



SUN RESOURCES NL

ABN 69 009 196 810
(INCORPORATED IN WESTERN AUSTRALIA)

Unit 16, Subiaco Village, 531 Hay Street
SUBIACO, WA 6008, Australia
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19 October 2007

Companies Announcements Office
ASX Limited
20 Bridge Street
SYDNEY, NSW2000

RE: NOTICE TO SHAREHOLDERS OF PARTICIPATION IN ENTITLEMENTS ISSUE

Please find attached a Notice to Sun Resources NL Shareholders of their right to participate in the Company's pro-rata non-renounceable entitlements issue.

Yours sincerely

SUN RESOURCES NL

A P Woods
Company Secretary

Attach



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Dear Shareholder,

NOTICE TO SHAREHOLDERS OF PRO-RATA NON-RENOUNCEABLE ENTITLEMENTS ISSUE

As announced to ASX on 17 October 2007, Sun Resources NL ("Sun") is undertaking a pro-rata non-renounceable entitlements issue to all shareholders of the Company who are registered as shareholders at 5pm Western Standard Time on 26 October 2007 ("Record Date") ("Entitlements Issue").

The shares offered pursuant to the Entitlements Issue will be offered at an issue price of \$0.07 for each fully paid ordinary share on the basis of 1 fully paid ordinary share for every 6 existing shares held on the Record Date.

The rights attaching to the shares together with all other relevant information relating to the Entitlements Issue will be given to shareholders on or about 30 October 2007. The Entitlements Issue is being made pursuant to Section 708AA of the Corporations Act 2001 (Cth) and accordingly, Sun is not required to lodge a disclosure document with the Australian Securities and Investments Commission or the ASX in respect of the Entitlements Issue.

The Entitlement Issue is fully underwritten by Hartleys Limited (or the underwriter) 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 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.

Funds raised pursuant to the Entitlement Issue will be applied predominately to increasing production cash flow in the USA and advancing Sun's oil and gas business in Thailand.

Fractural entitlement to shares will be rounded down to the next whole share.

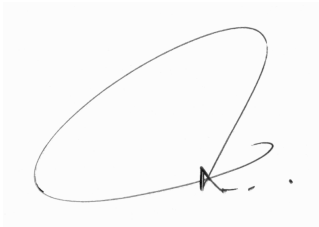
The proposed timetable for the Entitlements Issue is as follows:-

Entitlements Issue Cleansing Statement and Appendix 3B Application	17 October 2007
Existing shares quoted on an “ex” basis	22 October 2007
Record Date to determine entitlements	26 October 2007
Invitation to Participate and Entitlement and Acceptance Form Sent to Shareholders	30 October 2007
Acceptance Close (Closing Date)	14 November 2007

The dates are subject to change and are indicative only.

Before deciding whether to participate in the Entitlements Issue, you should consider the terms of the Entitlements Issue carefully and if in any doubt, consult with your professional advisor.

Sun would like to thank all shareholders for their continued support and encourage them to consider the opportunities presented by the Entitlement Issue.

A handwritten signature in black ink, appearing to be 'A P Woods', written on a light-colored background.

A P Woods
Company Secretary