

1 September 2011

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

Dear Sir/Madam

**ENTITLEMENT ISSUE – LETTER TO SHAREHOLDERS**

Please find attached a copy of the letter sent to all shareholders of Sun Resources NL (ASX Code: SUR) on 1 September 2011, regarding the Entitlement Issue and Placement announced by SUR on 31 August 2011.

Yours faithfully  
**SUN RESOURCES NL**



Craig Basson  
**Company Secretary**



1 September 2011

<Insert Name>  
<Insert Address Street 1>  
<Insert Address Street 2>  
<SUBURB> <STATE> <POSTCODE>

<Dear \*\*\*\*\*>

## SUN RESOURCES CAPITAL RAISING

On 31 August 2011, Sun Resources NL ("**Sun or the Company**") (ABN 69 009 196 810) announced that it would raise up to approximately \$10.8 million by way of a share placement for up to approximately \$8.9 million ("**Placement**") and an Entitlement Issue for up to approximately \$1.9 million ("**Entitlement Issue**"). The Placement and Entitlement Issue will be undertaken at 1.7 cents per share. Hartleys Limited is Broker to the Offer.

### Placement

The Placement will occur in two tranches. In tranche one, Sun will issue up to approximately 66.6 million shares to raise up to approximately \$1.1 million pursuant to its ASX Listing Rule 7.1 15% capacity. In tranche two, Sun will issue up to approximately 459 million shares to raise up to approximately \$7.8 million. The tranche two issue will be subject to shareholder approval at a general meeting of shareholders which is expected to take place in early October 2011. Vendors of the Delta Oil Project will subscribe for \$550,000 pursuant to the Placement. Subject to shareholder approval, Directors of Sun Resources will subscribe \$117,000 in the Placement.

### Entitlement Issue

In addition to the Placement, Sun is pleased to offer existing shareholders the opportunity to participate in the capital raising by undertaking a non-renounceable Entitlement Issue at the same price as the Placement. The Entitlement Issue will allow every eligible Sun Resources shareholder registered as at the close of business on 9 September 2011 ("**Record Date**") to subscribe for 1 new share for every 4 shares held in Sun Resources. The Entitlement Issue will raise up to approximately \$1.9 million if fully subscribed, and Sun's Directors will reserve the right to place any shortfall from the Entitlement Issue at their discretion.

The issue price of 1.7 cents per share represents a 22.7% discount to the Company's share price immediately prior to the announcement of the capital raising and proposed acquisition of the Delta Oil Project, and an 18% discount to the Company's 5 day volume weighted average price at this time. All shareholders are encouraged to participate in the Entitlement Issue.

The capital raising is not underwritten.

The proceeds of the Entitlement Issue will be to fund exploration of Sun's portfolio of oil and gas assets and for working capital purposes.

Existing Shares	444,369,734
New Shares issued under the Entitlement Issue	111,092,433
<b>Total Existing and New Shares</b>	<b>555,462,167</b>

Key Dates for the Entitlement Issue are as follows:

<b>Event</b>	<b>Date</b>
Offer Document, Appendix 3B and Cleansing Notice lodged with ASX	31 August 2011
Notice sent to security holders containing Appendix 3B details and indicative timetable	1 September 2011
Shares commence trading ex-Entitlement	5 September 2011
Record Date for determining eligibility for the Entitlement Offer	9 September 2011
Mailing of Offer Document and Entitlement and Acceptance Form to Eligible Shareholders	14 September 2011
Entitlement Offer Opens	16 September 2011
Entitlement Offer Closes	4 October 2011
Shares quoted on a deferred settlement basis	5 October 2011
ASX notified of under-subscription	7 October 2011
Issue and allotment of the New Shares for which valid applications have been received and accepted by Sun Resources	10 October 2011
Despatch of holding statements	11 October 2011
Last day of deferred settlement trading of New Shares under the Entitlement Offer	11 October 2011
Normal trading of New Shares on ASX expected to commence	12 October 2011

These dates are indicative only and subject to change. Subject to the Corporations Act, the ASX Listing Rules and other applicable laws, Sun Resources, in consultation with Hartleys Limited, reserves the right to change any of these dates without notice. This may include extending the Offer, closing the Offer early or accepting late Applications, either generally or in particular cases.

Detailed terms of the Entitlement Issue will be sent out in the offer booklet which is expected to be mailed to all shareholders, together with a personalised application form, on 14 September 2011. A notice pursuant to Section 708AA(2)(f) of the Corporations Act in relation to the Entitlement Issue was released to ASX on 31 August 2011.

If you wish to accept the offer to subscribe for your pro rata entitlement of New Shares under the Entitlement Issue, you must fill out the personalised application form accompanying the Offer Booklet which will be sent to you and provide the appropriate application monies or, alternatively, to pay the application monies by BPAY. Under a shortfall facility, you may be entitled to subscribe for New Shares in excess of your pro rata entitlement.

Please read the Offer Booklet in full before deciding whether to invest in the Entitlement Issue. In particular you should consider the risk factors (summarised in the Offer Booklet) that could affect the financial performance and position of Sun in light of your investment objectives, financial situation and particular needs (including financial and tax issues) and seek investment advice from your financial or other professional advisers.

The Entitlements Issue will only be extended to shareholders with registered addresses in Australia and New Zealand.

Please have regard to other publicly available information about Sun, including ASX announcements, which can be found on the ASX website [www.asx.com.au](http://www.asx.com.au) and Sun's website [www.sunres.com.au](http://www.sunres.com.au).

Option holders may only participate in the Entitlement Issue if their options are exercised before the record date

If you have any questions in relation to any of the above matters, please seek professional advice or contact the Company directly during the Entitlement Issue period.

Yours sincerely  
**SUN RESOURCES NL**

A handwritten signature in black ink, appearing to read 'Craig Basson', with a stylized flourish at the end.

Craig Basson  
**Company Secretary**

