



# SUN RESOURCES NL

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ASX Announcements  
Australian Stock Exchange  
Level 4, 20 Bridge Street  
SYDNEY, NSW 2000

## RE: SHALLOW WELL PROGRAM UPDATE - PROJECT MARGARITA, SOUTH TEXAS COMMENCEMENT OF CLIMACO #1 DRILLING

Sun Resources NL ("Sun Resources") is pleased to advise that Climaco-1, the third well in the current shallow exploration program commenced drilling on Friday July 12, 2007. Current activity is drilling ahead from reported depth of 838 meters (2,750 feet).

### **Background**

The Climaco Prospect is the third of the three prospects being drilled in the Phase 2 shallow drilling program on Project Margarita that are analogues of historic prolific Frio and Vicksburg sands production in the project area at <2,000 meters depth. The prospects with mean potential target outcomes, final well depths and current status are summarised below.

Prospect	Potential Reserves Mean BCF	Total Well Depth Metres	Status
Climaco	1.60	1,981	Current Well
Dona Carlota	0.62	1,524	Drilled – Gas discovery tested, being connected to sales line.
Agavero	0.70	1,341	Drilled – Gas discovery yet to be tested and completed for production

Participants' interests in the final 3 wells of the Margarita shallow gas program are;

	<u>% Interest</u>
# Sun Resources NL	<b>20.00%</b>
# Victoria Petroleum NL	20.00%
*Empyrean Energy PLC	44.00%
+Wandoo Energy LLC	<u>16.00%</u>
# ASX listed; * AIM listed (farminee); + USA Private Interests	100.00%

Yours sincerely  
**SUN RESOURCES NL**

Dr Brad L Farrell  
**EXECUTIVE CHAIRMAN**

This report is lodged on the Company's website, [www.sunres.com.au](http://www.sunres.com.au)  
Information contained in this report was sourced from information provided by the project operator and compiled by Dr B. L. Farrell, PhD, MSc, BSc (Hons Eco.Geol), FAIMM, MICA, CPGeol, MIMM, MPESA, who has had 37 years experience in the practice of geology and more than 5 years experience in petroleum geology.

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