



# SUN RESOURCES NL

ABN 69 009 196 810  
(INCORPORATED IN WESTERN AUSTRALIA)

25 Prowse Street  
WEST PERTH, WA 6005, Australia  
PO Box 1786, WEST PERTH, WA 6872, Australia

Email: admin@sunres.com.au  
Telephone: 61 8 9481 3638  
Facsimile: 61 8 9481 3528

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

## **RE: DRILLING UPDATE - PROJECT MARGARITA, TEXAS (20.00% INTEREST)**

Sun Resources NL ("Sun") is pleased to advise the status of two of the three wells in the current Phase 2 shallow drilling program on Project Margarita, Texas.

### **1. DONA CARLOTA PROSPECT**

Dona Carlota-1 has been successfully drilled to a total depth of 1,524 metres. A gas show was observed in the primary target Frio 1.33 sand with interpretation of the wire line logs indicating 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. Production casing has been run to enable production testing of the well later in the week.

The Dona Carlota Gas Field, based on an interpretation of the 3D seismic data, has an estimated recoverable reserve of 0.62 billion cubic feet of gas.

### **2. AGAVERO PROSPECT**

The truck mounted rig has moved from Dona Carlota-1 to the Agavero Prospect over the weekend to spud Agavero #1.

The Agavero Prospect is the second of the three prospects that are being drilled in the current program which are analogues of historic prolific Frio and Vicksburg sands production in the project area at <2,000 meters depth. The drilling program is expected to run until the end of July 2007.

As with the successful initial three well program, tie in of any commercial discovery made on these prospects will be rapid as the project area is crossed by a number of gas pipelines with access rights and available capacity to tie into.

The prospects have the following mean recoverable gas reserve potential and total depths;

<b>Prospect Name</b>	<b>Mean Rec Reserves</b>	<b>Total Depth</b>	<b>Status</b>
Dona Carlota	0.62 bcf	1,524 m	Drilled gas discovery
Agavero	0.70 bcf	1,340 m	Drilling
Climaco	1.60 bcf	1,980 m	To be drilled

2.

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

	<u>% Interest</u>
<b># Sun Resources NL</b>	<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 (farminee); + 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.