



# SUN RESOURCES NL

ABN 69 009 196 810  
(INCORPORATED IN WESTERN AUSTRALIA)

25 Prowse Street  
WEST PERTH, WA 6005, Australia  
PO Box 1786, WEST PERTH, WA 6872, Australia

Email: admin@sunres.com.au  
Telephone: 61 8 9481 3638  
Facsimile: 61 8 9481 3528

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Thursday, 26 April 2007

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

## **RE: FARMIN TO HOLLYWOOD PROSPECT, PORTION LAKE LONG FIELD, LAFOURCHE PARISH, LOUISIANA, USA**

Sun Resources NL, through its USA subsidiary Sun Delta, Inc (“Sun”), has farmed into a development project in the Lake Long Field area in Lafourche Parish, Louisiana, USA. Sun will earn a 10% Working Interest (“WI”) from farmee and local operator, Kriti Exploration, Inc (“Kriti”) via participation in the test of the Hollywood Prospect that lies within the Lake Long Field area, which has been held by production (“HBP”) since the field was discovered in 1938.

Historically the deepest production in the Lake Long Field was from the Upper Hollywood Sands. In 2004, the Middle Hollywood Sands was found to be productive in the Palace #1 well. Cumulative production to date from the Palace #1 well is 3.8 billion cubic feet of gas (“BCF”) plus 114,916 barrels of condensate (“BOC”). The well is still producing at a daily rate of 3.6 million scf of gas (“MMSCF”) with 60 BOC. The deeper Lower Hollywood Sands were also found to be gas productive in the field. Arco tested the Lower Hollywood sand in an off structure well to the prospect, but did not make a completion due to a thin pay column and sand production on test.

The Lake Long #9 well on the prospect targets a faulted structural high with Lower, Middle and Upper Hollywood Sands objectives with cumulative potential of 21 BCF and 760,000 BOC. The Hollywood Sands objectives lie between 11,550 feet (3,520 metres) and the total well depth of 13,500 feet (4,115 metres). The prospect is relatively low risk as there is good 3D seismic amplitude support of the multi-play targets which are interpreted as indicating gas. There are also nearby Hollywood Sandstone productive pay analogues and the well location is located up dip from wells that have produced up to 6.8 BCF from the Upper Hollywood Sands.

Drilling is scheduled to start in mid May 2007 with completion by late July 2007. The lease has a 12 monthly continuous drilling option, and conditional on drilling success, the follow up potential of a further 30 BCF and 1,085,000 BOC in the Hollywood objectives within the 1,325 acre lease will be the subject of further drilling in June quarter 2008.

Sun has entered the project on USA standard industry promoted terms of one third for one quarter on drilling cost of the well to the casing point, with well completion costs at earned WI%. ie Sun will pay 13.3235% to casing point of the estimated US\$7.762 million dry hole costs of the well and 10% of the estimated US\$2.71 completion costs of the well to earn in all the productive objective intervals within a 160 acre producing unit around the initial well. Participation on further wells in the 1,325 acre lease will be on a non promoted basis at Sun’s 10% WI. Any resulting production can be run through Kriti’s nearby production facilities based on a mutually agreeable Production Handling Agreement. Currently there is spare capacity for 6 MMSCF per day with associated condensate.

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Participants' interests in the project on completion of the first well are;

	<u>% Interest</u>
* <b>Sun Resources NL</b>	<b>10.0000%</b>
* First Australian Resources Limited	10.18750%
* Amadeus Energy Limited	21.90625%
Kriti Exploration, Inc	55.90625% (Operator)
Parker Fannin Properties Ltd	1.0000%
JVR Petroleum, Inc	<u>1.0000%</u>
	100.0000%

\* Participants are subsidiaries of ASX listed companies.

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.