



SUN RESOURCES NL

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(INCORPORATED IN WESTERN AUSTRALIA)

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

RE: PROJECT MARGARITA, SOUTH TEXAS SHALLOW WELL PROGRAM DRILLING AND TESTING UPDATES

Sun Resources NL ("Sun Resources") is pleased to advise the following updates.

PRODUCTION TESTING DONA CARLOTA GAS FIELD

The Operator, Wandoo Energy LLC (Wandoo) has advised that following further production testing at Dona Carlota-1, including a four point test, that the **Calculated Absolute Open Flow Rate (CAOF) for the Dona Carlota-1 well is 20.5 million cubic feet of gas per day.**

While the Dona Carlota-1 well will not be produced at this CAOF rate into the sales gas pipeline when connected at the end of July 2007, **the high CAOF rate demonstrates the excellent gas deliverability of the target Frio sand.** An initial sales production rate of 1+ million cubic feet per day of gas is anticipated from the 14 metre gross gas column and net pay of 5.6 metres over the interval 1,423 – 1,437 metres.

CLIMACO #1

Climaco-1, the third well in the current shallow exploration program is drilling ahead from reported depth of 1,106 metres (3,629 feet) to the Lower Vicksburg target on the Climaco Prospect.

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.
Agavero	0.70	1,341	Gas discovery awaiting testing
Dona Carlota	0.62	1,524	Gas discovery being connected to sales line.

2.

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

	<u>% Interest</u>
# Sun Resources NL	20.00%
# Victoria Petroleum NL	20.00%
*Empyrean Energy PLC	44.00%
+Wandoo Energy LLC	<u>16.00%</u>
	100.00%

ASX listed; * AIM listed (farminee); + USA Private Interests

Yours sincerely

SUN RESOURCES NL



Dr Brad L Farrell

EXECUTIVE CHAIRMAN

This report is lodged on the Company's website, 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.