

1 August 2016

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

Dear Sir/Madam

RIGHTS ISSUE AND UNDERWRITING AGREEMENT

Sun Resources NL (“**Sun**” or “**Company**”) (ASX: SUR) is pleased to announce the details of a \$1,193,724 Equity Capital Raising. Fast Lane Australia Pty Ltd (“**FLA**”) has been appointed Lead Manager to the Capital Raising.

Sun currently has 5,968,624,433 shares on issue. The shareholders of Sun recently resolved to consolidate its share capital on a 25 to 1 basis. This will reduce the number of Sun shares on issue to 238,744,977 shares.

The Board of Sun intends to conduct a non-renounceable rights issue on the basis of one new (post consolidation) share plus one free attaching option (with each option having a term of 4 years and an exercise price of 1 cent) for every two (post consolidation) shares held at the price of 1 cent per share, to raise \$1,193,724 in cash, before fees (119,372,488 (post consolidation) shares to be issued at 1 cent each) (“Rights Issue of Shares and Options”). Subject to and conditional upon satisfaction, FLA has agreed to fully underwrite any shortfall that may arise from this Rights Issue of Shares and Options and will also underwrite the options subject to the Placement Option Issue.

Simultaneously, Sun will issue a placement prospectus for the issue (subject to compliance with the ASX’s Listing Rules) of 230,000,000 options (post consolidation) each with a term of four (4) years and an exercise price of 1 cent at a call option premium of \$0.0001 per option to raise \$23,000 (“Placement Option Issue”). FLA will work with the management of Sun to prepare the required documents and with the Board of Sun to facilitate any necessary changes to the Board, including the appointment of a further Non-Executive Director over the coming months. FLA intends to support Sun with the advance of a maximum \$100,000 short term loan.

This effort, through the support of FLA and Sun’s major shareholders, will position the Company to access new opportunities in Texas and elsewhere in North America, with a focus on more conventional oil production and development opportunities that have commercial potential in the current oil price environment (US\$40-45 per barrel). Further announcements will be made as this effort is progressed, including the rights issue prospectus and the planning timetable for the share consolidation process, which it is expected to take approximately 30-45 days to complete.

Yours faithfully
SUN RESOURCES NL



Craig Basson
Company Secretary