

24 April 2017

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

Dear Sir/Madam

US SUBSIDIARY UPDATE

We refer to various previous announcements issued in 2015 and 2016 regarding historical legal issues relating to the Settlement Agreement between Amerril Energy LLC and various Sun Group entities and the Half Year Financial Report issued on 16 March 2017.

On 18 April 2017, Sun Resources NL ("**Sun**" or "**the Company**") (ASX: SUR) received a Notice from Amerril Energy LLC ("Amerril").

This Notice informed the Company of a judgement obtained by Weatherford Inc. against Amerril for more than US\$1,000,000 in January 2017. The Notice demands that Sun Delta Inc. pay Amerril US\$500,000 within 15 days, in accordance with terms of a Settlement Agreement executed between Sun Delta Inc. and Amerril on the 8 May 2015. In terms of the Notice Amerril also reserves its rights to possibly take further legal action. Sun Delta Inc. has no operating assets, cash or leases and has no capacity to make any payment. As reported in the Half-Year Financial Report 2016 (Note 12(i)) any potential liability to the Sun Group is limited to the subsidiary Sun Delta Inc.

Yours faithfully
SUN RESOURCES NL



Craig Basson
Company Secretary

