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Sun and Petro-Hunt to jointly explore and develop Lower Woodbine

Joint Venture in Leon County

- Sun has entered into a binding agreement with Petro-Hunt LLC to jointly explore and develop an Area of Mutual Interest (**AMI**) consisting of approximately 7,832 acres in northern Leon County, Texas.
- Sun and Petro-Hunt will each contribute oil and gas leases that they own within the area of the AMI for the purpose of drilling and exploring for oil and gas in the Lower Woodbine interval of the Woodbine Formation, also referred to as “Dexter” or “Woodbine C”.
- Sun is contributing 810 net acres (in which it currently has a 100%WI) from its northern Delta Oil Project acres which lie within the agreed AMI to the Joint Venture. Petro-Hunt is contributing 2,430 net acres that it owns which also lie within the AMI. The combined 3,240 net acres will be owned by Petro-Hunt (75%) and Sun (25%).
- Petro-Hunt will be the Operator of the new Joint Venture.
- The first horizontal well into the “Dexter” or Woodbine “C” interval of the Woodbine Formation is currently planned for the final quarter of 2013.
- Petro-Hunt is one of the largest privately-held companies in the world and is the largest shareholder in Halcon Resources Corp (NYSE:HK) with a 27.9% shareholding.

Sun Resources NL (**Sun Resources, Sun** or the **Company**) (ASX:SUR) has today executed a binding agreement with Petro-Hunt LLC to jointly explore and develop an Area of Mutual Interest (**AMI**) consisting of approximately 7,832 acres in northern Leon County, Texas.

Sun and Petro-Hunt will each contribute oil and gas leases that they own within the area of the AMI for the purpose of drilling and exploring for oil and gas in the so called “Dexter” or Woodbine “C” or “Lower Woodbine” interval of the Woodbine Formation.

Sun is contributing 810 net acres (in which it currently has a 100%WI) from its northern Delta Oil Project acres which lie within the agreed AMI to the Joint Venture. Petro-Hunt is contributing 2,430 net acres

that it owns or will own and which also lie within the AMI. The combined 3,240 net acres will be owned by Petro-Hunt (75%) and Sun (25%). The total area of the AMI is 7,832 acres so there is the capacity for the Joint Venture to expand in size by way of additional lease acquisitions.

Petro-Hunt will be the Operator of the Joint Venture and the intention of the Joint Venture partners is for the first horizontal well into the “Dexter” or Woodbine “C” or “Lower Woodbine” interval of the Woodbine Formation to be drilled in the final quarter of 2013.

The parties have agreed to enter into a formal Joint Operating Agreement (**JOA**) and all costs going forward (including but not limited to exploring, drilling, production and additional lease acquisitions within the AMI) will be shared on the ownership percentages of Petro-Hunt (75%) and Sun (25%). Under the JOA, the AMI area shall remain in force and effect for a period of three (3) years from the date of the executed JOA.

Delta Oil Project

Sun currently has 11,820 net acres in its 100% owned and operated Delta Oil Project. This transaction sees it retain the same number of net acres by way of retaining 100% of 11,010 acres and owning 25% of the 3,240 combined net acres the subject of the Joint Venture with Petro-Hunt. This agreement with Petro-Hunt is a significant first step in the exploration and development of northern acres that Sun has in its Delta Oil Project.

Dr Govert van Ek, Managing Director of Sun commented:

“Sun is very pleased to have partnered with a Texas based, large and world class oil company that is also the largest shareholder in Halcón Resources - itself one of a handful of larger US oil companies that is actively exploring and developing the Woodbine Tight Oil Play. To date Sun’s focus has been on developing its Woodbine acres located in central and lower Leon County. With this important transaction, exploration and development of our most northern Leon County acres in the Delta Oil Project will soon get underway. We look forward to our partnership developing with Petro-Hunt and to the drilling of a Woodbine “C” horizontal well into this AMI in the last 3 months of 2013”.

About Petro-Hunt LLC

Petro-Hunt LLC is a privately held independent oil and gas company headquartered in Dallas, Texas owned and operated by the William Herbert Hunt family. Petro-Hunt today is one of the largest privately held companies in the world and remains active in the onshore and offshore sectors of the energy industry worldwide.

Petro-Hunt's and the William Herbert Hunt family's principal business interests focus mainly on the energy industry, which today includes oil and gas exploration, development and production, gas processing, pipeline transportation and refining.

Petro-Hunt has participated in the discovery of oil reserves in almost every major oil producing region in the USA. Their main domestic areas of operation include Mississippi, Louisiana, East and South Texas, the Texas Gulf Coast, Wyoming and the Rocky Mountains Williston Basin areas. In addition to its USA operations, Petro-Hunt has also been active overseas since 1956, conducting oil and gas operations throughout the Middle East, Europe, Africa, Asia, and the Western Hemisphere.

Petro-Hunt LLC is the largest shareholder in Halcon Resources Corp (NYSE:HK) with a 27.9% shareholding. Halcon is one of a handful of larger US oil companies that is actively exploring and developing the Woodbine Tight Oil Play.

For further information please contact:

Govert van Ek

Managing Director

Telephone: +61 (08) 9321 9886

Email: admin@sunres.com.au

Geological information contained in this report was compiled by the Executive Director, 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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