



SUN
resources 

Investor Briefing

30 July 2015

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SUN RESOURCES CORPORATE SNAPSHOT



Capital Structure: Post-Cap. Raising (SPP & Placement)

ASX code	SUR
Ordinary shares on issue	4,472m
Performance options ¹	140m
Listed options (A\$0.025)	259m
Unlisted options (various prices) ²	21m
Current share price	A\$0.001
Market capitalisation (@ A\$0.001)	A\$4.5m
Net Cash ³	A\$1.3m
Enterprise Value	A\$3.2m

Top Five Shareholders

Hancock Prospecting P/L	13.8%
Amerill Energy LLC	7.3%
Fast Lane Aust. P/L	6.0%
A Darby Investments P/L	3.4%
UBS Nominees	2.5%
Total	33.0%

Notes:

1. Performance options convert into ordinary shares upon achievement of certain project milestones (these are detailed in Sun's Notice of General Meeting announced to ASX on 21 November 2011, and also Sun's announcement dated 27 July 2012).
2. Unlisted options award to staff and Directors of Sun Resources NL.
3. Un-audited cash balance, at 30 June 2015, following an SPP and Placement.

Share Price / Volume History



Board of Directors

Professor Ian Plimer	Non-Executive Chairman
Mr. Matthew Battrick	Managing Director & CEO
Dr. Wolf Martinick	Non-Executive Director

Note: The top 20 shareholders, including Board, hold 47% of shares currently on issue.

- **Recently finalised commercial agreements position Sun for growth and cash flow generation**
 - *Resolution of Amerril Energy LLC matters delivers to Sun a 100% working interest (WI) in Normangee Oil Project, SW Leona Oil Project and Centerville AMI*
 - *Agreement reached with Ursa Resources on future development of Badger Oil Project*
 - *All existing arrangements provide for investment flexibility into Sun at the asset level*

- **Renewed focus & revised plan regarding Sun's flagship Normangee Oil Project**
 - *Newly consolidated lease portfolio entirely within Sun's control*
 - *Sun now owns 100% WI in the Jack Howe #1H (drilled and ready to frack)*

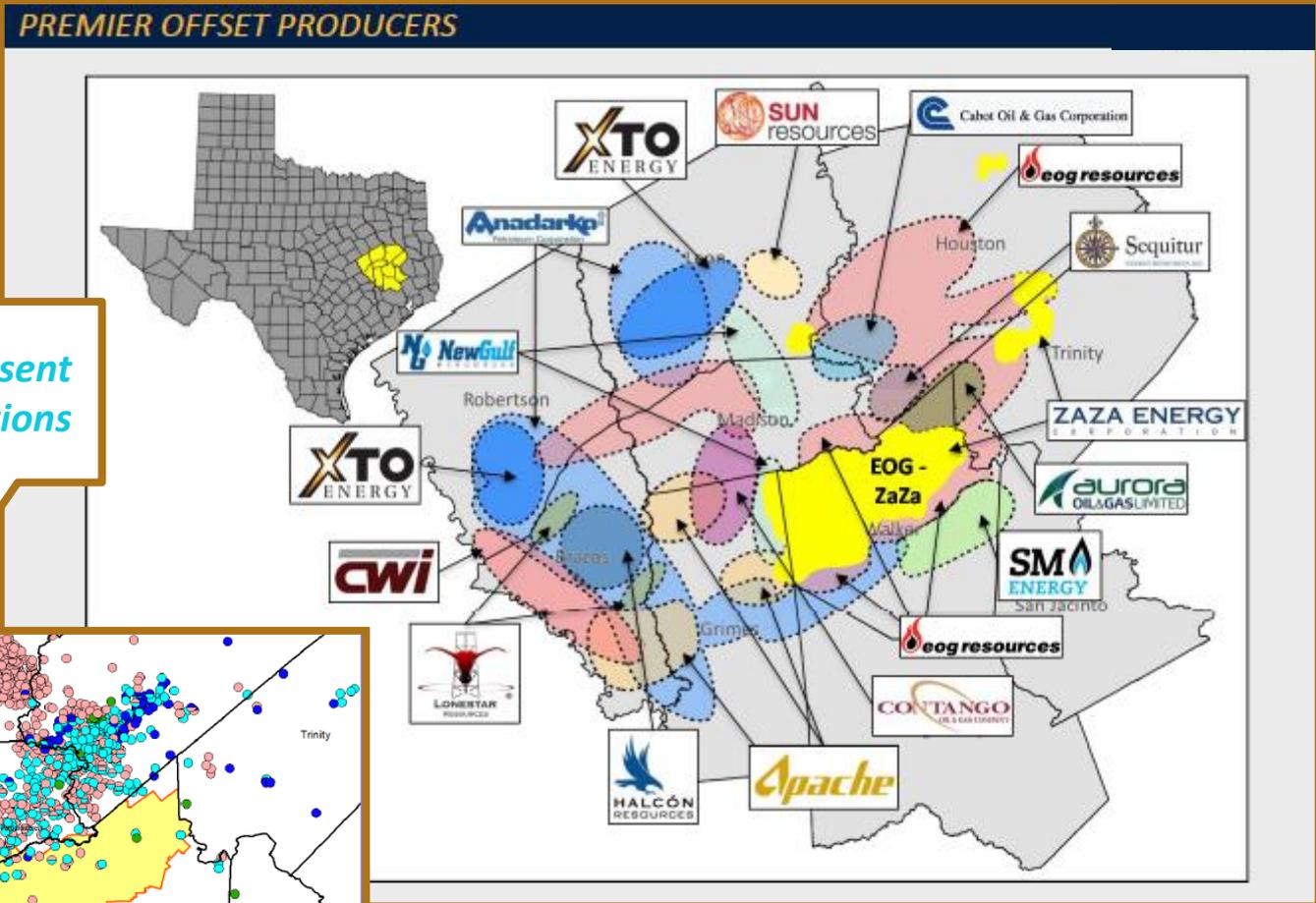
- **Newly consolidated and rationalised asset portfolio is focussed on core oil fairways in highly prospective East Texas region**
 - *Primary objective of developing the Lower Woodbine target across Sun's portfolio*
 - *Near conclusion of non-core asset sale process (target of US\$1.5 million proceeds to Sun)*
 - *Test the recently identified Buda-Georgetown "bench" in current leases*

NEAR-TERM ACTIONS ACROSS PORTFOLIO

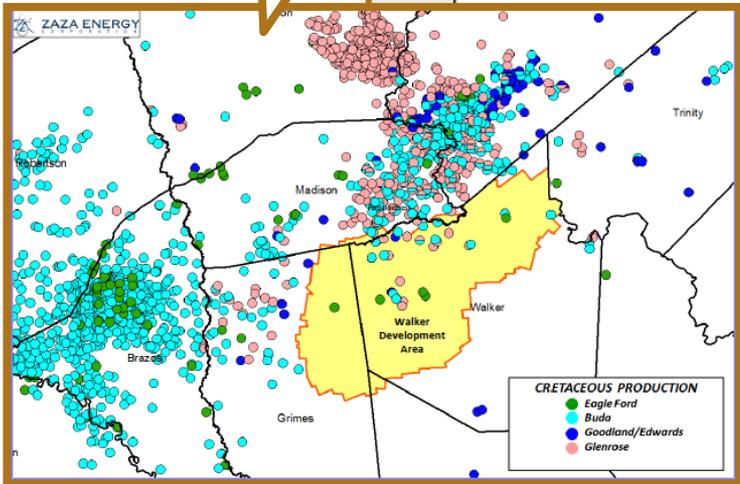


- **Seeking new investor/partner for capital investment at the asset level to fund current and future development drilling**
 - *Sun's market capitalisation currently at <50% of balance sheet value*
 - *Sun is seeking new capital to frack and complete Jack Howe #1H for early cash flow*
 - *Lower Woodbine economics robust (IRR's = 15-20%) at WTI US\$60 oil due to recent 25-35% fall in drilling and fracking costs*
 - *Adjacent Operators have already de-risked play with 30-day IP's up to 600 bopd*
- **Next operation is to frack and flow-back Jack Howe #1H**
 - *Multi-stage frack AFE likely to reduce from US\$4.9mm to ~\$4mm to ?\$3.5mm gross*
 - *Generate cash flow from strong initial production (US\$3-4mm in first year @ US\$50 oil price)*
 - *A number of companies currently engaged in farm-in/funding discussion*
 - *Phase 2 development programme [in 2H 2015] contingent on 25% drop in well AFE; and funding*
- **Intervention in SW Leona wells to improve production rates**
 - *Dislodge 'fish' in Seale #1H well to access more productive stages*
 - *Deepen and vertical 'stack-frack' of Seale #1V*
 - *Re-enter T. Keeling #1H to add additional frack stages*
- **Appraisal of Buda-Georgetown potential a strong candidate for near-term value growth**
 - *Newly emerging play cover Normangee, SW Leona and Delta Oil Projects' lease positions*

EAST TEXAS IS NOW AN AREA OF E&P FOCUS



Turquoise Dots Represent Recent Buda Completions



Source: Zaza Energy Corp.

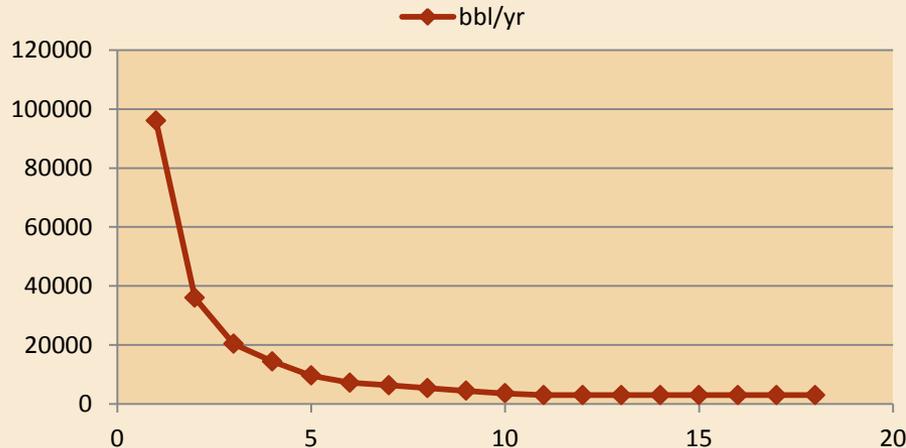
POTENTIAL WELL LOCATIONS & INDICATIVE WELL ECONOMICS



<u>Potential Locations</u>	
(160 acre spacing)	<u>Locations</u>
Flo Delta	32
Normangee	16
Southern W'bine	4
Badger	6
<u>Total</u>	<u>58</u>

<u>Gross Sales Volumes</u>	
Oil bbl	310,906
Gas cu ft	199,087
Total BOE	344,087
	US\$M
<u>Single Well AFE</u>	7,592
	US\$M
Total Opex (15yrs prod'n) (including abandonment)	3,446
<u>Pricing (flat)</u>	US\$
Gas	5.5
Oil	68.88
Working Interest %	100
Net Revenue interest %	75
	US\$M
<u>Gross Revenue</u>	17,026
Taxes (15yr prod'n life)	1,233
Present Value (10% disc.)	4,500

Indicative Well Decline Curve



18.5 million barrels oil-in-place per sq. mile = 250,000 bbl potentially recoverable resource per 160 acre lateral well @ 6% RF = US\$3-4 million gross revenue in first full year / US\$13-14 mm gross revenue over life of well @ US\$50 oil price

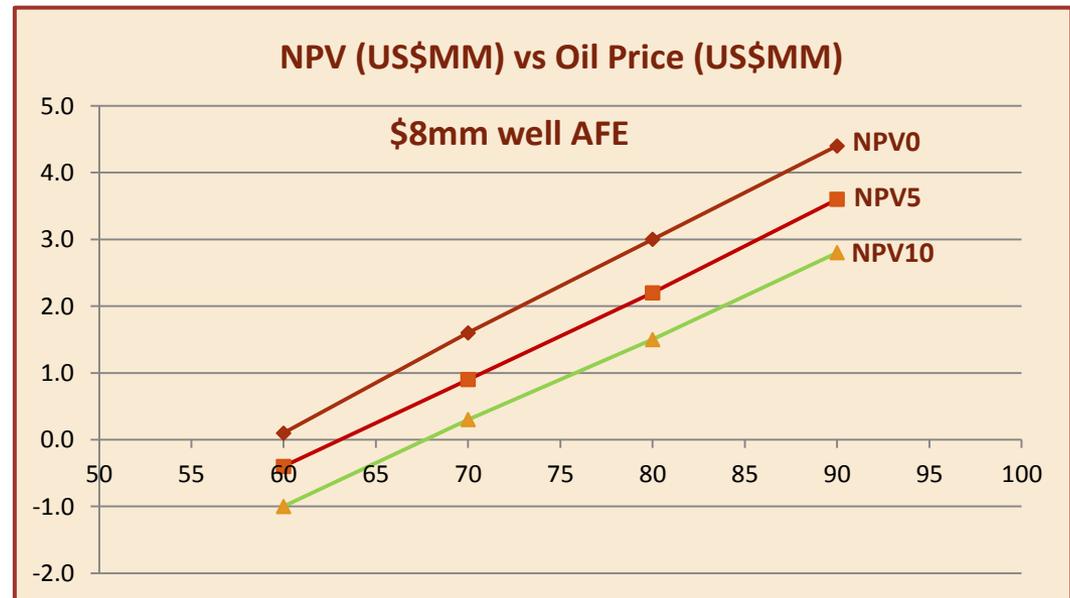
LOWER WOODBINE – NORMANGEE OIL PROJECT



- *US\$4mm fracking AFE gives pay out in year-2 and delivers IRR > 15% (@ US\$50 oil)*
 - *Estimated gross revenue in first year of Jack Howe #1H flow-back (NRI) = ~ US\$3-4 million*
 - *A 25% reduction in drilling and fracking AFEs delivers IRR = ~20% (@ US\$50 oil)*
 - *US Operators delivering 25%-35% cost reductions (NAPE Conference – Feb. '15)*
- NPV Analysis for single Lower Woodbine Lateral @ US\$8mm AFE with various oil prices

Cost reduction drives positive NPVs per well

- *NPV10 positive @ US\$60 oil with 15% reduction in well/frack costs*
- *NPV5 positive @ US\$50 oil with 25% reduction in costs*
- *NPV0 positive @ US\$40 oil with 35% reduction in costs*
- *Economics robust @ US\$70 oil with current cost structure*



18.5 million barrels oil-in-place per sq. mile = 250,000 bbl potentially recoverable resource per 160 acre lateral well @ 6% RF = US\$3-4 mm gross revenue in first full year / US\$13-14 mm gross revenue over life of well @ US\$50 oil price

SUN'S WOODBINE OIL PROJECT AREAS

Across Leon and Madison Counties, East Texas

Sun has control of 14,173 net acres across its 5 Woodbine Oil Project areas

Project Leasehold Table (as @ 30 June 2015)

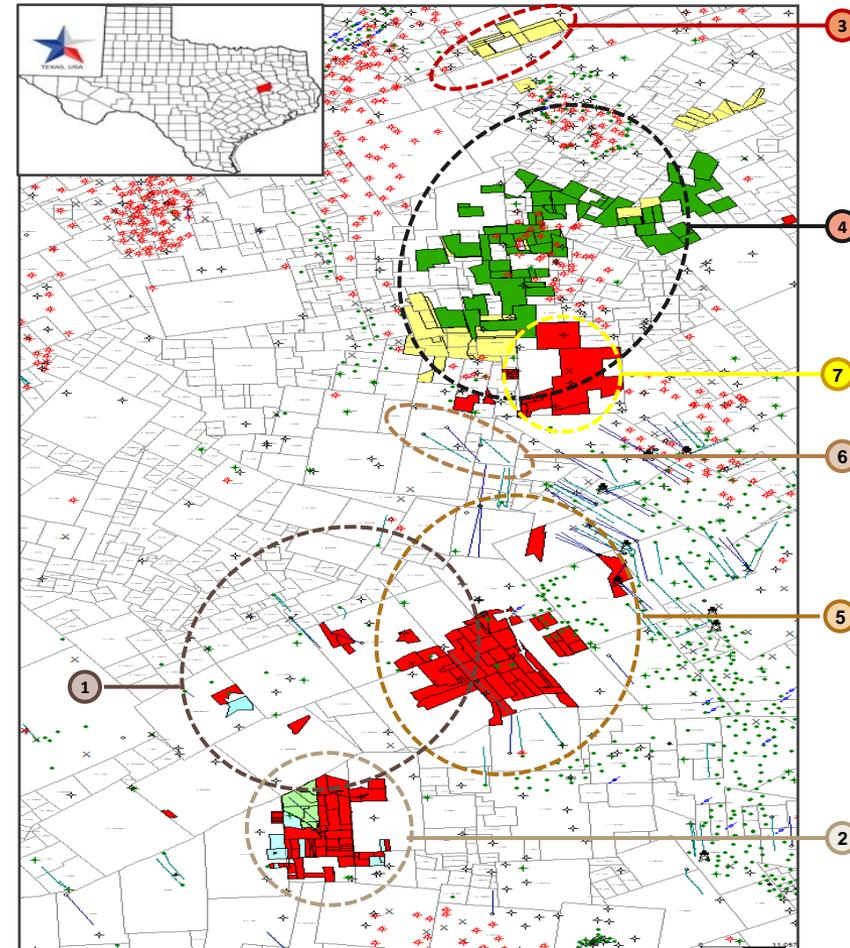
Map	Project	Working Interest (%)	Net Royalty Interest (%)	Acres
				Gross
1	Southern Woodbine	100%	77.5%	2,327
2	Normangee	100%	75%	2,282
3 4	Delta & P.H. AMI ¹	25-100%	18-75%	4,054
5 7	SW Leona AMI's ²	100%	75%	4,950
6	Beeler	16.7%	12.5%	560
Total				14,173

¹ Petro-Hunt will exit the AMI, so leases in this AMI can revert 100% to Sun

² JV partner [Furie] held up to 42% of Centerville AMI but has likely exited

^{1 2} Both will require future negotiation to secure control (100% WI)

Leasehold & Activity Map



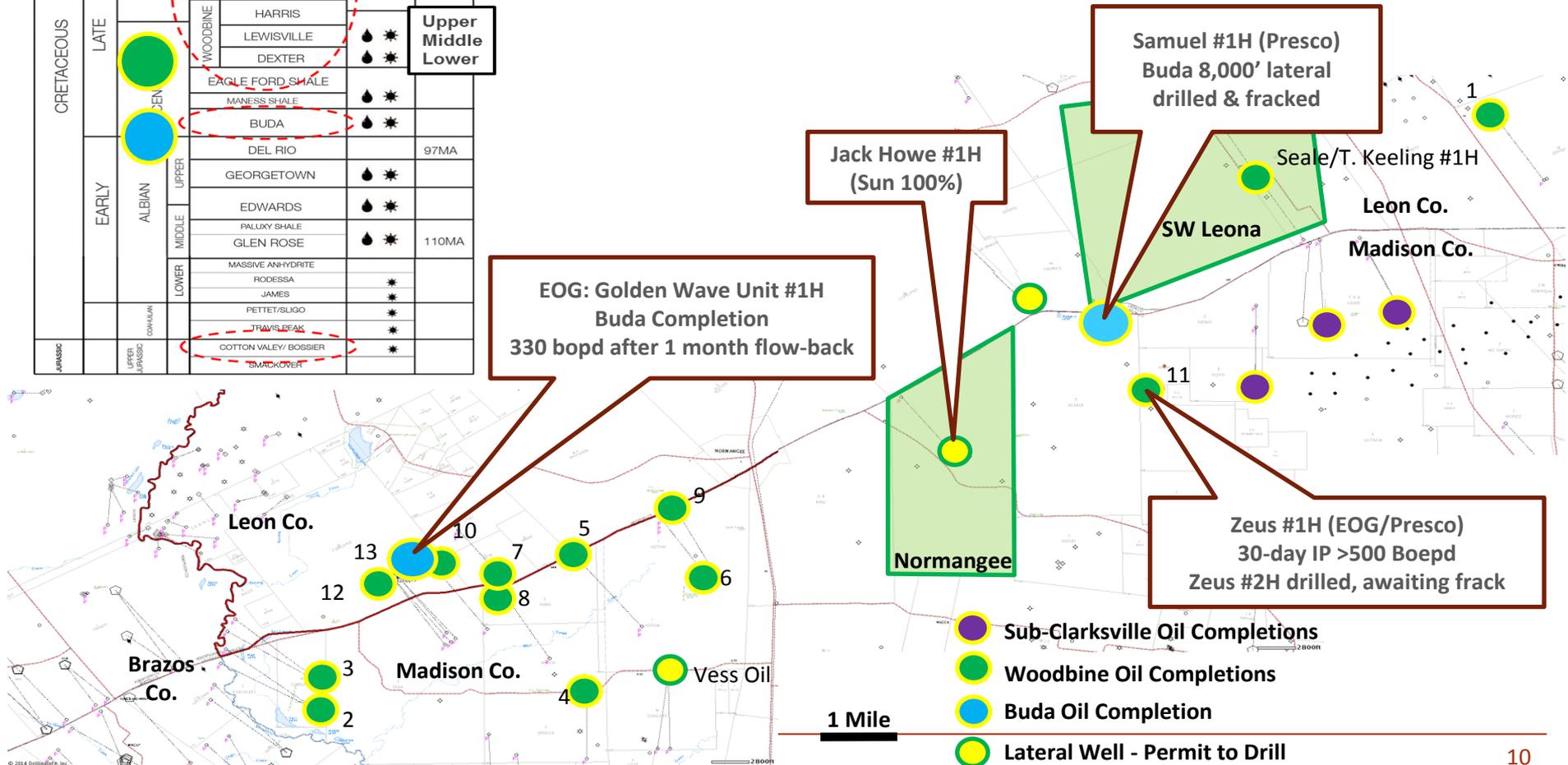
BUDA-GEORGETOWN – NEW “BENCH” DOUBLES RESERVES



Stratigraphic Column				PRODUCTIVE INTERVALS	
SYSTEM	SERIES	STAGE	EAST TEXAS (SUBSURFACE)	Oil Gas	Age
CRETACEOUS	LATE	SANITONIAN	AUSTIN CHALK	Oil	88MA
		TURONIAN	SUBCLARKSVILLE	Oil, Gas	
			EAGLE FORD SHALE	Oil, Gas	
		WOODBINE	HARRIS	Oil, Gas	Upper Middle Lower
			LEWISVILLE	Oil, Gas	
			DEXTER	Oil, Gas	
			EAGLE FORD SHALE	Oil, Gas	
		EARLY	ALBIAN	MANESS SHALE	Oil, Gas
				BUDA	Oil, Gas
				DEL RIO	Oil, Gas
	GEORGETOWN			Oil, Gas	
	UPPER		EDWARDS	Oil, Gas	
			PALUXY SHALE	Oil, Gas	
			GLEN ROSE	Oil, Gas	110MA
			LOWER	MASSIVE ANHYDRITE	Oil, Gas
	UPPER JURASSIC	RODESSA	Oil, Gas		
		JAMES	Oil, Gas		
		PETTET/SLIGO	Oil, Gas		
TRAVIS PEAK		Oil, Gas			
LOWER JURASSIC	CONULAN	COTTON VALEY/ BOSSIER	Oil, Gas		
		SMACKOVER	Oil, Gas		

Multiple oil targets – Minimum 2 Benches

- *Sub Clarksville Sandstone* – Producing in area
- *Eagle Ford Shale* – Lower Woodbine oil confirmed
- *Buda* – First local oil completions confirmed

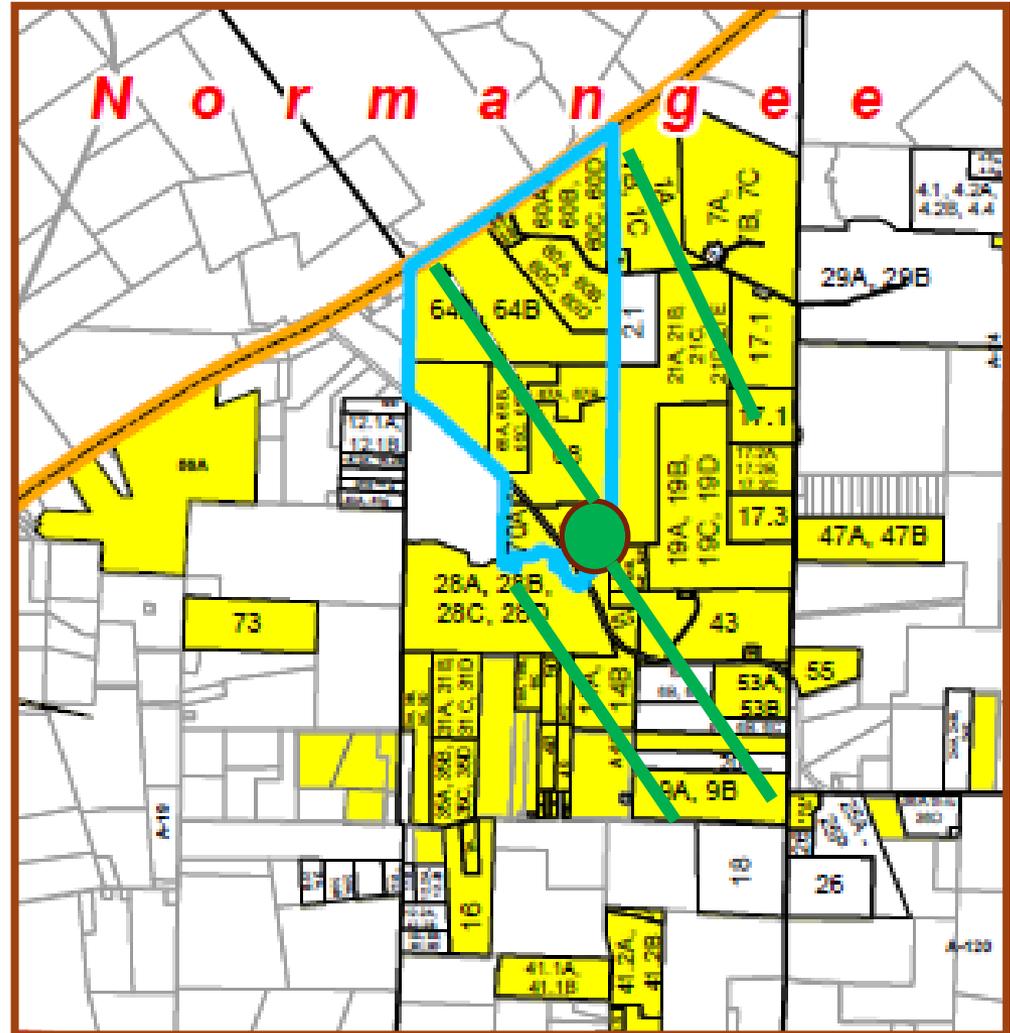


HBP Program

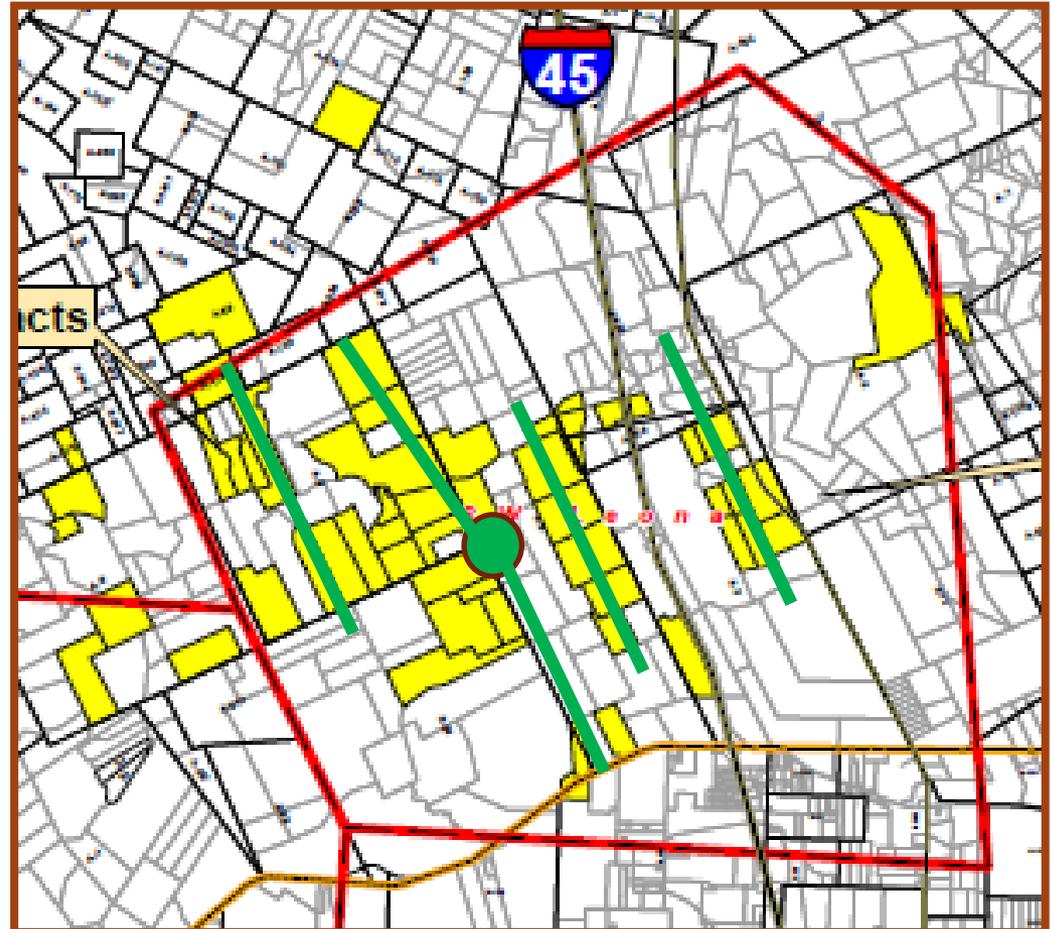
- 4 drilling units required to cover entire lease area
- Frack Jack Howe #1H
- D&C 3 more wells to HBP current lease position
- D&C 1 Buda lateral

Full Field Development

- 12 PUDs to fully develop
(based on initial 160-acre spacing)

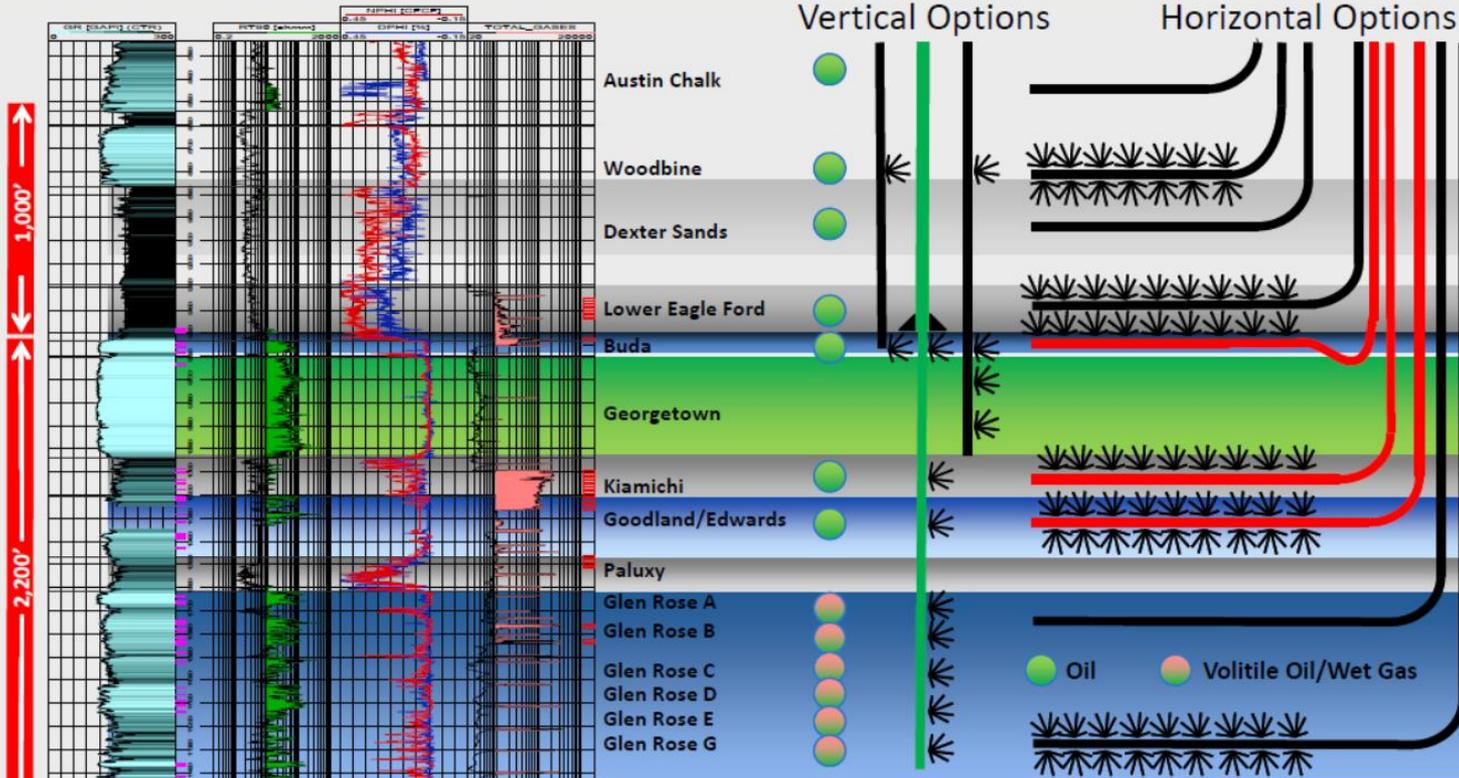


- Seale #1V drilled Buda-Rose section with shows and pay intervals
- Seale #1H & T. Keeling #1H laterals completed in Lower Woodbine = 2 Units HBP
- “Stack & Frack” Seale #1V
- Frack toe of T. Keeling #1H
- 3 more wells to HBP project current area



East Texas Development Targets

INITIATING BUDA ROSE VERTICAL WELL DRILLING PROGRAM



Data based on Burk Royalty Co. LTD – Etheridge #1 42-225-31198, Houston Co., TX

Planned Development - Vertical Lower Cretaceous ("Buda Rose") Wells
 Comingled 7+ stage Stack and Frac completion

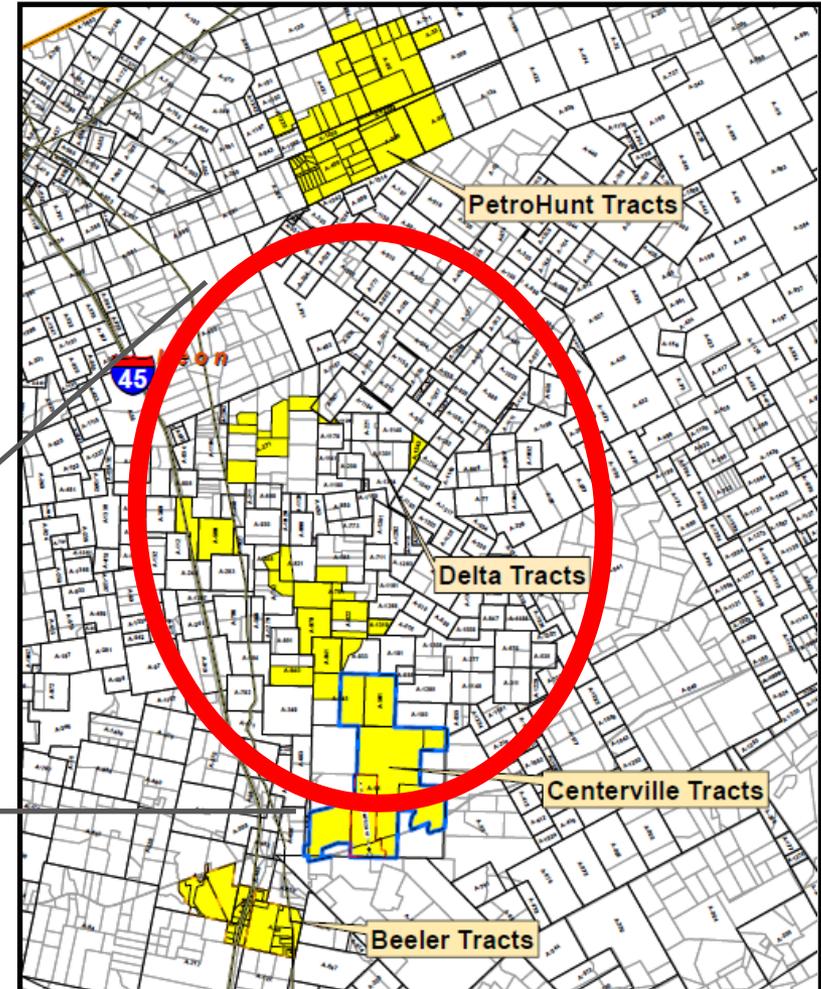
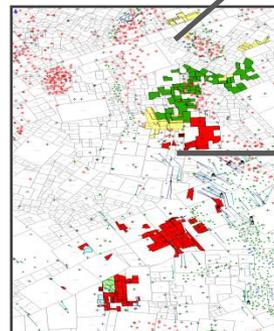
Horizontal Wells
 17-25 multi-stage completion
 EOG has permitted three well pad targets:
 Horizontal Buda
 Horizontal Kiamichi
 Horizontal Goodland

Nasdaq: ZAZA

Source: Zaza Energy Corporation (2015)

- Large Buda structure mapped with 300 feet of closure
- Oil & gas column tested in old vertical well with 300 feet of log pay
- Warrants initial vertical pilot well to test column height
- Follow up with fracked lateral
- Initial pilot well could be located in Centerville AMI

Approximate Area of Buda Prospect

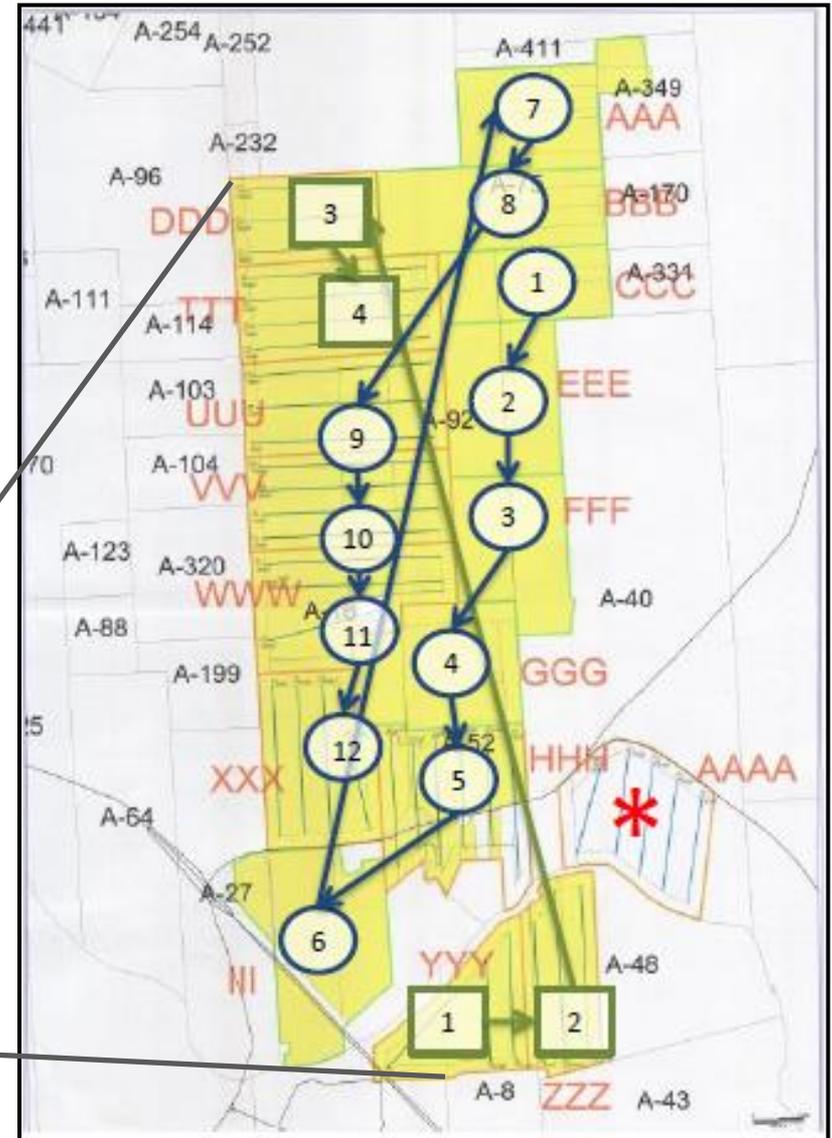


Note:

Delta lease position (25-100% WI)
= 4,054 net acres (@ 30 June'15)

BADGER OIL PROJECT – 16 DRILLING UNITS TO BE DEVELOPED

- 10% WI in 16 drilling units required to HBP the project area
- Initial investment by Sun = US\$13 mm; assuming US\$8mm gross well AFE
- Total of 64 wells required to fully develop; based on initial 160-acre spacing
- *Sun not contributing to initial “proof-of-concept” well*



- **Secure capital partner with shared value creation and strategic objectives**
- **Frack and flow-back Jack Howe #1H**
 - *Generate cash flow from strong initial production*
 - *Demonstrate “Best in Class” operational execution capability*
 - *US\$3-4 million gross in first year of flow-back*
 - *Intervene in SW Leona wells to enhance oil production*
- **Execute HBP drilling programme across all Lower Woodbine Oil Projects**
 - *3-4 additional wells in each project area will hold all leases until oil prices improve further*
- **Locate and drill initial well in Delta Oil Project**
 - *Key location for Buda-Georgetown oil target exploitation*
- **Continue to review strategic opportunities and manage cash**
 - *Complete rationalisation of non-core assets to maintain and/or increase cash*
 - *Secure reductions in costs for equipment and services from suppliers*
- **Monitor distressed companies and assets for buying opportunities in target areas**
 - *Opportunistically search for HBP assets with future unconventional potential*
 - *Acquire reserves with debt capital - use equity capital very strategically*

www.sunres.com.au

SUN
resources 
ABN 69 009 196 810 ASX SUR

Matthew Battrick
Managing Director and CEO

Level 2, 30 Richardson Street, West Perth 6005
PO Box 1786, West Perth WA 6872

T +61 8 9321 9886 F +61 8 9321 8161
M 0416 111 298 E mab@sunres.com.au

