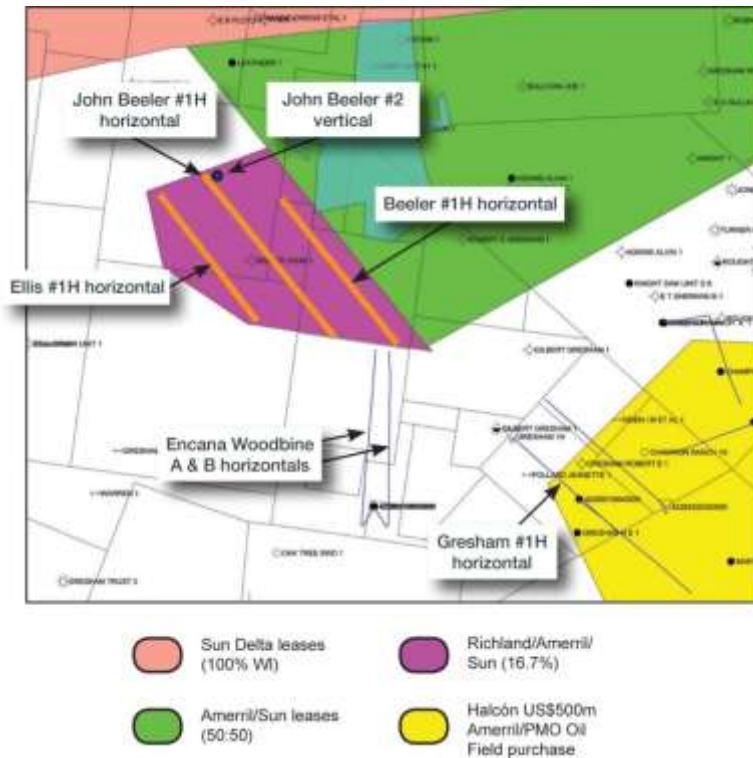
*Information contained in this report was compiled by the Managing Director of Sun Resources, Matthew Battrick, BSc (Geol), MPESA, MPESGB, MAAPG, GAICD who has more than 32 years' experience in the practice of petroleum geology.*

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**Figure 1: Richland Oil Project (purple): Well locations of Beeler #1H, John Beeler #1H & #2 and Ellis #1H**