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Drilling Operations Commence At Jack Howe #1H Lower Woodbine Lateral

- Sun Resources NL has commenced drilling operations at the Jack Howe #1H location
- This is Sun's first operated horizontal well in the Normangee Oil Project
- Sun will re-enter the cased vertical pilot well and drill a lateral at target depth
- The vertical pilot well observed hydrocarbons in the Lower Woodbine target formation
- 7 Adjacent 'laterals' to Jack Howe #1H drilled by EOG Resources Inc have delivered a range of 30-day initial production rates (IP rates) of between 200 – 600 barrels oil per day
- 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 drilling operations have commenced at the Jack Howe #1H well location within Sun's Normangee Oil Project. Sun (50%WI and Operator) will execute the drilling program using the Nabors Drilling USA LP Rig #53 to re-enter the existing vertical pilot well bore at the Jack Howe #1H well location.

The initial steps of the drilling operation will include:

1. setting up over the well location and re-entering the existing, cased vertical well bore,
2. drilling out the cement plugs and drilling a new deviated well bore to build angle toward horizontal,
3. continuing to drill 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. Further updates will be provided as operations progress.

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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 shall there be 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.

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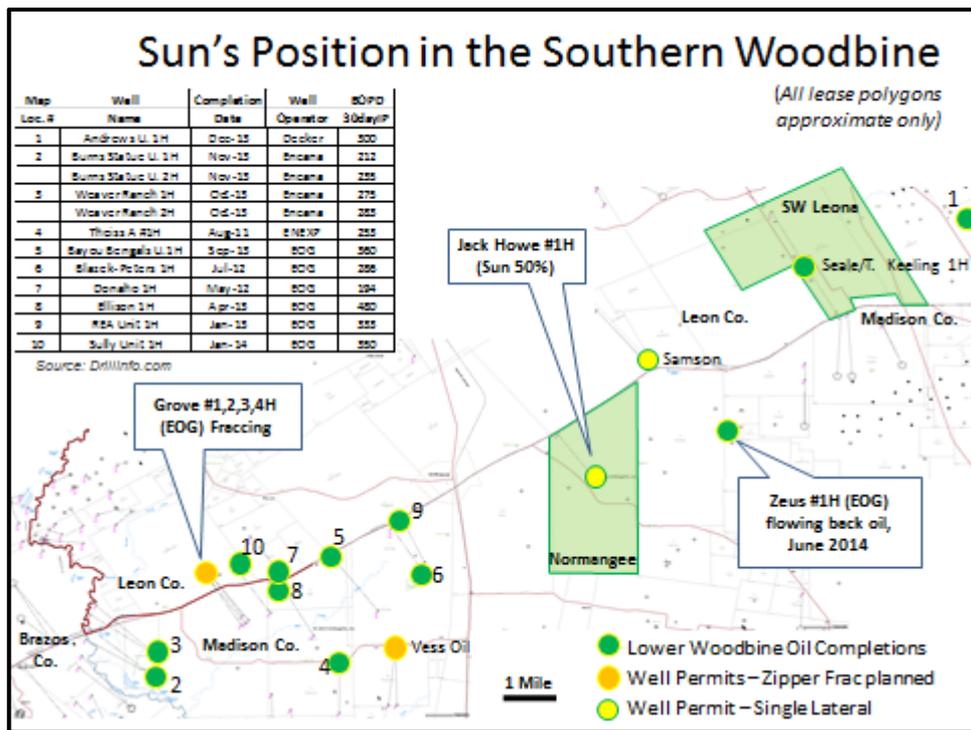


Figure 1: Location of EOG's Lower Woodbine Oil-producing lateral wells and relative position of Sun's Normangee and SW Leona Oil Project areas.

Sun notes EOG Resources Inc ("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.