



Thursday 09 October 2014

## Sun Prepares Frac Design for Jack Howe #1H Lateral

- Sun Resources NL has released the drilling rig after casing the lateral section of the Jack Howe #1H well in the Normangee Oil Project.
- The strong oil and gas shows observed in the lateral well bore are consistent with the integrated wireline log and core analysis data from the vertical pilot hole that has confirmed a 250 feet section of oil pay within the “unconventional” Lower Woodbine Target.
- Detailed planning for the multi-stage hydraulic fracturing program on the lateral section of Jack Howe is continuing.

---

Sun Resources NL (“**Sun**” or “**Company**”) (ASX: SUR) is pleased to announce that the Nabors Drilling USA LP Rig #53 has been released from the Jack Howe location.

Detailed planning for the multi-stage hydraulic fracturing operation at Jack Howe is continuing in Dallas. The first stage is to model the fracturing response on the reservoir rock using the mechanical properties of the formation, as measured by wireline log and core analysis. This iterative process will conclude with a proposed fracturing design that will then be bid out to local fracturing service companies. Sun anticipates that the frac design will mirror that of the wells adjacent to Jack Howe, including those operated by EOG Resources Inc. This design will be applied to the oil pay identified in the Jack Howe pilot well targeting the strong oil and gas shows in the lateral section of the well. Further updates will be provided as planning progresses.

### **Oil Pay Confirmed by Core Analysis, Wireline Log Analysis and shows while drilling**

Results of the analysis of the conventional core recovered from the Lower Woodbine in the Jack Howe #1H vertical pilot well were integrated with the wireline logs to identify the potential oil pay in the well. A total of approximately 250 feet (75 metres) of oil pay is interpreted from the wireline logs, with the core analysis data now integrated. This thickness of oil pay is in line with Sun’s pre-drill expectations and confirms the potential for Lower Woodbine oil pay across Sun’s Southern Woodbine leases. This pay interval is the zone which was the target for the Jack Howe #1H lateral and the pay potential has been confirmed by the strong oil and gas shows during drilling of the horizontal section, with a total of approximately 6,100 feet of lateral section has been drilled.

**For further information please contact:**

#### **Sun Resources**

Telephone: +61 (08) 9321 9886

Email: [admin@sunres.com.au](mailto:admin@sunres.com.au)

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.

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.

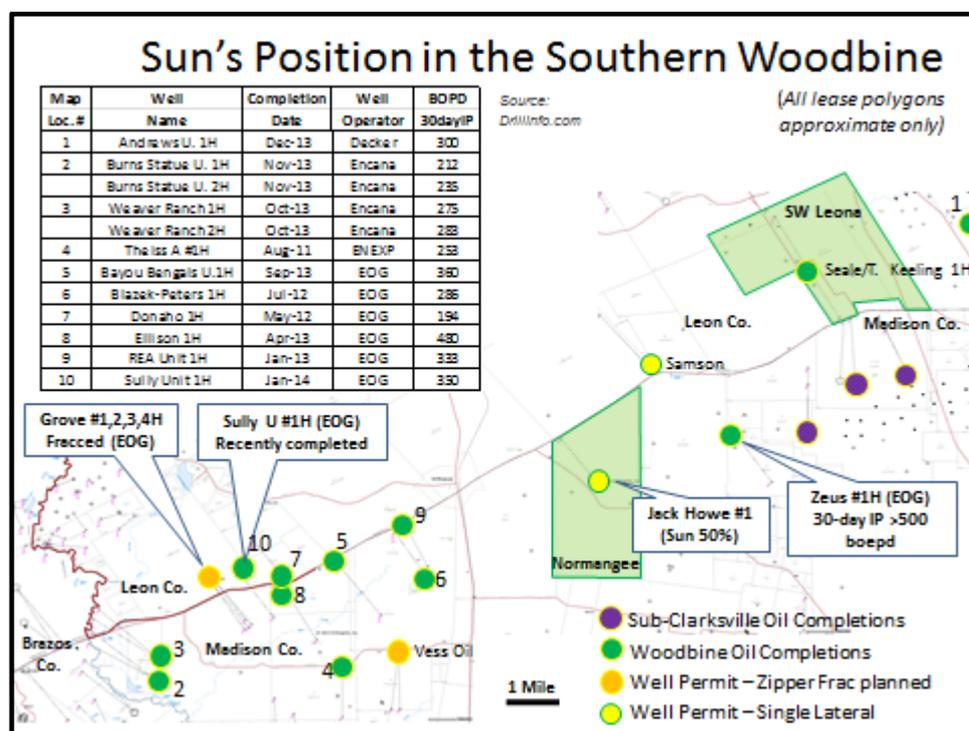


Figure 1: Location of EOG's Lower Woodbine Oil-producing lateral wells and relative position of Sun's Normangee and SW Leona Oil Project areas

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 currently on production with a minimum 500 boepd 30-day IP reported. Zeus #2H is currently being drilled adjacent to Zeus #1H. Sun also understands EOG has completed fracing 4 wells in the Grove area, west of Normangee, with flow back results to be reported in due course.