



SUN RESOURCES NL

ABN 69 009 196 810
(INCORPORATED IN WESTERN AUSTRALIA)

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Tuesday 6 November 2007

Companies Announcements Office
ASX Limited
20 Bridge Street
SYDNEY, NSW 2000

RE: ENTITLEMENTS ISSUE - DESPATCHED TO SHAREHOLDERS

Sun Resources NL (“Sun Resources”) advises that the Entitlements Issue document titled “The Entitlements Issue and How to Participate” for the fully underwritten pro-rata non-renounceable entitlement issue dispatched to Shareholders on the 30 October 2007 was the wrong version printed by the Share Registry.

This administrative error was discovered yesterday when shareholders began receiving the documents.

The Share Registry is re-issuing the correct document (“The Entitlements Issue and How to Participate”) to shareholders today with an apology letter.

The Company regrets the inconvenience to Shareholders and advises the closing time and date for acceptances for new shares remains unchanged as Wednesday, 14 November 2007.

Yours sincerely
SUN RESOURCES NL

A P Woods
Company Secretary

Attach



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THE ENTITLEMENTS ISSUE AND HOW TO PARTICIPATE

1. DETAILS OF ENTITLEMENTS ISSUE

- 1.1 Sun Resources NL (“Sun Resources” or “the Company”) invites Shareholders who are registered at 5pm WST on 26 October 2007 (“Record Date”) to participate in an entitlements issue of approximately 28,459,298 fully paid ordinary shares (“New Shares”) at an issue price of \$0.07 for each New Share (“Entitlements Issue”). The New Shares will be issued on the basis of one New Share for every six existing fully paid ordinary shares held on the Record Date (“Existing Shares”) (“Entitlement”). The issue price is payable by applicants in full on applying to take up New Shares. From the date of issue, the New Shares will rank equally in all respects with Existing Shares.
- 1.2 The Entitlements Issue is made without a disclosure document pursuant to section 708AA of the Corporations Act 2001 (Cth).
- 1.3 The Entitlements Issue is fully underwritten by Hartleys Limited (“Hartleys” or “the Underwriter”). Further details in relation to the underwriting agreement between the Company and Hartleys are set out in Section 5 below.
- 1.4 All of the Directors of the Company, Dr B L Farrell, Mr A P Woods, Dr P Linsley and Dr W G Martinick, have agreed to take up their full entitlement under the Entitlements Issue and Dr B L Farrell and Mr A P Woods have agreed to sub-underwrite a further 220,536 and 1,000,000 New Shares respectively of any shortfall under the Entitlements Issue for a fee of 1% of their respective firm and sub-underwritten amounts. The current interest of the Directors in the securities of the Company, together with their interest upon completion of the Entitlements Issue, are set out in Attachment 2.
- 1.5 Fractional entitlements to New Shares are rounded down to the nearest whole number of New Shares. For this purpose, shareholdings in the same name are aggregated for calculation of Entitlements. Where the Company considers that shareholdings have been split in order to take advantage of this rounding, the Company reserves the right to aggregate shareholdings held by associated Shareholders for the purpose of calculating Entitlements.
- 1.6 Your Entitlement is personal and cannot be traded, transferred, assigned or otherwise dealt with.

2. KEY DATES

- 2.1 The Company will accept applications until 5.00pm WST on Wednesday, 14 November 2007 or any other date the Directors in their absolute discretion determine, subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable laws. The indicative timetable for the Entitlements Issue is as follows:

Event	Date
Announcement of Entitlements Issue and lodgement of Appendix 3B	Wednesday, 17 October 2007
Record Date for determining Entitlements to New Shares	Friday, 26 October 2007
Entitlements Issue cleansing statement lodged with ASX	Tuesday, 30 October 2007
Invitation to participate and Entitlements Issue and Acceptance Form despatched to Shareholders and despatch announced to ASX	Tuesday, 30 October 2007
Closing time and date for acceptances and payment in full for New Shares (5.00pm WST)	Wednesday, 14 November 2007
Issue of New Shares and on-sale cleansing statement given to ASX	Wednesday, 21 November 2007
Holding statement for New Shares despatched to Shareholders	Friday, 23 November 2007
Trading of New Shares on a normal settlement basis on ASX	Thursday, 6 December 2007

- 2.2** These dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable law, to amend this timetable without notifying you.

3. WHAT YOU MAY DO – CHOICES AVAILABLE

3.1 If you wish to take up all or part of your Entitlement

If you wish to take up all or part of your Entitlement, complete the accompanying personalised Entitlement and Acceptance Form in accordance with the instructions set out on that form. If you have not received a personalised Entitlement and Acceptance Form, please contact Computershare Investor Services Pty Limited, on 1300 557 010 (within Australia) or +61 3 9415 4000 (outside Australia).

Forward the completed Entitlement and Acceptance Form, together with your cheque or bank draft for the issue price, to one of the following addresses:

In person:

Computershare Investor Services Pty Limited
Level 2, 45 St Georges Terrace
Perth WA 6000

By post:

Computershare Investor Services Pty Limited
GPO Box D182
Perth WA 6840

Your Entitlement is shown on your personalised Entitlement and Acceptance Form.

To accept your Entitlement in full, complete the Entitlement and Acceptance Form and attach your cheque for the amount indicated on the Entitlement and Acceptance Form.

To accept your Entitlement in part, fill in the number of New Shares you wish to accept in the space provided in the Entitlement and Acceptance Form and attach your cheque for the appropriate application monies (at \$0.07 per New Share).

The completed Entitlement and Acceptance Form and payment for your New Shares must be received by no later than **5.00pm WST on Wednesday, 14 November 2007**.

A reply paid envelope is enclosed for your convenience. If mailed in Australia, no postage stamp is required.

3.2 Entitlement not taken up – if you do nothing

If you decide not to take up all or part of your Entitlement, that part of your Entitlement not taken up will lapse as of 5.00pm WST Wednesday, 14 November 2007, and will form part of the shortfall.

If you do nothing, you will continue to own the same number of Existing Shares, but your shareholding in the Company will be diluted as a result of the Entitlements Issue.

4. PAYMENT

- 4.1** The issue price for the New Shares is payable in full on application of a payment of \$0.07 per New Share. Entitlement and Acceptance Forms must be accompanied by a cheque or bank draft for the application monies. Cheques or bank drafts must be in Australian currency, made payable to "Sun Resources Share Issue Account" and crossed "Not Negotiable". Applicants must not forward cash. Receipts for application monies will not be issued.

- 4.2** Alternatively, payment can be made by BPay in accordance with the instructions on the Entitlement and Acceptance Form. Please note both facilities will close at 4.00pm WST Wednesday, 14 November 2007.

- 4.3 Until the New Shares are issued, the Company will hold the application monies in a bank account. The account will be established and kept solely for the purpose of depositing application monies and retaining those funds for as long as required under the Corporations Act.
- 4.4 No interest will be paid to you on any application monies returned to you, whether or not New Shares are issued. Any interest earned on application monies will be, and will remain, the property of the Company.
- 4.5 If quotation of the New Shares is not granted by ASX, the New Shares will not be issued and application monies will be refunded to applicants without interest.

5. UNDERWRITING AGREEMENT

- 5.1 Pursuant to an agreement made on 17 October 2007 between the Company and Hartleys (“Underwriting Agreement”), Hartleys has agreed to underwrite 28,459,298 New Shares offered pursuant to the Entitlements Issue at the issue price of \$0.07 per New Share.
- 5.2 The Company will pay Hartleys a fee of \$119,530 (being 6% of the underwritten amount to be raised pursuant to the Entitlements Issue).
- 5.3 The obligation of Hartleys to underwrite the Entitlements Issue is conditional on the Company complying with the timetable set out in the Underwriting Agreement. If there is a shortfall, being the difference between the total number of New Shares the subject of the Entitlements Issue and the number of New Shares applied for pursuant to valid applications under the Entitlements Issue pursuant to valid Entitlement and Acceptance Forms (“Shortfall”), and the Company has notified Hartleys of this Shortfall in the manner prescribed in the Underwriting Agreement, Hartleys must, within 10 business days of receipt of the required notification from the Company, lodge or cause to be lodged with the Company, applications to subscribe for New Shares the subject of the Shortfall.
- 5.4 Hartleys may appoint sub-underwriters to sub-underwrite the Entitlements Issue. Unless required by law, the Company will not disclose the identity of any sub-underwriter without the prior consent of Hartleys.
- 5.5 Dr B L Farrell and Mr A P Woods have entered into sub-underwriting agreements with Hartleys under which they have agreed to sub-underwrite 220,536 and 1,000,000 New Shares respectively for a fee of 1% of their respective sub-underwritten amounts.
- 5.6 The Company has given warranties and covenants to Hartleys which are usual in an agreement of this nature.
- 5.7 Hartleys may terminate the Underwriting Agreement, without cost or liability to itself if any of the termination events noted in the Underwriting Agreement occur. The termination events in the Underwriting Agreement are usual in an agreement of this nature and are set out in Attachment 1.

6. TREATMENT OF SHAREHOLDERS RESIDENT OUTSIDE AUSTRALIA

- 6.1 Shareholders resident outside Australia should consult their professional advisors as to whether any governmental or other consents are required, or other formalities need to be observed to enable them to accept or deal with their entitlements.
- 6.2 The offer to participate in the Entitlements Issue does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer.

7. ASX QUOTATION

All contracts formed on acceptance of Entitlement and Application Forms will be conditional on ASX agreeing to quote the New Shares on ASX. Trading of the New Shares on ASX is expected to commence on a normal settlement basis on or about Thursday, 6 December 2007.

8. GOVERNING LAW

This letter and the contracts formed on acceptance of Entitlement and Application Forms are governed by the law applicable in Western Australia, and each applicant submits to the non-exclusive jurisdiction of the courts of Western Australia.

9. PRIVACY

9.1 As an existing Shareholder, the Company and the Company's share registry, Computershare Investor Services Pty Limited ("Registry") have already collected certain personal information from you. If you apply for New Shares, the Company and the Registry may update that personal information or collect additional personal information. Such information will be used to assess your application for New Shares, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

9.2 The Company and the Registry may disclose your personal information for purposes related to your application and shareholding to their agents and service providers, including to printers and mailing houses for the purposes of preparation and distribution of shareholder information and for handling of mail, or as other authorised under the Privacy Act 1988 (Cth). Under the Privacy Act, you may request access to your personal information held by (or on behalf of) the Company by contacting the Registry on 1300 557 010 (within Australia) or +61 3 9415 4000 (outside Australia) of the Company. If the Registry's record of your personal information is incorrect or out of date, then it is important that you contact the Registry or the Company so that your records can be corrected.

10. SPECULATIVE INVESTMENT

10.1 Shareholders should be aware that investment in the Company and its business of petroleum exploration and development involves many risks which may be higher than the risks associated with investments in other companies. There are several risks many of which are beyond the control of the Company and its directors and which could delay or adversely affect the Company's activities. As such, the investment in the Company should be considered to be speculative.

10.2 If Shareholders are in doubt as to the course they should follow they should consult their stockbroker, accountant, solicitor or other professional advisor.

11. QUERIES

If you have any questions about the Entitlements Issue, please call Peter Woods, Company Secretary at Sun Resources NL on +61 8 9345 4100 or the Company's share registry, Computershare Investor Services Pty Limited, on 1300 557 010 (within Australia) or +61 3 9415 4000 (outside Australia).

ATTACHMENT 1

The termination clauses extracted from the Underwriting Agreement setting out the events that entitle Hartleys Limited to terminate the Underwriting Agreement.

Events of Termination

The Underwriter may terminate its obligations under this Agreement if:

- (a) **(Failure to obtain Quotation Approval)**: the Underwriter suspects on a reasonable basis that the Company will fail to obtain the Quotation Approval; or
- (b) **(Indices fall)**: the S&P ASX 200 Index is at any time after the date of this Agreement 10% or more below its respective level as at the close of business on the Business Day prior to the date of this Agreement for more than 3 Business Days; or
- (c) **(Rights Issue Announcement)**: the Company does not lodge the Rights Issue Announcement on the Announcement Date;
- (d) **(Rights Issue Notice)**: the Company does not lodge the Rights Issue Notice in accordance with the Timetable, the Listing Rules or the Corporations Act or the Rights Issue Notice is withdrawn by the Company;
- (e) **(Offer Document)**: the Company does not despatch the Offer Document by the Offer Date or the Offer is withdrawn by the Company; or
- (f) **(Failure to Lodge Appendix 3B)**: the Company fails to lodge an Appendix 3B in relation to the Underwritten Shares with ASX in accordance with the Listing Rules; or
- (g) **(Non-compliance with Rights Issue Notice requirements)**: it transpires that the Rights Issue Notice does not contain all the information required by Section 708AA(2)(f) of the Corporations Act;
- (h) **(Misleading Rights Issue Notice or Offer Document)**: it transpires that there is a statement in the Rights Issue Notice or the Offer Document that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Rights Issue Notice or Offer Document or if any statement in the Rights Issue Notice or Offer Document becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Rights Issue Notice or Offer Document is or becomes misleading or deceptive or likely to mislead or deceive; or
- (i) **(Restriction on allotment)**: the Company is prevented from allotting the Underwritten Shares within the time required by this Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority; or
- (j) **(Withdrawal of consent to Rights Issue Notice or Offer Document)**: any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Rights Issue Notice or Offer Document or to be named in the Rights Issue Notice or Offer Document, withdraws that consent; or
- (k) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel; or
- (l) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world; or
- (m) **(Authorisation)**: any authorisation which is material to anything referred to in the Rights Issue Notice or Offer Document is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter; or
- (n) **(Indictable offence)**: a director or senior manager of a Relevant Company is charged with an indictable offence; or

- (o) **(Termination Events):** subject always to clause 11.3, any of the following events occurs:
- (i) **(Default):** default or breach by the Company under this Agreement of any terms, condition, covenant or undertaking;
 - (ii) **(Incorrect or untrue representation):** any representation, warranty or undertaking given by the Company in this Agreement is or becomes untrue or incorrect;
 - (iii) **(Contravention of constitution or Act):** a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
 - (iv) **(Sub-underwriters):** any of the sub-underwriters that are introduced by the Company do not comply with their obligations under the sub-underwriting agreements or threaten to not comply with their respective obligations under the sub-underwriting agreements;
 - (v) **(Firm Investors):** any of the Firm Investors breach their respective Firm Subscription Agreement;
 - (vi) **(Adverse change):** an event occurs which gives rise to a Material Adverse Effect or any adverse change or any development including a prospective adverse change after the date of this Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company;
 - (vii) **(Public statements):** without the prior approval of the Underwriter a public statement is made by the Company in relation to the Offer, the Issue or the Rights Issue Notice or Offer Document;
 - (viii) **(Misleading information):** any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the Issue or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;
 - (ix) **(Official Quotation qualified):** the Quotation Approval is qualified or conditional upon terms other than the Standard Conditions or as set out in clause 1.3;
 - (x) **(Change in Act or policy):** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
 - (xi) **(Prescribed Occurrence):** a Prescribed Occurrence occurs, other than as previously disclosed to ASX or in writing to the Underwriter;
 - (xii) **(Suspension of debt payments):** the Company suspends payment of its debts generally;
 - (xiii) **(Event of Insolvency):** an Event of Insolvency occurs in respect of a Relevant Company;
 - (xiv) **(Judgment against a Relevant Company):** a judgment in an amount exceeding \$200,000 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;
 - (xv) **(Litigation):** litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced against any Relevant Company;
 - (xvi) **(Board and senior management composition):** a change in the composition of the Board or a change in the senior management of the Company occurs before the date of issue of the Underwritten Shares without the prior written consent of the Underwriter;
 - (xvii) **(Change in shareholdings):** there is a material change in the major or controlling shareholdings of a Relevant Company or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the corporations Act is publicly announced in relation to a Relevant Company;
 - (xviii) **(Timetable):** there is a delay in any specified date in the Timetable which is greater than 3 consecutive Business Days;
 - (xix) **(Force Majeure):** a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;
 - (xx) **(Certain resolutions passed):** a Relevant Company passes or takes any steps to pass a resolution under Section 254N, Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;

- (xxi) **(Capital Structure)**: any Relevant Company alters its capital structure in any manner not contemplated by the Offer;
- (xxii) **(Breach of Material Contracts)**: any of the Contracts is terminated or substantially modified;
- (xxiii) **(Investigation)**: any person is appointed under any legislation in respect of companies to investigate the affairs of a Related Company; or
- (xxiv) **(Market Conditions)**: a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

“Prescribed Occurrence” means:

- (a) a Relevant Company converting all or any of its shares into a larger or smaller number of shares;
- (b) a Relevant Company resolving to reduce its share capital in any way, other than the cancellation of the Restricted Securities by the Company as contemplated by the Notice of Meeting;
- (c) a Relevant Company:
 - (i) entering into a buy-back agreement or;
 - (ii) resolving to approve the terms of a buy-back agreement under Section 257D or 257E of the Corporations Act;
- (d) a Relevant Company making an issue of, or granting an option to subscribe for, any of its shares or any other securities, or agreeing to make such an issue or grant such an option;
- (e) a Relevant Company issuing, or agreeing to issue, convertible notes;
- (f) a Relevant Company disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (g) a Relevant Company charging, or agreeing to charge, the whole, or a substantial part, of its business or property;
- (h) a Relevant Company resolving that it be wound up;
- (i) the appointment of a liquidator or provisional liquidator of a Relevant Company;
- (j) the making of an order by a court for the winding up of a Relevant Company;
- (k) an administrator of a Relevant Company, being appointed under Section 436A, 436B or 436C of the Corporations Act;
- (l) a Relevant Company executing a deed of company arrangement; or
- (m) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of a Relevant Company.

A copy of the Underwriting Agreement may be inspected at the registered office of the Company.

ATTACHMENT 2

The shareholding interests of the Directors as at the date of this Offer and upon Completion of the Entitlements Issue is as follows:

Director	Current Number of Shares held	Entitlement	Sub-underwritten Shares	Total Take Up	Post Entitlement Shareholding
Dr B L Farrell	19,525,255	3,254,209	220,536	3,474,745*	23,000,000
Dr W G Martinick	10,984,139	1,830,690		1,830,690	12,814,829
Mr A P Woods	6,459,526	1,076,588	1,000,000	2,076,588*	8,536,114
Dr P Linsley	1,220,902	203,484		203,484	1,424,386

* Assumes Director receives all sub-underwritten shares



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