



SUN resources

GENERAL MEETING

13 January 2016

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SUN RESOURCES CORPORATE SNAPSHOT



Capital Structure: As at 06 January 2016

| | |
|--|----------|
| ASX code | SUR |
| Ordinary shares on issue | 5,444m |
| Performance options ¹ | 140m |
| Listed options (A\$0.025) | 259m |
| Unlisted options (various prices) ² | 300m |
| Current share price | A\$0.001 |
| Market capitalisation (@ A\$0.001) | A\$5.4m |
| Net Cash ³ | A\$0.45m |
| Enterprise Value | A\$4.95m |

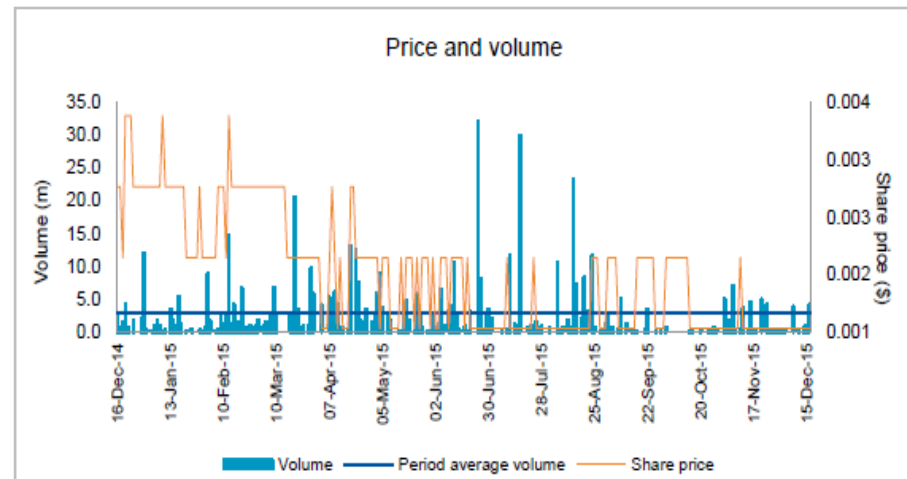
Top Five Shareholders

| | |
|-------------------------|--------------|
| Hancock Prospecting P/L | 11.4% |
| Fast Lane Aust. P/L | 9.6% |
| Amerill Energy LLC | 6.0% |
| Rojo Nero Capital P/L | 3.7% |
| CM Super Fund P/L | 2.8% |
| Total | 33.5% |

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 31 December 2015

Recent Share Price / Volume History



Board of Directors

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

Note: The top 20 shareholders, including Board, hold 51% of shares currently on issue.

▪ **Strategic focus on Normangee Oil Project**

- *Frack & flow-back is profitable with an average US\$45 oil price in year 1 of flow-back*
- *Forecasting US\$2.5-3 million in first year of flow-back*
- *Seeking US\$4 million from capital (JV) partner and/or debt /equity to facilitate operation*

▪ **Current footprint is focussed on [multiple] oil fairways in East Texas region**

- *Primary objective of developing the Lower Woodbine target across Sun's portfolio*
- *Lower Woodbine lateral well economics likely to be robust @ US\$40 oil price with 40% reduction in drilling and completion ('D&C') costs*
- *Opportunity to test second oil zone; the Buda-Georgetown "bench" in Sun's core lease areas*
- *Investigating vertical 'stack-frack' options for profitable wells in sub-US\$45 oil environment*

▪ **Targeting acquisition of a conventional production asset**

- *Deliver low risk US dollar revenue and financial stability in sub-\$45 oil price environment*
- *Current forecast for oil price recovery is late in 2016*

▪ **Cash Management**

- *Executives receiving 50% of salary as shares; other employees 25%*
- *\$699,000 before costs raised by Bell Potter Securities Ltd, October 2015*
- *Support demonstrated via new, substantial shareholders*

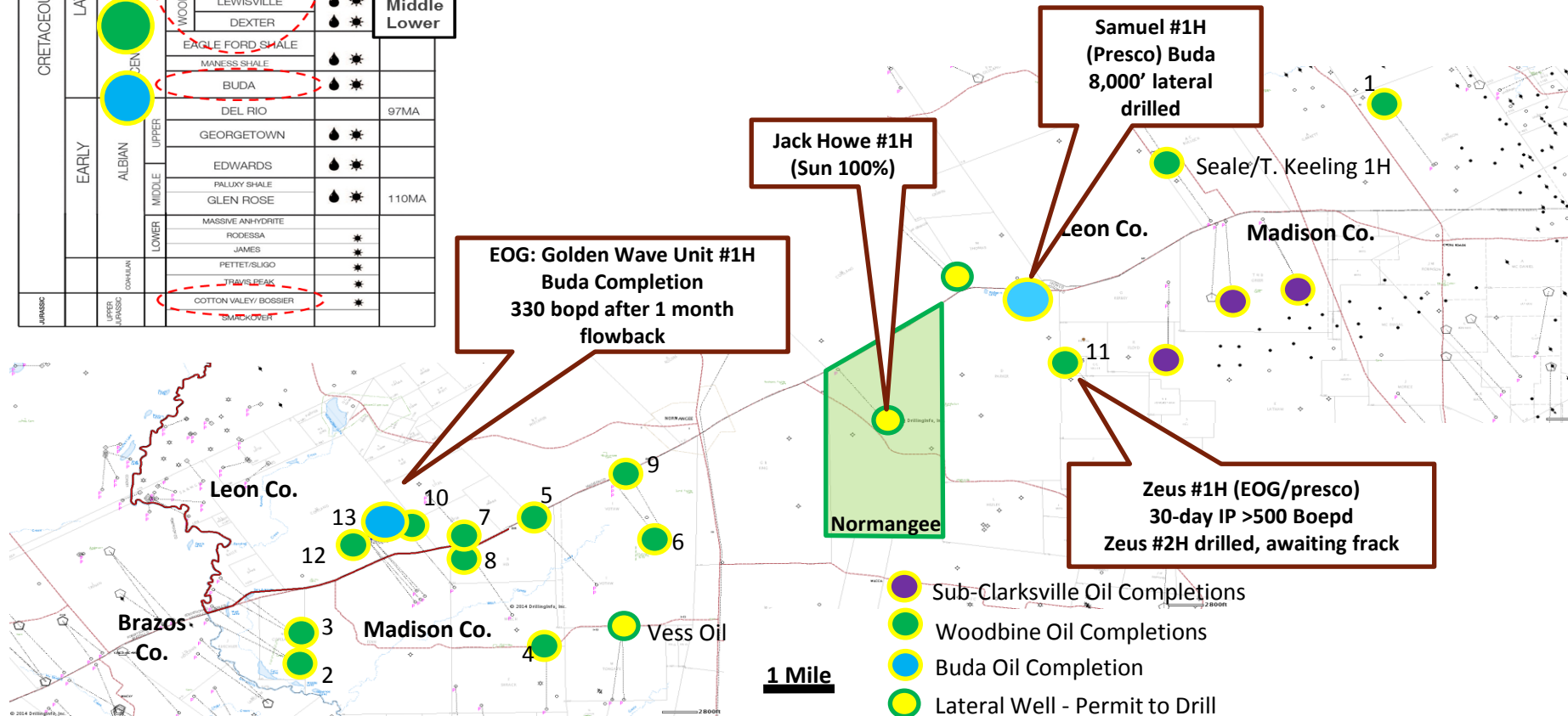
BUDA-GEORGETOWN – New ‘Bench’ Doubles Drilling Locations



| Stratigraphic Column | | | PRODUCTIVE INTERVALS | | | |
|----------------------|----------|----------------------|-------------------------|--------------|-------|--------------------------|
| SYSTEM | SERIES | STAGE | EAST TEXAS (SUBSURFACE) | Oil Gas | Age | |
| CRETACEOUS | LATE | SANITONIAN | AUSTIN CHALK | ● | 88MA | |
| | | | SUBCLARKSVILLE | ● ● | | |
| | | TURONIAN | EAGLE FORD SHALE | ● ● | | |
| | | | WOODBINE | HARRIS | ● ● | Upper Middle Lower |
| | | | | LEWISVILLE | ● ● | |
| | | | | DEXTER | ● ● | |
| | | EAGLE FORD SHALE | ● ● | | | |
| | | EARLY | ALBIAN | MANESS SHALE | ● ● | |
| | | | | BUDA | ● ● | |
| | | | | DEL RIO | ● ● | 97MA |
| | UPPER | | | GEORGETOWN | ● ● | |
| | MIDDLE | | | EDWARDS | ● ● | |
| | LOWER | | PALUXY SHALE | ● ● | | |
| | | | GLEN ROSE | ● ● | 110MA | |
| | | | MASSIVE ANHYDRITE | ● ● | | |
| | | | RODESSA | ● ● | | |
| | | | JAMES | ● ● | | |
| | COMALIAN | PETTET/SLIGO | ● ● | | | |
| | | TRAVIS DEAK | ● ● | | | |
| | | COTTON VALEY/BOSSIER | ● ● | | | |
| SMACKOVER | | ● ● | | | | |
| | | | | | | |

Multiple Oil Targets – Minimum Two Benches

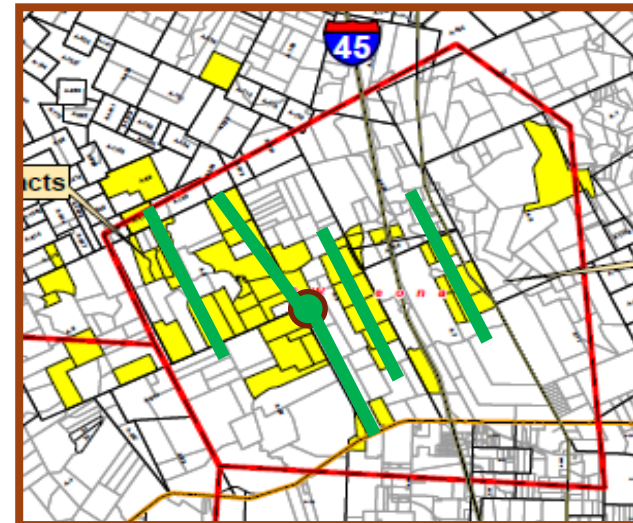
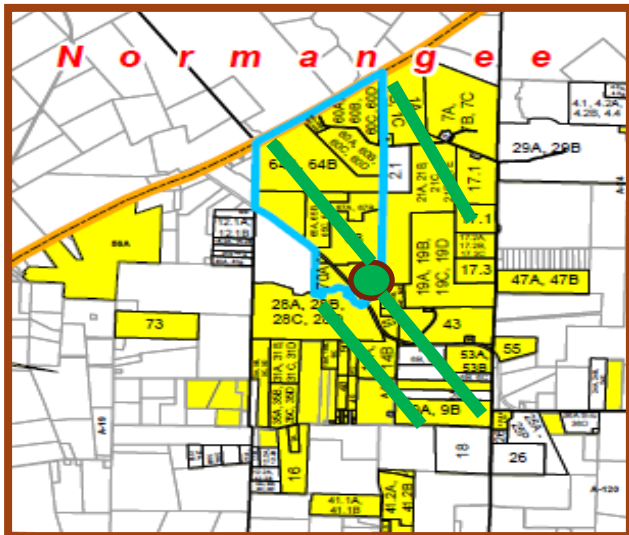
- Sub Clarksville Sandstone – Oil confirmed (“stack-frack” option)
- Eagle Ford Shale – Lower Woodbine oil confirmed
- Buda Limestone – Oil confirmed (“stack-frack” potential also)



Held-By-Production (“HBP”) allows Operators to maintain mineral leases in good standing without full development until oil prices recover.

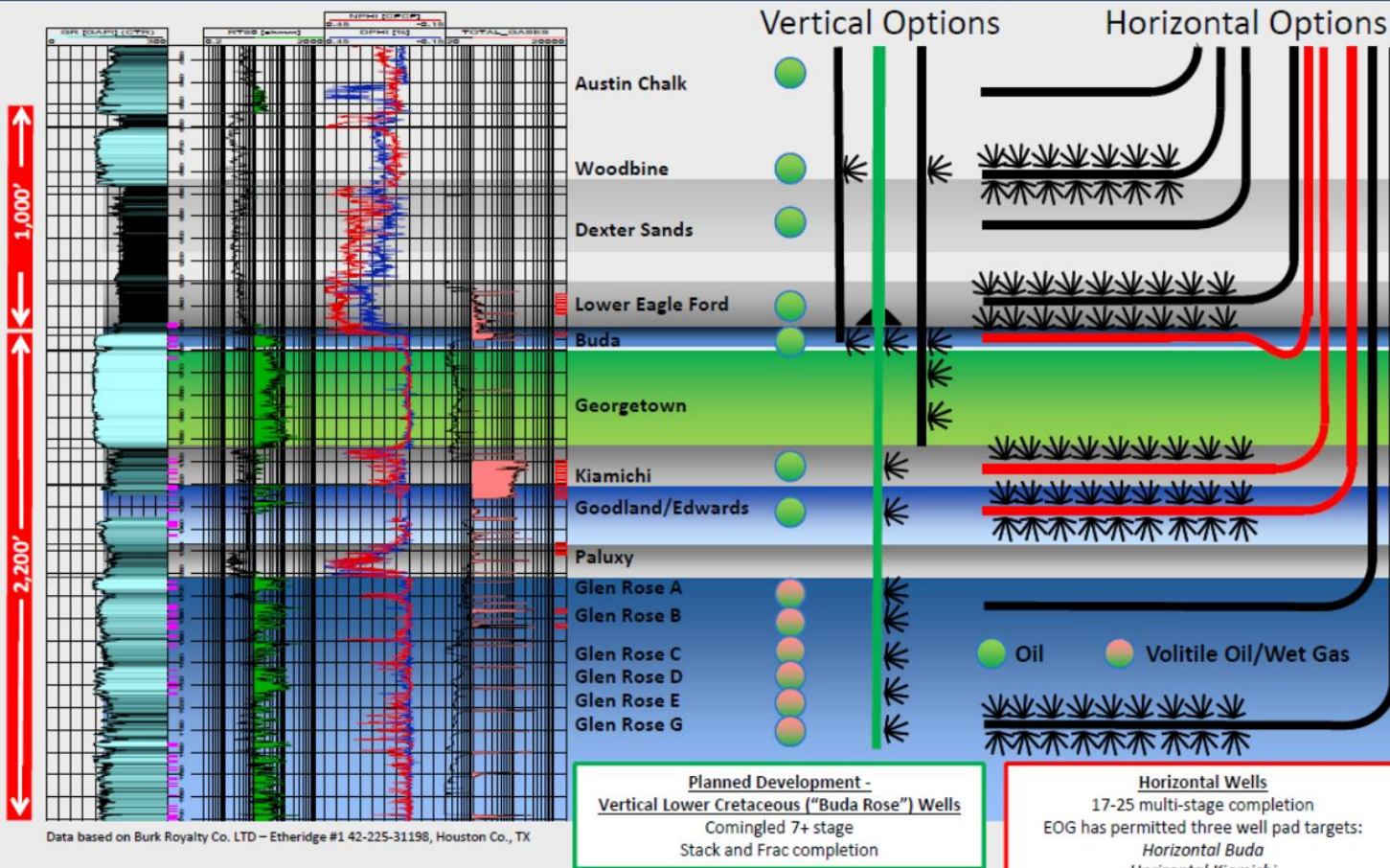
“Deferring frack & flow-back for 12 months in low oil price environment can improve lateral well economics” (source: EOG Resources Inc., 2014).

3 additional drilling units required to cover entire lease area for both Normangee and SW Leona Oil Projects; pad drilling and shadow frack options also to be considered; infill drilling could be vertical and/or lateral wells.



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

Nasdaq: ZAZA

Source: Zaza Energy Corporation (2015)

USA UNCONVENTIONAL TACTICS: Stack-Fracks

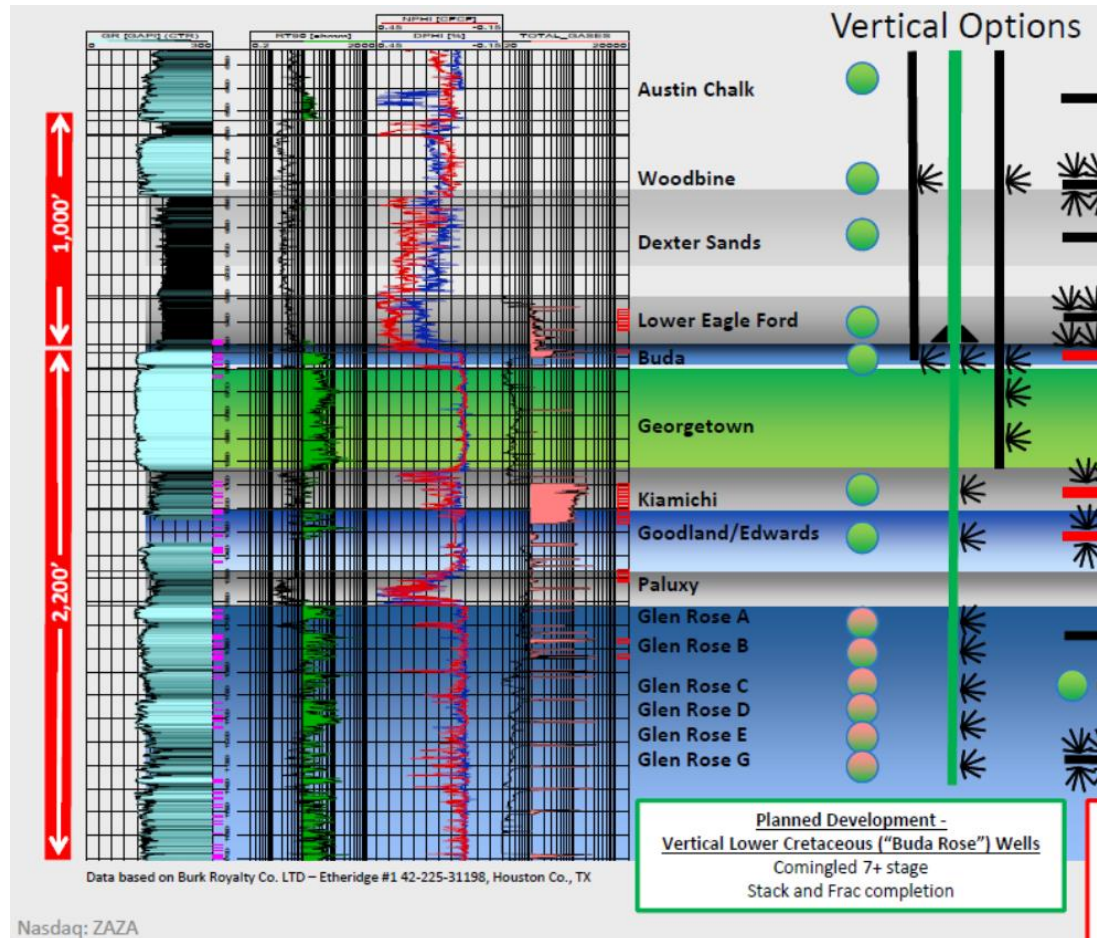
Vertical wells with multiple, vertically stacked, oil zones.

Fracked in stages, just like long horizontal wells.

AFE to D&C <50% of a lateral D&C cost.

Can deliver better returns than laterals in the current oil price environment.

Sun is investigating this for the Seale #1V well.



USA UNCONVENTIONAL TACTICS: Re-Fracking

Re-fracking has the potential to enhance flow rates and estimated ultimate recovery (“EUR”) by re-entering existing, fracked, unconventional lateral and vertical wells.

Sun is investigating this option for the Seale #1H Lower Woodbine lateral.

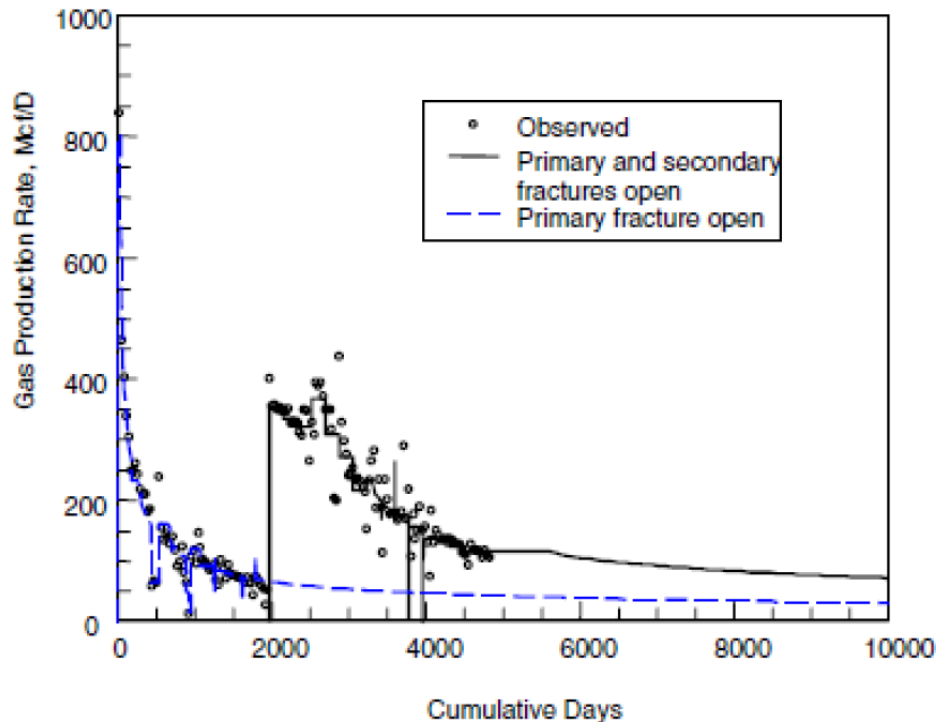
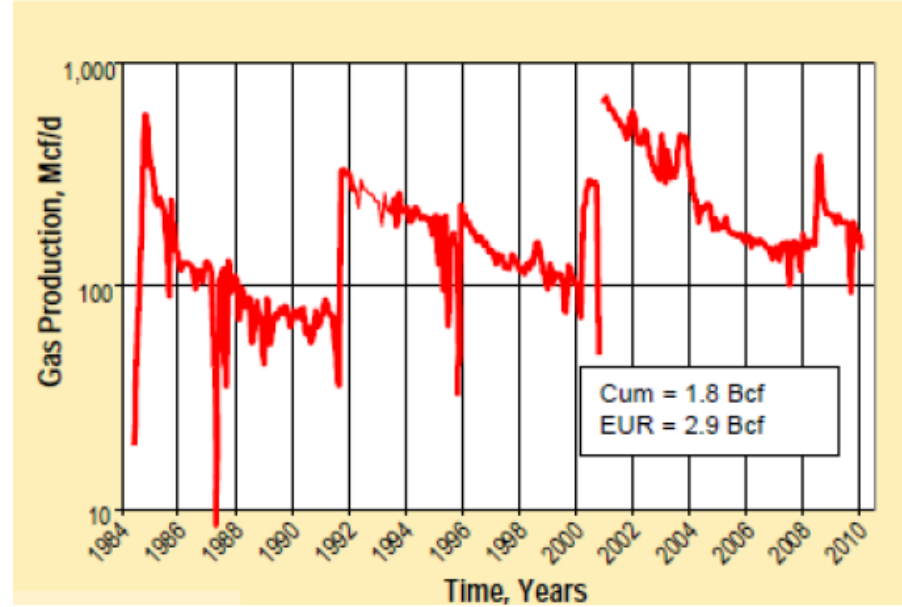


Fig. 2a-Production history of Well C before and after successful refracture treatment

Johnson No. 2 Well



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