



SUN RESOURCES NL

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(INCORPORATED IN WESTERN AUSTRALIA)

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Thursday 24 April 2008

Announcements
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
SYDNEY, NSW 2000

FLOUR BLUFF GAS FIELD UPDATE

Sun Resources NL (“Sun Resources”) has approved the operator’s recommendation to acquire 3D seismic in late 2008 over the West Flour Bluff Gas Field as a precursor to commencement of development drilling, targeting a significant increase in the current 68.8bcfe 3P reserves.

The greater part of the West Flour Bluff Gas Field has remained undrilled due to its existence beneath a US navy air station (currently used as a training facility) and 2D seismic is relatively sparse. However, recent advances in 3D acquisition technology and cost reductions in extended reach directional drilling, will allow the joint venture access to test this potential. The 3D seismic survey will give the joint venture greater certainty in progressing the development drilling program through a better geological understanding of the field’s structure, sand stratigraphy and hydrocarbon distribution. The Joint Venture is targeting a significant increase in the current 3P reserve of 68.8bcfe that will lead to a substantial increase in production and cash flow, in line with nearby analogues.

Nearby analogue fields have benefited from such data acquisition by identifying additional reserves and un-swept areas of the fields, thereby improving the positioning of subsequent production wells. Two such fields, East Corpus Christi and Encinal Channel, originally discovered over 40 years ago, have achieved a 10-fold increase in daily production rates and a 20% increase in cumulative reserves to date, as a direct consequence of new 3D seismic coverage and modern well velocity surveys.

Comment from Sun Resources MD, Matt Battrick: *“This activity demonstrates our commitment to extracting maximum value from our core US assets. The 3D seismic survey over the West Flour Bluff Gas Field has the potential to add significant 3P reserves to a significant US asset in which we have a 20% working interest. The 3D seismic survey will also allow us to better position development wells which will be directionally drilled to target both new field structural “sweet spots” and any unswept pockets in the field under the naval air station. These new development wells should at least double or treble total production from West Flour Bluff.”*

Yours sincerely
SUN RESOURCES NL


A P Woods
COMPANY SECRETARY

This report is lodged on the Company’s website, www.sunres.com.au.

Information contained in this report was sourced from the Operator of the Flour Bluff Joint Venture and compiled by the Managing Director of Sun Resources, Matthew Battrick, BSc (Geol), MPESA, MPESGB, MAAPG, GAICD who has had 27 years experience in the practice of geology and more than 5 years experience in petroleum geology.