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FOR IMMEDIATE RELEASE

General Manager
The Company Announcements Office
Australian Securities Exchange

Activities Update

Sundance to Participate in Bakken/Three Forks Test Well

The Board of Directors of US based oil and gas developer Sundance Energy Australia Limited (ASX: SEA) is pleased to provide the following Activities Update.

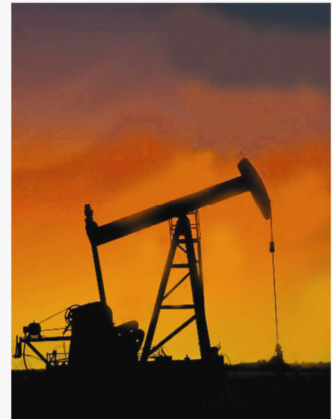
Sundance, along with its partner American Oil and Gas, Inc. (AMEX: AEZ) has entered into a Participation Agreement at its Williams County, North Dakota Goliath Bakken project with a leading industry partner; this Participation Agreement supplants that which the Company entered into with RTA in 2008 (see the Company's ASX Release dated 10 October 2008).

The industry partner has extensive experience in Bakken and Three Forks drilling and completion activities. Pursuant to the agreement, this partner will have the opportunity to earn 25% of Sundance's and American's working interest in approximately half of the 60,000 net acres at Goliath by funding 100% of Sundance's and American's interests in a one well drill-to-earn arrangement. Sundance will be carried for and will retain 30% (~1.35%) of its original interest (~4.5%) in the well and the drill site spacing unit. Sundance will also be paid up to an additional \$57,000 as part of the agreement.

The drilling location has been prepared for the Tong Trust 1-20H earning well, located in Sections 17 and 20 of T157N-R96W, Williams County, North Dakota and drilling is expected to commence before year-end.

The Tong Trust earning well is spaced on 1,280 acres and is designed for an approximate 9,000 foot (2,743 metre) horizontal lateral to be drilled in the Bakken formation. Completion is expected to include fracture stimulation with up to 24 stages. The industry partner will conduct the drilling and completion operations on the Tong Trust earning well; American retains the right to operate all future wells in the project.

Jayme McCoy, Sundance's Managing Director, commented: "Recent advancements in drilling and completion techniques that have resulted in successful Bakken and Three



"We are very pleased to be working on this project with an industry leader with extensive experience in the Bakken and Three Forks. Their participation gives us a great opportunity to secure good results on this well and to secure invaluable knowledge to be applied in the future development of this prospect." said managing director Jayme McCoy.





ASX Code: SEA

Forks wells by other operators in this area of North Dakota will be incorporated into our upcoming program. Primary among these advancements is the application of increased number of frac stages which has shown significant improvements in well performance across the basin. While our interest is small in this well, it is an important step in proving up the Bakken/Three Forks in the Goliath Prospect and should set the groundwork for a significant increase in activity in this prospect in the New Year. We are also excited to be joined in this project by one of the industry's leaders.”

For further advice on this release, please contact:

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About Sundance Energy Australia Limited

Sundance Energy Australia Ltd (ASX: SEA) is an Adelaide-based, independent energy exploration Company, with a wholly owned US subsidiary, Sundance Energy, Inc., located in Colorado, USA. The Company is developing projects in the US and Australia. In the US, Sundance is primarily focused on large, repeatable resource plays where it develops and produces oil and natural gas reserves from unconventional formations.

A comprehensive overview of the Company can be found on the Company's website at www.sundanceenergy.com.au.

