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30 October 2015

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

Dear Sir/Madam

RE: QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2015

Please find the Quarterly Activities Report for the period ended 30 September 2015 for Sun Resources NL (ASX: SUR).

Yours faithfully
SUN RESOURCES NL

A handwritten signature in black ink, appearing to read "Craig Basson". The signature is stylized and fluid.

Craig Basson
Company Secretary



QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2015

HIGHLIGHTS

Operations

- During the Quarter, Sun Resources NL (“Sun”) announced that the Company and Amerril Energy LLC (“Amerril”) were seeking alternative solutions to maximise the value of mutually held projects as a consequence of Sun being unable to tender the US\$2 million Deferred Settlement to Amerril within the agreed four month period and Amerril not assigning its lease interests to Sun.
- Sun is focussing all its efforts on securing the funding for the multi-stage hydraulic fracking of the Jack Howe #1H Lower Woodbine well.
- Sun continued discussions with two parties wishing to farm-in to Sun’s Oil Projects at the end of the Quarter, with the required due diligence ongoing.
- Sun maintains the well bore in anticipation of commencing the multi-stage hydraulic fracturing programmed on the Jack Howe #1H lateral – now targeting December 2015 for the fracking operation, subject to capital being deployed via a new capital partner.
- Sun will also look to appraise the commercial potential of the newly emerging Buda-Rose oil play that has recently been tested successfully in the area by EOG Resources Inc. and others. This is a new additional layer (or “Bench”) below the prospective Lower Woodbine target identified by Jack Howe #1H.
- Sun currently operates its entire East Texas “Eaglebine” land position (totalling over 14,000 gross acres and approximately 10,000 net acres); including its 100% owned, new Southern Woodbine leases.

Corporate

- Shareholder approval was given at the General Meeting held on the 31 July 2015 for the Board of Directors to receive shares in Sun in lieu of cash for Directors’ Fees for the reporting period and the Managing Director received 25% of his salary package in the form of shares during the period (1 January 2015 to 30 June 2015).
- At the end of the reporting period Board approval was given for all executives to receive 50% of their remuneration in the form of shares, with employees to receive 25% of their salary in form of shares.
- Subsequent to the end of the reporting period, Bell Potter Securities Ltd (“Bell Potter”) undertook to raise A\$699,000 before costs, through the Placement of 699 million Shares.

UNITED STATES OF AMERICA

OIL AND GAS EXPLORATION AND DEVELOPMENT

General Commentary

With the depressed oil price experienced since August 2014, Sun's management team has focused on maintaining Sun's assets in Texas. Shareholder funds have been raised by Sun during the past 12 months via two Placements, a Rights Issue, a Share Purchase Plan and a Convertible Note. These funds have been deployed primarily to drill and case the horizontal well at the Jack Howe #1H, with Sun funding 100% of the costs of this activity due to a commercial dispute with its partner, Amerril.

In addition, funds have been deployed to conduct operations that perpetuate the Jack Howe well and leases in preparation for fracking of the lateral wellbore. Funds were also used in the resolution of a number of legal disputes initiated by others and resolving several commercial matters with Amerril. Finally, there has been an investment in Sun's US based commercial team to source and secure the new capital partner we seek.

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

Sun is continuing to conduct operations to perpetuate the Jack Howe leases while planning to frack the Jack Howe #1H well in the Normangee Oil Project. Sun is seeking to reduce the cost of fracking below the current level of approximately US\$4 million (100% working interest) ("WI"). Sun is now looking to deliver the anticipated 25% [or greater] reduction in costs for services, in line with falling oil prices and reduced activity in USA based unconventional plays.

Sun has engaged with a number of local companies with a view to negotiating a farm-in agreement to help fund the multi-stage hydraulic fracking operation planned at Jack Howe #1H. Sun is currently continuing advanced discussions with two parties wishing to invest in Sun's Oil Projects and the required due diligence is being undertaken. This process is speculative in nature at this time and further effort is required before anything of a material nature can be reported to the market. Updates will be made when commercial agreements are executed.

Also, Sun is excited about the potential for the Buda-Georgetown Formation to provide a second layer [or "Bench"] of potentially commercial oil resources within Sun's Lower Woodbine land position, as well as exploration potential across Sun's Delta Oil Project leases. However, this will be the focus of future drilling efforts, once the Lower Woodbine of the Normangee Oil Project is confirmed at Jack Howe #1H.

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

Sun currently controls a total of 4,054 gross acres in the Delta Oil Project that should be the subject of future activity, by way of farm-out, joint venture ("JV") or direct drilling activities in the coming months. Sun will be targeting the oil-prospective Buda-Rose stratigraphic section as well as evaluating the Lower Woodbine potential in the first vertical pilot well.

Badger Oil Project, Eagle Ford and Austin Chalk Unconventional Oil (Sun 10% WI)

Sun announced, during the December 2014 Quarter, that pursuant to an amended LOI Agreement with Ursa Resources Group II LLC (“Ursa”), the vendor and project Operator, that Sun had reduced its 50% WI in a 10,028 gross acres package of oil and gas leases to a 10% WI within the developing Eagle Ford Shale and its overlying Austin Chalk Formation, located in Bastrop County, Texas, USA (“Badger Oil Project”). The remaining 90% WI is retained by Ursa.

Sun has also agreed to exit its WI position in the 684-acre drilling unit containing the location of the initial Badger Oil Project lateral well, thereby relieving Sun of all cash obligations for the initial well. As per the Agreement, Sun will retain a 10% WI in the remainder of the Project area (9,344 gross acres), located in Bastrop County, toward the north-eastern end of the Eagle Ford Shale Play. This deal provides Sun with access to the value generated in the acreage if the initial well is successful, without the burden any cash commitments in the initial well. Sun is awaiting an update from Ursa on operations during the next Quarter.

Southern Oil Project, Onshore, East Texas (Sun: 100% WI)

Sun currently controls a total of 2,327 gross acres in the Southern Oil Project that should be the subject of future activity, by way of farm-out, joint venture (“JV”) or direct drilling activities in the coming months.

Centerville AMI, Onshore, East Texas (Sun 50% WI)

Sun assumed operatorship of Centerville during July 2015. The F. Thompson #1H lateral remained shut in during the Quarter due to a high water cut.

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

Sun assumed operatorship of SW Leona Oil Project during July 2015. Oil production continued at the Seale #1H Lower Woodbine well, with approximately 20 barrels of oil per day being recorded. Subject to capital, Sun is considering a programme of well intervention to complete the frack of the T. Keeling #1H lateral section, re-frack the Seale #1H lateral and a deepening, plus vertical stack-frack of the Seale #1V’s Buda-Rose section.

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

During the Quarter, the Directors resolved to sell the Company’s interest in the Beeler Oil Project. This Project will either be sold to a specified party or be sold using a broker on a 3% success fee. The process is likely to be completed by the end of 2015 and is to provide additional funds for working capital.

Land Status, Onshore East Texas (based on data current at 30 June 2015)

At the end of the Quarter, Sun’s total net land position in the Woodbine Tight Oil Play within Leon and Madison Counties, East Texas was approximately 11,161 net acres of oil and gas leases. The Company actively seeks to identify new opportunities to assist in driving growth. In particular, the Company is examining opportunities to increase its lease holdings in the core, Southern Woodbine region, as capital allows. Below is a table showing Sun’s net acres of oil and gas mineral leases in the various project areas. Total net acres recorded in the table below are approximate at 30 June 2015, based on the latest information provided by our vendors and operators.

Oil Project Area	Sun's Working Interest (%WI)	Sun's Net Royalty Interest (%NRI)	Sun's Net Acres (1ha = 2.471ac)
Normangee	50%	37.5%	1,141
SW Leona (and Centerville AMI)	50%	37.5%	2,475
Southern Woodbine	100%	77.5%	2,327
Delta (and Petro Hunt AMI)	25 - 100%	18 - 75%	4,054
Beeler	16.7%	12.5%	230
WOODBINE TOTAL	-	-	10,227
Badger	10%	7.5%	934
UNCONVENTIONAL TOTAL	-	-	11,161

(Total acres approximate, as at 30 June 2015)

OIL AND GAS PRODUCTION – ONSHORE USA

Oil production reported for the September 2015 Quarter was confined to oil production now coming from the SW Leona Oil Project, in Leon County, East Texas.

PRODUCTION (Sun WI% share)	September 2015 Quarter	June 2015 Quarter
Oil (bo)	1,152	Not available

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

CORPORATE

BOARD MEASURES TO MANAGE CASH RESERVES

The Board has extended the issue of shares in Sun to the Directors in lieu of cash payments for Directors' Fees for the first six months from 1 January 2015. In addition, the Board has approved that the Managing Director, Matthew Battrick receive 25% of his remuneration package in the form of shares in the Company for six months from 1 January 2015. During the Quarter, Board approval was given for all executives to receive 50% of their remuneration in the form of shares, with employees to receive 25% of their salary in form of shares from the end of September 2015. The active management of the Company's cash reserves is an inevitable result of the sharp fall in the oil price since August 2014.

SHARE PLACEMENT

Sun entered a trading halt on 29 October 2015 to facilitate a Placement of New Shares at \$0.001 per Share. The Placement is expected to raise a total of A\$699,000 which would be an exceptional outcome given the current market conditions. Bell Potter Securities Limited is acting as the Lead Manager for the Placement.

The Company will issue 699 million New Shares under the Placement in a single tranche pursuant to Sun's placement capacity under ASX Listing Rules 7.1 and 7.1A.

Sun held net cash of A\$321,000 at the end of the September 2015 Quarter.

BY ORDER OF THE BOARD

Matthew Battrick,
Managing Director and CEO
Telephone: +61 (08) 9321 9886
Email: admin@sunres.com.au

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 Managing Director of Sun Resources NL, Mr 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.