



SUN RESOURCES NL

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Announcements
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
SYDNEY, NSW 2000

Dear Sir/Ms,

RE: EXCELLENT RESULTS FROM RECENT COMPLETION PROGRAMS, ONSHORE GULF COAST, SOUTH TEXAS, USA

Sun Resources NL ("Sun Resources") advises completion and production updates on the following USA projects;

1. FLOUR BLUFF, SOUTH TEXAS

As advised in the June 2007 quarterly report and subsequently on 30 August 2007, the operator of the Flour Bluff Gas Fields, Gulf Coast South Texas, commenced a workover program to run over the period mid May to October 2007 on East Flour Bluff Field wells, D-13, D-19 and D-24, and on the Smith #1 well in the West Flour Bluff Field.

The aim of the program is to arrest declining production and bring daily production to above 3,000,000 scfd from the then current (May) 1,600,000 scfd level by carrying out completions on up hole reserves behind pipe in the above wells with immediate delivery of ensuing production to the gas processing plant for sales. **This objective of increased production is being met by a successful workover program.**

These workovers are the result of Sun Resources' active lobbying of the Operator and were considered and approved at a technical meeting in Houston in early February 2007.

Results

D-13

As advised on 30 August 2007, the D13 well was off line and dormant. Based on new well logging, the J02 sand was completed and flowed at 1,211,000 scf of gas per day with ~16 boc (1,307,000 scfdge gas) and 1bw to the gas processing plant for sales. **This flow has been increased to rates of up to 1,720,000 scfd with 24 boc (1,864,000 scfdge) and <1bw at 3,275 psig flowing pressure on 10/64" choke.** The J02 is estimated to have 0.5 bcf of reserves.

Smith #1

The J17 producing sand in the Smith #1 well had reached its economic life and the remaining prospective level is the J02 sand. It is planned to drain the 0.9 bcf reserves assigned to the nearby updip Petty #2 well from the Smith #1 well at the J02 level. This is preferred rather than a post 2011 completion on the J02 sand in Petty #2 after the lower J17 sand has also reached its economic life. As this is a very cheap exercise (~US\$20,000) to drain the majority of the 0.9 bcf assigned reserves via Smith #1 the J-02 was completed. The well is **currently producing at 288,000 scf of gas per day with 3 boc (306,000 scfdge) to the gas processing plant for sales.** The J02 sand is also being considered for fracture simulation to enhance production after it has cleaned up and produced for a while.

1.

2.

D-24

As advised on 30 August 2007, the J64 sand in the D-24 well was completed and resulted in a final stabilised daily gas flow of 635,000 scf with 26 boc (791,000 scfe gas) and 8 bw to the gas processing plant for sales. The well is awaiting finalized clean up before fracing the J64 zone late in the December 2007 quarter to enhance flow and to commingle gas production with the presently shut in J90 sand gas. A 2+ fold increase in production is the expectation from this final operation on the well. The J64 sand has 3.68 bcf and 92,000 bo proved reserves.

2. LAKE LONG, LOUSIANA, USA

As advised on 31 July 2007, the SL 328 #9 well on the Hollywood Prospect was shut in after restricted testing averaged 2,364,000 scfdg with 55 boc (2,694,000 scfdge) with no water at 4,584 psig flowing pressure on 10/64" choke, to build a small permanent production platform built around the well head, install well equipment and run a flow line to the Operator's gas processing plant some 800 metres way to commence production, with sales to market.

Production has just come on and is presently at 1,740,000 scfdg with 55 boc (2,070,000 scfdge) and is restricted on a 7/64" choke for clean up and adjustments to the new production system. The operator plans to open up production when the system stablises in the next few weeks to the planned rate of 4,000,000 scfdg with associated condensate.

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 35 years experience in the practice of geology and more than 5 years experience in petroleum geology.