



# SUN RESOURCES NL

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ASX Announcements  
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Level 4, 20 Bridge Street  
SYDNEY, NSW 2000

## RE: USA PROJECTS DRILLING UPDATES

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

The SL328 # 9 well on the Hollywood Prospect, Lake Long, Louisiana, resumed drilling from second casing point at 11,567 feet measured depth (11,500 feet true vertical depth) on 14<sup>th</sup> June. It is currently at 12,308 feet measured depth (12,246 feet true vertical depth) drilling ahead vertically through target Hollywood Sands objectives to total well measured depth of 13,550 feet.

The well has penetrated part of the objectives, namely;

- the Upper Hollywood Sands objective at 11,742 feet measured depth (11,680 feet vertical depth) where a drilling break with a coincident gas show on the mud log over a 30 foot interval was evident. Peak gas show was 390 units (~ 5 times background) seen through 15 pound mud weight. Sands appear laminated from the LWD gamma/resistivity logs but have produced from a similar looking sand section from a well in the field;
- the Middle Hollywood Sands objective at 12,222 feet measured depth (12,160 feet vertical depth) which appears to have 26 feet of net pay based on LWD gamma/resistivity logs. A drilling break with a coincident gas show on the mud log was also evident at this depth. Peak gas show was 130 units (~ 3 times background) seen through 16 pound mud weight. These sands have also produced from wells in the field (particularly from the nearby down dip Palace (SL 328) #1 well in a separate structure).

The significance of these shows and LWD observations will be not be known until they are fully evaluated by electric logs once total depth has been reached.

### **Background**

The well targets multi-pay Hollywood Sands objectives, lying between 11,800 feet measured depth (11,700 feet true vertical depth) and the total well measured depth of 13,550 feet, which have a cumulative potential of 21.7 billion cubic feet of gas ("bcf") and 760,000 barrels of condensate ("boc"). The prospect is considered to be relatively low risk as there is good 3D seismic amplitude support of the multi-pay targets which are interpreted as indicating gas and the well is updip on structure to the nearby producing (Hollywood Sands) Palace (SL 328) #1 well.

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

## 2. SHALLOW GAS PROGRAM, PROJECT MARGARITA, TEXAS (20.00% INTEREST)

### 2.1 AGAVERO PROSPECT

The Agavero #1 well, Project Margarita, South Texas, is currently rigging up to commence drilling tomorrow.

#### **Background**

The Agavero Prospect is the second of the three prospects being drilled in the Phase 2 shallow drilling program on Project Margarita 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, final well depths and current status are summarised below.

Prospect	Potential Reserves Mean BCF	Total Well Depth Metres	Status
Dona Carlota	0.62	1,524	Drilled – Gas discovery to be tested
Agavero	0.70	1,341	Current Well
Climaco	1.60	1,981	Next Well

### 2.2 DONA CARLOTA PROSPECT

Dona Carlota #1 is currently awaiting testing of the target Frio 1.33 sand towards the end of the week. Interpretation of wire line logs indicate a gross gas zone of 13.9 metres and net gas pay of 5.6 metres over the interval 1,423.2 to 1,437.1 metres with gas on rock and no water.

As with the successful initial three wells program, tie in of a commercial discovery prospects will be rapid as the lease is crossed by a gas pipeline with access rights and available capacity to tie into.

Participants' interests in the final 3 wells of the Margarita shallow gas program are;

	<u>% Interest</u>
# Sun Resources NL	<b>20.00%</b>
# Victoria Petroleum NL	20.00%
*Empyrean Energy PLC	44.00%
+Wandoo Energy LLC	<u>16.00%</u>
	100.00%

# ASX listed; \* AIM listed (farminnee); + USA Private Investors

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.