



20 December 2010

The Manager
Company Announcements Platform
ASX Limited

Proposed farmin to EP 389 ended

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

The option under the Option Agreement (**Option**) was exercisable for a 6 month term, and the exercise of the Option by SBN was conditional on a number of factors. These conditions included 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.

As announced on 1 December 2010, SBN and COG agreed to extend the date for execution of the Farmin Agreement, any payments from SBN to COG, and completion of due diligence until 15 December 2010.

Following the announcement on 16 December 2010 the parties were unable to agree upon an appropriate transaction structure for the acquisition by SBN of COG which would allow SBN to farm in to EP 389.

Consequently, the proposed transaction for SBN to acquire COG and to farmin to EP 389 is at an end.

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

Terry Cuthbertson
Director