



1 December 2010

The Manager
Company Announcements Platform
ASX Limited

Update on EP 389 Farmin

As announced on the ASX on 15 and 16 November 2010, Sun Biomedical Limited (**SBN**) has entered into an Option Agreement for the acquisition of Cottesloe Oil and Gas Pty Ltd (**COG**).

The option under the Option Agreement (**Option**) is exercisable for a 6 month term, and the exercise of the Option by SBN is conditional on a number of factors. These conditions include the execution of a formal farmin agreement between COG and the holders of the exploration licence, EP 389 (**Farmin Agreement**). SBN also agreed to make certain payments to COG subject to the Farmin Agreement being executed by 30 November 2010.

SBN has been advised that COG and the holders of EP 389 are still in the process of negotiating the terms of the Farmin Agreement. As a result, SBN and COG have agreed to extend the agreed date for execution of the Farmin Agreement, any payments from SBN to COG, and completion of due diligence until 15 December 2010.

SBN will continue to update the market once it receives confirmation of the outcome of the negotiations.

A handwritten signature in black ink, appearing to read 'Terry Cuthbertson', written over a horizontal line.

Terry Cuthbertson
Director