

Monday 18 November 2013

First well Spuds in 3 Well Woodbine Drilling Programme

Ameril Oil Project (Centerville Area, Sun 18%WI)

- The Operator, Ameril Energy (40%WI), has advised Sun that it has commenced drilling operations at the F. Thompson #1H well as the first horizontal well in the Centerville area of the Ameril Oil Project.
- The F. Thompson #1H well will be a multi-staged fraced horizontal well targeting the Upper Woodbine interval, which is a strong oil producer immediately to the south in the Halcón operated Halliday Field.
- Sun's working interest in this well will be 18% and the cost therefore will be approximately US\$1.2 million net to Sun (US\$6.7m total well cost) within a 1,855 gross acres AMI area agreed between the three joint venture parties.
- The F. Thompson #1H well is expected to take approximately three weeks to drill to a projected total depth of 13,807 feet measured depth (MD), delivering a lateral of approximately 7,000 feet.

Sun Resources NL (**Sun Resources, Sun** or the **Company**) (ASX:SUR) is pleased to update shareholders on the first of the next three horizontal Woodbine wells to be drilled across its lease areas which are all located in Leon and Madison Counties, East Texas, onshore USA.

Ameril Oil Project (Centerville Area) (Sun 18% WI)

On 25 October 2013, Sun executed a JOA with Ameril (40%WI), the Operator of the Ameril Oil Project and Furie Petroleum Company LLC (**Furie**) (42%WI), the other non-operating party, to drill the first horizontal well in the Centerville area of the Ameril Oil Project.

Furie has net mineral interests in the same lease tracts as those in which Sun and Ameril have lease interests. These tracts lie immediately East of the town of Centerville in Leon County and are immediately north of recent successful Woodbine oil wells drilled by Energy & Exploration Partners from Fort Worth, Texas (such as the recent "Cowtown #1H" horizontal well which flowed at strong initial production rates). These lease tracts also lie due north of the prolific Woodbine production area called the Halliday Field which is operated by Halcón. A data swap with Energy & Exploration Partners is occurring and therefore the Operator will obtain the design specifications and logs for the Cowtown #1H well and in due course the Operator will in exchange provide Energy & Exploration Partners with the data set from this well.

An AMI has been agreed between Sun, Furie and Ameril covering an area of 1,855 gross acres and Sun's net mineral acres delivers a working interest of 18%. The first lateral well in this AMI has been designated the F. Thompson #1H; a horizontal well targeting the Upper Woodbine which is an interval that has flowed successfully immediately to the south.

The Operator of the Centerville Area of the Amerril Oil Project has advised Sun that the F. Thompson #1H well has spudded. The well is planned to take approximately three weeks to drill to its proposed total depth (TD) of 13,807 feet MD (4,208 metres). The well will be actively geo-steered to deliver approximately 7,000 feet (2,134 metres) of horizontal section in the Upper Woodbine. This well is targeting the same sand that is producing oil at commercial rates immediately to the south in lateral wells drilled by Halcón Resources. The well will be subject to a multi-staged fracing job along the length of the lateral at the completion of drilling and casing operations. At the time of this report, the well had reached a depth of 3,015 feet MD and the current operation was running 9 5/8th inch casing.

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Geological information contained in this report was compiled by the General Manager (Technical) 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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