



Tuesday 5 March 2013

Richland and Amerril Oil Projects Update

Richland Oil Project (Sun 13.54% - 16.67% WI)

The participants in the Richland Oil Project have appointed Amerril Energy LLC (**Amerril**) as the Operator of the Richland Oil Project to complete the current work over operations on the Richland Oil Project's oil production wells, including the installation and commissioning of a jet pump on Ellis #1H well, and rod pumps on the other 2 horizontal wells:

- **Ellis #1H:** shut in awaiting installation of a high flow rate jet pump to deliver higher fluid rates. Pump installation is expected to be completed by mid-March, after receipt of necessary permits.
- **Beeler #1H:** Shut in awaiting installation of a moderate flow rate rod pump to assist paraffin clean out and improve fluid recovery in the well.
- **John Beeler #1H and John Beeler #2:** Shut in awaiting installation of rod pumps, after monitoring performance of the Beeler #1H & Ellis #1H wells.

Amerril Oil Project (Sun 50% WI)

- **Seale #1H:** This horizontal well was spudded on 19 January 2013. The current operation is side-tracking the well, below approximately 7,400 feet, measured depth (MD), to re-drill the horizontal section, after well bore instability in the original lateral section. This activity will delay the fracing of the well by approximately two weeks. Given the very strong oil shows seen in the vertical Seale #1, the Seale #1H well has been prioritised as the first well to be fraced in the Amerril Oil Project.
- **Seale #1 (Vertical) and T.Keeling #1H:** Both wells have been cased awaiting fracing and flow back operations. This will occur post the completion of drilling, fracing and flow back activities in Seale #1H.

Sun Resources NL (**Sun Resources, Sun or Company**) (ASX:SUR) is pleased to provide updates on the activities occurring at its Richland and Amerril Oil Projects located in Leon County, Texas.

RICHLAND OIL PROJECT (Sun 13.54 - 16.67% WI)

The participants in the Richland Oil Project have appointed Amerril Energy LLC (**Amerril**) as the Operator of the project to complete the current work over operations on the Richland Oil Project's oil production wells, including the installation and commissioning of a jet pump on Ellis #1H well, and rod pumps on the other 2 horizontal wells.

This decision will allow for the effective installation and efficient commissioning of a jet pump on the Ellis #1H well followed by a rod pump on the Beeler #1H well. These activities will commence shortly after receipt of necessary regulatory approvals and permits.

Beeler #1H Horizontal Woodbine Oil Production Well

The Beeler #1H horizontal well is currently shut in awaiting a work over to clean out the paraffin in the well and the installation of a rod pump to facilitate further frac fluid recovery and maintain approximately 300-500 barrels of fluid recovery per day. This operation will follow the activities on the Ellis #1H well. Beeler #1H was fraced with more than 130,000 barrels of fluid, and to date around 11% of the fracing fluids have flowed to surface and has been recovered. The installation of a rod pump will expedite frac fluid recovery.

Ellis #1H Horizontal Woodbine Oil Production Well

The most successful horizontal well in the Richland Oil Project, Ellis #1H, has been chosen for the installation of a high performance jet pump, based on the high natural flow rates achieved during the initial flow back period. The pump will aim to deliver higher fluid rates (oil and frac water) than currently achieved. The jet pump is expected to deliver 500-1,500 barrels of fluid per day and will endeavour to 'unload' more frac water (currently at 31% recovery) from the toe of the lateral. The jet pump installation is due to commence shortly and is now scheduled to be completed by mid-March. Clean-up and flow back operations will re-commence when the jet pump has been installed and the work over rig has been moved to the Beeler #1H location.

John Beeler #1H (Horizontal) and John Beeler #2 (Vertical) Woodbine Oil Production Wells

Clean-up and flow back operations at these two wells, John Beeler #1H (JB#1H) and John Beeler #2 (JB#2) remain suspended while the work over rig installs the pumps on Beeler #1H and Ellis #1H and monitors their performance while on pump. This activity will determine the best pump option for the two John Beeler wells. To date approximately 17-21% of fracing fluids have been recovered from the Woodbine section of both wells, with oil continuing to flow from JB#1H and oil cut beginning in JB#2 as anticipated.

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 Resources Corp.	16.66%	13.5416%	10.1562%
Sun Resources NL	16.67%	13.5417%	10.1563%
Ameril Energy LLC (Operator)	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 Resources Corporation	16.66%	12.5%
Sun Resources NL	16.67%	12.5%
Amerril Energy LLC (Operator)	16.67%	12.5%
Farmors Overriding Royalty	0%	5%
Lessor Royalty	0%	20%

AMERRIL OIL PROJECT (Sun 50% WI)

Seale #1H – Horizontal Woodbine Well

The Seale #1H well, Sun's fifth horizontal Woodbine well, was spudded on 19 January 2013 and to date had drilled to a depth of 8,700 feet MD in the horizontal section of the well bore. This well is targeting greater than 6,000 feet of lateral section in the Woodbine Formation where very strong oil shows (including oil over the shale shakers), were recorded in the Seale #1 vertical well. The well is currently being side-tracked, from approximately 7,400 feet MD, around some unstable hole below the intermediate casing shoe that prevented more than 800 feet of section to be drilled in the original horizontal well bore. This activity is anticipated to delay the completion and fracing of the well by approximately two weeks. Due to the interpreted high quality oil pay in this section of the Woodbine Formation, the Operator, Amerril, expects to prioritise the fracing of the Seale #1H lateral to be the first well fraced in the Amerril Oil Project.

T. Keeling #1H (Horizontal) Woodbine Well and Seale #1 (Vertical) Multi-zone Well

The T. Keeling #1H lateral well and the Seale #1 vertical well have been cased awaiting fracing and flow back operations. Very strong oil shows were observed while drilling the Woodbine section in the vertical Seale #1 well, including 'live oil' over the shale shakers. Excellent oil shows were also recorded while drilling along the length of the T. Keeling lateral and a pressure 'kick' was also recorded after completion of drilling in the lateral, suggesting natural hydrocarbon flow from the horizontal section of the production well bore. The T. Keeling lateral was recently logged using 'thru-bit' logging tools and Sun's interpretation of those logs supports the potential for high quality oil pay in the well. These two wells will likely be fraced after the completion of drilling, fracing and flow back activities in the Seale #1H horizontal well. Sun has a 50% WI in both of these wells.

Sun's working interest in the Seale #1, Seale #1H and T. Keeling #1H wells are:

Participant	Working Interest (WI)	Net Revenue Interest (NRI)
Sun Resources NL	50%	37.5%
Amerril Energy LLC (Operator)	50%	37.5%

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



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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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Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking statements. In addition, if any of the assumptions or estimates made by management prove to be incorrect, actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this document. Such assumptions include, but are not limited to, general economic, market and business conditions and corporate strategy. Accordingly, investors are cautioned not to place undue reliance on such statements.

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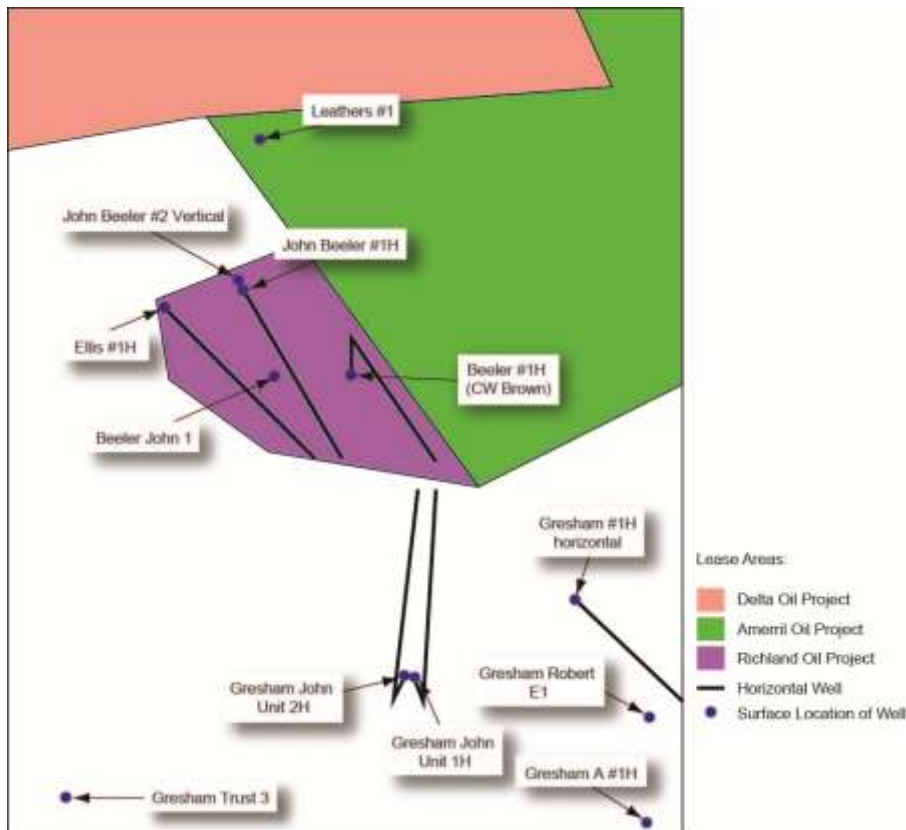


Figure 1: Richland Oil Project (purple): Well locations of Beeler #1H, John Beeler #1H & #2 and Ellis #1H

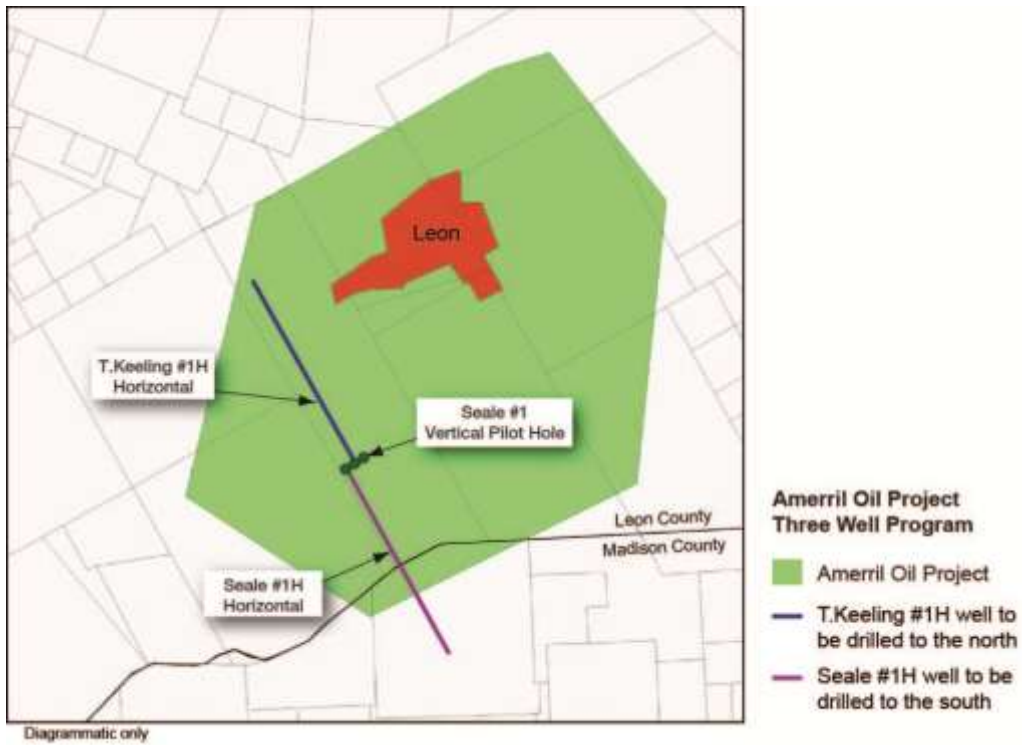


Figure 2: Approximate surface location and orientation of horizontal wells in the SW Leona Area of the Amerril Oil Project.