

Thursday 22 November 2012

Richland Oil Project Update

Beeler #1H – Horizontal Woodbine Well

- Fracing operations have been successfully completed at Sun's first Woodbine horizontal well, Beeler #1H.
- A total of 27 stages of hydraulic fracture stimulation were run along the 6,100 feet horizontal well bore section ("lateral") in the Upper Woodbine Formation (Woodbine 'A').
- The well will now undergo a period of clean-up and flow back to recover fracing fluid and initiate oil production. This process will take 12 to 16 days.

John Beeler #1H – Horizontal Woodbine Well

- Fracing operations on Sun's second Woodbine horizontal well, John Beeler #1H (7,300 feet of lateral in the target Woodbine 'A'), are planned to commence next week.

Ellis #1H – Horizontal Woodbine Well

- Sun's third Woodbine horizontal well, Ellis #1H, has had production casing run and cemented, with the rig to be released from operations by the end of this week.
- Multi-stage fracing and completion of the Ellis #1H lateral is currently scheduled for mid-December 2012 (immediately following fracing operations at the vertical well John Beeler #2).

John Beeler #2 – Vertical Fraced Well

- The John Beeler #2 vertical well will be fraced immediately after the completion of the multi-stage fracing operation on the John Beeler #1H lateral.

Sun Resources NL (**Sun Resources, Sun or Company**) (ASX:SUR) is pleased to provide an update on the drilling activities in the Richland Oil Project, Leon County, Texas.

First Woodbine Well - Beeler #1H - Multi-Stage Frac Completed

The multi-stage fracing operation at the Beeler #1H horizontal well has been successfully completed with a total of 27 stages of hydraulic fracturing along the 6,100 feet lateral section in the Upper Woodbine (Woodbine 'A'). The fracing crew will now move off the Beeler #1H location and relocate to the John Beeler #1H well pad.

The Operator will now bring in a coiled tubing unit to drill out the plugs and commence clean-up and flow back operations to bring the well into oil production. This flow-back and clean-up process, to

recover over 100,000 barrels of fracking fluids, is currently expected to take 12 to 16 days. Only after the fracking fluids are recovered will a definitive measurement of initial oil production rates be possible.

Second Woodbine Well - John Beeler #1H - Horizontal Section Awaiting Fracking

The Operator is mobilizing the fracking crew to the John Beeler #1H drill site to conduct the multi-stage fracking operations on both John Beeler wells. Fracking operations are planned to commence next week and take approximately two weeks to perform along the 7,300 feet length of lateral. The John Beeler #1H horizontal production well is currently expected to be fraced and completed by early December 2012.

Third Woodbine Well – Ellis #1H – Drilling the Lateral Well Section

The third well in the current multi-well drilling campaign, Ellis #1H, has successfully run and cemented the 4.5” production casing ahead of the multi-stage fracking operation in the target Middle Woodbine formation (Woodbine ‘B’) along the 7,000-plus feet lateral section. The Ellis #1H lateral production well is currently expected to be fraced and completed by mid-December 2012, with operations to immediately follow the fracking of the vertical John Beeler #2 well.

Fourth Woodbine Well – John Beeler #2 – Vertical Well Drilled and Cased for Fracking

The John Beeler #2 well will also be fraced and completed for production testing across all these prospective zones. Fracking and completion for production testing of the John Beeler #2 vertical well is expected to be completed in early December 2012, immediately following activities at the John Beeler #1H well.

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 (Operator)	16.66%	13.5416%	10.1562%
Sun Resources NL	16.67%	13.5417%	10.1563%
Amerill	16.67%	13.5417%	10.1563%
Farmors Overriding Royalty	0%	0%	5%
Lessor Royalty	0%	0%	20%

Sun’s working interest 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 (Operator)	16.66%	12.5%
Sun Resources NL	16.67%	12.5%

Ameril	16.67%	12.5%
Farmors Overriding Royalty	0%	5%
Lessor Royalty	0%	20%

Further drilling and completion updates will be provided regularly, as significant operational milestones are achieved. For further information please contact:



Matthew Battrick
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 Battrick, BSc (Geol), MPESA, MPESGB, MAAPG, GAICD who has more than 32 years' experience in the practice of petroleum geology.

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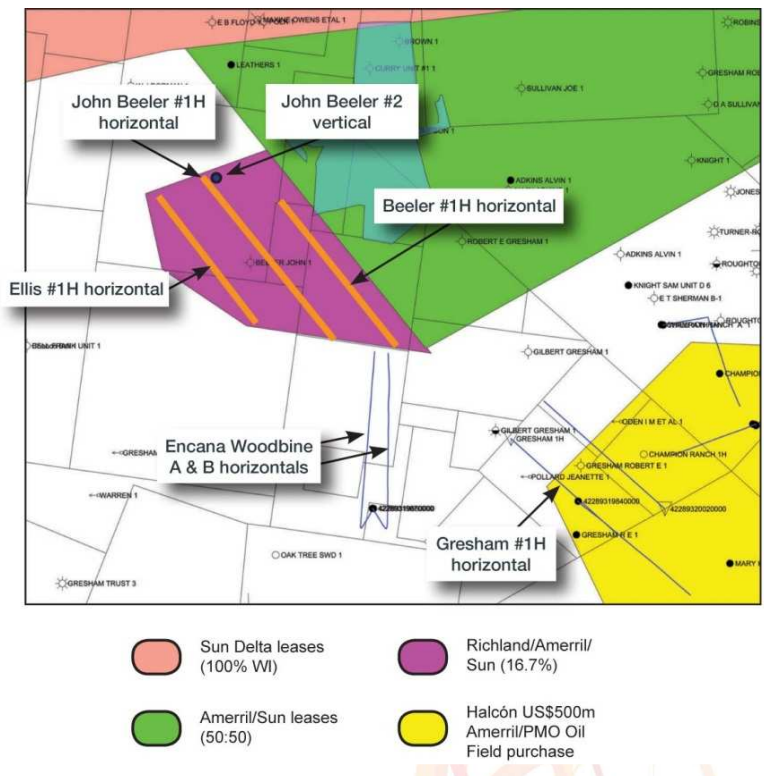


Figure 1: Richland Oil Project (purple): Well locations of Beeler #1H, John Beeler #1H & #2 and Ellis #1H