

Unit 16 Subiaco Village
531 Hay Street, Subiaco WA 6008
PO Box 1786, West Perth WA 6872
T +61 8 9388 6501 F +61 8 9388 7991

31 August 2011

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

Dear Sir/Madam

SUN RESOURCES NL – ENTITLEMENTS ISSUE OFFER DOCUMENT

Please find attached the Entitlements Issue Offer Document.

Yours faithfully
SUN RESOURCES NL

A handwritten signature in black ink, appearing to read 'Craig Basson', with a stylized flourish at the end.

Craig Basson
Company Secretary

SUN RESOURCES NL

ABN 69 009 196 810

Offer Document

In relation to a non-renounceable entitlement issue of 111,092,433 New Shares at 1.7 cents each on the basis of 1 New Share for every 4 Shares held as at the Record Date to raise up to \$1,888,571.

The Offer is not underwritten.

This Offer Document is not a prospectus. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding the New Shares offered by this Offer Document.

This Offer Document provides important information to assist investors in deciding whether or not to invest in the Company and should be read in its entirety. If you are in any doubt as to how to deal with this document, please consult your professional adviser.

NOT FOR RELEASE IN THE UNITED STATES OR TO U.S. PERSONS ON IN ANY JURISDICTION WHERE THIS DOCUMENT DOES NOT COMPLY WITH THE RELEVANT REGULATIONS.

Contents

| | |
|--|-----------|
| Important Information | 1 |
| Corporate Directory..... | 2 |
| Offer at a glance | 3 |
| Director's Letter | 4 |
| 1. Summary of the Offer | 5 |
| 2. Action Required by Eligible Shareholders | 9 |
| 3. Investment and Business Risk Factors | 11 |
| 4. Definitions..... | 14 |
| 5. Enquiries | 16 |

Important Information

No prospectus

This Offer Document is not a prospectus. It does not contain all of the information that an investor would find in a prospectus.

Speculative

It is important that Eligible Shareholders read this Offer Document in its entirety before deciding to invest so that they may make an informed assessment of the effect of the Offer on the Company and the rights attaching to the New Shares offered by this Offer Document. An investment in the Company must be considered speculative. Refer to Section 3 of this Offer Document for details relating to risks involved with an investment in the Company. Eligible Shareholders may only apply for New Shares on an Entitlement and Acceptance Form.

Foreign Jurisdictions

This Offer Document does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of this Offer Document in jurisdictions outside Australia may be restricted by law and any person who comes into possession of this Offer Document should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The New Shares have not been and will not be registered under the US Securities Act 1933 and may only be offered, sold or resold in, or to persons in the United States in accordance with an available exemption from registration.

Refer to Section 1.15 of this Offer Document for additional information regarding participation in the Offer by persons resident in jurisdictions outside Australia and New Zealand.

Disclaimer

No person is authorised to provide any information or to make any representation in connection with the Offer described in this Offer Document which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company or any other person in connection with the Offer.

Privacy

As an Eligible Shareholder, Sun Resources (and the Share Registry on its behalf) holds personal information about you. It does this to process and administer your investment in Sun Resources and to provide related services to you. The Company and the Share Registry may be required to disclose this information to third parties who carry out functions on behalf of the Company and other third parties to whom disclosure is required by law. Applicants may request access to their personal information held by (or on behalf of) the Company by telephoning or writing to the Company Secretary.

Definitions

Certain abbreviations and other defined terms are used throughout this Offer Document. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations used are set out in Section 4 of this Offer Document.

Corporate Directory

Sun Resources NL

ABN 69 009 196 810

Directors

Wolf Gerhard Martinick (Chairman)
Matthew Arthur Battrick (Managing Director)
Alan Peter Woods (Non Executive Director)
Philip Linsley (Non Executive Director)

Company Secretary

Craig Basson

Registered Office

5 Bendsten Place
Balcatta WA 6021

Telephone: +61 8 9345 4100
Facsimile: +61 8 9345 4541

Head Office

Unit 16, Subiaco Village, 531 Hay Street
Subiaco WA 6008

Telephone: +61 8 9388 6501
Facsimile: +61 8 9388 7991

ASX Code

SUR

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Solicitors

Q Legal
Level 4, 105 St Georges Terrace
Perth WA 6000

Share Registry

Computershare Investor Services Pty Ltd
Level 2, 45 St Georges Terrace
Perth WA 6000

Telephone: +61 8 9323 2000
Facsimile: +61 8 9323 2033

Offer at a glance

| | |
|---|--|
| Entitlement | 1 New Share for every 4 Share held as at the Record Date |
| Offer Price per New Share | 1.7 cents |
| Maximum proceeds of the Offer* | \$1,888,571 |
| Maximum number of New Shares offered by this Offer Document | 111,092,433 |
| Number of Shares on issue prior to the Offer | 444,369,734 |
| Record Date | 5.00pm (Perth Time) 9 September 2011 |
| Offer opens | 16 September 2011 |
| Offer closes | 5.00pm (Perth Time) 4 October 2011 |

* Excluding costs of the Offer

Director's Letter

Dear Shareholder

I am pleased to be able to offer you the opportunity to increase your investment in Sun Resources NL (**Sun Resources** or the **Company**) as we embark on the acquisition of a very significant package of up to 10,000 acres of oil and gas leases in Texas, USA. The Board of Sun Resources has reviewed a large number of new opportunities and considers the acquisition of oil and gas leases (named the "Delta Oil Project") to be a high quality, low risk project that could deliver substantial value to shareholders in the short to medium term.

The Delta Oil Project area has both oil and gas potential but the primary focus will be oil production from the "Eaglebine" oil zone using the same technology that has added significant value to lease holders of Eagle Ford Shale acreage in Texas. Sun Resources will have maximum leverage in the Delta Oil Project area as it initially holds 100% working interest in all leases (each with a minimum 75% net royalty interest).

While this asset will require the attention of Company's management for some time, the other exploration assets of the Company, namely Thailand, North West Europe and Malta will continue to be worked by their operators to deliver high quality exploration drilling opportunities in due course.

The Offer proposed in this Offer Document is seeking to raise up to \$1,888,571 on the basis of an offer to existing Shareholders of 1 New Share for every 4 Shares held as at the Record Date at a subscription price of 1.7 cents per New Share.

The funds raised by the Offer will be used to fund exploration of the Company's portfolio of oil and gas assets, with the balance to be used for general working capital.

The Company has also incorporated a Shortfall Offer whereby Shareholders (and other investors that may not presently be Shareholders) can apply for additional New Shares in excess of their entitlement under the Offer at the same issue price of 1.7 cents per New Share.

Before you make your investment you are asked to read this Offer Document in its entirety and to seek financial advice. However on behalf of the Board I invite you to consider the information provided in this Offer Document and encourages you to participate in the Offer.

Yours faithfully



Wolf Gerhard Martinick
Chairman

1. Summary of the Offer

1.1 The Offer

This Offer Document invites Eligible Shareholders to participate in a pro rata non-renounceable offer of 111,092,433 New Shares (**Offer**). Each Eligible Shareholder is being offered 1 New Share for every 4 Shares held as at 5:00pm (Perth Time) on the Record Date (being 9 September 2011). The Offer Price is 1.7 cents (\$0.017) per New Share. The issue of New Shares pursuant to this Offer will raise up to \$1,888,571 before costs of the Offer.

The New Shares will rank equally with Existing Shares. Eligible Shareholders (and other investors under the Shortfall Offer) may also apply for New Shares which are not taken up under the Offer pursuant to a shortfall offer (**Shortfall Offer**). Such securities are being offered in addition to the Offer. Further details regarding the Shortfall Offer are contained in Section 1.10 of this Offer Document.

Applications for New Shares under this Offer Document must be made on an Entitlement and Acceptance Form. You should read this Offer Document in full before deciding to accept your Entitlement or subscribe for New Shares. Applicants should also read the instructions on the Entitlement and Acceptance Form before applying for New Shares.

1.2 The Offer is not Underwritten

The Offer is not underwritten, however the Directors of the Company reserve the right to place any shortfall shares at their discretion.

1.3 Indicative Timetable

| | |
|---|-------------------|
| Announcement Date | 31 August 2011 |
| Offer document lodged with ASX | 31 August 2011 |
| Notice sent to security holders | 1 September 2011 |
| "Ex" Date (date from which the securities commence trading without the entitlement to participate in the Offer) | 5 September 2011 |
| Record Date (for determining entitlements to participate in the Offer) | 9 September 2011 |
| Despatch of Offer Document and Entitlement and Acceptance Forms | 14 September 2011 |
| Offer opens | 16 September 2011 |
| Closing Date for Offer * | 4 October 2011 |
| Shares quoted on a deferred settlement basis | 5 October 2011 |
| Company to notify ASX of under-subscriptions | 7 October 2011 |
| Issue and allotment of New Shares | 10 October 2011 |
| Despatch of transaction confirmation statements* | 11 October 2011 |

* These dates are indicative only and subject to change. Subject to the Corporations Act, the ASX Listing Rules and other applicable laws, Sun Resources reserves the right to change any of these dates without notice. This may include extending the Offer, closing the Offer early or accepting late Applications, either generally or in particular cases. You are encouraged to submit your Entitlement and Acceptance Form as soon as possible.

1.4 Record Date and entitlement

Eligible Shareholders will be entitled to subscribe for 1 New Share for every 4 Shares held by them at 5.00pm (Perth Time) on the Record Date (being 9 September 2011).

The number of New Shares to which you are entitled is shown on the personalised Entitlement and Acceptance Form which accompanies this Offer Document. Eligible Shareholders may subscribe for all, part or none of their Entitlement. Applications may also be lodged for New Shares in addition to the Offer pursuant to the Shortfall Offer (See Section 1.10 of this Offer Document).

1.5 Use of funds

The Offer will raise up to approximately \$1.89 million before costs of the Offer. Assuming full subscription, it is currently expected that the funds raised from the Offer will be applied as follows:

| Indicative use of funds | Allocated Funds |
|--|--------------------|
| To progress exploration of Sun Resource's portfolio of oil and gas assets. | \$1,715,257 |
| General working capital | \$60,000 |
| Costs of the Offer | \$113,314 |
| Total | \$1,888,571 |

The Company's actual allocation of funds may change depending on the circumstances in which its business develops and operates. The Company will provide details of its actual expenditure in its periodic reports and as otherwise required by the ASX Listing Rules.

1.6 Effect of the Offer

The securities on issue as at the date of this Offer Document and following the Offer, will be as follows:

| Issued capital | Shares | Maximum number of shares to be issued under Offer | Total following Offer |
|--------------------|-------------|---|-----------------------------|
| Shares | 444,369,734 | 111,092,443 | 555,462,177 ^{1, 2} |
| Options | 7,300,000 | Nil | 7,300,000 ¹ |
| Performance Shares | Nil | Nil | Nil ¹ |

1. Up to 58,823,529 Shares, 50,000,000 Options and 320 Performance Shares will be issued to the Vendor of the Delta Oil Project. Refer to the Company's announcement dated 26 August 2011 for further details.
2. Up to 525,000,000 Shares will be issued to a range of sophisticated and professional investors to raise up to \$8,925,000 pursuant to the placement announced by the Company on 30 August 2011.

1.7 Trading of rights

The rights to New Shares are non-renounceable. This means that Eligible Shareholders cannot transfer or dispose of their rights and there will be no trading of rights on ASX.

1.8 Dilution

Eligible Shareholders who take up their Entitlement in full will not have their percentage holding in Sun Resources' diluted as a result of the Offer. Eligible Shareholders who do not take up their Entitlement in full will have their percentage holding in Sun Resources diluted as a result of the Offer.

1.9 Arrangement with AFS licensees

The Company reserves the right to pay a fee of up to 6% in respect of Applications lodged by supporting stockbrokers and holders of an Australian Financial Services Licence provided the relevant stamp of the organisation is on the Entitlement and Acceptance Form and the Company accepts the Applications.

1.10 Shortfall Offer

Eligible Shareholders may also subscribe for New Shares in addition to their Entitlement under the Shortfall Offer. The Shortfall Offer is a separate offer pursuant to this Offer Document made to Eligible Shareholders and other investors. The issue price of any New Shares offered pursuant to the Shortfall Offer will be 1.7 cents (\$0.017), being the same price at which the Offer is being

offered to Eligible Shareholders. Allocation of the Shortfall Shares will be subject to there being a Shortfall under the Offer and will otherwise take place at the absolute discretion of the Directors.

The Directors do not represent that any application to participate in the Shortfall Offer will be successful. In relation to the Shortfall Offer, the Directors reserve the right to issue securities to Applicants under the Shortfall Offer at their absolute discretion. The Directors may allocate to an Applicant under the Shortfall Offer a lesser number of New Shares than the number, for which the Applicant applies, or to reject an Application under the Shortfall Offer, or to not proceed with the placing of the Shortfall Offer pursuant to this Offer Document. If the number of New Shares allocated is fewer than the number applied for, surplus Application Monies will be refunded in full. Interest will not be paid on monies refunded.

The Shortfall Offer is independent from the Offer and will remain open after the Closing Date for a period of time as determined by the Directors.

1.11 Not a prospectus

In accordance with section 708AA of the Corporations Act, this Offer is being made without a prospectus. This Offer Document is not a prospectus nor does it contain all of the information that an investor would find in a prospectus.

1.12 Application money held in trust

Application Monies will be held in trust in a subscription account until allotment. The subscription account will be established and kept by the Company on behalf of the Applicants until allotment of the New Shares to the Applicants. In the event that an Applicant is not issued with New Shares in full satisfaction of the Application Monies provided, the relevant Application Monies will be refunded without interest.

1.13 Allotment

Under the current timetable, the New Shares are expected to be issued on 10 October 2011 and transaction confirmation statements despatched on 11 October 2011.

It is the responsibility of Applicants to confirm the number of New Shares allotted to them prior to trading in the securities. Applicants who sell New Shares before they receive notification of the number of securities allocated to them do so at their own risk.

If an Entitlement and Acceptance Form is not completed correctly, or if the accompanying payment of the Application Monies is for the wrong amount, it may still be treated as a valid Application. The Directors' decision whether to treat the Application as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final. However, an Applicant will not be treated as having applied for more New Shares than is indicated by the sum of the cheque for the Application Monies.

1.14 ASX Listing

The Company has applied to ASX for the New Shares to be admitted to Official Quotation.

1.15 Foreign Shareholders

The Company is of the view that it is unreasonable to extend the Offer to Shareholders outside of Australia and New Zealand (**Ineligible Foreign Shareholders**), having regard to:

- (a) the small number of Ineligible Shareholders;
- (b) the number and value of the New Shares which would be offered to Ineligible Foreign Shareholders; and

- (c) the cost of complying with the legal requirements and requirements of the regulatory authorities, in the respective overseas jurisdictions.

Accordingly, Sun Resources is making the Offer and Shortfall Offer to Eligible Shareholders and other investors with a registered address in Australia or New Zealand only. Where this Offer Document has been sent to Shareholders with registered addresses outside Australia and New Zealand who are not entitled to participate in the Offer, it is sent to them for information purposes only.

The distribution of this Offer Document in jurisdictions outside of Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document should seek their own advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Offer Document (and the accompanying Entitlement and Acceptance Form) do not constitute an offer of, or invitation to subscribe for securities in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

Shareholders resident outside Australia and New Zealand should consult their professional advisers as to whether, in order to enable them to accept their Entitlement, any governmental or other consents are required or other formalities need to be observed.

By lodging a completed Entitlement and Acceptance Form an investor is taken to have given the warranties as to its ability to participate in the Offer or Shortfall Offer without breach of the law, and related matters in their respective jurisdiction. The Company reserves the right to treat as invalid any Entitlement and Acceptance Form that appears to have been submitted by an Ineligible Foreign Shareholder.

The Offer and Shortfall Offer have not been, and will not be, registered under the United States Securities Act of 1933 and are not being made in the United States or to persons resident in the United States. Without limitation, neither this Offer Document nor the accompanying Entitlement and Acceptance Form may be sent to investors in the United States or otherwise distributed in the United States.

In making the Offer to Eligible Shareholders in New Zealand, Sun Resources is relying on the Securities Act (Australian Issuers) Exemption Notice 2002 (NZ), by virtue of which this Offer Document is not required to be registered in New Zealand.

1.16 CHES and issuer sponsored holdings

Sun Resources participates in the security transfer system known as CHES. ASTC, a wholly owned subsidiary of ASX, operates CHES in accordance with the ASX Listing Rules and the ASTC Settlement Rules. Under CHES, Eligible Shareholders will not receive a share certificate but will be issued a statement of holding of shares.

If you are broker sponsored, and you take up all or part of your Entitlement, ASTC will send you a CHES holding statement. The CHES holding statement will set out the number of New Shares issued to you under this Offer Document and provide details of your holder identification number and the participant identification number of the sponsor. If you are registered on the issuer sponsored sub-register, and you take up all or part of your Entitlement, your statement will be despatched by the Share Registry and will contain the number of New Shares issued to you under this Offer Document and a security holder reference number.

A CHES statement or issuer-sponsored statement will routinely be sent to security holders at the end of any calendar month during which the balance of their security holding changes. Security holders may request a statement at any other time. However, a fee may be charged for additional statements.

If investors have enquiries about CHES, they should contact their broker or ASX.

1.17 Taxation Implications

Eligible Shareholders should be aware that there may be taxation liabilities arising from the subscription for New Shares and the sale of those New Shares. For this reason, it is very important that Eligible Shareholders consult their own taxation or other advisers in relation to the taxation laws and regulations applicable to their personal circumstances. Sun Resources and its officers accept no liability or responsibility in respect of any tax consequences connected with an investment in Sun Resources Shares or the sale of those Shares.

1.18 Rights attaching to shares

The New Shares will be issued fully paid and will rank equally with the Existing Shares of the Company.

1.19 Effect on control

Section 606 of the Corporation Act provides that a person must not acquire a relevant interest in issued voting shares in a listed company if that person's or someone else's voting power in the company:

- (a) increases from 20% or less to above 20%; or
- (b) increases by any amount, if that person's voting power is between 20% and 90%.

(the **Section 606 Prohibition**).

Section 611 of the Corporations Act sets out a number of exemptions to the Section 606 Prohibition. In particular, section 611 of the Corporations Act provides that an increase to a person's voting power which results from that person accepting a pro-rata entitlement issue (such as this Offer) is exempt from Section 606 Prohibition. This exemption also extends to underwriters and sub-underwriters to the issue.

2. Action Required by Eligible Shareholders

2.1 What you may do

The number of New Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form. You may do any one of the following:

- (a) take up your all or some of your Entitlement (see Section 2.2 below);
- (b) take up all of your Entitlement and subscribe for additional New Shares pursuant to the Shortfall Offer (see Section 2.3 below); or
- (c) do nothing in which case your Entitlement will lapse (see Section 2.4).

2.2 If you wish to take up all or some of your Entitlement

If you wish to take up all of your Entitlement, complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the form. If you wish to take up some of your Entitlement and allow the balance to lapse, when completing the accompanying Entitlement and Acceptance Form, indicate the number of New Shares you wish to accept.

Send your completed Entitlement and Acceptance Form (together with your cheque, money order or bank draft for the amount applicable to the number of New Shares you have subscribed for) to reach Sun Resources' Share Registry in accordance with Section 2.5.

You may also pay using BPAY®¹ in accordance with Section 2.5.

¹ Registered to BPAY Pty Limited ABN 69 079 137 518

2.3 If you wish to take up all of your Entitlement and subscribe for additional securities under the Shortfall Offer

If you wish to take up all of your Entitlement and subscribe for additional New Shares pursuant to the Shortfall Offer, complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on each form. When completing the Entitlement and Acceptance Form, indicate the number of New Shares you wish to accept under the Offer and the number of New Shares you wish to apply for under the Shortfall Offer.

Send your completed Entitlement and Acceptance Form (together with your cheque for the amount applicable to the number of New Shares you have subscribed for) to reach the Share Registry in accordance with Section 2.5.

All allocations under the Shortfall Offer are at the sole and absolute discretion of the Directors. There is no guarantee that any Applications for New Shares under the Shortfall Offer will be successful.

2.4 If you do not wish to take up any of your Entitlement

If you decide not to take up any of your Entitlement, you are not required to take any action and your Entitlement will automatically lapse on the Closing Date. Any New Shares not taken up by you will form part of the Shortfall.

2.5 Payment for New Shares

Option 1 - Payment by cheque, bank draft or money order

Send your completed Entitlement and Acceptance Form (together with your cheque, money order or bank draft for the amount applicable to the number of New Shares you have subscribed for) to reach Sun Resources' Share Registry in by no later than 5pm (Perth Time) on the Closing Date. Sun Resources' Share Registry address is:

Computershare Investor Services Pty Limited
GPO Box 505,
Melbourne, VIC 3001, Australia

The Offer Price of 1.7 cents (\$0.017) per New Share is payable in full on acceptance of your Entitlement (whether in whole or in part). No brokerage or stamp duty is payable on the issue of New Shares.

All payments are to be made in Australian currency by way of a cheque drawn on and payable at any Australian bank or any bank operating in Australia.

Other currency will not be accepted. Cash or Electronic Funds Transfer (EFT) payments will not be accepted. Other currency payments or cash payments will be returned and the acceptance will be deemed invalid.

Cheques for Applications Monies under the Offer and the Shortfall Offer should be made payable to "Sun Resources NL – Offer A/C" and crossed "Not Negotiable". Receipts for payments will not be issued.

Option 2 - Payment by BPAY

For payment by BPAY please follow the instructions on the personalised Entitlement and Acceptance Form (which includes the Biller Code and your unique Customer Reference Number). You can only make a payment via BPAY if you are the holder of an account with an Australian financial institution that supports BPAY transactions.

Please note that should you choose to pay by BPAY:

- (a) you do not need to submit the personalised Entitlement and Acceptance Form but are taken to make the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY payment is received by the Share Registry by the closing date. **You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.**

Please make sure to use the specific Biller Code and unique Customer Reference Number on your Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, you will need to complete individual BPAY transactions using the Customer Reference Number specific to each individual personalised Entitlement and Acceptance Form that you receive. If you inadvertently use the same Customer Reference Number for more than one of your Entitlements, you will be deemed to have applied only for your Entitlement to which that Customer Reference Number applies and any excess amount will be refunded.

2.6 Queries

If you have any queries concerning the Offer, your existing holding of Shares, or any part of this Offer Document, please contact Sun Resources' Share Registry (refer to Section 5 of this Offer Document for contact details).

3. Investment and Business Risk Factors

3.1 Summary

An investment in the Company has similar general risks to those associated with any share market investment. In addition, there are a number of business risks that are specific to an investment in the Company. A description of these risks is set out in this Section 3. Before deciding to invest in the Company, Applicants should read the Offer Document in its entirety and consider the risk factors that could affect the operating and financial performance of the Company.

Eligible Shareholders should be aware that the market price of the New Shares may be influenced by many unpredictable factors and that subscribing for New Shares involves various risks. The occurrence of any of the following risks could have a material adverse effect on the Company's business, results of operations, financial condition and/or future prospects and in such circumstances the market price of the New Shares could decline and investors could lose part or all of their investment. While some of the risks can be minimised by the use of safeguards and appropriate systems, some are outside the control of the Company. The value of the Company's securities on ASX may rise and fall depending on factors beyond the control of the Company.

Any profitability in the future from the Company's business will be dependent upon the successful development of its oil and gas business, both from the Delta Oil Project and various other production and exploration opportunities available to the Company in the USA and other countries.

The New Shares offered pursuant to this Offer Document are considered speculative due to the present stage of development of the Company and the impact of various economic factors outside the control of the Company upon the market and the risks inherent in the oil and gas industry. This Offer Document carries no assurance with respect to the return of capital or price at which the New Shares will trade.

This section identifies certain, but not all, risks associated with an investment in the Company. Additional risks and uncertainties not presently known to the Company or the Directors, or that the Company or the Directors currently deem immaterial may also adversely affect the Company's business or operations. Prior to making an investment decision, you should carefully consider the

following risk factors (which are not listed in any particular order of importance) as well as the other information in this Offer Document.

3.2 General risks

Share Market Risks

There are risks associated with investment in equities generally. The trading price of the New Shares may fluctuate with movements in equity capital markets in Australia and internationally, which in turn are driven by factors including investor sentiment, general economic conditions, interest rates and federal government monetary and fiscal policies. Returns from an investment in the Company's securities will depend on general share market and economic conditions as well as the specific performance of the Company. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

The New Shares may trade at a price above or below the issue price depending on a range of factors including the performance of the market generally, the performance of the oil and gas sector of the market, national and international economic performance, market perceptions of the Company, the degree of success in the Company's development and marketing endeavours and the financial performance of the Company.

Changes to Laws and Regulations

The introduction of new policies, legislation or amendments to existing policies or legislation by governments or the interpretation of those laws could impact adversely on the assets, operations and ultimately the financial performance of the Company.

3.3 Business risks

Integration risks

The Company will acquire the Delta Oil Project from a third party. The Company will have to address any issues arising from the integration of the Delta Oil Project into its existing projects. The overall success of the Company will be adversely affected if the Delta Oil Project being acquired is not integrated successfully.

Funding risk

If the Company requires access to further funding for expansion or at any stage in the future, it may be adversely affected in a material way if, for any reason, access to that funding is not available either at all or on acceptable terms and conditions. There can be no assurance that additional funds will be available for expansion or other purposes. If additional funds should be raised by issuing equity securities, this might result in dilution to the then shareholders. The pricing of future share issues will also depend upon the results of the Company's activities, market factors, investor demand for shares and the need for capital by either debt or equity capital raisings.

Dependence on Vendor

The Company intends to acquire up to 10,000 acres in the Delta Oil Project from the Vendor. If the Vendor is unable to transfer the full 10,000 acres this could affect the commercial application of the venture.

Dependence on Key Personnel

The Company's future success depends largely on the continual employment of its senior management and key sales, technical and marketing personnel. The retention of the services of these people cannot be guaranteed.

3.4 Specific risks

Exploration and development risks

Oil and gas exploration involves significant risk. There is no assurance that exploration and development of the prospects in the Eaglebine leases, or any projects that may be acquired in the future will result in the discovery of an economic oil and gas deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited.

Drilling and operating risks

Oil and gas drilling activities are subject to numerous risks, many of which are beyond the Company's control. The Company's operations may be curtailed, delayed or cancelled as a result of such risks. Hazards incidental to the exploration and development of oil and gas properties such as unusual or unexpected formations, pressures geographic conditions or other factors are inherent in drilling and operating wells and may be encountered by the Company.

Industry risks include the risk of fire, explosions, blowouts, pipe failure, abnormally pressured formations and environmental hazards, the occurrence of any of which could result in losses to the Company. Although the Company believes it or its operators carry adequate insurance with respect to its operations, in accordance with industry practice, in certain circumstances the Company or the operator's insurance may not cover or be adequate to cover the consequences of such events.

Hydrocarbon reserve estimates

Hydrocarbon reserve estimates are expressions of judgement based on knowledge, experience and industry practice. In addition reserve estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter oil and/or gas deposits or formations different from those predicted, reserve estimates may have to be adjusted and production plans may have to be altered in a way which could adversely affect the Company's resources operations.

Price of oil and gas

The demand for, and prices of, oil and natural gas are dependent on a number of factors, including supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, actions taken by government and international cartels, and global economic political developments.

Ability to exploit successful discoveries

It may not always be possible for the Company to participate in the exploitation of successful discoveries made in any areas in which the Company has an interest. Such exploitation will involve the need to obtain the necessary licence or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as the Company. Such further work may require the Company to meet or commit to financing obligations for which it may not have planned.

3.5 Risks associated with Oil and Gas Operations in the United States

Title and Title Opinions

The system for obtaining title to oil and gas leases in Texas is complex given that numerous parties may hold the undivided mineral rights to a particular tract of land. In order to independently verify that the parties with whom the Company is dealing are the correct and sole holders of the mineral rights and to analyse the full rights and restrictions applying to the interest held by the Vendor requires that a company obtain a detailed title opinion from appropriately qualified and experienced lawyers. This can be a lengthy and expensive process and the final opinions are often the subject

of numerous qualifications. It is therefore customary that such title opinions are not sought until the Company proposes to conduct a drilling operation and/or expend significant amounts of money on a particular lease.

As a consequence there may be third parties that hold or claim mineral rights in relation to the US leases which have not been previously identified. Further some of the leases in which the Company has an interest may have a fixed terms and be subject to applications for renewal. The renewal term of each permit or licence is usually at the discretion of the relevant lessor.

Regulation in the United States - General

The oil and gas industry in the United States is extensively regulated. Federal, state, local and foreign laws and regulations relating to the exploration for and development, production, gathering and marketing of oil and gas will affect the Company's operations. From time to time, regulatory agencies have imposed price controls and limitations on production.

Numerous environmental laws impact and influence gas and oil developments. As with the industry in general, compliance with existing and anticipated regulations increases the overall cost of business. Environmental regulations have historically been subject to frequent change and, therefore, one cannot predict with certainty the future impact of environmental regulations on future operations. If the Company fails to comply with environmental laws it may be subject to liabilities to government and third parties, including civil and criminal penalties. New laws or regulations, or modifications of or new interpretations of existing laws and regulations, may increase substantially the cost of compliance or adversely affect oil and gas operations and financial conditions.

Regulation in the United States - Sale of oil and gas

Most sales of oil and natural gas are not currently regulated and are generally made at market prices. The price realised from the sale of these products is affected by a number of factors, including the cost of transporting the products to market.

Regulation— Exploration and Production

Oil and natural gas exploration, production and related operations are subject to extensive rules and regulations promulgated by federal, state and local agencies. Failure to comply with such rules and regulations can result in substantial penalties. The regulatory burden on the oil and gas industry increases the cost of doing business and affects profitability. Because such rules and regulations are frequently amended or reinterpreted, the Company is unable to predict the future cost or impact of complying with such laws.

Permits are required by the State for drilling operations, drilling bonds and the filing or reports concerning operations and they impose other requirements relating to the exploration and production of oil and gas.

The Company is required to comply with various federal and state regulations regarding plugging and abandonment of oil and natural gas wells, which impose a substantial rehabilitation obligation on the Company, which may have a material adverse effect on the Company's financial performance.

4. Definitions

In this Offer Document the following terms and abbreviations have the following meanings unless otherwise stated:

Applicant means a person who submits a valid Entitlement and Acceptance Form pursuant to this Offer Document.

Application means an application by way of a completed Entitlement and Acceptance Form to subscribe for New Shares under this Offer Document.

Application Monies means monies received from Applicants in respect of their Application.

ASTC means ASX Settlement and Transfer Corporation Pty Limited ACN 008 504 532.

ASTC Settlement Rules means the official settlement rules of ASTC.

ASX means the Australian Securities Exchange operated by ASX Limited ACN 008 624 691.

ASX Listing Rules means the official listing rules of ASX.

Australian Financial Services Licence has the meaning ascribed to that term in section 9 of the Corporations Act.

Board means the board of Directors of the Company.

Chairman means the chairman of the Board from time to time.

CHESS means the Clearing House Electronic Subregistry System.

Closing Date means 4 October 2011.

Company means Sun Resources NL ACN 009 196 810 and its subsidiary companies.

Company Secretary means the company secretary of the Company (see contact details set out Section 5).

Corporations Act means the *Corporations Act* 2001 (Cth).

Directors means the members of the Board.

Eligible Shareholder means a Shareholder whose address (as registered on the Company's share register) is in Australia or New Zealand and who acquired Shares prior to the Ex Date and continue to holds such Shares at the Record Date.

Entitlement means the number of New Shares to which an Eligible Shareholder is entitled under the Offer.

Entitlement and Acceptance Form means the form accompanying this Offer Document which sets out the number of New Shares which are the subject of each Entitlement and provides the means for acceptance of all or part of an Entitlement under the Offer.

Ex Date means 5 September 2011.

Existing Shares means Shares already allotted and issued as at the date of the Offer Document.

New Shares means the Shares offered to Eligible Shareholders under this Offer Document.

Offer Price means 1.7 cents (\$0.017) in respect of the subscription for each New Share under this Offer Document.

Official Quotation means the quotation of securities on the securities market operated by ASX.

Option means an option to subscribe for a Share.

Perth Time means the time in Perth, Western Australia.

Offer Document means this Offer Document.

Record Date means 5.00pm (Perth Time), 9 September 2011.

Offer means the offer of New Shares to Eligible Shareholders under this Offer Document.

Section means a section of this Offer Document.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Share Registry means Computershare Investor Services Pty Ltd.

Shortfall means the number of Shares comprising the difference between the Shares the subject of the Offer and the number of Shares for which valid Entitlement and Acceptance Forms have been received and accepted by the Company by the Closing Date.

Shortfall Offer means the offer of the Shortfall pursuant to this Offer Document as set out in Section 1.10 of this Offer Document.

Sun Resources means Sun Resources NL ACN 009 196 810 and its subsidiary companies.

Vendor means the vendor of the Delta Oil Project.

\$ means Australian dollars unless otherwise specified.

5. Enquiries

Enquiries in relation to the Offer should be directed to the Company's Share Registry by telephone on 1300 850 505 (for calls within Australia) and +61 3 9415 4000 (for calls outside Australia) at any time from 8.30 am to 5.00 pm (Perth Time) Monday to Friday, or consult your professional advisor.

Please return completed form to:
 Computershare Investor Services Pty Limited
 GPO Box 505 Melbourne
 Victoria 3001 Australia
 Enquiries (within Australia) 1300 850 505
 (outside Australia) 61 3 9415 4000
 www.computershare.com

000001
 000
 SAM
 MR JOHN SMITH 1
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)



I 1234567890 I N D

Use a **black pen**.
 Print in **CAPITAL** letters
 inside the grey areas.

| | | | | | |
|---|---|---|---|---|---|
| A | B | C | 1 | 2 | 3 |
|---|---|---|---|---|---|

For your security keep your SRN/HIN confidential.

Entitlement and Acceptance Form (including Additional Shares)

This personalised form can only be used in relation to the shareholding represented by the SRN or HIN printed above. This is an important document and requires your immediate attention. If you are in doubt about how to deal with this document, please consult your financial or other professional adviser.

Non-Renounceable Entitlement Issue closing 5.00pm (Perth Time) on 4 October 2011

Non-Renounceable Entitlement Issue of 1 New Share for every 4 Shares registered and entitled to participate at the record date at an issue price of A\$0.017 per New Share.

Receipt of the slip below by 5.00pm (Perth Time) on 4 October 2011 with your payment, utilising the payment options detailed overleaf will constitute acceptance in accordance with the terms and conditions of the Offer Document dated 31 August 2011.

I/We enclose my/our payment for the amount shown below being payment of A\$0.017 per New Share. I/We hereby authorise you to register me/us as the holder(s) of the Shares allotted to me/us, and I/we agree to be bound by the Constitution of the Company.

| Shareholder Entitlement details | |
|--|--------------|
| Subregister | Issuer |
| Existing Shares entitled to participate at Record Date on 9 September 2011 | XXX,XXX,XXX |
| Entitlement to New Shares on a 1 for 4 basis | XXX,XXX,XXX |
| Amount payable on full acceptance at A\$0.017 per New Share | X,XXX,XXX.XX |
| Entitlement Number | 123456789012 |

SUR

2NRB

See back of form for completion guidelines

136199_014YXA

PLEASE DETACH HERE

Paperclip cheque(s) here. Do not staple.
Sun Resources NL
 ABN 69 009 196 810

Please see overleaf for Payment Options

| | |
|------------|------------|
| Ent: X,XXX | Pay: X,XXX |
|------------|------------|

| | |
|---------------------|--------------------------------|
| B PAY | Billor Code: 123456 |
| | Ref No: 1234 5678 9012 3456 78 |

| | | |
|---|--|--|
| B Number of New Shares applied for | C Number of additional New shares applied for | D Amount enclosed at A\$0.017 per New Share |
| <input type="text"/> | <input type="text"/> | A\$ <input type="text"/> |

| Payment Details – Please note that funds are unable to be directly debited from your bank account | | | | |
|---|----------------------|----------------------|----------------------|--------------------------|
| Drawer | Cheque number | BSB number | Account number | Cheque amount |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | A\$ <input type="text"/> |

Make your cheque or bank draft payable to "Sun Resources NL - Offer A/C" and crossed "Not Negotiable"

| Contact Details | |
|---|---|
| Please provide your contact details in case we need to speak to you about this slip | |
| Name of contact person | Contact person's daytime telephone number |
| <input type="text"/> | (<input type="text"/>) <input type="text"/> |

1234567890123456+1234567890-1234+12

How to complete the Entitlement and Acceptance Form (including Additional Shares)

Please note that photocopies of this form will not be accepted. These instructions are cross-referenced to each section of the Entitlement and Acceptance Form.

A Details of your Entitlement based on your Shareholding at 5.00pm (Perth Time) on 9 September 2011 are shown in box A on the front of this Entitlement Form.

B New Shares Applied for

You can apply to accept either all or part of your Entitlement. Enter in box B the number of New Shares you wish to accept from your Entitlement.

Please ensure you complete Section B on the bottom of the form.

C Additional New Shares Applied for

Enter the number of additional New Shares you wish to apply for (if any).

No Eligible Shareholder is assured of receiving any New Shares applied for in excess of their Entitlement and any amount by which applications from Eligible Shareholders exceed their Entitlements may be scaled back at Sun Resources NL's discretion, in such manner as Sun Resources NL considers is reasonable in the circumstances.

Please ensure you complete Section C on the bottom of the form.

D Acceptance Monies

Enter the total amount of acceptance monies payable. To calculate this amount, multiply the total number of New Shares applied for in box B, and if applicable, box C, by A\$0.017.

Please ensure you complete Section D on the bottom of the form.

E Payment Details

You can apply for shares by utilising the payment options detailed below. **Please note that funds are unable to be directly debited from your bank account.**

By making your payment using either electronic means or by cheque, bank draft or money order, you confirm that you agree to all of the terms and conditions as detailed in the Offer Document dated 9 September 2011.

Your cheque, money order or bank draft must be made in Australian currency and drawn on an Australian branch of a financial institution. Such payment must be made payable to "Sun Resources NL - Offer A/C" and crossed "Not Negotiable". Payments not properly drawn may be rejected.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Acceptance form being rejected. Paperclip (do not staple) your cheque(s) to the form where indicated. Cash will not be accepted. Receipt of payment will not be forwarded.

F Contact Details

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding the slip below.

2 N R B

The directors reserve the right to make amendments to this form where appropriate.

Lodgement of Acceptance

If you are applying for shares and your payment is being made using BPAY®, you do not need to return the slip below. Your payment must be received by no later than 5.00pm (Perth Time) on 4 October 2011. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order, the slip below must be received by Computershare Investor Services Pty Limited (CIS) Melbourne by no later than 5.00pm (Perth Time) on 4 October 2011. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for securityholders in Australia. New Zealand holders will need to affix the appropriate postage. Return the slip below with cheque attached.

Neither CIS nor the Company accepts any responsibility if you lodge the slip below at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by CIS, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or e-mail privacy@computershare.com.au.

If you have any enquiries concerning this form or your entitlement, please contact CIS on 1300 850 505.

This form may not be used to notify your change of address. For information, please contact CIS on 1300 850 505 or www.computershare.com (Issuer Sponsored Holders only).

CHES holders must contact their Controlling Participant to notify a change of address.

Payment Options:



Billers Code: 123456

Ref No: 1234 5678 9012 3456 78

Telephone & Internet Banking – BPAY

Call your bank, credit union or building society to make this payment from your cheque or savings account. More info: www.bpay.com.au



Sun Resources NL Offer
c/- Computershare Investor
Services Pty Limited
GPO Box 505
Melbourne, Victoria 3001
AUSTRALIA



Entitlement Number: <xxxxxxxxxx>

SAMPLE CUSTOMER
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLETOWN TAS 7000

SUR

136199_014YXA

