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29 July 2016

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

Dear Sir/Madam

RE: QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 JUNE 2016

Please find the Quarterly Activities Report for the period ended 30 June 2016 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 JUNE 2016

HIGHLIGHTS

Oil and Gas Exploration and Development

- Sun is completing a strategic shift toward a more sustainable business model in the current global oil price environment.
- Sun is reviewing a number of new asset opportunities, both exploration and development, particularly in Texas and Louisiana, that are expected to be commercially viable in the current low oil price environment.

Corporate

- Subsequent to the end of the reporting period, a General Meeting of shareholders was held on 12 July 2016 to ratify the previous placement of shares and therefore refresh the Company's placement capacity.
- Shareholders also approved at the same General Meeting, a 25:1 share consolidation which Sun intends to implement during the third Quarter of 2016.

UNITED STATES OF AMERICA

OIL AND GAS EXPLORATION AND DEVELOPMENT

Land Status, Onshore Texas (net acres of mineral leases)

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 4,063 net acres of oil and gas leases. The Company actively seeks to identify new opportunities to assist in driving growth in the current depressed oil market. 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, based on the information provided by our vendors and operators.

Oil Project Area	Sun's Working Interest (%WI)	Sun's Net Royalty Interest (%NRI)	Project area Gross Acres (1ha = 2.471ac)	Sun's Net Acres (1ha = 2.471ac)
Normangee	50%	37.5%	1,374	687
SW Leona	50%	37.5%	1,637	925
Southern Woodbine	100%	77.5%	2,327	2,327
Delta (Petro Hunt AML)	25%	18%	496	124
Badger	10%	7.5%	240	24
TEXAS TOTAL	-	-	6,074	4,087

(Total acres are approximate, as at 30 June 2016)

OIL AND GAS PRODUCTION – ONSHORE USA

Oil production reported for the June 2016 Quarter was confined to oil production now coming from the SW Leona Oil Project, in Leon County, East Texas.

PRODUCTION (Sun WI% share)	June 2016 Quarter	March 2016 Quarter
Oil (bo)	1,108	1,515

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 into 2016. During the Quarter, the Board approved that the Managing Director, Matthew Battrick receive 50% of his remuneration package in the form of shares in the Company for three months from 1 March 2016, subject to shareholder approval. Also during the Quarter, Board agreed to allow all executives to continue to receive 50% of their remuneration in the form of shares, with employees to receive 25% of their salary in form of shares. 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 CAPACITY REFRESH AND CONSOLIDATION APPROVAL

Subsequent to the end of the reporting period, a General Meeting of shareholders was held on 12 July 2016 to ratify the previous placement of shares and therefore refresh the Company's placement capacity.

The General Meeting also approved a share consolidation process with a consolidation ratio of 25:1, thereby reducing the shares on issue from 5,969 million to 239 million and a new equivalent share price of A\$0.025. The implementation process for the share consolidation is expected to be completed during the third quarter of 2016.

This effort will position the company to access new opportunities in Texas and worldwide, including conventional oil production opportunities that have commercial potential in the current oil price environment.

Sun held net cash of A\$136,064 at the end of the June 2016 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.