



Thursday 04 September 2014

Sun Executes Rig Contract For Jack Howe #1H Lower Woodbine Lateral

- Sun Resources NL (“**Sun**”) is pleased to announce that it has executed a drilling contract with Nabors Drilling USA LP to provide a rig to drill the horizontal well bore at the Jack Howe #1H location.
- Sun’s first operated horizontal well, in the Normangee Oil Project, is set to spud shortly, after planning and rig mobilization is completed.
- Sun expects the Jack Howe #1H lateral well to take approximately three weeks to drill and case the primary objective Lower Woodbine Formation.
- The drilling program includes approximately 5,500 feet of horizontal section to be drilled and cased with 5.5 inch casing, ahead of a multi-stage fracking program.

Sun Resources NL (“**Sun**” or “**Company**”) (ASX: SUR) is pleased to announce that it has executed a contract with Nabors Drilling USA LP to provide a suitable rig to drill the horizontal well in the Lower Woodbine Formation at the Jack Howe #1H well location, within Sun’s Normangee Oil Project (Sun 50%WI and Operator).

The drilling rig will shortly mobilize to the location and set up over the existing vertical pilot well. The drilling program includes re-entering the existing vertical well, bore, drilling out the cement plugs and deviating the well in a northerly trajectory to drill and case approximately 5,500 feet (1,676 meters) of horizontal well bore. The target formation is the Lower Woodbine which will be intersected at a target depth below 8,100 feet measured vertical depth (2,470 meters). The drilling and casing operation will likely take approximately three weeks to complete. After the well is cased, a final hydraulic fracking program will be prepared for execution in October 2014, subject to equipment availability. Further updates will be provided as operations progress.

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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.

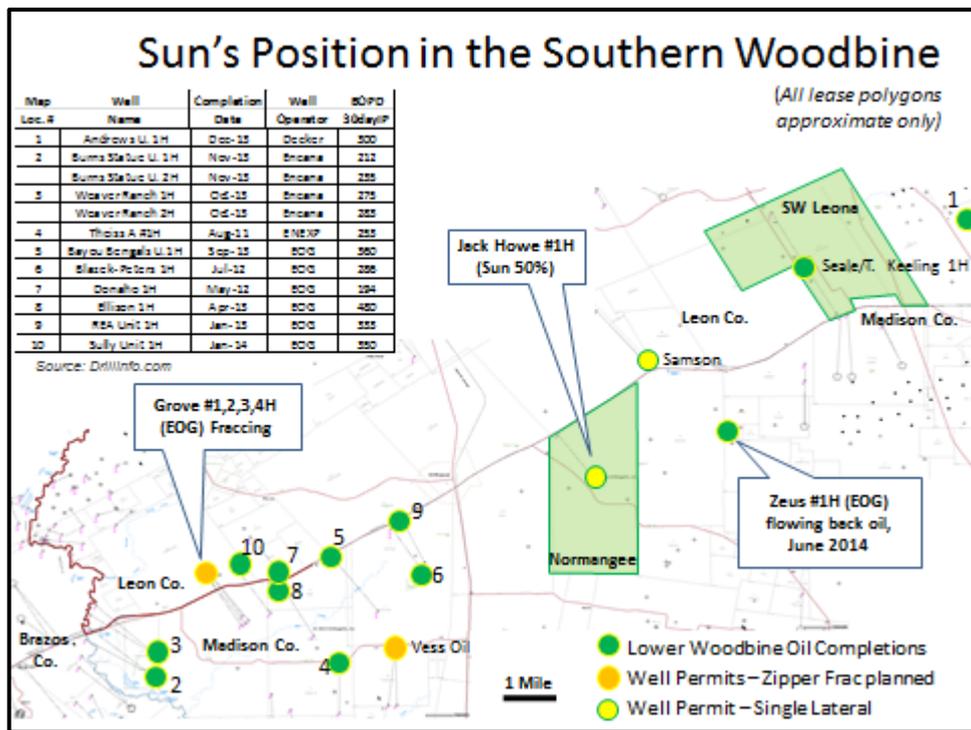


Figure 1: Location of EOG's Lower Woodbine Oil-producing lateral wells and relative position of Sun's Normangee and SW Leona Oil Project areas.

Sun notes EOG Resources LLC ("EOG") (one of the biggest and most successful independent oil companies in the USA with a market capitalization over US\$ 50 billion (NYSE: EOG)) has entered the Southern Woodbine area where Sun already has an established land position and has been actively leasing additional acreage recently. EOG has successfully drilled and completed 7 'laterals' in the Lower Woodbine target, to the east and west of Sun's Normangee Oil Project, in the same Lower Woodbine target identified in Sun's Jack Howe vertical pilot well. To date, EOG's Lower Woodbine laterals have delivered a range of 30-day initial production rates of between 200-600 barrels oil per day. The most recent EOG lateral completion, Zeus #1H was drilled and successfully completed only 6 km east of Sun's Jack Howe #1H vertical pilot well. Zeus #1H is currently on flow-back and its results will be reported as soon as they become public records. Furthermore Sun understands EOG is now fracing 4 wells in the Grove area, west of Normangee.