



Monday 14 September 2015

## Woodbine Oil Projects Operations Update

- Sun continues to negotiate with various parties in an effort to secure a new capital partner to progress the frack of the Jack Howe #1H well.
- Amerril and Sun are seeking alternative solutions to maximise the value of mutually held projects as a consequence of Sun being unable to tender the consideration to Amerril within the agreed four month period and Amerril not assigning its lease interests to Sun.
- Sun continues as the Operator, with a 50% interest in the Normangee Oil Project, including the Jack Howe #1H well, within the confirmed 250 feet net oil pay section of the Lower Woodbine, that has a 6,100 feet lateral section ready to be fracked.
- Sun currently operates its entire East Texas “Eaglebine” land position (totalling over 14,000 gross acres and approximately 10,000 net acres); including its 100%-owned, new Southern Woodbine leases, and the joint interests in the Normangee and SW Leona Oil Projects .

The Board of Sun Resources NL (“**Sun**” or “**Company**”) (ASX: SUR) provides an update on its Woodbine Oil Projects operations. After agreeing with Amerril Energy LLC (“**Amerril**”) in May 2015 to resolve a number of matters, Sun looked to secure a new capital partner over the past four months to fund future drilling and fracking operations across Sun’s Lower Woodbine oil and gas leases. Sun continues to negotiate with various parties in an effort to secure a new capital partner to progress the frack of the Jack Howe #1H well. Amerril and Sun are also seeking solutions to maximise the value of mutually held projects as a consequence of Amerril not assigning its lease interests to Sun within the agreed four month period.

The current “land bank” net to Sun is summarised in the table below and the Woodbine play total is over 14,600 gross acres:

Oil Project Area	Sun’s Working Interest (%WI)	Sun’s Net Royalty Interest (%NRI)	Sun’s Net Acres (1ha = 2.471ac)
Normangee	50%	37.5%	1,141
SW Leona and Centerville AMI	50%	37.5%	2,475
New Southern Woodbine	100%	77.5%	2,327
Delta and Petro-Hunt AMI	25 -100%	18 - 75%	4,054
Beeler	16.7%	12.5%	230
<b>WOODBINE TOTAL</b>	-	-	<b>10,227</b>
Badger	10%	7.5%	934
<b>UNCONVENTIONAL TOTAL</b>	-	-	<b>11,161</b>

(Total acres approximate, as at 11 September 2015)

## **Jack Howe #1H Drilled and Cased: Awaiting Multi-stage Hydraulic Fracking**

Sun is advancing the planning to frack the Jack Howe #1H well in the Normangee Oil Project and looking to reduce the cost of fracking below the current level of approximately US\$4 million (100% WI). Sun is now looking to delivering the anticipated 25% [or greater] reduction in costs for services, in line with falling oil prices and reduced activity in USA-based unconventional plays. Sun is actively searching to farm-out its land bank and continues to engage with a number of interested parties. Further reports will be made when commercial agreements are executed with a new capital partner.

Sun continues to seek to appraise the commercial potential of the newly emerging Buda-Rose oil play that has been recently successfully tested in the area by EOG and others. This is a new additional layer (or "Bench") below the prospective Lower Woodbine target identified by the Jack Howe #1H. Offset wells adjacent to the Normangee Oil Project, including Seale #1V in the SW Leona Oil Project, have confirmed the oil potential of the Buda, with 2 laterals already flowing back oil after fracking. The Delta Oil Project leases cover a portion of a large 'Buda-Rose' structure that will be the focus of near term evaluation.

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