

ASX ANNOUNCEMENT

31 October 2018

SHARE PLACEMENT & SHARE PURCHASE PLAN

Sun Resources NL (“Company” or “Sun”) announces a placement and Share Purchase Plan (“SPP”).

The Directors of Sun have decided to make a small share placement, followed by an SPP, to fund the final few tasks required to make the Bowsprit project “drill ready” and provide working capital required to cover overheads. Once the well site is prepared and the drilling is imminent, Sun will then raise the funds specifically for funding the drilling, hopefully at a higher and therefore less dilutive share price.

The Company has made a placement of 80 Million shares at a price of A\$0.004 per share to raise A\$320,000 directly to Directors, major shareholders and sophisticated investors.

Subject to Shareholder approval at the AGM the Directors of Sun will subscribe (in total) for 25 million shares at A\$0.004 per share to convert working capital loans made in 2018 to the Company of \$100,000 into share holdings.

The SPP booklet will be mailed to Eligible Shareholders* on 5 November 2018. The booklet contains the terms and conditions of the SPP and a covering letter from the Chairman (also attached).

The Company is offering the SPP to its existing Eligible Shareholders*, providing them with the opportunity to subscribe for up to a maximum of \$15,000 worth of shares at the recent placement price of \$0.004 per share. The Company is planning to accept up to \$0.5 million and may determine to raise a higher amount or scale back applications at its discretion.

The net proceeds from the SPP in conjunction with the placement cash of AU\$220,000 will go towards funding the following:

- Advancement of the Bowsprit Appraisal/Development Project including;
 - 3D geological modelling of Bowsprit for final well location selection
 - Detailed well design
 - Permitting of the first well location
- Pay deferred Director fees
- to fund geological review of new projects; and
- to provide ongoing working capital.

The SPP provides an opportunity for smaller Shareholders to take positive action and increase their shareholding ahead of a likely unmarketable parcel share sale facility being considered for late 2018 or early 2019.

The key dates for the SPP as announced on 31 October 2018 are as follows:

Record Date	5pm (AWST) on 30 October 2018
Booklet Dispatched to Shareholders	5 November 2018
Opening Date of SPP	5 November 2018
Closing Date of SPP	5pm (AWST) on 23 November 2018
Issue Date for Shares under SPP	30 November 2018
Expected Quotation Date of Shares under SPP	3 December 2018

These dates are indicative only and subject to change.

If you have any questions about the terms and conditions of the SPP or how to make an application, please contact Sun Resources NL on **+61 (8) 9321 9886**.

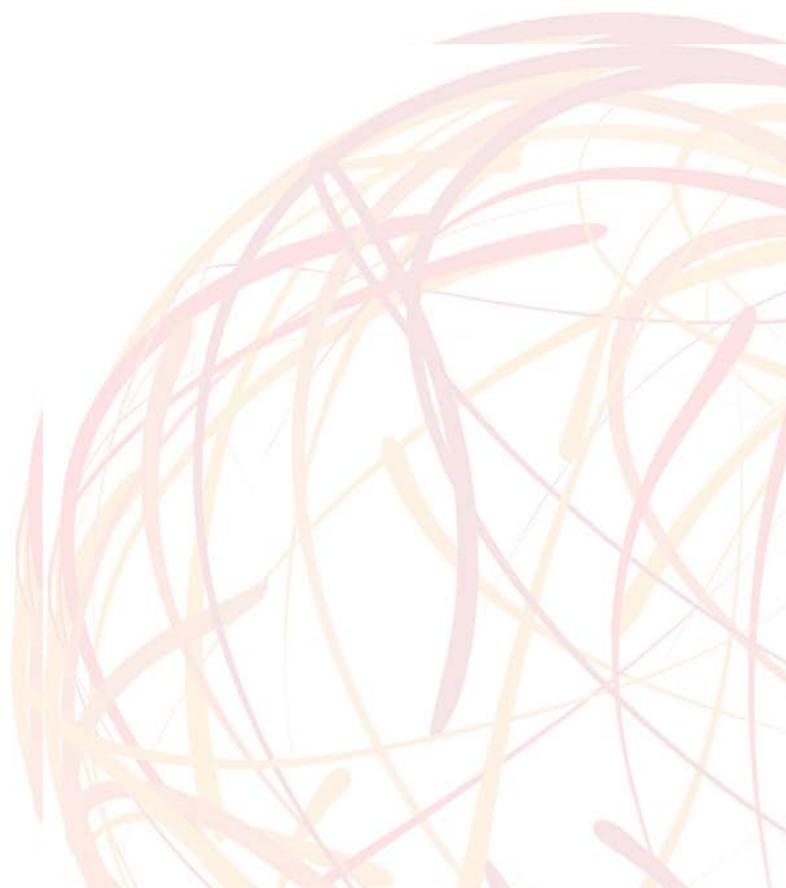
*You are eligible to participate in the SPP and considered an “Eligible Shareholder” if you were a registered holder of fully paid ordinary shares in Sun (Shares) as at 5:00 pm (AWST) on **30 October 2018** (Record Date) with a registered address in Australia or New Zealand.

Contact: Alexander Parks
Managing Director & CEO
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BY ORDER OF THE BOARD



Jo-Ann Long,
Company Secretary
Telephone: +61 (08) 9321 9886
Email: admin@sunres.com.au



31 October 2018

Letter to Shareholders – Share Purchase Plan

Dear Fellow Shareholder,

Enclosed with this letter you have received an offer to participate in a Share Purchase Plan (SPP) in Sun Resources NL (“Sun” or “the Company”). I encourage you to read the enclosed materials and consider taking up the offer of new shares.

Sun’s focus is on appraising and developing the Bowsprit project located in the shallow inland waters of the Gulf of Mexico, 70km Southeast of New Orleans, Louisiana.

The Company is preparing to commence all the necessary permitting and drilling design for drilling in second quarter of 2019. The Company will fund the drilling via a farm out, or a new capital raise closer to the drilling date. The well is targeting a sand that is known to contain oil as it was produced in the 1960’s with vertical wells. Sun is of the belief that only a small fraction of the recoverable oil was produced in the 1960’s and through the use of horizontal drilling hope to bring the field on to production by the end of 2019. The field is expected to be commercially robust with a breakeven oil price in the order of \$20-35/bbl depending on how much oil is recovered.

Sun’s former unconventional projects were not viable at oil prices below US\$60/bbl and it has taken considerable work by the company to reposition itself. The Directors now feel that the company has a viable project and plans to be drilling in the first half of 2019. This SPP is an opportunity for long standing shareholders to invest and participate as the Company undertakes the project appraisal and development.

A copy of the latest company presentation is available on Sun’s website at www.sunres.com.au.

Share Purchase Plan

The SPP provides an opportunity for Sun’s loyal shareholders to participate. The Sun Share Purchase Plan (SPP) is exclusively available to shareholders who were registered as holders of fully paid ordinary shares in Sun Resources NL at 5pm (AWST) on 30 October 2018. Pricing for the SPP is \$0.004 per share.

Enclosed with this letter are your SPP offer documents which entitle eligible shareholders of the Company to purchase up to \$15,000 worth of fully paid ordinary shares in the capital of Sun, free from all brokerage and commissions.

New shares under the SPP will be issued at A\$0.004 per share. The SPP aims to raise up to A\$0.5 million and is not underwritten. Sun may determine to raise a higher amount or decide to scale back applications under the SPP at its absolute discretion.

The SPP will close on 23 November 2018 with shareholders able to purchase between \$500 and \$15,000 worth of shares at a price of 0.4 cents per share.

The SPP offers opportunity to access securities in larger volumes at a fixed price than is generally available through on-market purchases. The SPP is also a great opportunity for smaller shareholders to take positive action and increase their shareholding ahead of a likely unmarketable parcel share sale facility being considered for late 2018 or early 2019.

Your directors have demonstrated their support through participating in the placement and will subscribe under the SPP and I encourage you to consider doing likewise through the SPP.

If you have any concerns about what to do, you should contact your broker or other financial adviser.

If you have not received the SPP documents by 9 November 2018 then please contact Sun's Share Registry Computershare on (1300 850 505 or +61 (3) 9415 4000 if outside Australia).

Annual General Meeting

The Notice of Meeting for the Company's 2018 Annual General Meeting was dispatched on 26th October 2018. I encourage you to read this and welcome you to attend the meeting on 27 November 2018 in Perth. If you can't attend the meeting, please complete your voting by proxy using the forms enclosed with the Notice of Meeting.

On behalf of the Board, I thank you for your continued support, and invite you to consider participating in the SPP and attending the Annual General Meeting.

Yours sincerely

Ian McCubbing
Non-Executive Director and Chairman

