



Friday 5 April 2013

Richland and Amerril Oil Projects Update

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

Amerril Energy LLC (**Amerril**) as the Operator of the Richland Oil Project is continuing work over operations on the Richland Oil Project's 4 oil production wells:

- **Ellis #1H:** Oil production is continuing after installation of the jet pump with increases in both oil rate and percentage oil cut recorded. Enlargement of surface facilities are underway to maximise the fluid rate capacity of the well and to allow the increased fluid recovery rates to stabilise.
- **Beeler #1H and John Beeler #1H:** These two wells have been successfully returned to oil production and frac fluid recovery. Based on the early success of the jet pump installed on the Ellis #1H well, Amerril has decided to install jet pumps rather than rod pumps on both of these wells to increase fluid rates.
- **John Beeler #2:** Amerril has commenced work over operations to isolate the Buda formation and perform swabbing of the Upper, Middle and Lower Woodbine intervals to improve oil and frac fluid recovery rates from those intervals.

Amerril Oil Project (Sun 50% WI)

- **Seale #1H:** Drilling, logging and casing operations at this horizontal Woodbine well are now completed and multi-stage fracing operations have commenced. The operator, Amerril, has commenced a planned 17 stage frac across the horizontal section of up to 6,800 feet.
- **T. Keeling #1H:** Given the very strong oil shows seen in all 3 Amerril Oil Project wells, Amerril now plans to conduct a multi-stage fracing operation on the horizontal section of this well immediately after the fracing and initial clean-up of the Seale #1H well.

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)

Amerril Energy LLC (**Amerril**), as the Operator of the project, is continuing with work over operations, including the continuing commissioning of a jet pump on Ellis #1H well. Amerril also plans to install jet pumps on the other 2 horizontal wells with this work currently expected to be completed this month.

Ellis #1H Horizontal Woodbine Oil Production Well

The most successful horizontal well to date in the Richland Oil Project, Ellis #1H, has had a high performance jet pump installed and the commissioning of this pump continues. Both oil rate and total

fluid rate have increased substantially to the point where the capacity of the surface facilities now needs to be enlarged. This capacity enlargement process is ongoing, with a larger 3-phase separator already installed. Stabilised flow rate recordings will only be possible after this work is completed. The jet pump has achieved its aim to deliver higher fluid rates (oil and frac water) than previously achieved under natural flow back conditions with increased percentages of oil cut. Hourly oil production rates recorded during commissioning have reached highs of 15-18 barrels of oil per hr. If sustained over a 24 hour period, these rates would translate to 360-432 barrels of oil per day (bopd).

Beeler #1H Horizontal Woodbine Oil Production Well

The Beeler #1H horizontal well work over has restored oil and frac water flow and the well is now awaiting the installation of its own jet pump. This activity is currently expected to be completed this month.

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

Clean-up and flow back operations have resumed at these two wells, with John Beeler #1H now awaiting the installation of its own jet pump. At John Beeler #2, the well is being worked over to isolate the deep Buda formation interval so that further testing of the combined Woodbine frac intervals can be flowed back more effectively.

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%
Amerril Energy LLC (Operator)	16.67%	13.5417%	10.1563%
Farmors Overriding Royalty	0%	0%	5%
Lessor Royalty	0%	0%	20%

Sun's working interests 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, has now been drilled, logged and cased for fracking and production. Multi-stage fracking operations have commenced with a planned 17-stage fracking process to cover up to 6,800 feet of the horizontal section of the well bore. The operator, Amerril, plans to complete the fracking operation over the next week and will follow this with approximately 1 week of well clean up. The well will then be shut in for safety reasons to facilitate the multi-stage fracking of the adjacent T. Keeling #1H horizontal Woodbine well. These two wells are then expected to be flowed back at the same time, once the second frac job is complete. The Operator currently expects both multi-stage fracking operations to be completed around the end of April 2013. Due to the interpreted high quality oil pay in this section of the Woodbine Formation seen in all 3 Amerril Oil Project wells, the Operator, Amerril, has prioritised the fracking of the Seale #1H lateral as the first well fraced in the Amerril Oil Project immediately followed by the fracking of T. Keeling #1H.

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 fracking 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 the potential for natural hydrocarbon flow from the horizontal section of the production well bore. The T. Keeling lateral will now be fraced immediately after the completion of fracking and initial flow back activities in the Seale #1H horizontal well. Sun has a 50% W.I in both of these wells.

Sun's working interests 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:

Govert van Ek, Managing Director

Telephone: (08) 9388 6501

Email: admin@sunres.com.au

Information contained in this report was compiled by the Managing Director of Sun Resources, Matthew Batrick, BSc (Geol), MPESA, MPESGB, MAAPG, GAICD who has more than 32 years' experience in the practice of petroleum geology.

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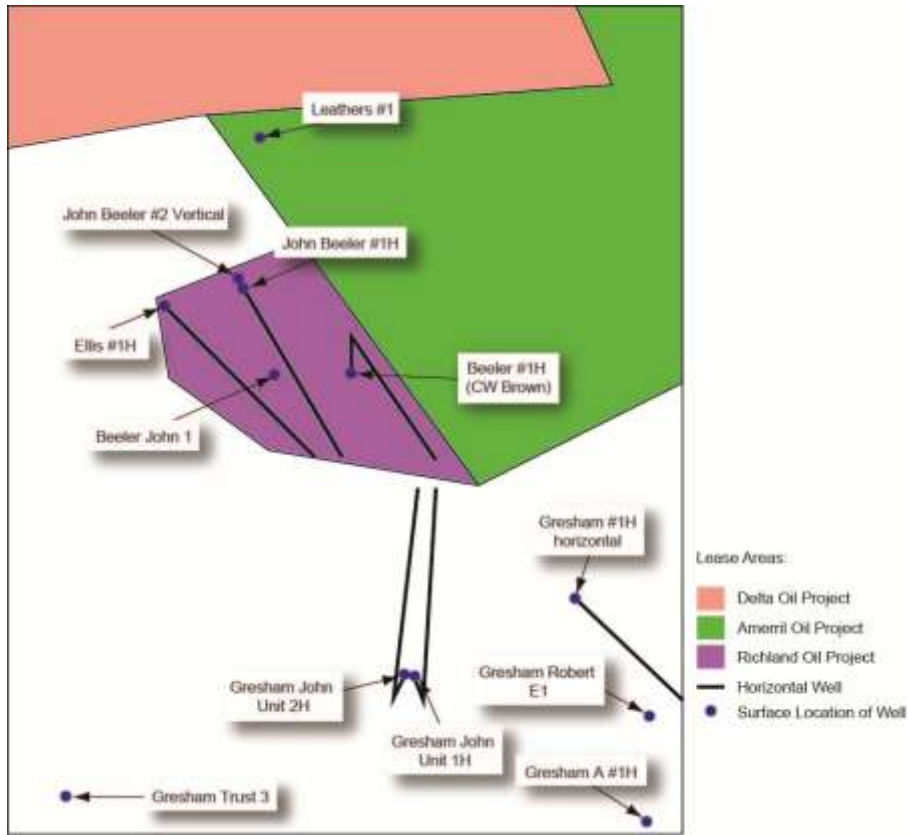


Figure 1: Richland Oil Project (purple): Well locations of Beeler #1H, John Beeler #1H & #2 and Ellis #1H

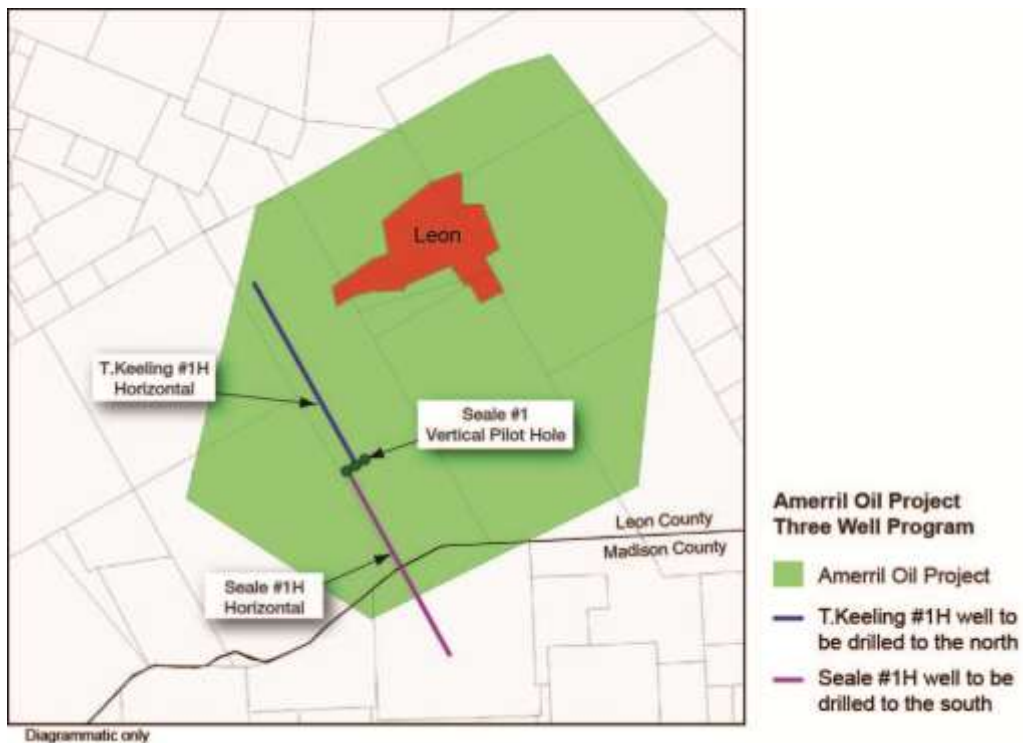


Figure 2: Approximate surface location and orientation of horizontal wells in the SW Leona Area of the Amerril Oil Project.