



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: DRILLING UPDATE HOLLYWOOD PROSPECT, LAKE LONG, LAFOURCHE PARISH, LOUISIANA, USA

Operator, Kriti Exploration, Inc (“Kriti”) has advised Sun Resources NL that the SL328 # 9 well on the Hollywood Prospect spudded on May 12. The well is presently drilling ahead at 3,224 feet in 17 ½” hole to first casing point at 3,500 feet where 13 3/8” casing will be run. The well is expected to take ~48 days from spud date to reach its total well depth of 13,500 feet.

Until target objectives are intersected further advice on progress of the well will be given weekly.

Background to Well and Hollywood Prospect

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 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 SL 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 on completion of the first well are;

| | <u>% Interest</u> |
|--------------------------------------|----------------------|
| * Sun Resources NL | 10.00000% |
| * First Australian Resources Limited | 10.18750% |
| * Amadeus Energy Limited | 21.90625% |
| Kriti Exploration, Inc | 55.90625% (Operator) |
| Parker Fannin Properties Ltd | 1.00000% |
| JVR Petroleum, Inc | <u>1.00000%</u> |
| | 100.00000% |

* 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

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.