



Monday 15 September 2014

## Significant Oil Discovery Confirmed Adjacent to Sun's Jack Howe #1H

- EOG Resources has reported a greater than 500 barrels oil equivalent per day ("boepd") initial production rate at the Zeus #1H Lower Woodbine Lateral oil well
- Zeus is located adjacent to Sun's Jack Howe #1H approximately 7kms to the North East
- Sun commenced drilling at Jack Howe on 11 September targeting the Lower Woodbine formation from which Zeus is currently producing from
- Jack Howe vertical pilot well observed hydrocarbons in the Lower Woodbine formation
- Sun is buoyed by the nearby significant flow rates reported
- EOG also reported that a total of 23,860 barrels of oil was produced during Flowback before the 1-day flow rate was recorded

Sun Resources NL ("**Sun**" or "**Company**") (ASX: SUR) is pleased to announce that EOG Resources Inc., ("EOG") has reported a 24-hour flow rate for the Zeus #1H horizontal Lower Woodbine well, adjacent to the east of the Jack Howe #1H well location within Sun's Normangee Oil Project. Sun (50%WI and Operator) has contracted the Nabors Drilling USA LP Rig #53 to re-enter the existing vertical pilot well bore at the Jack Howe #1H well location and operations have commenced there.

EOG reported that the 24-hour flow rate of 299 barrels oil, 150 mcf gas, and 184 barrels of water was recorded on 6 August 2014 but was preceded by the flow back of 23,860 barrels of oil prior to making the report. Sun staff observed that EOG's multi-stage frac job at Zeus #1H was completed in mid-June 2014. Therefore, an average 30-day IP rate can be estimated across approximately 50 days of flow back, giving a 30-day IP of at least 500 boepd. The oil tested was measured at an API gravity of 38° and a gas-to-oil ratio ("GOR") of 501, measured on a 22/64ths" choke (8.7mm).

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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.

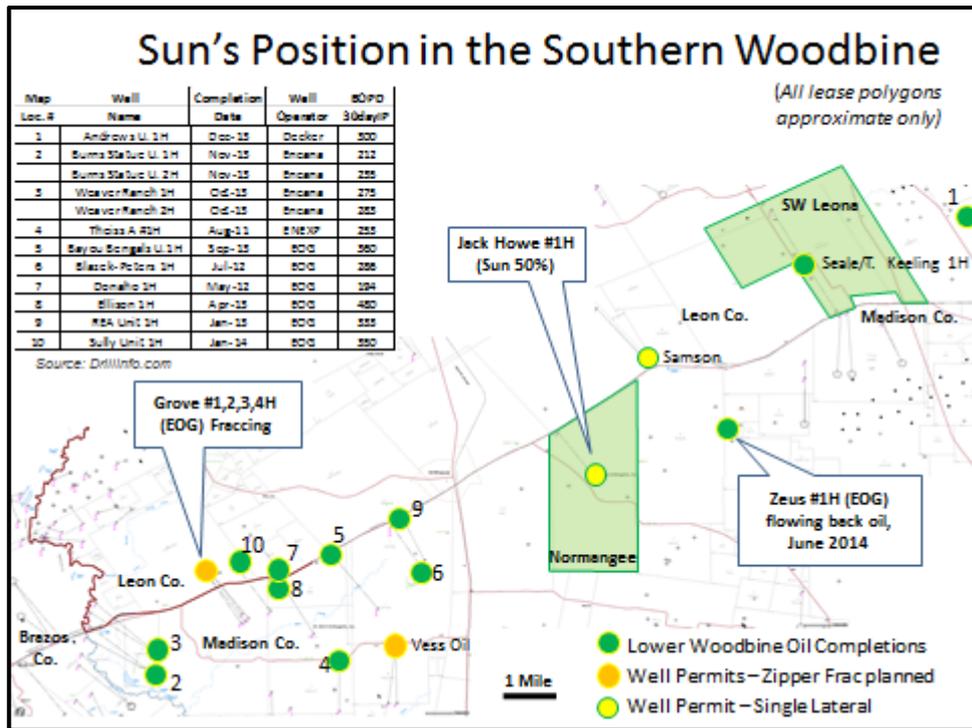


Figure 1: Location of EOG's Lower Woodbine Oil-producing lateral wells and relative position of Sun's Normangee and SW Leona Oil Project areas.

Sun notes EOG Resources 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 now on long term production and a drilling rig is currently active on the Zeus #2H location, due east of Normangee.