



SUN RESOURCES NL

ABN 69 009 196 810
(INCORPORATED IN WESTERN AUSTRALIA)

Unit 16, Subiaco Village, 531 Hay Street
SUBIACO, WA 6008, Australia
PO Box 1786, WEST PERTH, WA 6872, Australia

Email: admin@sunres.com.au
Telephone: 61 8 9388 6501
Facsimile: 61 8 9388 7991

17 October 2007

Companies Announcements Office
ASX Limited
20 Bridge Street
SYDNEY, NSW2000

RE: ENTITLEMENT ISSUE NOTICE

Sun Resources NL (“Sun” or the “Company”) advises it is making a fully underwritten pro-rata non-renounceable entitlement issue to shareholders who are registered at 5.00pm WST on 26 October 2007 (“Record Date”) of approximately 28,459,298 shares at an issue price of \$0.07 each to raise approximately \$1,992,151 (before expenses of the issue) (“Entitlement Issue”). The shares will be offered on the basis of 1 new share for every 6 shares held on the Record Date.

The Company is making the Entitlement Issue without a disclosure document, pursuant to the exemption granted in section 708AA of the Corporations Act 2001 (Cth) (the “Act”).

The Company gives the following information under section 708AA of the Act:-

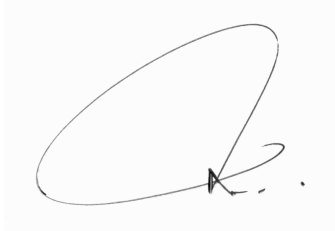
- (a) the Company will offer the shares for the issue without disclosure to investors under Part 6D.2 of the Act;
- (b) the Company is providing this notice under paragraph 2(f) of section 708AA of the Act;
- (c) as at the date of this notice, the Company has complied with:-
 - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (ii) section 674 of the Act;
- (d) as at the date of this notice there is no excluded information that is required to be set out in this notice by section 708AA(7)(d) of the Act;
- (e) under the Entitlement Issue, approximately 28,459,298 shares (subject to rounding) will be issued (this number may have to be increased by up to 3,750,000 shares if existing option holders exercise their options prior to the Record Date). The shares will be issued for \$0.07 each.

The Entitlement Issue is fully underwritten by Hartleys Limited (or the underwriter) for a fee of 6% of the total amount to be raised. In addition, all of the Directors have agreed to take up their full entitlement under the Entitlement Issue and Dr B L Farrell and Mr A P Woods have agreed to sub-underwrite a further 220,536 and 1,000,000 shares respectively of any Entitlement Issue shortfall for a fee of 1% of their respective firm and sub-underwritten amounts.

Upon completion of the Entitlement Issue, and assuming no existing option holders exercise their options, the issued capital of the Company will comprise approximately 199,215,083 shares. If all shareholders take up their entitlements under the Entitlement Issue, the Entitlement Issue will have no effect on the control of the Company. If no shareholders take up their entitlements under the Entitlement Issue, the underwriter Hartleys Limited together with its sub-underwriters would acquire up to 28,459,298 shares, representing up to 14% of the Company's voting shares.

Following this notice is an Appendix 3B – New Issue Announcement, applying for quotation of the shares referred to above, proposed to be issued.

Signed for and on behalf of the Issuer

A handwritten signature in black ink, appearing to be 'A P Woods', written over a light grey rectangular background.

A P Woods
Company Secretary
Sun Resources NL

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000.

Name of entity

SUN RESOURCES NL

ACN, ARBN or ARSN

69 009 196 810

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | ORDINARY SHARES |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 28,459,298 |
| 3 | Principal terms of the +securities (e.g., if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | PRO-RATA ISSUE OF NEW SHARES AT A PRICE OF 7 CENTS PER NEW SHARE, TO RAISE UP TO \$1,992,151 (BEFORE EXPENSES OF THE ISSUE). |

4	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>YES</p>						
5	<p>Issue price or consideration</p>	<p>7 CENTS PER NEW SHARE.</p>						
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets).</p>	<p>FUNDS RAISED PURSUANT TO THE ENTITLEMENT ISSUE WILL BE APPLIED PREDOMINATELY TO INCREASING PRODUCTION CASH FLOW IN THE USA AND ADVANCING SUN'S OIL AND GAS BUSINESS IN THAILAND.</p>						
7	<p>Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>21 NOVEMBER 2007</p>						
8	<p>Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;">+Class</th> </tr> </thead> <tbody> <tr> <td>199,215,083</td> <td>ORDINARY SHARES</td> </tr> <tr> <td>28,459,298</td> <td>NEW SHARES</td> </tr> </tbody> </table>	Number	+Class	199,215,083	ORDINARY SHARES	28,459,298	NEW SHARES
Number	+Class							
199,215,083	ORDINARY SHARES							
28,459,298	NEW SHARES							

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable)	4,800,000 25 CENT UNLISTED CONTRIBUTING SHARES PARTLY PAID TO 2.5 CENTS.
	12,500,000	LISTED OPTIONS AT 20 CENTS EACH EXPIRING 30 DECEMBER 2008.
	2,000,000	UNLISTED OPTIONS AT 25 CENTS EACH EXPIRING 29 FEBRUARY 2008.
	2,000,000	UNLISTED OPTIONS AT 35 CENTS EACH EXPIRING 30 APRIL 2008.
	2,000,000	UNLISTED OPTIONS AT 45 CENTS EACH EXPIRING 30 JUNE 2008.
	4,000,000	UNLISTED OPTIONS AT 10 CENTS EACH EXPIRING 30 JUNE 2010.

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

NO CHANGE

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	NON-RENOUNCEABLE
13	Ratio in which the +securities will be offered	1 NEW SHARE FOR 6 ORDINARY FULLY PAID SHARES
14	+Class of +securities to which the offer relates	ORDINARY SHARES
15	+Record date to determine entitlements	26 OCTOBER 2007
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	ROUNDED DOWN TO NEAREST WHOLE NUMBER OF NEW SHARES.
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	TO ALL SHAREHOLDERS WHEREVER THEY RESIDE WITH THE EXCEPTION OF THE USA
19	Closing date for receipt of acceptances or renunciations	13 NOVEMBER 2007
20	Names of any underwriters	HARTLEYS LIMITED
21	Amount of any underwriting fee or commission	6% PLUS GST
22	Names of any brokers to the issue	HARTLEYS LIMITED
23	Fee or commission payable to the broker to the issue	SEE ABOVE
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A

26	Date entitlement and acceptance form and offer document will be sent to persons entitled	30 OCTOBER 2007
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	17 OCTOBER 2007
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do *security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do *security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do *security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	*Despatch date	23 NOVEMBER 2007

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

(If the additional securities do not form a new class, go to 43)

Tick to indicate you are providing the information or documents

35 The names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 A distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

(now go to 43)

Entities that have ticked box 34(b)

38 Number of securities for which
+quotation is sought

N/A

39 Class of +securities for which
quotation is sought

N/A

<p>40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>N/A</p>
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<p>41 Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	<p>N/A</p>
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<p>42 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;">+Class</th> </tr> <tr> <td style="text-align: center;">N/A</td> <td></td> </tr> </table>	Number	+Class	N/A		
Number	+Class					
N/A						

(now go to 43)

All entities

Fees

43 Payment method (tick one)


Cheque attached

Electronic payment made
Note: Payment may be made electronically if Appendix 3B is given to ASX electronically at the same time.

Periodic payment as agreed with the home branch has been arranged
Note: Arrangements can be made for employee incentive schemes that involve frequent issues of securities.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant to ASX that the issue of the +securities to be quoted complies with the law and is not for an illegal purpose, and that there is no reason why those +securities should not be granted +quotation. We warrant to ASX that an offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) of the Corporations Law.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 17 October_2007
(Director/Company secretary)

Print name: **ALAN PETER WOODS**
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17 October 2007

Companies Announcement Office
ASX Limited
20 Bridge Street
SYDNEY, NSW 2000

RE: ENTITLEMENT ISSUE

The Directors of Sun Resources NL (“Sun” or “the Company”) are pleased to announce an entitlement issue (“Entitlement Issue”) to raise approximately \$2 million. The Entitlement Issue is fully underwritten by Hartleys Limited.

The fully underwritten Entitlement Issue is non-renounceable and consists of 28,459,298 shares at an issue price of 7 cents per share on the basis of one new share for every six shares held by existing shareholders on the record date 26 October 2007. The Entitlement Issue will be made without a disclosure document pursuant to Section 708AA of the Corporations Act 2001 (Cth) (“Act”). Eligible shareholders will receive an Entitlement Issue offer document informing them on how they may accept the offer.

Funds raised pursuant to the Entitlement Issue will be applied predominately to increasing production cash flow in the USA and advancing Sun’s oil and gas business in Thailand.

The proposed timetable for the Entitlement Issue is as follows:-

Entitlement Issue Notice and Appendix 3B Application 2007	17	October
Existing shares quoted on an “ex” basis 2007	22	October
Record Date to determine entitlements 2007	26	October
Invitation to Participate and Entitlement and Acceptance Form sent to Shareholders 2007	30	October
Acceptance Close (Closing Date) 2007	13	November

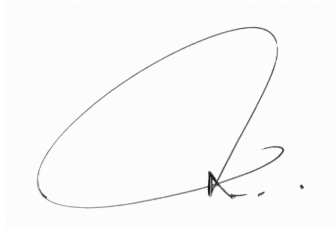
The key dates are subject to change and are indicative only.

Sun would like to thank all shareholders for their continued support and encourage them to consider the opportunities presented by the Entitlement Issue.

An entitlement issue notice pursuant to Section 708AA of the Act and an Appendix 3B are attached to this announcement.

Yours sincerely

SUN RESOURCES NL

A handwritten signature in black ink, appearing to be 'A P Woods', written on a light grey rectangular background.

A P Woods

Company Secretary



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17 October 2007

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ASX Limited
20 Bridge Street
SYDNEY, NSW2000

RE: NOTICE TO OPTIONHOLDERS OF PARTICIPATION IN ENTITLEMENTS ISSUE

Please find attached a Notice to Sun Resources NL option holders of their right to participate in the Company's pro-rata non-renounceable Entitlements Issue.

Yours sincerely
SUN RESOURCES NL

A P Woods
Company Secretary

Attach



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17 October 2007

Dear Option holder,

PARTICIPATION IN PRO-RATA NON-RENOUCEABLE ENTITLEMENTS ISSUE

As announced to ASX on 17 October 2007, Sun Resources NL (“Sun”) is undertaking a pro-rata non-renounceable entitlements issue to all shareholders of the Company who are registered as shareholders at 5pm Western Standard Time on 26 October 2007 (“Record Date”).

The shares offered pursuant to the Entitlements Issue will be offered at an issue price of \$0.07 for each fully paid ordinary share on the basis of 1 fully paid ordinary share for every 6 existing shares held on the Record Date.

The rights attaching to the shares together with all other relevant information relating to the Entitlements Issue will be given to shareholders on or about 30 October 2007. The Entitlements Issue is being made pursuant to Section 708AA of the Corporations Act 2001 (Cth) and accordingly, Sun is not required to lodge a disclosure document with the Australian Securities and Investments Commission or the ASX in respect of the Entitlements Issue.

Key Dates

The proposed timetable for the Entitlements Issue is as follows:-

Entitlement Issue Cleansing Statement and Appendix 3B Application	17 October 2007
Option Holders must lodge Notice of Exercise of options	23 October 2007
Record Date to determine entitlements	26 October 2007
Invitation to Participate and Entitlement and Acceptance Form Sent to Shareholders	30 October 2007
Acceptance Close (Closing Date)	13 November 2007

The dates are subject to change and are indicative only.

There is no inherent right in your options to participate in the Entitlements Issue, unless you exercise your options and are entered onto the register as a shareholder on or before the Record Date. The purpose of this letter is to give you notice prior to the Record Date in which you may exercise your options should you wish to participate in the Entitlements Issue.

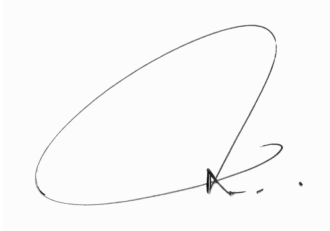
If you wish to participate in the Entitlements Issue, you must exercise your options in time for the new shares to be allotted before the Record Date. To ensure that your new shares are allotted before the Record Date your notice of exercise of option together with your cheque for the necessary amount must be received by Computershare Investor Services Pty Ltd no later than 23 October 2007. Any notice of exercise of option received after this date cannot be assured of allotment before the Record Date.

If you do not wish to participate in the Entitlements Issue (in respect of your options), you do not need to take any action.

Before deciding whether to exercise all or any of your options, you should consider the terms of the Entitlements Issue carefully and if in any doubt, consult with your professional advisor.

Please call the Share Registry, Computershare Investor Services Pty Ltd, on (08) 9323 2000 if you have any questions.

Yours sincerely
SUN RESOURCES NL

A handwritten signature in black ink, appearing to be 'A P Woods', enclosed in a light gray rectangular box.

A P Woods
Company Secretary