



# 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: COMMENCEMENT OF DRILLING HOLLYWOOD PROSPECT, LAKE LONG, LAFOURCHE PARISH, LOUISIANA, USA**

Sun Resources NL ("Sun") has received advice from the Operator, Kriti Exploration, Inc ("Kriti") that Todco Rig 29, a barge rig, will be moving to the location of the S.L. 328 # 9 well (formerly advised as Long Lake #9) on the Hollywood Prospect Thursday of this week and the well should spud this Friday (all being US times).

The S.L. 328 # 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 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-pay targets which are interpreted as indicating gas. In particular, the seismic is tied into the nearby producing Hollywood Sands Palace (SL 328) #1 well that was drilled in 2004 and came on line at a daily rate of 5.6 million cubic feet ("mmscf") of gas with 301 boc. Cumulative production to date from the Palace #1 well is 3.8 bcf of gas plus 114,916 boc. The well is still producing at a daily rate of 3.6 mmscf of gas with 60 boc. Any resulting production from S.L. 328 # 9 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.

The S.L. 328 lease has a 12 monthly continuous drilling option. 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 prior to June quarter 2008.

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

	<u>% Interest</u>
* Sun Resources NL	10.0000%
* 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.