

Monday 8 October 2012

Richland Oil Project Update

Beeler #1H

- Sun's first Woodbine horizontal well, Beeler #1H has been successfully cased for production and the Nabors M47 rig has moved off location.
- The multi-stage fracture stimulation program on the 6,100 feet lateral is due to commence this week, ahead of completing the well for production. Beeler #1H is expected to be fraced and completed by late October 2012.

John Beeler #1H

- Sun's second Woodbine well, John Beeler #1H, is currently at a depth of 10,875 feet in the horizontal well section, expecting to deliver a 7,000 feet lateral well bore in the target Woodbine A Formation, the same zone being completed in the adjacent Beeler #1H well.
- The Operator currently expects to finish drilling, fracing and completion for production of the John Beeler #1H horizontal well in mid-November 2012.

Ellis #1H

- Sun's third Woodbine well, Ellis #1H, spudded on 7 October 2012 and the current operation was drilling surface hole at a depth of 86 feet. Drilling, fracing and completion of the Ellis #1H horizontal well is currently scheduled for late November 2012.

Sun Resources NL (**Sun Resources, Sun** or the **Company**) (ASX:SUR) is pleased to provide an update on the drilling activities of the 3 wells in the Richland Oil Project, Leon County Texas:

First Woodbine Well - Beeler #1H - at Total Depth, Multi-Stage Frac underway

The Beeler #1H horizontal well has been cased for production, delivering a horizontal section (lateral) of approximately 6,100 feet in length. The Nabors M47 rig has been released and has moved to location for drilling of Sun's third well in the Richland Oil Project, the Ellis #1H well. A fracing crew is expected on site this week at the Beeler #1H well location to commence the multi-stage fracing process (approximately 31 stages) and to bring the well onto production. This final operational phase should now be completed by late October 2012.

Second Woodbine Well - John Beeler #1H - Completed Horizontal Section

The John Beeler #1H well is operating at a depth of 10,875 feet in the horizontal section of the well, expecting to deliver a lateral section of 7,000 feet in the Woodbine A (upper) Formation, the same zone that is being completed in the Beeler #1H lateral. The next operation will be to run production casing in

the horizontal well bore section and release the Basin 102 rig to move off location. The fracking crew will arrive on the John Beeler #1H location after completion operations on the Beeler #1H well. The John Beeler #1H horizontal production well is currently expected to be drilled, fraced and completed by mid-November 2012.

Third Woodbine Well – Ellis #1H – Pilot Hole Spudded 7 October 2012

The Operator, Richland Resources Corporation (**Richland**) has informed the joint venture that the third well in the current multi-well drilling campaign, Ellis #1H spudded using the Nabors M47 rig on 7 October 2012. The current operation on the Ellis #1H well is drilling ahead at a depth of 86 feet in the surface hole section of the vertical pilot hole. The Ellis #1H well is currently expected to be drilled, fraced and completed by the end of November 2012.

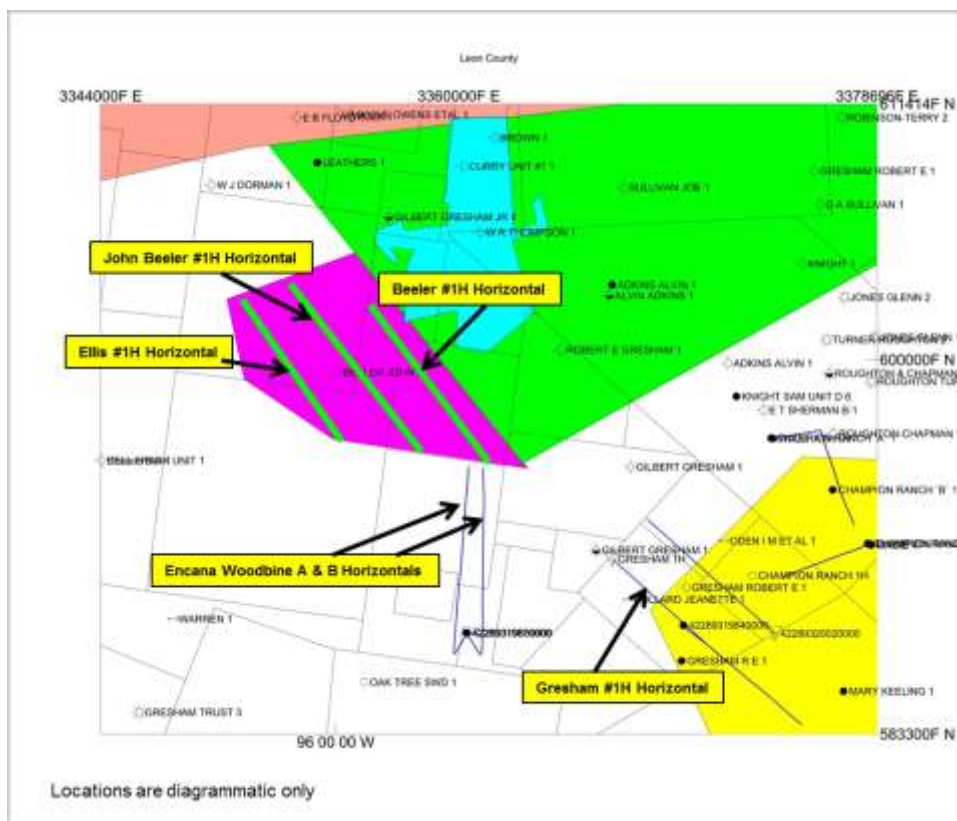


Figure 1: Richland Oil Project (purple): Well locations of Beeler #1H, John Beeler #1H and Ellis #1H.

Sun's earning and working interest in the Beeler #1H well is:

Participant	Earning Interest	Working Interest (WI)	Net Revenue Interest (NRI)
Farminors	0%	18.75%	14.0625%
Steadfast Resources LLC	50%	40.625%	30.4687%
Richland (Operator)	16.66%	13.5416%	10.1562%
Sun Resources NL	16.67%	13.5417%	10.1563%
Amerril	16.67%	13.5417%	10.1563%
Farminors Overriding Royalty	0%	0%	5%
Lessor Royalty	0%	0%	20%

Sun's working interest in the John Beeler #1H and Ellis #1H wells are:

Participant	Working Interest (WI)	Net Revenue Interest (NRI)
Steadfast Resources LLC	50%	37.5%
Richland (Operator)	16.66%	12.5%
Sun Resources NL	16.67%	12.5%
Ameril	16.67%	12.5%
Farminors Overriding Royalty	0%	5%
Lessor Royalty	0%	20%

Further drilling updates will be provided regularly, as significant operational milestones are achieved. For further information please contact:



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Information contained in this report was compiled by the Managing Director of Sun Resources, Matthew Battrick, BSc (Geol), MPESA, MPESGB, MAAPG, GAICD who has more than 30 years' experience in the practice of geology and 31 years' experience in petroleum geology.

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