

Thursday 22 November 2012

Ameril Oil Project – Logs Confirm Hydrocarbon Pay in 5 Stacked Formations

- The Seale #1 vertical well (Sun 50% WI) has reached a final total measured depth (MD) of 9,938 feet in the Glen Rose Formation and a complete set of wireline logs have now been run.
- The logs have identified potential hydrocarbon pay in five (5) stacked formations: Sub-Clarksville; the Upper, Middle and Lower Woodbine, and the Glen Rose Formation.
- The Seale #1 vertical well will now be cased for future fracing and ‘multi-zone’ production planned to occur in mid-February 2013.
- The Seale #1 well provides ‘vertical pilot hole’ geological information that will allow the next two horizontal wells: Seale #1H and T. Keeling #1H to accurately drill into the target Middle Woodbine Formation.
- The drilling program in the “SW Leona Area” of the Ameril Oil Project is operated by Sun Resources NL’s (Sun) joint venture partner and largest shareholder, Ameril Energy LLC (Ameril).
- The “SW Leona Area” of the Ameril Oil Project is comprised of 5,660 acres held 50:50 by Sun and Ameril.
- The current program consists of three wells: one vertical well; Seale #1, and two horizontal wells; Seale #1H and T. Keeling #1H, all targeting the Woodbine Formation (Sun 50% WI).
- All three wells will be drilled separately from the same drill pad with drilling, fracing and completion of all three wells currently estimated to be completed by mid-February 2013.
- The Ameril Oil Project wells are in addition to the four-well program currently underway at the Richland Oil Project, where production from all four wells is expected prior to year-end.

Sun Resources NL (**Sun Resources, Sun or Company**) (ASX:SUR) is pleased to provide an update on drilling operations in the Ameril Oil Project, a 50:50 joint venture with Ameril Energy LLC (**Ameril**), the Operator of the Ameril Oil Project and Sun’s largest shareholder.

The first well in the three-well drilling and fracing program, Seale #1, is a vertical well that has been drilled as a separate pilot hole, ahead of the drilling of the two horizontal wells: T. Keeling #1H and Seale #1H. This drilling program is located in the southernmost tracts within the Ameril Oil Project, called the SW Leona Area, close to the border with Madison County. These tracts total to

approximately 5,660 acres and are approximately 10 kilometres south of Sun's Richland Oil Project wells and half-way between the Richland Oil Project area and Sun's Normangee Oil Project area (Figure 1).

All three wells will be drilled from separate surface locations, on the same drill pad, with the first well drilled as a vertical 'pilot' hole and both logged and cased for future production. The second and third wells will both be horizontal wells drilled into the Woodbine Formation. The fracking and completion of all three wells will follow the drilling and casing operations on all three wells.

Seale #1 - Vertical Woodbine Well – Reached TD on 19 November 2012

The Seale #1 well was designed to be a vertical fraced well to test all prospective horizons from the base of the Austin Chalk, located at 7,000 feet measured depth (MD), to the Buda-Georgetown Formation, above a total depth of 8,175 feet MD. The well however was drilled to a revised (deepened) TD of 9,938 feet MD, to investigate the Glen Rose Formation, and has been logged and sampled as a 'pilot hole'. It will now also be cased for a later vertical fracking and completion program.

Wireline logs have identified potential hydrocarbon pay in five (5) stacked formations: Sub-Clarksville, Upper Woodbine, Middle Woodbine, Lower Woodbine and Glen Rose. Each formation encountered more than 110 feet (34m) of gross hydrocarbon pay potential with particularly strong oil indications seen in the Middle Woodbine interval at approximately 7,600 feet MD. In aggregate, there appears to be 670 feet of gross hydrocarbon pay. Each of the five sections is sufficiently thick to merit a horizontal well lateral. The details of the five pay intervals are set out below:

Target Formation	Approximate Top depth (feet MD)	Gross Pay Potential (feet)
Sub-Clarksville	7,120	110
Upper Woodbine ('A')	7,310	110
Middle Woodbine ('B')	7,550	120
Lower Woodbine ('C')	7,720	190
Buda-Georgetown	8,250	No pay
Glen Rose	9,520	140
Total Pay Thickness	-	670 feet

The deepest interval, the Glen Rose Formation, which lies below the Buda-Georgetown Formation, was only considered a secondary target below the primary objective interval but is on trend with oil production from the Alabama Ferry Field in eastern Leon County. The Seale #1 vertical well will now be cased and completed for future fracking and 'multi-zone' production, with production anticipated to occur in mid-February 2013.

T. Keeling #1H – Horizontal Woodbine Well – Immediately Follow Seale #1

The second well in the Amerril Oil Project drilling campaign, T. Keeling #1H, will be drilled immediately after the Seale #1 vertical pilot hole. We expect T. Keeling #1H to be spudded within the next 7 days. The well will target up to 7,500 feet of horizontal well section (lateral) in the Middle Woodbine Formation at around 7,600 feet MD. The lateral well will be drilled in a northerly trajectory to maximise the length of the lateral while remaining within the boundaries of the lease.

Seale #1H – Horizontal Woodbine Well – To Follow T. Keeling #1H

The third well in the current multi-well drilling campaign, Seale #1H will be drilled immediately after the T. Keeling #1H lateral and the well will target up to 6,000 feet of horizontal well section (lateral) in the Middle Woodbine Formation. The lateral well will be drilled in a southerly trajectory to maximise the length of the lateral while remaining within the boundaries of the lease.

Sun's Managing Director Matthew Battrick commented:

“Sun is extremely excited by the quality of oil and gas shows in this well and by the number of stacked pay zones identified in the well. The drilling of these three wells, along with the four wells currently being drilled and fraced on the Richland Oil Project, provides Sun shareholders with an investment in the drilling and fracing of at least seven Woodbine wells over the coming few months. Production from each of these wells can be quickly and cheaply tied into nearby production infrastructure for early cash flow.”

Sun's working interest 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%

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



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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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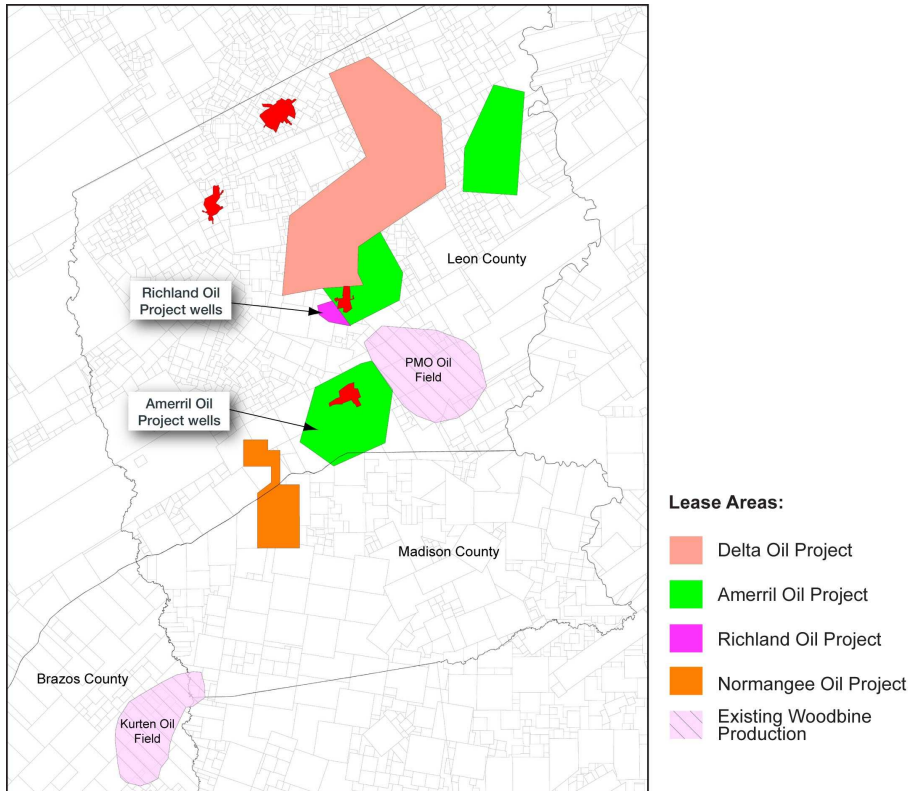


Figure 1: Location Map of Sun's Four Woodbine Tight Oil Project areas

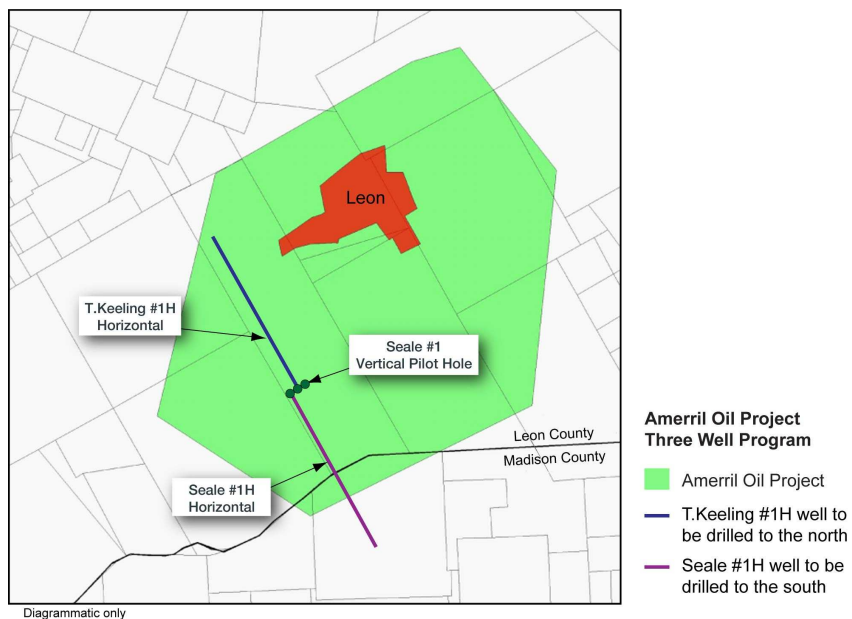


Figure 2: Approximate surface location and direction of horizontal wells within the SW Leona Area of the Amerril Oil Project.