



SUN RESOURCES NL

ABN 69 009 196 810
(INCORPORATED IN WESTERN AUSTRALIA)

Unit 16, Subiaco Village, 531 Hay Street
SUBIACO, WA 6008, Australia
PO Box 1786, WEST PERTH, WA 6872, Australia

Email: admin@sunres.com.au
Telephone: 61 8 9388 6501
Facsimile: 61 8 9388 7991

Tuesday 30 October 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 documents to the fully underwritten pro-rata non-renounceable entitlement issue to Shareholders who were registered at 5.00pm WST on Friday, 26 October 2007 ("Record Date") have been dispatched to Shareholders (refer attached).

Under the Entitlements Issue, approximately 28,459,298 shares (subject to rounding) will be issued (this number may have to be increased by up to 3,750,000 shares if existing option holders exercise their options prior to the Record Date) on a one new share for six shares basis to Shareholders at Record Date. The shares will be issued for \$0.07 each to raise before expenses of the issue, approximately \$1,992,151.

The Entitlements Issue is fully underwritten by Hartleys Limited for a fee of 6% of the total amount to be raised. In addition all of the Directors 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 shares respectively of any Entitlements Issue shortfall for a fee of 1% of their respective firm and sub-underwritten amounts. Upon completion of the Entitlements Issue, and assuming no existing option holders exercise their options, the issued capital of the Company will comprise approximately 199,215,083 shares.

Shareholders are advised closing time and date for acceptances (with payment in full) for new shares is COB 5pm WST, Wednesday, 14 November 2007.

Yours sincerely

SUN RESOURCES NL

A P Woods
Company Secretary

Attach



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30 October 2007

Dear Shareholders,

As you will be aware from the Annual Report 2007, Sun Resources NL ("Sun Resources" or "Company") is following and delivering a strategy of building up significant cash flow in the US Onshore Gulf Coast and then applying these funds to develop and participate in larger scale projects, particularly in SE Asia. The Annual Report has been released to the market and the Company's shareholders ("Shareholders") and is available on Sun Resources' website (refer www.sunres.com.au or www.asx.com.au code SUR)

Participation in larger scale projects in SE Asia

With respect to participation in larger scale projects in SE Asia, one onshore block (L20/50) and one offshore block (G3/50) has been applied for in the 20th Bid Round in Thailand in partnership with other well known and respected explorers, namely Carnarvon Petroleum NL ("Carnarvon") in the case of L20/50 and Adelphi Energy Limited ("Adelphi") in the case of G3/50.

Stemming from the applications made in July 2007 and August 2007 respectively and presentations to government, the Company has recently received Notice of Qualification to bid from the government and is now awaiting the outcome in October - November 2007 of the tender bid process which is based on competitive work program bids on the tendered blocks.

Sun Resources and Carnarvon are sole bidders on the onshore L20/50 block. The 4,000 km² block area is located in the southern portion of the Phitsanulok Basin and has been very lightly explored. The Phitsanulok Basin contains the largest onshore oil and gas accumulation in onshore Thailand, the Sirikit Field, with reserves in excess of 200 million barrels of oil.

Carnarvon, as operator of the L20/50 block tender bid joint venture, will apply a similar exploration philosophy to exploration on the block in a basin that is a direct geological analogue to the nearby Phetchabun Basin where recent exploration by Carnarvon has been extremely successful, with recent results including flows of up to 1,920 bopd from individual wells. There is also the possibility of short term cash flow from a re-drill or work over of an old shut-in well in the block. This well was not brought on production because it required artificial extraction, which was not previously feasible at the then prevailing low oil prices this production methodology was not considered by the operator.

Notwithstanding bid competition from seven other consortia on the very high potential 8,141 km² G3/50 offshore block in the Chumpon Basin, Sun Resources and Adelphi are hopeful of a positive outcome in relation to their bid application based on their submission of a comprehensive exploration and development document as part of the bid process. Sun Resources, as operator, identified from 3D and 2D seismic data over the block area, a very significant untested gas condensate accumulation having a potential of 160 - 350 bcf with 13 - 35 million boc and natural gas liquids, as well as other oil and gas prospects.

Rationalisation of non performing assets

Sun Resources is continuing to rationalise its non performing assets and those that no longer fit the Company strategy. The sale of the NSW CSM/CMM Illawarra project was completed in April 2007 with the \$1 million sale proceeds invested in the Lake Long, Louisiana, USA development opportunity which had a successful outcome in late July 2007. Gas production to sales has just come on stream and is currently being edged up to a rate of 4 million standard cubic feet of gas per day with significant accompanying liquids as condensate. The sale of Carnarvon Basin permits (WA-254-P and WA-257-P) is currently being looked at and the Company is hopeful to complete the sale of these assets in the ensuing months.

Growing net cash flow

Of material importance to the Company is net cash flow from principally USA gas production. This is projected to triple in financial year 2008. In financial year 2007, A\$1,004,757 was received from Flour Bluff production. New production revenue has started from new small field discoveries made at Lake Long, Louisiana; Dona Carlota and Agavero, South Texas (all gas dominant) and Milagro, South Texas (oil

dominant) and overdue well work overs and completions of new reserves at Flour Bluff, South Texas. It is expected that cash flow will be maintained in financial year 2009 by further discoveries and development programs in financial year 2008.

In summary

- Company management is delivering sound results on stated Company objectives;
- The Company is generating significant cash flow; and,
- The Company is entering a growth phase without decreasing Shareholder value (the capital of the Company).

With this letter is an offer document relating to a pro rata, non renounceable entitlement issue to Shareholders, of 28,459,298 fully paid ordinary shares ("Shares") on the basis of one (1) Share for every six (6) Shares held as at 5:00pm WST 26 October 2006 ("Record Date")("Entitlements Issue"). The Entitlements Issue is fully underwritten by Hartleys Limited ("Underwriter").

The Board urges Shareholders to support the Entitlements Issue. The proceeds of approximately \$2 million, together with additional funding from cash flow from increasing production, will be used to continue to grow and maintain USA production and advance the Company's new projects in Thailand.

Comments on the Entitlement to Buy New Shares

Shareholders, who hold ordinary Shares in the Company ("Existing Shares") on the Record Date will become "Eligible Shareholders" and will be entitled to participate in the Entitlements Issue. All Eligible Shareholders will be offered one (1) new Share in the Company ("New Share") for every six (6) Existing Shares held, at an issue price of A\$0.07 per New Share (the "Entitlement") which is a discount of 12.5% to the closing market price of Shares on Record Date of 26 October 2007.

Please see the attached document entitled "The Entitlement Issue and How to Participate" for more details of the issue.

This invitation to participate in the Entitlement Issue is important and requires your immediate attention. The closing date for receipt of acceptances and payment is 5.00pm WST on Wednesday, 14 November 2007.

Your Entitlement to buy New Shares is valuable and the Directors urge you to read this letter, the attached document entitled "The Entitlement Issue and How to Participate" and the Entitlement and Acceptance Form, in conjunction with all publicly available information relating to the Company, before deciding how to deal with your Entitlement. If you are in doubt as to the course you should follow with your Entitlement to buy New Shares, which is a speculative investment, you should consult your stockbroker, accountant, solicitor or other professional advisor.

The Board is hopeful in the coming year there will be a significant re-rating of the Company in the market by the Company delivering further results. As such the Directors consider the Entitlements Issue to be an important step in the growth of the Company and commend it to Shareholders.

On Behalf of the Board



Dr Brad L Farrell
EXECUTIVE CHAIRMAN



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THE ENTITLEMENT ISSUE AND HOW TO PARTICIPATE

Who to call if you have questions

If you have any questions about the Entitlement 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).

1. Details of Entitlement Issue

1.1 The Company is offering to Shareholders who are registered at 5pm WST on 26 October 2007 (termed the "Record Date") an Entitlement Issue of approximately 28,459,298 fully paid shares which are called "New Shares" at an issue price of \$0.07 for each New Share. The shares will be issued on the basis of one New Share for every six existing shares held on the Record Date. 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. The Entitlement Issue is made without a disclosure document pursuant to section 708AA of the Corporations Act 2001 (Cth).

1.2 The Entitlement Issue is fully underwritten by Hartleys Limited for a fee of 6% plus GST of the total amount to be raised of approximately \$A1,992,151. The termination clauses extracted from the Underwriting Agreement set out the events that entitle Hartleys Limited to terminate the Underwriting Agreement in Attachment 1.

1.3 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 Entitlement Issue and Dr B L Farrell and Mr A P Woods have agreed to sub-underwrite a further 220,536 and 1,000,000 shares respectively of any entitlement issue shortfall for a fee of 1% of their respective firm and sub-underwritten amounts. The Shareholding interest of the Directors at the date of this entitlement offer and the maximum shareholding interest following the completion of the Entitlement Issue are set out on Attachment 2.

1.4 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 shareholding 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.

1.5 Your Entitlement is personal and cannot be traded, transferred, assigned or otherwise dealt with.

2. Shortfall under the Entitlement Issue

2.1 If there is a shortfall in acceptances under the Entitlement Issue, the Company reserves the absolute discretion to place it with Investors, or with Shareholders who apply for Additional Shares, or a combination of both.

2.2 Additional Shares will be available to be acquired by Shareholders at the Company's discretion, if there is a shortfall in acceptances under the Entitlement Issue. You may indicate on the Entitlement and Acceptance Forms whether you wish to apply for Additional Shares and the number of Additional Shares for which you apply.

2.3 If applications for Additional Shares exceed the total number of Additional Shares available, the Company will scale back applications for Additional Shares in a manner which it considers to be fair in the circumstances, subject to its overall discretion to place any shortfall in acceptances under the Entitlement Issue with Investors.

2.

2.4 Any Shareholder who applies for Additional Shares will be bound to accept a lesser number of Additional Shares issued to them than applied for, and must accept a refund of money in respect of the number of Additional Shares applied for but not issued to them. No interest will be paid on any money refunded to applicants in these circumstances.

3. Key Dates

3.1 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 law. The indicative timetable for the Entitlement Issue is as follows:

Event	Date
Announcement of Entitlement Issue and lodgement of Appendix 3B	Wednesday, 17 October 2007
Record Date for determining Entitlements to New Shares	Friday, 26 October 2007
Entitlement Issue cleansing statement lodged with ASX	Tuesday, 30 October 2007
Invitation to participate and Entitlement 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

3.2 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.

4. What you may do – Choices available

4.1 You may take any of the following actions:

- take up all of your Entitlement (you may also choose to apply for Additional Shares);
- take up part of you Entitlement; or
- do nothing.

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

(1) 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).

(2) You should then forward the completed Entitlement and Acceptance Form, together with your cheque or bank draft for the issue price, to reach 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

All by no later than 5.00pm WST on Wednesday, 14 November 2007.

3.

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

4.1.2 If you wish to take up all of your Entitlement and apply for Additional Shares

(1) If you wish to take up all of your Entitlement and apply for Additional Shares, complete the accompanying personalised Entitlement and Acceptance Form, indicating the number of Additional Shares that you wish to apply for in accordance with the instructions set out on that form.

(2) You can only apply for Additional Shares if you take up all of your Entitlement.

(3) Send your completed Entitlement and Acceptance Form (together with your cheque for the issue price) to the address set out above so that it is received by no later than the time set out above.

(4) Any Shareholder who applied for Additional Shares will be bound to accept a lesser number of Additional Shares issued to them than applied for in the event Additional Shares exceed the total number of Additional Shares available.

4.1.3 Entitlement not taken up – if you do nothing

(1) If you decide not to take up all or part of your New Shares before 5.00pm WST on Wednesday, 14 November 2007; or do nothing, then you will not receive any New Shares under the Entitlement Issue and your Entitlement will lapse as of 5.00pm WST Wednesday, 14 November 2007.

(2) 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 Entitlement Issue.

5. Payment

5.1 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.

5.2 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.

5.3 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.

5.4 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.

5.5 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.

5.6 Applicants for Additional Shares will be bound to accept a lesser number of Additional Shares issued to them than applied for, in which case applicants will be bound to accept a refund or money in respect of the number of Additional Shares applied for but not issued to them. No interest will be paid on any money refunded to applicants in these circumstances.

6. Treatment of Shareholders resident outside Australia

6.1 General

This letter and the accompanying Entitlement and Acceptance Form do 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.

The New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States, and may not be offered or sold in the United States or to, or for the account or benefit of a US Person (as defined in Regulation S of the US Securities Act), except in a transaction exempt from the registration requirements of the US Securities Act and applicable United States state securities laws.

7. ASX quotation

7.1 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

8.1 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 otherwise 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 and Investors 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 and as such the investment in the Company should be considered to be speculative.

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

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

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.

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.

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

8.

ATTACHMENT 2

The Shareholding interest of the Directors at the date of this Entitlement offer and the maximum shareholding interest following the completion of the Entitlement Issue.

Director	No. of Shares at Entitlement	Entitlement	Shortfall Take up	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



SUN RESOURCES NL

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(INCORPORATED IN WESTERN AUSTRALIA)

Sun Resources NL
Unit 16, Subiaco Village
531 Hay Street
Subiaco, WA6008

PO Box 1786
West Perth WA 6872

Tel: +61 8 9388 6501
Fax: +61 8 9388 7991

Email: admin@sunres.com.au
www.sunres.com.au

Sun Resources NL

ABN 69 009 196 810



Please return completed form to:
Computershare Investor Services Pty Limited
GPO Box D182 Perth
Western Australia 6840 Australia
Enquiries (within Australia) 1300 557 010
(outside Australia) 61 3 9415 4000
Facsimile 61 8 9323 2033
web.queries@computershare.com.au
www.computershare.com

000001
000
SAM
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)



I 1234567890 I N D

Use a black pen.
Print in CAPITAL letters
inside the grey areas.

A B C 1 2 3

Entitlement and Acceptance Form

IMPORTANT:

This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this form, please consult a professional adviser.

Non-Renounceable Entitlement Issue closing 5pm AWST on 14 November 2007

Non-Renounceable Entitlement Issue of 1 New Share for every 6 Shares registered and entitled to participate at the record date at an issue price of A\$0.07 per New Share.

Receipt of this Entitlement and Acceptance Form by 5pm AWST on 14 November 2007 with your payment, utilising the payment options detailed overleaf, will constitute acceptance in accordance with the terms of the Prospectus dated 30 October 2007.

A Securityholder Entitlement details	
Subregister	Issuer
Existing Shares entitled to participate at Record Date on 26 October 2007	XXX,XXX,XXX
Entitlement to New Shares on a 1 for 6 basis	XXX,XXX,XXX
Amount payable on full acceptance at A\$0.07 per New Share	X,XXX,XXX.XX
Entitlement Number	123456789012

I/We enclose my/our payment for the amount shown below being payment of A\$0.07 per New Share. I/We hereby authorise you to register me/us as the holder(s) of the Shares allotted to me/us, and I/we agree to be bound by the Constitution of the Company.

Do not detach form
Acceptances can only be accepted in the name printed on this form

See back of form for completion guidelines

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054006



Sun Resources NL
ABN 69 009 196 810

Please see overleaf for Payment Options

Ent: X,XXX Pay: X,XXX



Bill Code: 123456
Ref No: 123412341234123412

B Number of New Shares applied for

[Input field for number of shares]

C Amount enclosed at A\$0.07 per New Share

A\$ [Input field for amount]

D Payment Details

Drawer	Cheque Number	BSB Number	Account Number	Cheque amount
[Input]	[Input]	[Input]	[Input]	A\$ [Input]

E Contact Details

Make your cheque or bank draft payable to Sun Resources NL - Rights Issue Offer

Please provide your contact details in case we need to speak to you about this form
Name of contact person

[Input field for name]

Contact person's daytime telephone number

() [Input field for phone number]



C12345678901234567890123456789012

1234567890123456+1234567890-1234+12

Paperclip
cheque(s)
here.
Do not
staple.

How to complete the Entitlement and Acceptance Form

Note that photocopies will not be accepted. These instructions are cross-referenced to each section of the Entitlement and Acceptance Form.

<p>A Details of your Entitlement based on your Securityholding at 5pm AWST on 26 October 2007 are shown in box A on the front of this Entitlement Form.</p>	<p>D Payment Details</p> <p>You can apply for shares utilising the payment options detailed below.</p> <p>By making your payment using either electronic means or by cheque, bank draft or money order, you confirm that you:</p> <ul style="list-style-type: none">agree to all of the terms and conditions as detailed in the Prospectus dated 30 October 2007 <p>Your cheque, money order or bank draft must be made in Australian currency and drawn on an Australian branch of a financial institution. Such payment must be made payable to Sun Resources NL - Rights Issue Offer and crossed "Not Negotiable". Payments not properly drawn may be rejected.</p> <p>Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Acceptance form being rejected. Paperclip (do not staple) your cheque(s) to the form where indicated. Cash will not be accepted. Receipt of payment will not be forwarded.</p>
<p>B New Securities Accepted</p> <p>You can apply to accept either all or part of your Entitlement. Enter in box B the number of New Shares you wish to accept from your Entitlement.</p> <p>Please ensure you complete Section B on the bottom of the form.</p>	<p>E Contact Details</p> <p>Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding this form.</p>
<p>C Acceptance Monies</p> <p>Enter the amount of Acceptance Monies. To calculate the amount payable, multiply the number of New Shares applied for by A\$0.07.</p> <p>Please ensure you complete Section C on the bottom of the form.</p>	

054006

NRRB

The directors reserve the right to make amendments to this form where appropriate.

Lodgement of Acceptance

If you are applying for shares and your payment is being made either by BPay or Bill EXPRESS, you do not need to return this form. Your payment must be received by no later than 4pm AWST on 14 November 2007. It is the responsibility of the applicant to ensure that funds submitted through BPay or Bill EXPRESS are received by this time.

If you are paying by cheque, bank draft or money order your Acceptance Form must be received by Computershare Investor Services Pty Limited (CIS) Perth by no later than 5pm AWST on 14 November 2007. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for security holders in Australia. New Zealand holders will need to affix the appropriate postage. Return your Acceptance Form with cheque attached.

Neither CIS nor the Company accepts any responsibility if you lodge the Acceptance Form at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by CIS, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or E-mail privacy@computershare.com.au

If you have any enquiries concerning this form or your entitlement, please contact CIS on 1300 557 010.

This form may not be used to notify your change of address. For information please contact CIS on 1300 557 010 or visit the share registry at www.computershare.com (Certificated/Issuer Sponsored Holders only).

CHES holders must contact their Controlling Participant to notify a change of address.

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Payment Options:



Biller Code: 123456
Ref No: 123412341234123412

Telephone & Internet Banking – BPay

Call your bank, credit union or building society to make this payment from your cheque or savings account. More info: www.bpay.com.au



By Mail
Sun Resources NL
Computershare Investor
Services Pty Limited
GPO Box D182
Perth, Western Australia 6840
AUSTRALIA



In Person
Computershare Investor
Services Pty Limited
Level 2
45 St Georges Terrace
Perth, Western Australia 6840
AUSTRALIA



Entitlement Number: <xxxxxxxx>

SAMPLE CUSTOMER
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLETOWN TAS 7000



Biller ID: C123456
Customer ID: 1234 1234 1234

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