



Tuesday 08 July 2014

Lower Woodbine Oil Projects: Drilling Update

Delta Oil Project (Petro-Hunt AMI Area, Sun 25% WI)

- The Operator, Petro-Hunt (75% WI), has updated Sun that drilling operations have commenced with the spud of the Davis #1 vertical pilot well.
- The Davis #1 well will be drilled and logged through the target Lower Woodbine (“Dexter”) sand prior to a decision on how to proceed, including whether to complete the well as a vertical oil producer or sidetrack to drill a lateral well bore within the target sands.
- Sun Resources NL holds a 25% working interest (WI) in the well that is expected to take approximately 7-10 days to drill and evaluate.

Sun Resources NL (**Sun** or the **Company**) (ASX: SUR) is pleased to update shareholders on its latest Lower Woodbine well, Davis #1, located in Leon County, East Texas, onshore USA.

Delta Oil Project (Petro-Hunt AMI) (Sun: 25% WI)

Petro-Hunt LLC (“Petro-Hunt”), as the Operator of the Joint Venture with Sun (Sun 25% WI) on the Petro-Hunt AMI area, has advised that drilling operations have commenced with the spud of the Davis #1 vertical pilot well. Sun’s working interest in the well is 25% and the company’s net share of the vertical pilot well AFE is approximately US\$258,000 with the operation expected to take approximately 7-10 days to complete, utilising Justiss Oil Co.’s #56 Rig.

The Davis #1 vertical pilot well will be drilled into the Lower Woodbine oil target (the “Dexter Sand”) and evaluated with the aid of wireline logs and sidewall cores, above a total depth of approximately 6,500 feet, measured depth. A decision will then be taken by the participants to either complete the pilot well as a vertical oil producer, or to side track the well bore to drill a horizontal well bore (‘lateral’) into the Lower Woodbine, Dexter Sand.

The AMI consists of approximately 7,832 acres in northern Leon County. Petro-Hunt and Sun have now leased approximately 3,640 gross acres within the AMI (figure 1). Sun retains over 10,000 net acres elsewhere in the Delta Oil Project that may be the subject of future activity, by way of farm-out, joint venture or direct drilling activity.

For further information please contact:

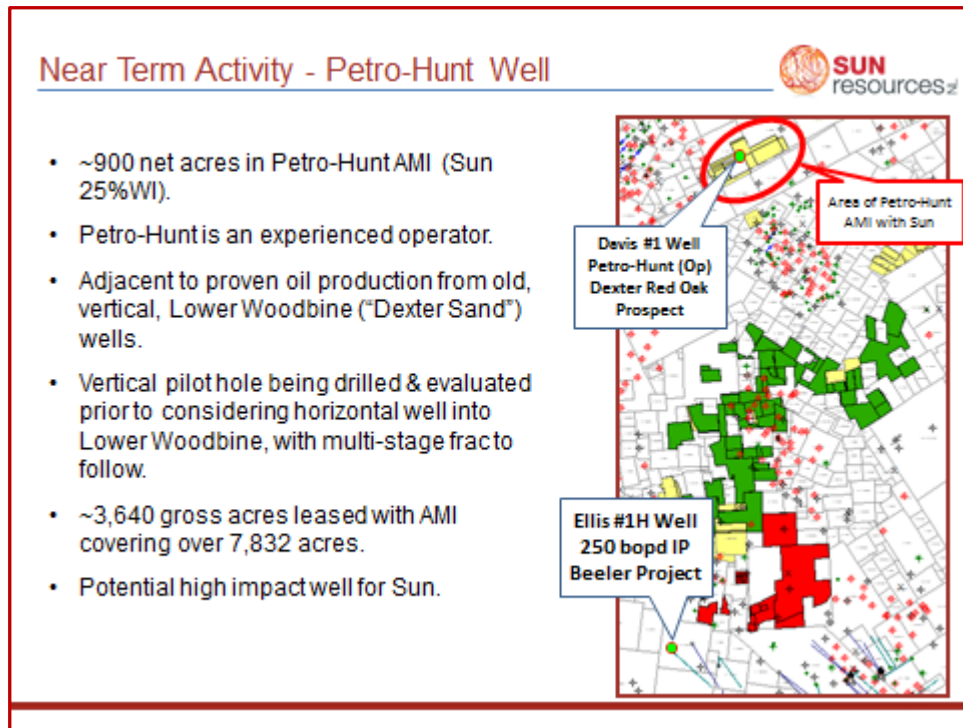
Sun Resources NL

Telephone: +61 (08) 9321 9886

Email: admin@sunres.com.au

.....2/

Figure 1: Location Map of Davis #1 well, Leon County, Texas, USA



Geological information contained in this report was compiled by the General Manager (Technical) of Sun Resources, Matthew Batrick, BSc (Geol), MPESA, MPESGB, MAAPG, GAICD who has more than 33 years' experience in the practice of petroleum geology. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States nor there any sale of the securities in any jurisdiction in which such an offer, solicitation or sale would be unlawful. The securities offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the Securities Act), or any state securities laws and may not be offered or sold in the United States or to U.S. persons (as defined in Regulation S under the Securities Act) except in compliance with the registration requirements or an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws. This document contains forward-looking statements which reflect management's expectations regarding expected target dates. These forward-looking statements can generally be identified by words such as "will", "expects", "intends", or similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. These statements are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

Statements relating to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that some or all of the resources and reserves described can be profitably produced in the future. Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking statements. In addition, if any of the assumptions or estimates made by management prove to be incorrect, actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this document. Such assumptions include, but are not limited to, general economic, market and business conditions and corporate strategy. Accordingly, investors are cautioned not to place undue reliance on such statements. All of the forward-looking information in this document is expressly qualified by these cautionary statements. Forward-looking information contained herein is made as of the date of this document and Sun Resources disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by law.