

01 November 2010

ASX Limited

Company Announcements

Level 4, 20 Bridge Street

SYDNEY NSW 2000

Dear Sir/Madam

Peak Oil & Gas Limited completes due diligence on Farm-in to Sun Resources interest in L20/50, onshore Thailand

- Peak Oil & Gas Ltd (Peak) has formally advised Sun that due diligence is now complete such that all conditions precedent to the first well obligation have now been met.
- Peak will free-carry Sun through its share of the first obligation well for a total cash consideration of A\$1.3 million to earn its initial 7.5% working interest. Upon successful completion on Peak's IPO it will also carry Sun through a second well in the programme
- Drilling at one firm and two contingent well locations will test in excess of 60mmbo speculative potential which is a best estimate based on gross recoverable oil.
- Drilling of the first Joint Venture well is targeting late December quarter 2010, subject to government approval of final drilling proposals and construction of well sites.

About L20/50

The three highest-ranked prospects are being considered from which one prospect will be selected as the 2010 commitment well, and two additional wells are being considered. Drilling will test in excess of 80mmbo of gross speculative potential recoverable resource. Planning continues for drilling to commence late in the fourth quarter of 2010, subject to final government approvals of the drilling plans and a suitable rig contract.

L20/50 lies in the onshore Phitsanulok Basin and is 20 kilometres to the south of and adjacent to the largest onshore oil and gas accumulation in onshore Thailand, the Sirikit Field, with original reserves of 200+ million barrels of oil equivalent ("mmboe"). The L20/50 Joint Venture exploration program is targeting an oil resource of similar size to that of Carnarvon and Pan Orient who are producing up to 15,000 bopd (with > 60 mmboe estimated gross ultimate recovery) from a number of new oil pools in the "volcanic play" in the adjacent Phetchabun Basin, 50 kilometres to the east. The primary reservoir target is the "volcanic play"; a previously overlooked, shallow, fractured, stacked volcanic reservoir target within fault block structures, but a second, equally important

target is the traditional sandstone reservoirs that produces most of the oil from the prolific Sirikit Oil Field and is present in multiple levels in the Nong Bua-1 well within L20/50.

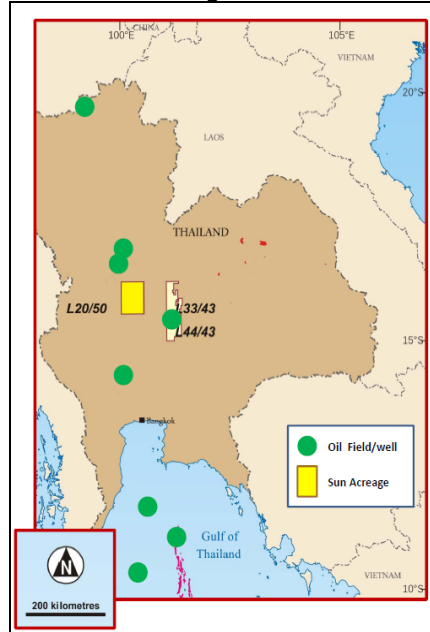


Figure 1: Location of L20/50 Concession, onshore Thailand.

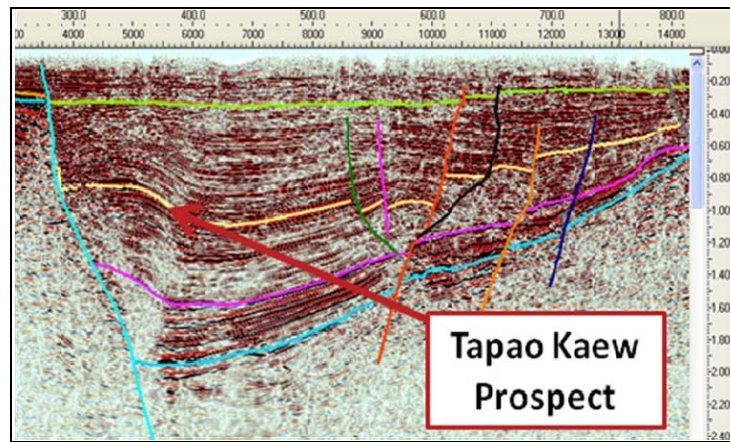


Figure 2: Seismic cross-section showing of the structural prospect Tapao Kaew, with gross speculative potential to test = 21 million barrels (Operator estimate); likely to be considered for testing as the first well in the forthcoming drilling campaign.

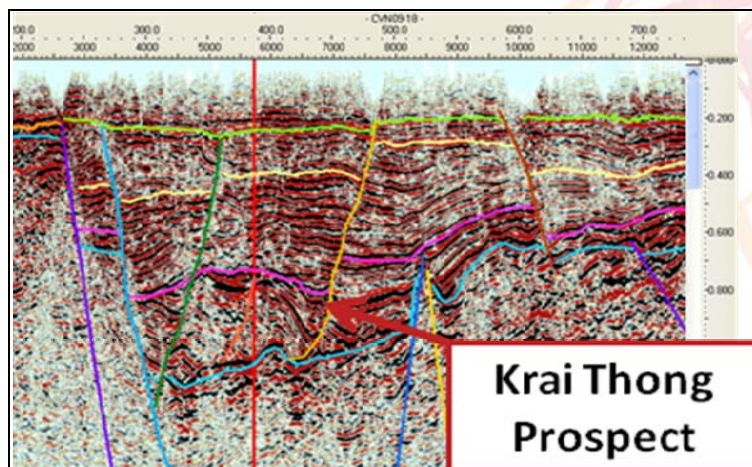


Figure 3: Structural cross-section showing trap style of the Krai Thong Prospect, with gross speculative potential to test = 25 million barrels (Operator estimate).

About the Peak Oil & Gas Farm out

Sun Resources NL executed a binding Term Sheet with Peak Oil & Gas Ltd ("Peak") on August 21st 2010 to allow Peak to earn up to a 20% working interest in L20/50, onshore Thailand. Peak will free carry up to US\$3.43 million of Sun Resources' share of well costs in the drilling program. Peak will earn its interest, in three stages, subject to the number of wells ultimately drilled, as specified below:

1. Peak has committed to contribute US\$1.3 million from existing cash reserves toward Sun Resources' share of the costs of the first L20/50 well to earn a 7.5% working interest in L20/50.
2. Subject to Peak completing its initial public offering and being admitted to the ASX on or before 14 December 2010, Peak will contribute US\$0.98 million toward Sun Resources' costs of a second well to earn an additional 7.5% working interest in L20/50.
3. Peak also has an option to contribute US\$1.15 million toward Sun Resources' share of the costs of a third well to earn an additional 5% working interest in L20/50. Peak must exercise its option within 7 days of the completion of the second well.

Sun retains the option to deal with other parties in respect of wells two and three until Peak completes its initial public offer and ASX listing, and should Peak fail to contribute to the costs of wells two and three. Government approvals of the transfer of interest are to be received by 3 October 2011.

Commenting on the announcement, Sun Resources' Managing Director, Matthew Battrick said:

"This announcement is very significant for Sun as it confirms and delivers A\$1.3 million toward our free carry through the first well in our high-impact drilling program in Thailand. We now look forward to Peak completing its IPO in coming days and weeks to deliver its obligation to free-carry Sun through a second well in Thailand."

For more information and regular updates, please visit the website: www.sunres.com.au

Yours faithfully



SUN RESOURCES NL
Matthew Battrick
MANAGING DIRECTOR

Information contained in this report was sourced from the Operator of the Joint Venture in which the Company has an interest and was compiled by the Managing Director of Sun Resources, Matthew Battrick, BSc (Geol), MPESA, MPESGB, MAAPG, GAICD who has 30 years experience in the practice of geology and more than 25 years experience in petroleum geology.