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T. Keeling Well – First Oil Achieved as Flowback Continues After Jet Pump Installation

Amerril Oil Project (Sun 50% WI)

- **T. Keeling #1H Well:** The Operator, Amerril Energy LLC (**Amerril**), has re-commenced flow back operations at the T. Keeling #1H horizontal well after a successful five-stage fracing operation and installation of a jet pump.
 - After 25 days of flow back, the well has recovered 23.5% of the frac fluids and has recorded a significant increase in oil recovery over recent days.
 - Frac fluid flow rates from the five completed stages are currently varying between 63 - 104 barrels per day and the oil cut has increased to between 11 and 19%, with the support of the recently installed jet pump.
 - Flow back operations will continue for the immediate future, until commencement of fracing the remaining 15-20 stages of the Lower Woodbine lateral.
- **Seale #1H Well:** The Operator has returned the Seale #1H well to flow back operations in parallel with the continuation of flow back at the adjacent T. Keeling #1H well, also with the aid of a recently installed jet pump.
 - The highest daily rate reported for the 6 available stages of the Lower Woodbine lateral was 35 bopd, 146 mcfgd and 123 bfpd (188 boepd) with almost 40% of frac water produced from these 6 stages.

Sun Resources NL (**Sun Resources, Sun** or the **Company**) (ASX:SUR) hereby provides an update on its 2 horizontal wells in the Amerril Oil Project located in Leon County, Texas.

Amerril Oil Project (Sun 50% WI)

The Operator, Amerril, has completed the test frac of the **T. Keeling #1H** horizontal well (5 stages across the first 1,500 feet of the 'toe' of the lateral section) and completed the flow back period using available natural and fracture-induced reservoir pressure. Initial flow back rates peaked at up to 100 barrels per hour and this reduced as fracing and reservoir pressure was bled off to an average of 10 barrels per hour (240 barrels per day). After eight days of flow back, the amount of frac fluid recovered had reached 16% of the total pumped. A trace of hydrocarbons were recorded throughout that initial flow back period.

A jet pump was subsequently installed and the well returned to flow back to allow further frac fluids to be recovered. To date, Amerril estimates approximately 23.5% of frac fluids have been recovered and an appreciable increase in oil rate has been observed over recent days. The latest flow back rates reported are 63-104 barrels per day of frac fluid with almost a 20% oil cut; that converts to an oil rate of between 7 - 17 bopd. Rates will continue to be variable while the most optimum settings for the jet pump are determined. Flow back operations will continue for the immediate future, ahead of commencement of fracing the remaining 15-20 stages of the Lower Woodbine lateral.

The Operator has concurrently returned to the **Seale #1H** horizontal well to recommence flow back operations to continue to recover frac fluid and increase the oil cut in the fluid flow, with the aid of the jet pump re-installed in the well. The latest daily reports show that the Seale #1H lateral had recovered almost 39% of fluids pumped into the available six stages and the best daily production rate reported for the well was approximately 188 bbl per day of equivalent fluid; made up of 35 bopd, 146 mcfgd and 123 bfpd.

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