

15 February 2011

ASX Limited  
Company Announcements  
Level 4, 20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

## **Tapao Kaew #1 Drilling Update: Onshore Thailand**

Sun Resources NL ("**Sun**" or "**the Company**") (**ASX:SUR**) is pleased to announce an update on the drilling activity at the first well, Tapao Kaew #1, managed by Carnarvon Petroleum Limited ("**Carnarvon**"), the Operator of L20/50 onshore Thailand.

### **Progress**

The Operator reports that Tapao Kaew #1 well has completed the setting of intermediate casing and is drilling ahead in 8 ½" hole as planned. As at 6:00 am on 15 February, the well had drilled to 1600 m on the way to total depth ("TD") of 1,715m.

### **Forward Plan**

Operations for the next 2-3 days will be to complete drilling of the well, and running and evaluating wireline logs. Upon analysis of logs the well will either be completed for production testing or plugged and abandoned.

### **Results**

The primary formation marker target is interpreted to have been intersected as proposed at a depth of around 800m. No significant reservoir sections have been intersected to date in this well, resulting in a slower than anticipated drilling through claystone formation and also a lack of hydrocarbon shows. Reservoir quality fluvial deltaic sands, as interpreted from nearby well analogues, are still anticipated to be intersected deeper in the section.

Further updates will be issued as the well progresses.

### **Tapao Kaew**

The Tapao Kaew Prospect is located onshore central Thailand in the Phitsanulok basin, approximately 350 km north west of Bangkok and 50km south of the prolific Sirikit Oil Field (producing ~20,000 bopd with >200 mmboc estimated ultimate recovery). The Tapao Kaew Prospect is targeting a 4-way anticlinal structure with stacked targets on the western edge of the basin, immediately adjacent to the interpreted hydrocarbon kitchen. The Joint Venture estimates the Tapao Kaew Prospect to have a gross speculative potential resource of approximately 21 million barrels. The proposed total depth for Tapao Kaew #1 is around 1,715 metres and it will test up to three separate mapped horizons.

## Peak Farm-Out

As previously advised, Peak Oil and Gas Limited (“**Peak**”) will free-carry Sun through its share of the first well in this multi-well programme. Sun will maintain a very significant 42.5% interest in L20/50 following farm-out to Peak, providing maximum leverage to its shareholders in this multi-well drilling programme that will test up to **90 million barrels of oil** (speculative potential which is a best estimate based on gross recoverable oil).

For more information and regular updates, please visit the website: [www.sunres.com.au](http://www.sunres.com.au)

Yours faithfully

**SUN RESOURCES NL**



Matthew Battrick  
**MANAGING DIRECTOR**

Information contained in this report was sourced from the Operator of the Joint Venture in which the Company has an interest and was compiled by the Managing Director of Sun Resources, Matthew Battrick, BSc (Geol), MPESA, MPESGB, MAAPG, GAICD who has 30 years experience in the practice of geology and more than 25 years experience in petroleum geology.



**AD-1 Drilling Rig**

## About the L20/50 Multi-well Drilling Programme

### **Well # 1 - the Tapao Kaew Prospect**

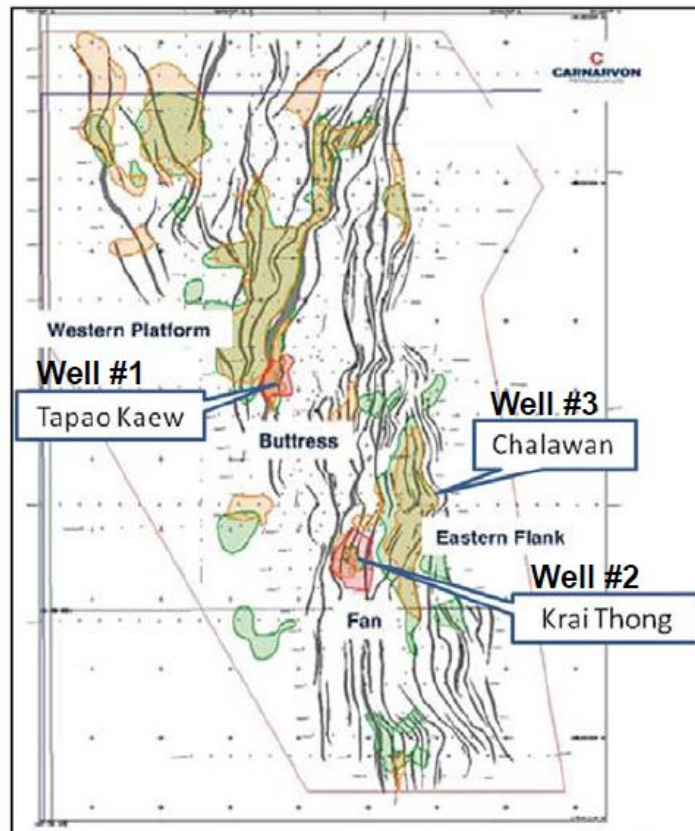
The Tapao Kaew Prospect (figure 1) is a 4-way anticlinal structure with stacked targets on the western edge of the basin, immediately adjacent to the interpreted hydrocarbon kitchen. The Joint Venture estimates the Tapao Kaew Prospect to have a gross speculative potential resource of approximately 21 million barrels. The Tapao Kaew #1 well is testing up to three separate mapped horizons between approximately 750 - 1,715 metres.

### **Well # 2 - the Krai Thong Prospect**

The second well will be drilled into the Krai Thong Prospect (fig. 1), a faulted anticlinal structure with multiple stacked targets. The Joint Venture estimates the Krai Thong Prospect to have a gross speculative potential resource of approximately 37 million barrels. The Krai Thong #1 well will target two separate mapped horizons between approximately 700 - 1,450 metres.

### **Well # 3 (Contingent) - the Chalawan Prospect**

If sufficient encouragement is demonstrated by the first two wells, the Joint Venture may drill a third well as part of this initial drill program. This well would be at the Chalawan Prospect (fig. 1). This structure comprises a series of tilted fault closures on the eastern edge of the basin. The Joint Venture estimates the Chalawan Prospect to have a gross speculative potential resource of approximately 32 million barrels. If this prospect is drilled, it is planned to be a shallow well to a total depth of 950 metres.



**Figure 1, Prospect location map, L20/50 Permit**

### **About the L20/50 Permit**

The L20/50 permit lies on the onshore Phitsanulok Basin, located between Thailand's two largest producing onshore field complexes, being the next basin along from Carnarvon Petroleum Limited's Phetchabun Basin Oil Fields (producing up to 15,000 bopd with >60 mmboc estimated ultimate recovery) and 20 kilometres south, in the same basin as the prolific Sirikit Oil Field (producing ~20,000 bopd with >200 mmboc estimated ultimate recovery).

The L20/50 Joint Venture exploration program is targeting a resource of similar size to that of Carnarvon and Pan Orient who are producing up to 15,000 bopd (with >60 mmboc estimated gross ultimate recovery) from a number of new oil pools in the "volcanic play" in the adjacent Phetchabun Basin, 50 kilometres to the east. The primary reservoir target in the wells testing the firm prospects is the traditional sandstone reservoirs that produces most of the oil from the prolific Sirikit Oil Field and is present in multiple levels in the Nong Bua-1 well within L20/50.