



SUN
resources 

**ANNUAL GENERAL
MEETING**

05 November 2015

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SUN RESOURCES CORPORATE SNAPSHOT



Capital Structure:

Pre-Cap. Raising (699 million share Placement)

ASX code	SUR
Ordinary shares on issue	4,623m
Performance options ¹	140m
Listed options (A\$0.025)	259m
Unlisted options (various prices) ²	300m
Current share price	A\$0.001
Market capitalisation (@ A\$0.001)	A\$4.6m
Net Cash ³	A\$0.321m
Enterprise Value	A\$4.3m

Top Five Shareholders

Hancock Prospecting P/L	13.4%
Amerril Energy LLC	7.1%
Fast Lane Aust. P/L	6.8%
Rojo Nero Capital P/L	3.5%
UBS Nominees P/L	2.4%
Total	33.2%

Notes:

1. Performance options convert into ordinary shares upon achievement of certain project milestones (these are detailed in Sun's Notice of General Meeting announced to ASX on 21 November 2011, and also Sun's announcement dated 27 July 2012).
2. Unlisted options award to staff and Directors of Sun Resources NL.
3. Un-audited cash balance, at 30 September 2015, pre-Placement that raised A\$699,000

Recent Share Price / Volume History



Board of Directors

Professor Ian Plimer	Non-Executive Director, Chairman
Mr. Matthew Battrick	Managing Director & CEO
Dr. Wolf Martinick	Non-Executive Director

Note: The top 20 shareholders, including Board, hold 47% of shares currently on issue.

■ Ongoing focus on Normangee Oil Project

- *Frack & flow-back is profitable at US\$45 oil, forecasting \$2.5-3 million in first year of flow-back*
- *Seeking US\$4 million from capital (JV) partner and/or debt /equity to facilitate operation*
- *Will re-bid work programme including additional well interventions in SW Leona Oil Project to deliver efficiencies in fracking/completion costs*

■ Current footprint is focussed on [multiple] oil fairways in East Texas region

- *Primary objective of developing the Lower Woodbine target across Sun's portfolio*
- *Lower Woodbine lateral well economics likely to be robust @ US\$40 oil price with 40% reduction in drilling and completion ('D&C') costs*
- *Opportunity to test second oil zone; the Buda-Georgetown "bench" in Sun's core lease areas*
- *Investigating vertical 'stack-frack' wells for profitable operations in US\$45 oil environment*

■ Considering acquisition of conventional production asset

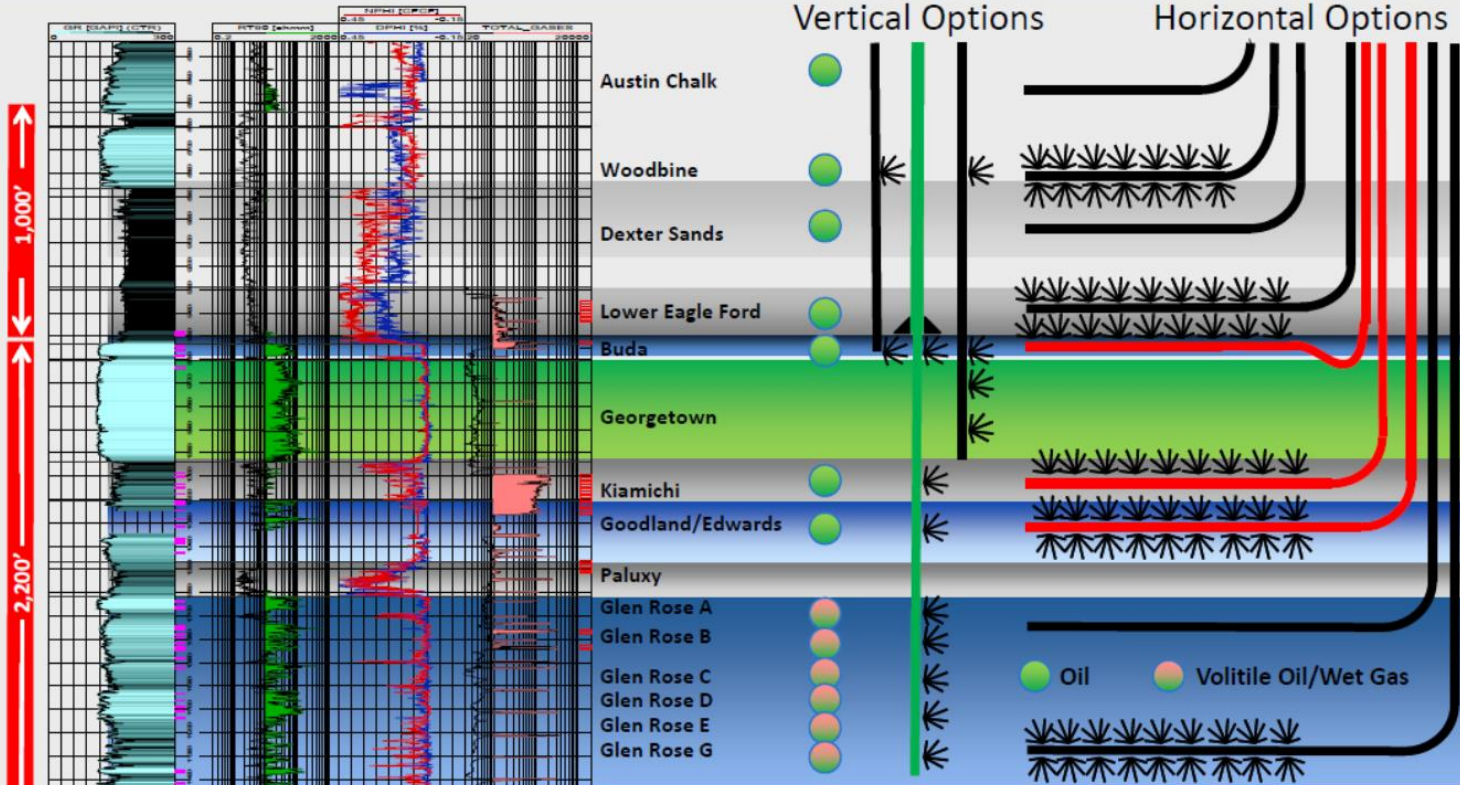
- *Delivers low risk US dollar revenue and financial stability until oil prices recover*
- *Current forecast for oil price recovery is well in to 2016*

■ Cash Management

- *Executives receiving 50% of salary as shares; other employees 25%*
- *\$699,000 before costs raised by Bell Potter Securities Ltd*

East Texas Development Targets

INITIATING BUDA ROSE VERTICAL WELL DRILLING PROGRAM



Data based on Burk Royalty Co. LTD – Etheridge #1 42-225-31198, Houston Co., TX

Planned Development - Vertical Lower Cretaceous ("Buda Rose") Wells
 Comingled 7+ stage Stack and Frac completion

Horizontal Wells
 17-25 multi-stage completion
 EOG has permitted three well pad targets:
 Horizontal Buda
 Horizontal Kiamichi
 Horizontal Goodland

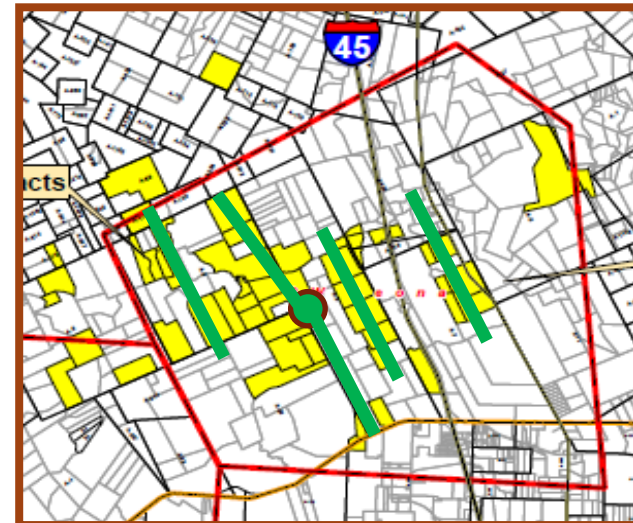
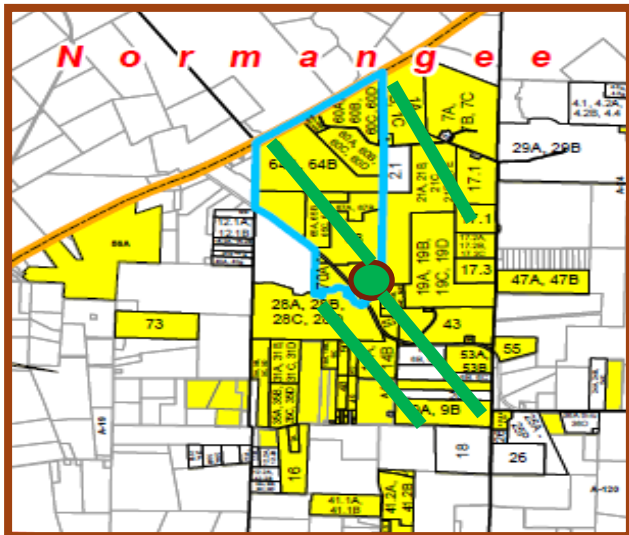
Nasdaq: ZAZA

Source: Zaza Energy Corporation (2015)

Held-By-Production (“HBP”) allows Operators to maintain mineral leases in good standing without full development until oil prices recover.

“Deferring frack & flow-back for 12 months in low oil price environment can improve lateral well economics” (source: EOG Resources Inc., 2014).

3 additional drilling units required to cover entire lease area for both Normangee and SW Leona Oil Projects; pad drilling and shadow frack options also to be considered; infill drilling could be vertical and/or lateral wells.



USA UNCONVENTIONAL SELF-HELP: Stack-Fracks

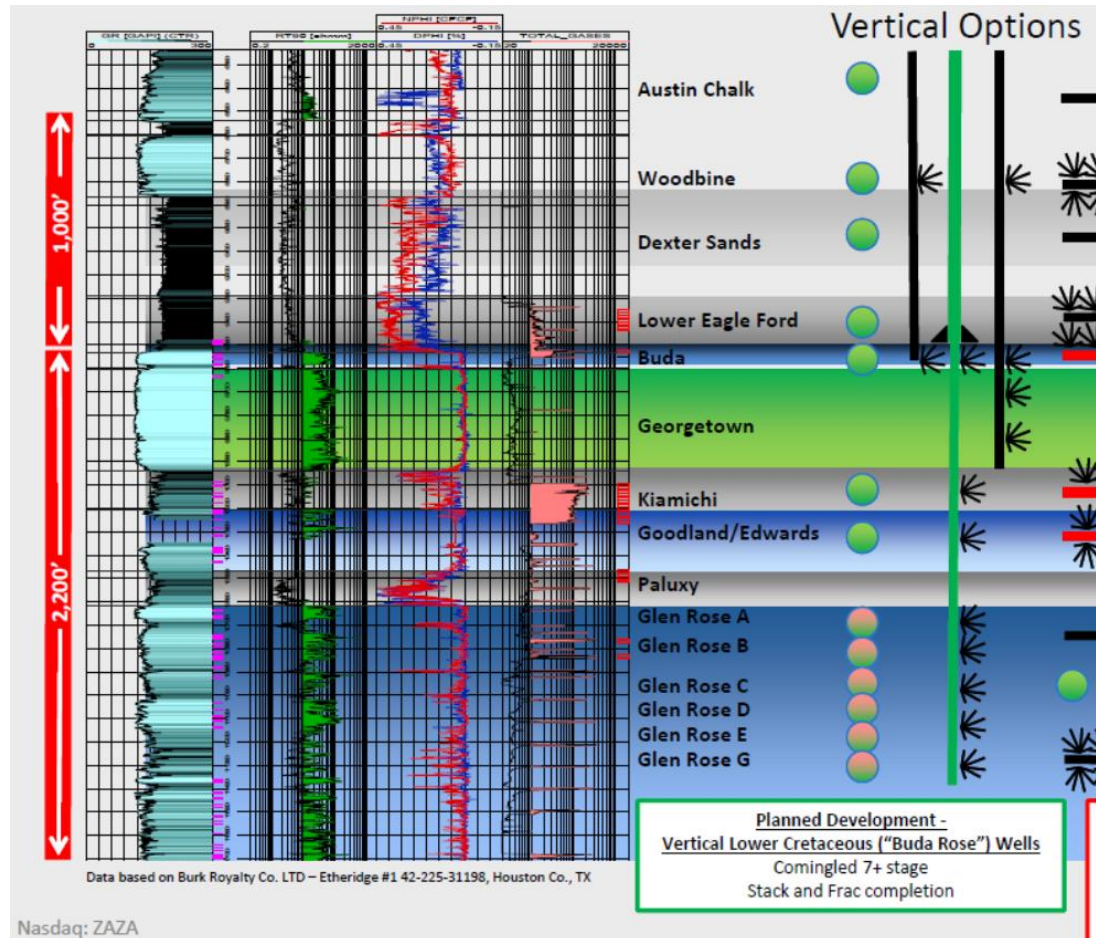
Vertical wells with multiple, vertically stacked, oil zones.

Fracked in stages, just like long horizontal wells.

AFE to D&C <50% of a lateral D&C cost.

Can deliver better returns than laterals in the current oil price environment.

Sun is investigating this for the Seale #1V well.



USA UNCONVENTIONAL SELF-HELP: Re-Fracking

Re-fracking has the potential to enhance flow rates and estimated ultimate recovery (“EUR”) by re-entering existing, fracked, unconventional lateral and vertical wells.

Sun is investigating this option for the Seale #1H Lower Woodbine lateral.

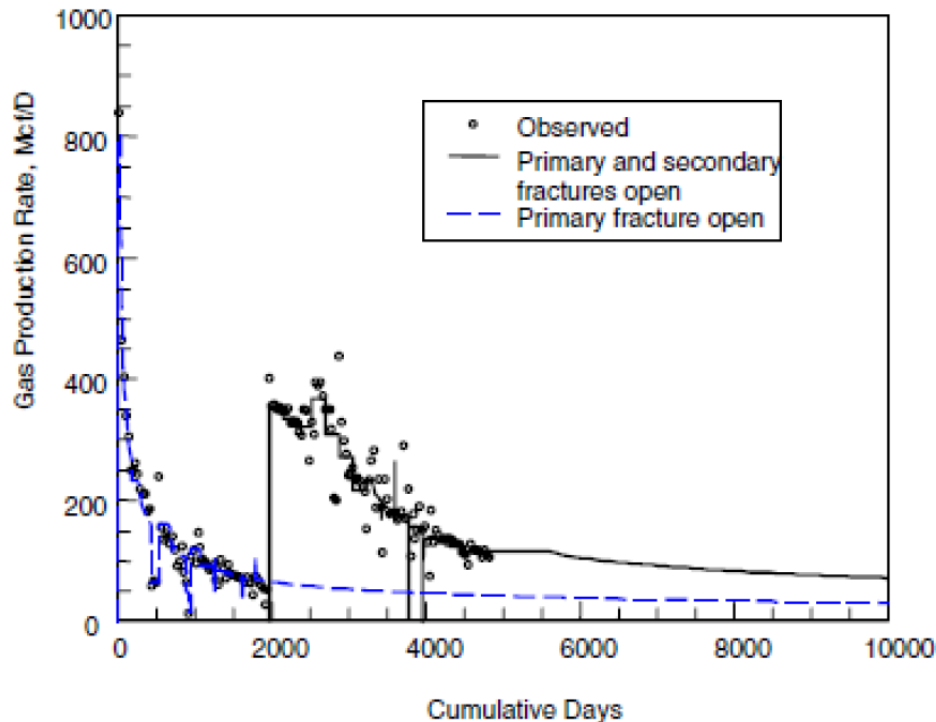
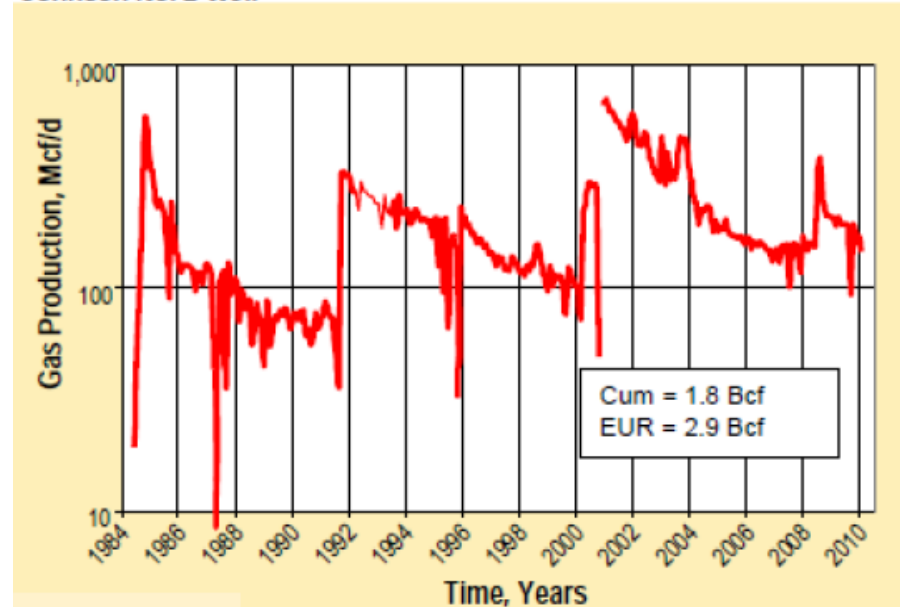


Fig. 2a-Production history of Well C before and after successful refracture treatment

Johnson No. 2 Well



The concept of “Stress Shadow Fracking” (and ‘zipper fracks’) involves fracking two parallel wells and allowing the fracture networks to ‘interfere’ with one another to access a larger productive rock volume than either well on its own.

Sun is investigating this option for future wells in Normangee and SW Leona Oil Projects.



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