

14 March 2011

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

Dear Sir/Madam

## **Krai Thong #1 Drilling Update: Onshore Thailand**

Sun Resources NL (“**Sun**” or “**the Company**”) (**ASX:SUR**) provides an update of the drilling activities at Block L20/50 onshore Thailand, which are currently focused on the second well (Krai Thong #1) in this multi-well programme being operated by Joint Venture partner, Carnarvon Petroleum Limited (“**Carnarvon**”).

### **Progress**

The Operator reports that the Krai Thong #1 well had penetrated all of the target intervals in the well when drilling encountered a formation above total depth (“TD”) that was much harder than anticipated, and the rate of penetration decreased significantly. Due to the slow, difficult drilling, and with confidence that all of the target intervals had been fully intersected, drilling was stopped at approximately 1300m, short of the planned TD. As of 6:00am on 14 March, preparations were being made to run wireline logs.

### **Results**

Several zones of interest with sandstone character, elevated resistivity, and minor oil shows have been interpreted from LWD logs and cuttings. These zones will be evaluated with an extensive wireline logging programme, including a wireline formation tester, to determine if there is a potential hydrocarbon accumulation.

### **Forward Plan**

The well will be evaluated with a suite of wireline formation evaluation logging tools being run over the next 3-4 days. Upon analysis of logs, the well will either be completed for production testing or plugged and abandoned.

Further updates will be issued as the well progresses.

### **Krai Thong**

The Krai Thong Prospect is located onshore central Thailand in the Phitsanulok basin, approximately 350 km north west of Bangkok and 50km south of the prolific Sirikit Oil Field (producing ~20,000 bopd with >200 mmboc estimated ultimate recovery). The second well to be drilled in this multi-well program will test the Krai Thong Prospect (fig. 1), a faulted anticlinal structure with multiple stacked targets. The Joint Venture estimates the Krai Thong Prospect to have a gross speculative potential resource of approximately 37 million barrels. The Krai Thong #1 well will target two separate mapped horizons between approximately 700 meters and TD of 1,425 metres.

Sun has a very significant 42.5% interest in L20/50, providing maximum leverage to its shareholders in this multi-well drilling programme.

For more information and regular updates, please visit the website: [www.sunres.com.au](http://www.sunres.com.au)

Yours faithfully  
**SUN RESOURCES NL**



Matthew Battrick  
**MANAGING DIRECTOR**

Information contained in this report was sourced from the Operator of the Joint Venture in which the Company has an interest and was compiled by the Managing Director of Sun Resources, Matthew Battrick, BSc (Geol), MPESA, MPESGB, MAAPG, GAICD who has 30 years experience in the practice of geology and more than 25 years experience in petroleum geology.



**AD-1 Drilling Rig**

### **About the L20/50 Multi-well Drilling Programme**

#### **Tapao Kaew Prospect**

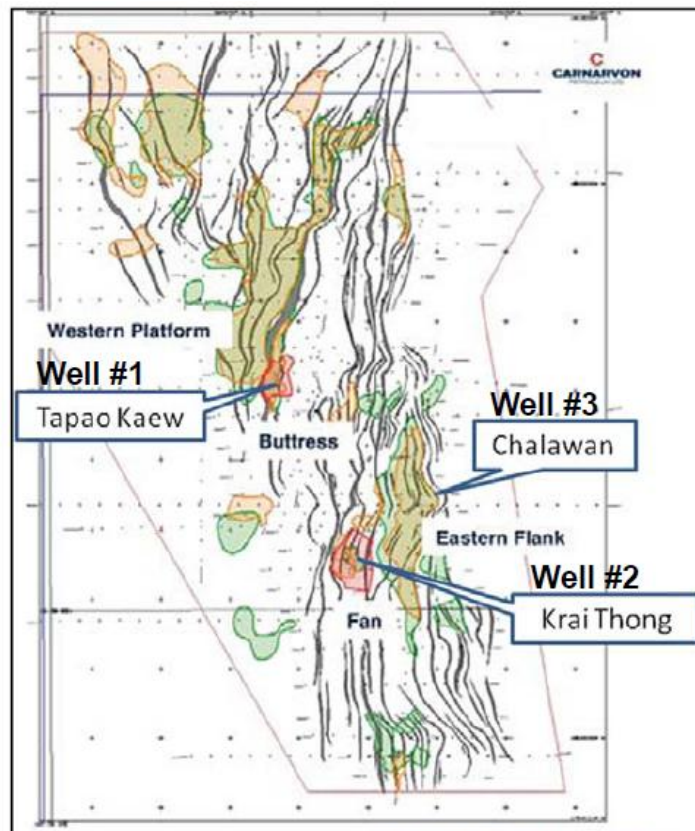
The Tapao Kaew Prospect (figure 1) is a 4-way anticlinal structure with stacked targets on the western edge of the basin, immediately adjacent to the interpreted hydrocarbon kitchen.

#### **Krai Thong Prospect**

The second well will be drilled into the Krai Thong Prospect (fig. 1), a faulted anticlinal structure with multiple stacked targets. The Joint Venture estimates the Krai Thong Prospect to have a gross speculative potential resource of approximately 37 million barrels. The Krai Thong #1 well will target two separate mapped horizons between approximately 700 - 1,450 metres.

#### **Chalawan Prospect**

If sufficient encouragement is demonstrated by the second well, the Joint Venture may drill a third well as part of this initial drill program. This well would be at the Chalawan Prospect (fig. 1). This structure comprises a series of tilted fault closures on the eastern edge of the basin. The Joint Venture estimates the Chalawan Prospect to have a gross speculative potential resource of approximately 32 million barrels. If this prospect is drilled, it is planned to be a shallow well to a total depth of 950 metres.



**Figure 1, Prospect location map, L20/50 Permit**

### **About the L20/50 Permit**

The L20/50 permit lies on the onshore Phitsanulok Basin, located between Thailand's two largest producing onshore field complexes, being the next basin along from Carnarvon Petroleum Limited's Phetchabun Basin Oil Fields (producing up to 15,000 bopd with >60 mmbøe estimated ultimate recovery) and 20 kilometres south, in the same basin as the prolific Sirikit Oil Field (producing ~20,000 bopd with >200 mmbøe estimated ultimate recovery).

The L20/50 Joint Venture exploration program is targeting a resource of similar size to that of Carnarvon and Pan Orient who are producing up to 15,000 bopd (with >60 mmbøe estimated gross ultimate recovery) from a number of new oil pools in the "volcanic play" in the adjacent Phetchabun Basin, 50 kilometres to the east. The primary reservoir target in the wells testing the firm prospects is the traditional sandstone reservoirs that produces most of the oil from the prolific Sirikit Oil Field and is present in multiple levels in the Nong Bua-1 well within L20/50.