



SUN RESOURCES NL

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

RE: USA PROJECT DRILLING UPDATES

1. LAKE LONG – HOLLYWOOD PROSPECT, LOUISIANA (10.00% INTEREST)

The Operator, Kriti Exploration Inc, has advised this morning the SL328 #9 well on the Hollywood Prospect, Lake Long, Louisiana was drilling ahead on schedule at 11,128 feet md in 12 ½” hole to second casing point at 11,557 feet md where top hole electric logs and 9 5/8” casing will be run.

The SL328 #9 well on the prospect targets a faulted structural high with Lower, Middle and Upper Hollywood Sands objectives with cumulative potential of 21.7 billion cubic feet of gas (“bcf”) and 760,000 barrels of condensate (“boc”). The prospect is relatively low risk as it is updip on structure to production and there is good 3D seismic amplitude support of the multi-pay targets which are interpreted as indicating gas. The Hollywood Sands objectives lie between 11,700 feet (3,587 metres) and the total well depth of 13,500 feet (4,130 metres).

2. FINAL SHALLOW WELLS PROGRAM PROJECT MARGARITA, TEXAS (20.00% INTEREST)

The final 3 shallow wells drilling program, expected to start on the weekend of May 20th on the Agavero Prospect, was delayed by record unseasonal rains and associated flooding which isolated the drilling rig on a nearby location. The rig has now been able to moved to the Donna Carlota Prospect location to commence operations rather than the Agavero Prospect because floods have made the Agavero location temporarily inaccessible. As at 0400 hours Perth WST today, Donna Carlota #1 was at 350 feet and drilling ahead.

The Donna Carlota Prospect is one of the three prospects 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 and final well depths are summarised below. As with the successful initial three wells program, tie in of any commercial discovery made on the prospects will be rapid as the project area is crossed by a number of gas pipelines with access rights and available capacity to tie into.

Prospect	Potential Mean Reserves	Total Well Depth
Agavero	0.7 BCF	1,341 metres
Dona Carlota	0.8 BCF	1,524 metres
Climaco	1.6 BCF	1,981 metres

Yours sincerely
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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.