



**SUN**  
resources

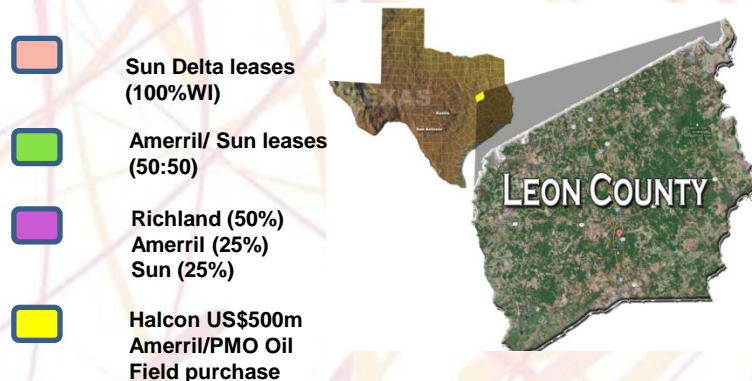
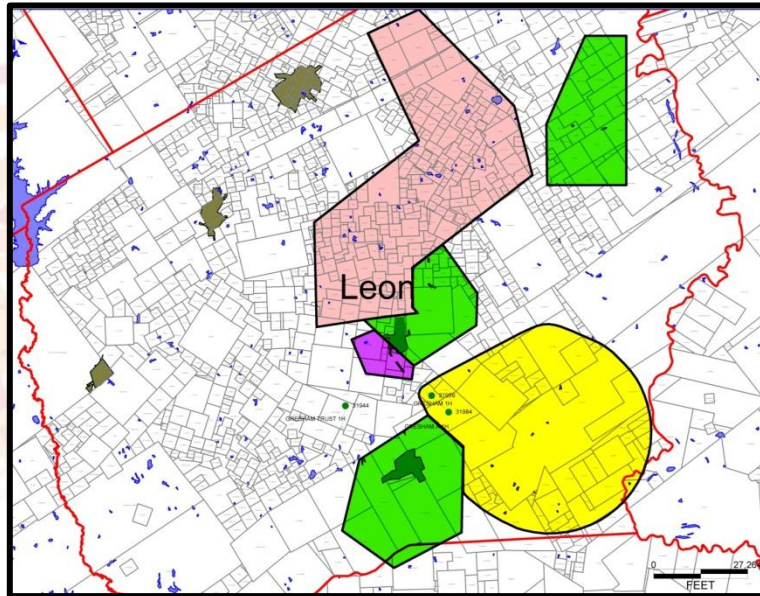
**Investor Briefing – July 2012**

***Growing in the Woodbine Tight Oil Play***

***Matthew Battrick, Managing Director***

## Three Transformational Deals in Less than 12 Months

### SUN'S FOOTPRINT IN LEON COUNTY, TEXAS



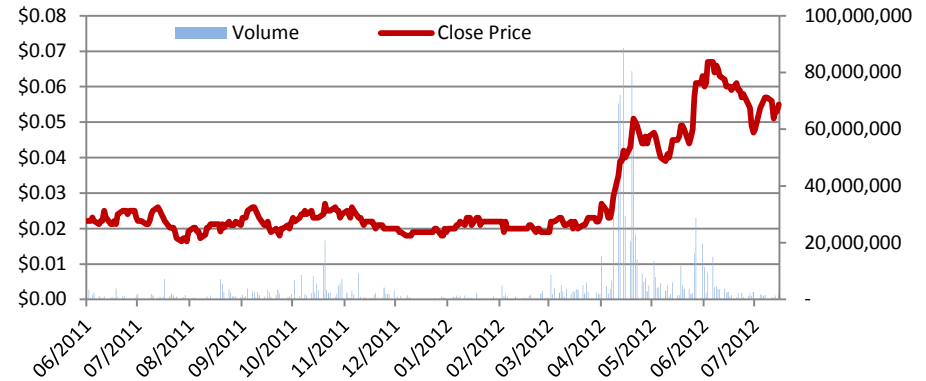
- Material working interest in 22,000 acres (14,833 net acres)
  - 100% working interest (75% NRI) in 8,347 acres (Delta Oil Project), and growing this position;
  - In the process of acquiring a 50% working interest (37.5% NRI) in additional 12,293 acres adjacent to Delta Oil Project from Amerril Energy LLC
  - Farming in to Beeler #1H drilling opportunity with Richland Resources Corporation and Amerril, delivering a 20.3%WI in the well and a 25%WI in the remainder of the 1,360 gross acres
- Potential of Woodbine recognised by Halcón Resources Corp. – the same group of people that recognised the Eagle Ford potential, and sold to BHP in \$12.1 billion transaction
- Vendors of acres are shareholders of Sun, are Houston-based and well incentivised to grow and add value to Sun's Woodbine acreage
- Currently in advanced discussions with a number of potential farm-in partners to drill on Delta and Amerril leases
- Drilling scheduled to commence in August 2012 on 'Richland' acres – Sun's 1<sup>st</sup> Woodbine well

## CAPITAL STRUCTURE

<b>Ordinary shares</b> <sup>1, 2</sup>	1.15 billion
<b>Performance Options</b> <sup>1, 3</sup>	510 million
<b>Unlisted Options</b> (various prices) <sup>1, 4</sup>	103.2 million
<b>Market capitalisation</b> (at 5.7 cents (undiluted))	\$64.9 million
<b>Cash</b> <sup>5</sup>	\$1.2 million
<b>Enterprise Value</b>	\$63.7 million

- The numbers throughout this presentation are based on the acquisition of 10,000 acres pursuant to the Delta Oil Project acquisition. The number of securities to be issued to the vendor will be up to 58.8 million shares, 50 million options and 510 million performance options (all included in table above) however this number of securities will reduce proportionately to the number of acres acquired by Sun as part of the acquisition of the Delta Oil Project if less than 10,000 acres is acquired. 115 million of these performance options will lapse on 31 August 2012 if certain milestones are not met prior.
- Does not include the 291m shares to be issued to Amerril Energy LLC in respect of the acquisition announced to the ASX on 7 May 2012 and as varied and announced to ASX on 30 July 2012.
- Performance options convert into ordinary shares upon achievement of certain project milestones (these are detailed in Sun's Notice of General Meeting announced to ASX on 21 November 2011, and also Sun's announcement dated 27 July 2012).
- Inclusive of 50 million options each having an exercise price of 2.5 cents and an expiry date of 31 March 2014 issued to the vendor of the Delta Oil Project.
- Reflects Sun's cash reserves at 30 June 2012. Does not include refundable bonds on L20/50, Thailand of ~\$A0.3 million.

## SHARE PRICE HISTORY



## BOARD OF DIRECTORS

<b>Wolf Martinick</b>	Non-Executive Chairman
<b>Matthew Battrick</b>	Managing Director
<b>Damian Kestel</b>	Non-Executive Director
<b>John Kenny</b>	Non-Executive Director
<b>Phil Linsley</b>	Non-Executive Director

- Top 50 shareholders, including Board and Vendors, currently own ~ 45% of shares on issue*

- Sun Resources and Carina Energy LLC (the Delta Project Vendor) have agreed to grow the Delta and adjacent project areas beyond the original 10,000 acre target
- Following completion of recently announced transactions, Sun will have an interest in 22,000 gross acres, and is targeting at least 35,000 gross acres
- Vendor remains incentivised to add additional net acres and secure competent drilling operators, via farm-out, across the portfolio through several performance option series<sup>1</sup>:

Performance Options	Milestones the Vendor Must Achieve in order for the options to be exercised <sup>2</sup>	Milestone Expiry Date
<b>75m Class B</b>	Farm-out of the Woodbine tight sands play of the Delta Oil Project to a reputable 3 <sup>rd</sup> party (including drilling obligations) by 31 August 2012	31 Aug 2012
<b>40m Class C</b>	Farm-out of a deeper than 10,000 foot horizon (i.e. Travis Peak or Cotton Valley or Bossier horizon) of the Delta Oil Project to a reputable 3 <sup>rd</sup> party (which farm-out will include shooting 3D seismic and/or drilling obligations), by 31 August 2012	31 Aug 2012
<b>65m Class D</b>	Acquisition of at least a further 5,000 net acres of oil and gas leases (with the leases to be introduced by the Vendor) – due to be voted on by shareholders at a general meeting to be held before 15 September 2012	28 Feb 2013
<b>65m Class E</b>	Attain 2P Reserves (net to the Company) of 10,000,000 barrels of oil and average daily oil production (net to the Company) of 500 barrels of oil per day (from the Delta Project or an asset introduced by the Vendor) by 31 August 2016	31 Aug 2016
<b>75m Class F</b>	Attain 2P Reserves (net to the Company) of 20,000,000 barrels of oil and average daily oil production (net to the Company) of 1,000 barrels of oil per day (from Delta Project or an asset introduced by the Vendor) by 31 August 2016	31 Aug 2016
<b>75m Class G</b>	Acquisition of at least a further 5,000 net acres of Woodbine oil and gas leases to the Delta Project (with the leases to be introduced by the Vendor) by 30 June 2013	30 June 2013
<b>75m Class H</b>	Farm-out of a substantial portion of the Delta Oil Project to a reputable 3 <sup>rd</sup> party (including drilling obligations) by 31 March 2013	31 Mar 2013
<b>40m Class I</b>	Farm-out of a substantial portion of the Amerril Project to a reputable 3 <sup>rd</sup> party (including drilling obligations) by 31 March 2013	31 Mar 2013

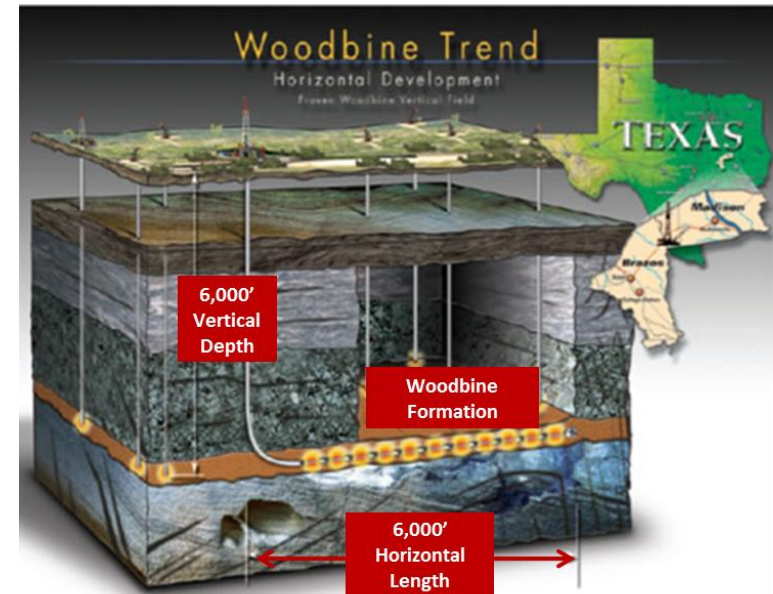
<sup>1</sup> All Performance Options are exercisable at \$0.001 each

<sup>2</sup> Detailed descriptions of the milestones are contained with SUR announcement dated 27 July 2012 and the Notice of Meeting dated 21 November 2011

## Favourable Characteristics

- **Substantial vertical production history has, to a large extent, de-risked the Woodbine tight oil play**
- Horizontal wells have obtained significant oil production at relatively shallow depths - ~6,000' laterals
- Multi-stage fracs (15 to 35 stages) have proven successful in enhancing well productivity
  - **As high as 800 boepd + 30-day average**
- Hydrocarbon bearing formation with high resistivity (oil saturated) sand with 10%+ porosity (storage capacity)
- It is possible that some wells have benefitted from contribution from other fraccable zones (i.e. the Austin Chalk or Eagle Ford Shale)
- Generally there is little to no faulting across the Woodbine tight oil play with stratigraphic units spread across Leon and adjacent Counties

## HORIZONTAL DEVELOPMENT

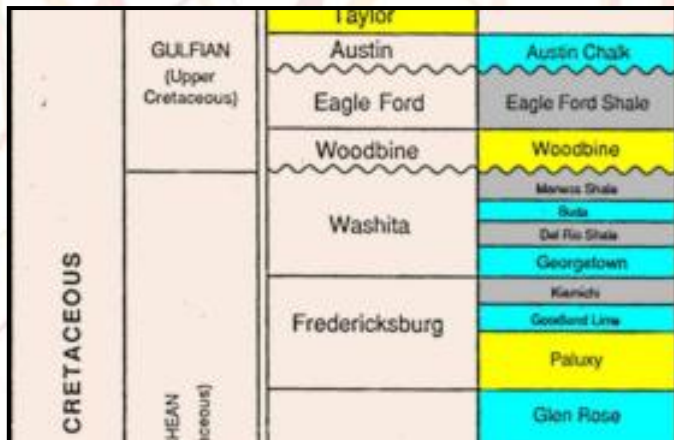
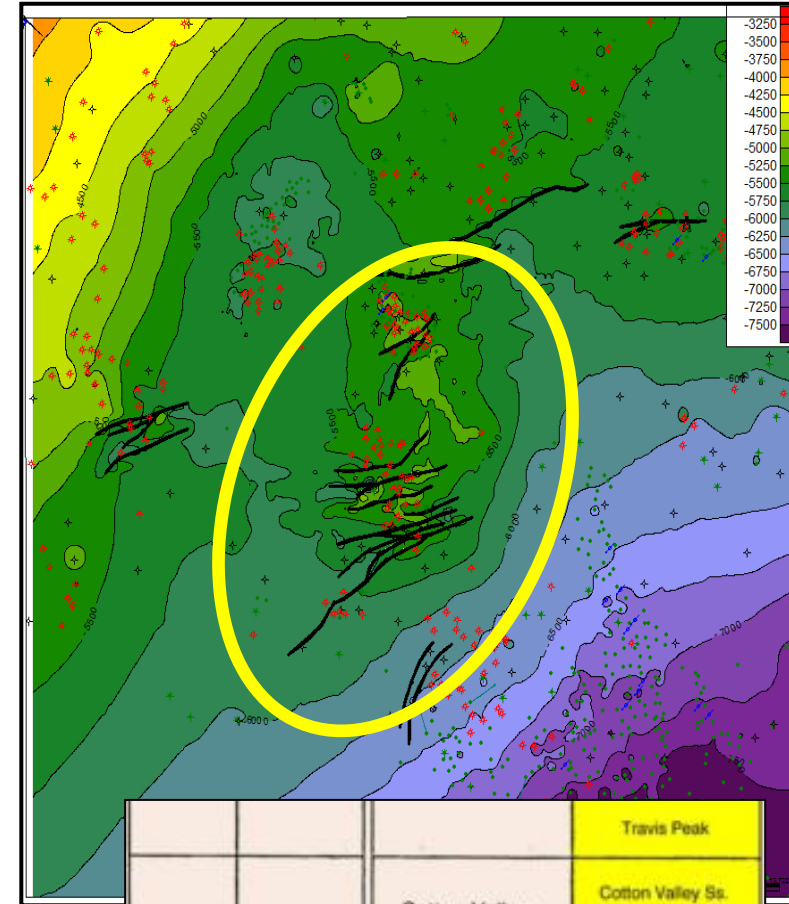


Source: Woodbine Acquisition Corporation

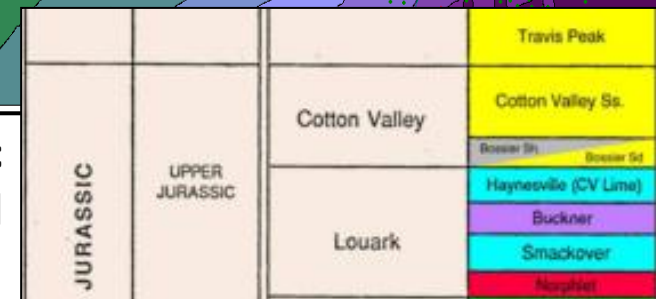
## Potential in Multiple Stacked Horizons

Initially focused on exploiting the Woodbine horizon, however significant potential exists in seven “Fraccable” pay intervals:

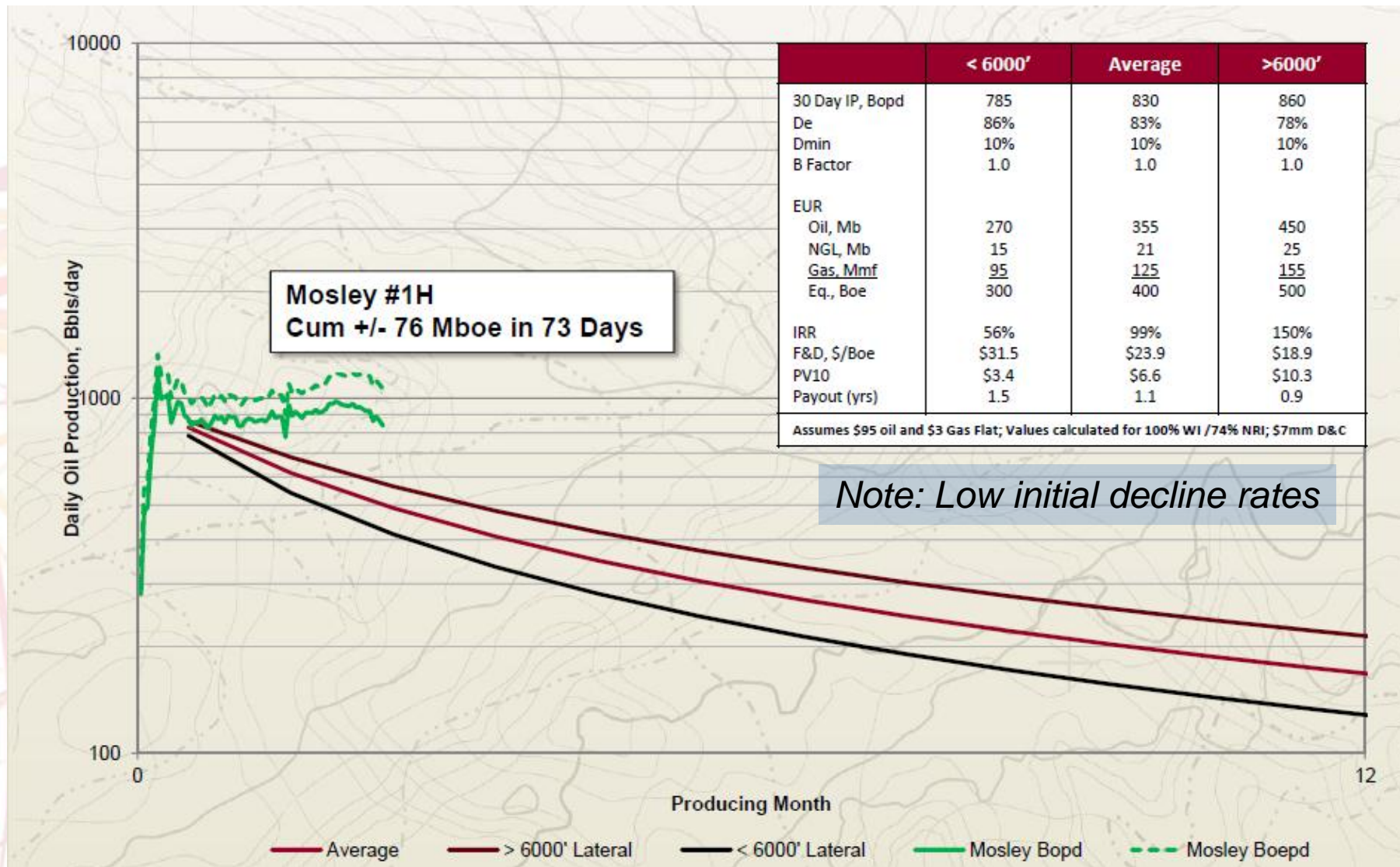
	Horizon	Avg. Depth
1	Austin Chalk	5,600 feet
2	Sub-Clarksville	5,700 feet
3	Upper Eagle Ford Shale	5,800 feet
<b>4, 5, &amp; 6</b>	<b>Upper, Middle &amp; Lower Woodbine</b>	<b>6,100 feet</b>
7	Buda - Georgetown	6,800 feet



Also Deep Jurassic Gas Potential



# WOODBINE PRODUCTION – SINGLE WELL TYPE CURVE



Source: Crimson Exploration Inc, Presentation to RBC Global Energy and Power Conference, June 2012

# INTENSE INDUSTRY INTEREST IN THE WOODBINE

*Sun Is A First Mover on the ASX...*

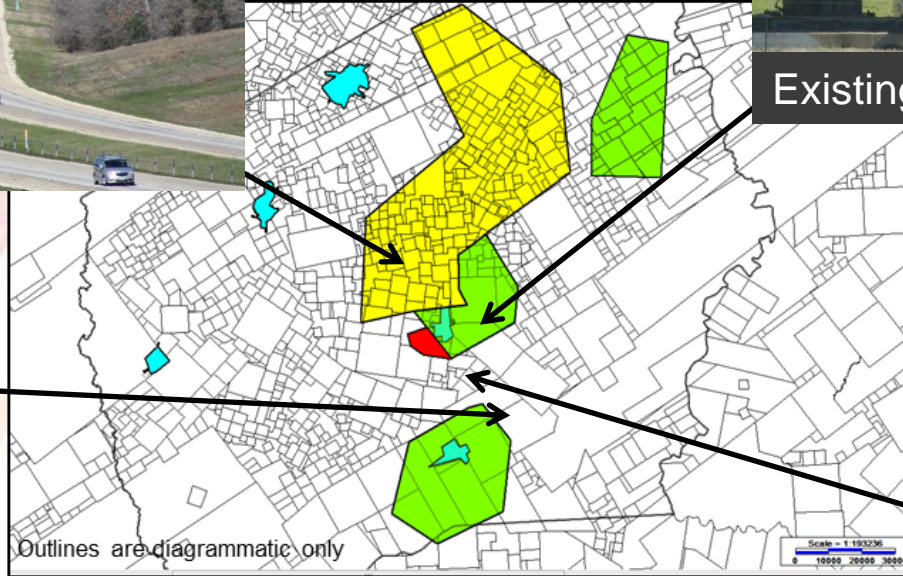




### Energy Corridor – I45



### Existing vertical oil production



### SUN'S FOOTPRINT IN LEON COUNTY TEXAS

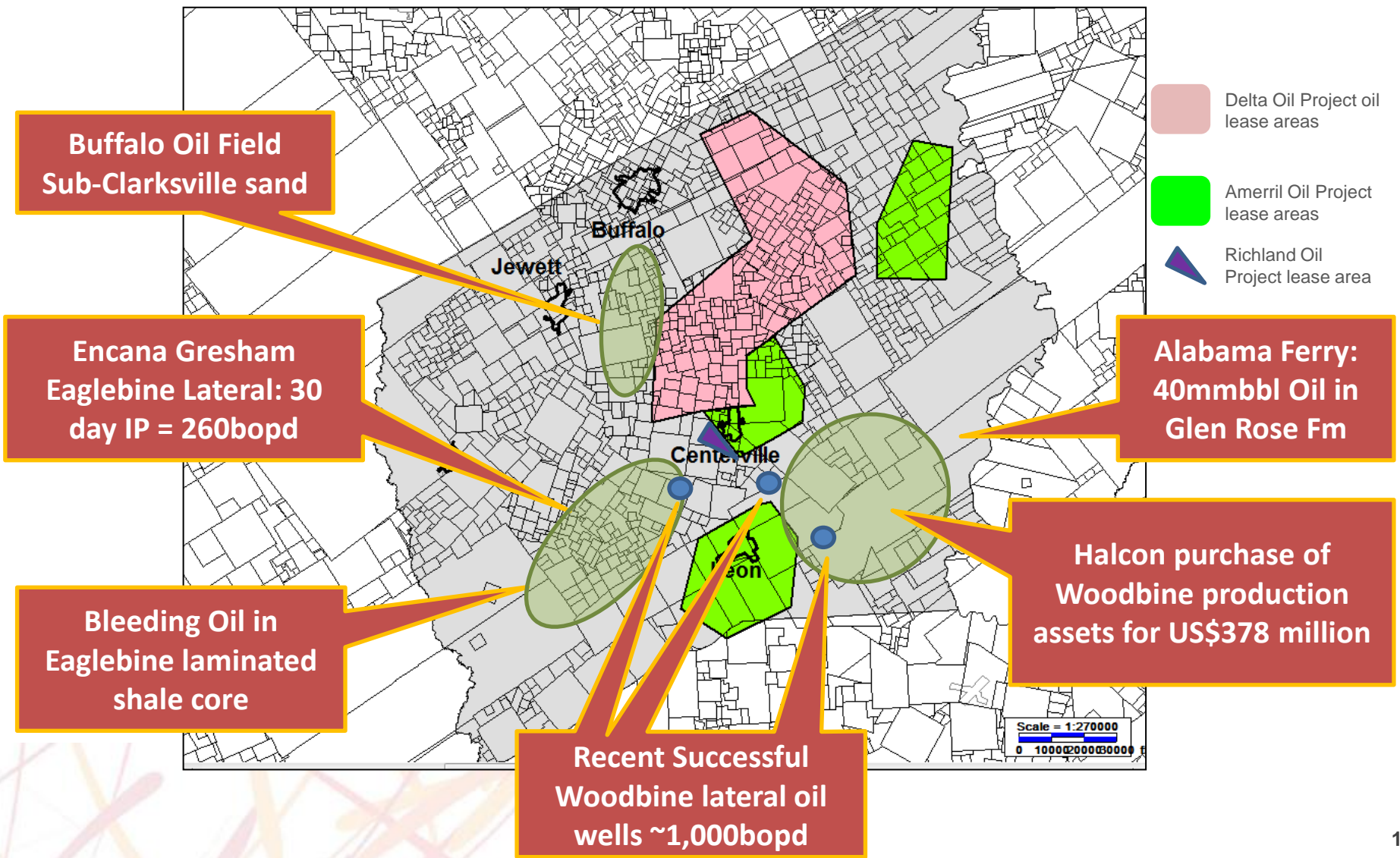
- Delta Oil Project lease areas
- Amerril Oil Project lease areas
- Richland Oil Project lease areas

### Infrastructure on site in 26 days



### Rig drilling 6,000 ft lateral in Woodbine

## Surrounded by Significant Oil & Gas Fields



## The Value of Sun's Leases is Growing

### RECENT NEWS FROM THE WOODBINE

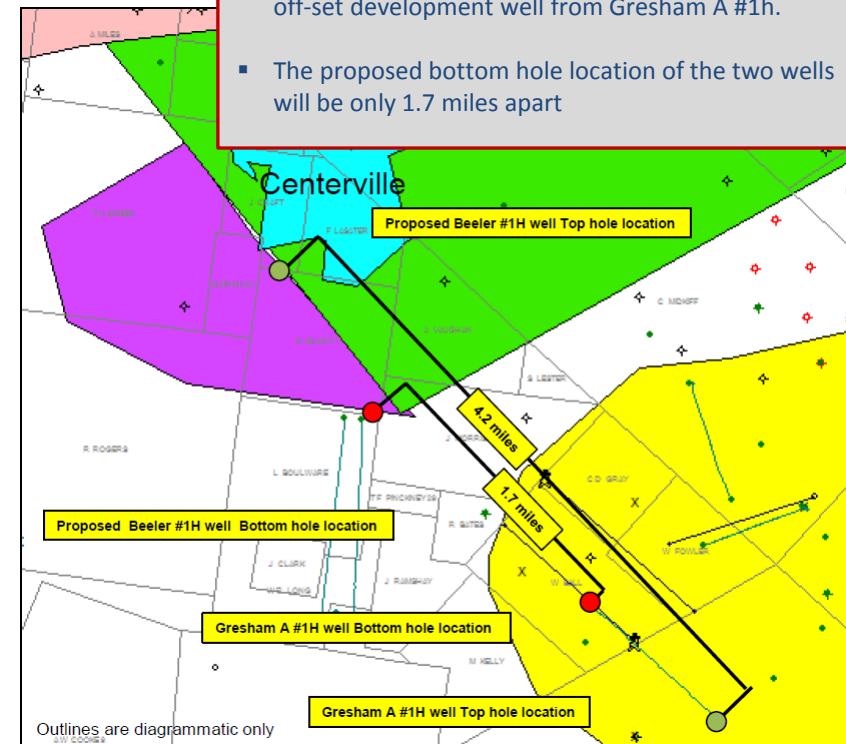
26 August 2011	<i>Sun announce acquisition of 100% WI in up to 10,000 acres in the Delta Oil Project</i>
4 January 2012	Crimson Exploration spud its 1 <sup>st</sup> Woodbine well (Mosley #1H), and announce capital spend of \$74 million for 2012, including <b>10 Woodbine wells</b>
29 March 2012	Crimson Exploration announce <b>IP of 1,203boepd</b> from its 1st Woodbine well (Mosley #1H)
17 April 2012	Halcón presents target of <b>accumulating 150,000 - 250,000 net acres</b> in the Woodbine oil play
7 May 2012	<b>Sun announces agreement to purchase a further 50% WI in 12,293 acres</b> in the Woodbine oil play
7 June 2012	Halcón to pay <b>US\$378 million to buy 75% of PetroMax's operating Woodbine asset</b> (16,365 net acres)
25 July 2012	<b>Sun announces agreement to farm in to earn a 25%WI in 1,360 acres</b> operated by Richland, <b>to drill the Beeler #1H well</b> to the Woodbine A sand
27 July 2012	<b>Sun announces agreement to grow the Delta Project above 10,000 net acres</b> in the Woodbine oil play

## Strategic Test Well adjacent to Delta Amerril Project Areas

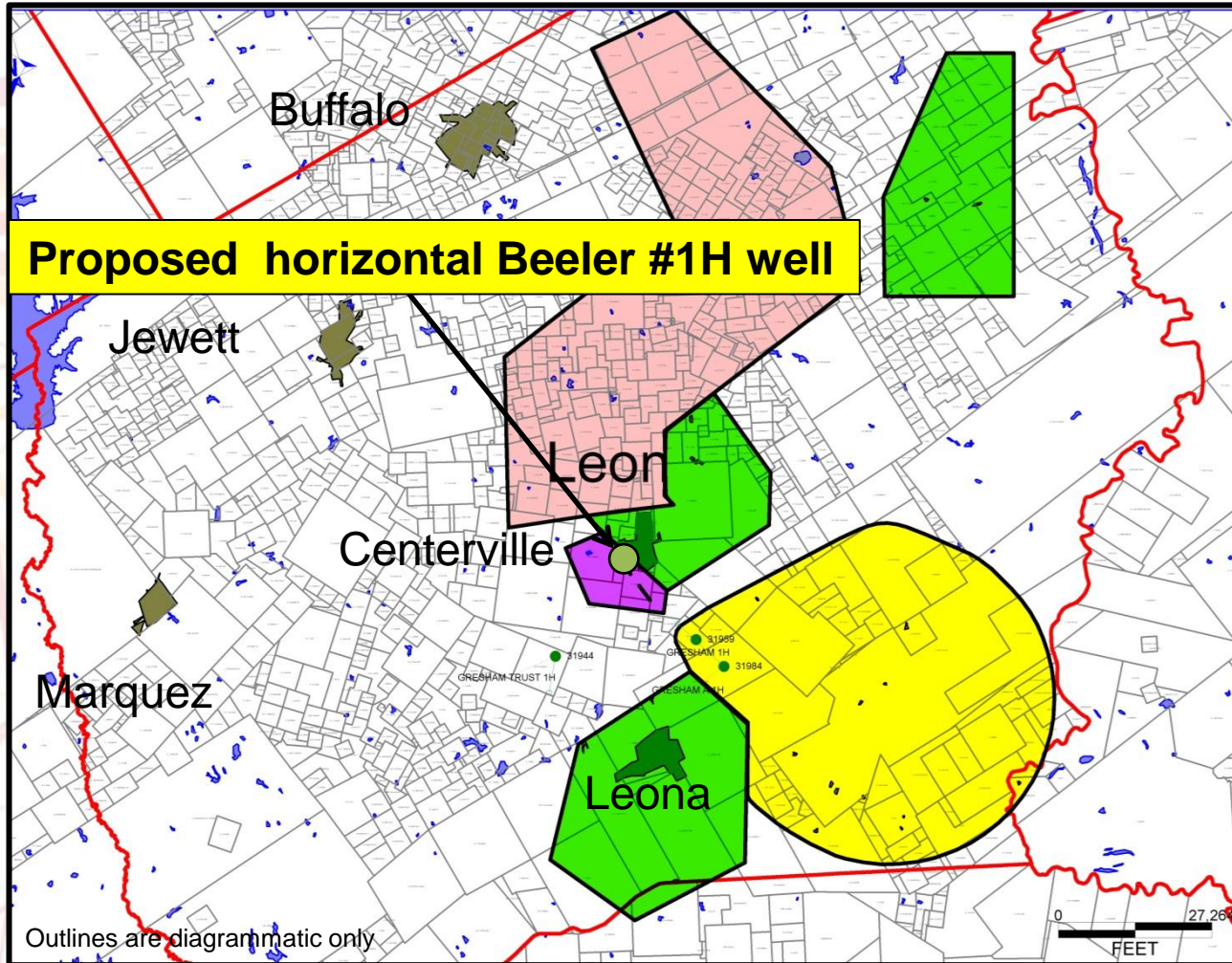
### BEELER #1 WELL – TO SPUD IN AUGUST 2012





- **Binding farm-in with Richland and Amerril regarding 1,360 gross acres**
- Immediately adjacent to one of the best performing horizontal oil wells in Leon County, Texas (Gresham A #1H well)
- **Spud of the Beeler #1H well is scheduled for mid-August 2012; targeting up to 500,000 barrels recoverable oil in the Woodbine 'A' sand**
- Total budgeted cost of the well is ~US\$1,900,000, net to Sun (25% WI)
- **Sun will acquire a 20.3125% Working Interest (WI) and a 15.2344% Net Revenue Interest (NRI) in the Beeler #1H well**
- Sun will acquire a 25% WI in the remainder of the lease area (15.234% NRI)
- The farmers have an option to increase their working interest up to 50%, expiring 3 August 2012, thereby reducing Sun's earning and working interests proportionally

- The Gresham A #1H well is currently producing approximately 600bopd
- Sun interpret the Beeler #1H well location has having a similar profile and can be regarded as a step-out or off-set development well from Gresham A #1h.
- The proposed bottom hole location of the two wells will be only 1.7 miles apart



## Proposed Beeler #1H well location and lease layout



-  Sun Delta leases (100%WI)
-  Ameril/ Sun leases (50:50)
-  Richland (50%)  
Ameril (25%)  
Sun (25%)  
1360 acres
-  Halcon US\$500m  
Ameril/PMO Oil Field  
purchase

# BEELER #1 WELL

## Beeler #1H well: drill, log, stimulate and complete

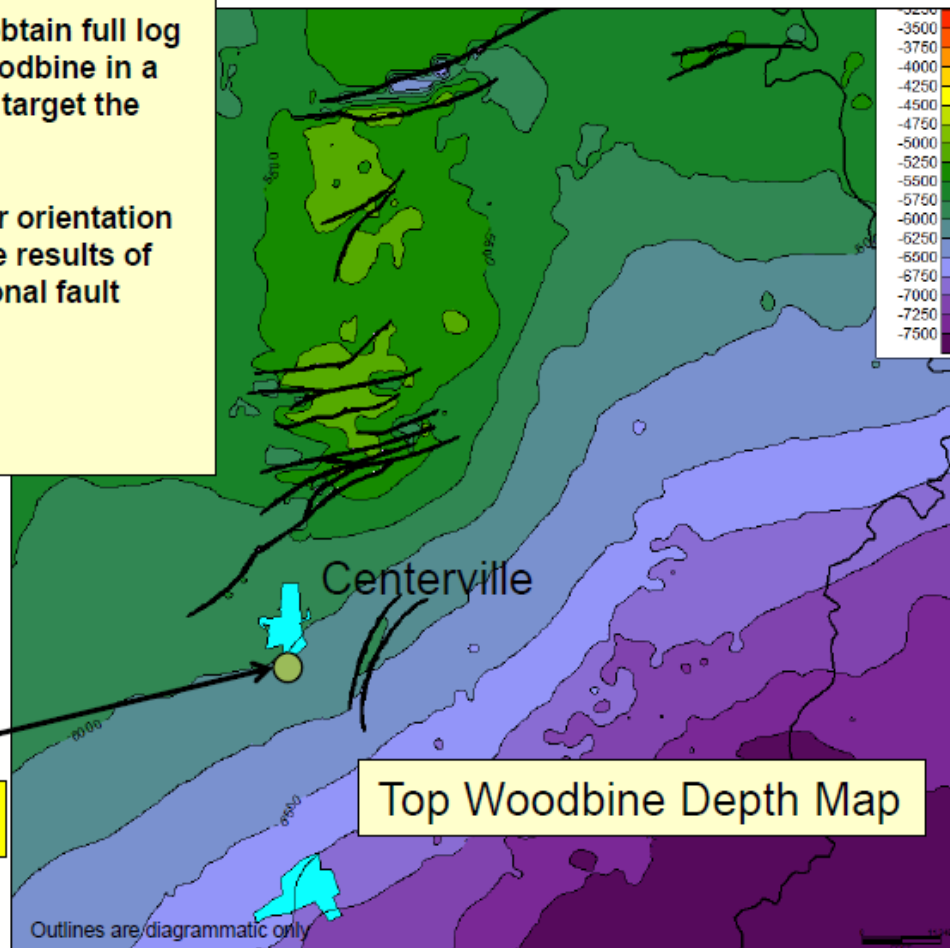
Proposed Measured Depth: 13,500ft  
Proposed True Vertical Depth: 7,000ft

**Geological Objectives:** Drill to Georgetown Formation, obtain full log suite, deviate to drill a 6,500ft lateral extension in the Woodbine in a south-east direction toward the Gresham A #1H well and target the producing sands of this well.

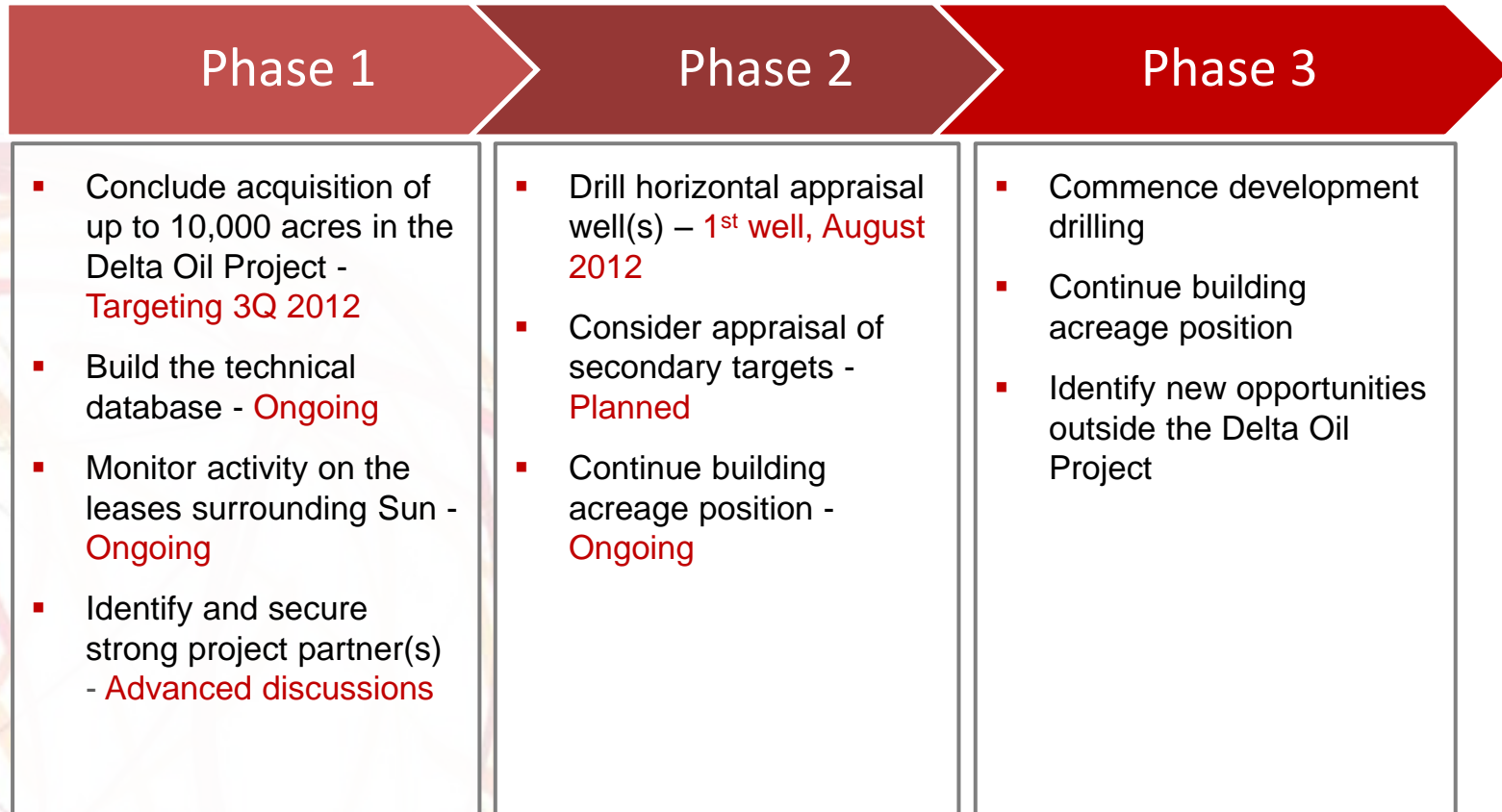
The well will drill horizontally in a S.E. direction (a similar orientation to Gresham A #1H). This is a proven orientation given the results of Gresham A #1H and is supported technically by the regional fault trends.

Spud Date: On or about Friday 17 August 2012  
Completion Date: On or about 27 September 2012

**Proposed horizontal Beeler #1H well**



## *Delivering on Stated Objectives*



*Plan to minimise project dilution to Sun Resources during the proof of concept phase*

- Material exposure to the Woodbine oil play, with plans to grow
- ***Large > 14,833 net acres position (and growing), on trend with proven horizontal production***
  - ***Peers achieving +1,000 boepd initial production (i.p.) with up to 800bopd, 30-day i.p.***
- Significant value to be added to the Delta, Amerril and Richland Oil Projects in 2012:
  - ***Farm-in discussions are well advanced***
  - ***Drilling of Sun's Woodbine acreage scheduled to commence in August 2012***
- ***Attractive well economics – up to 500,000 barrels reserves per well, per zone***
- Proximity to infrastructure will allow fast tie into sales
- ***Potential for multiple pay intervals within lease area***
- Strong in-country USA team



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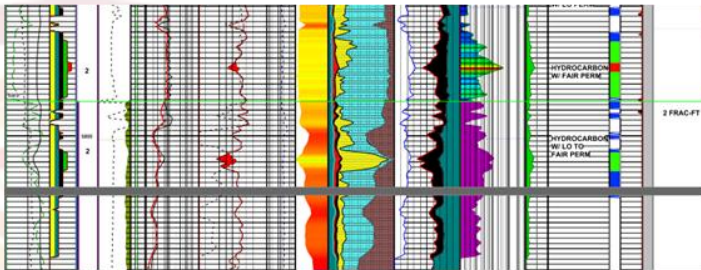
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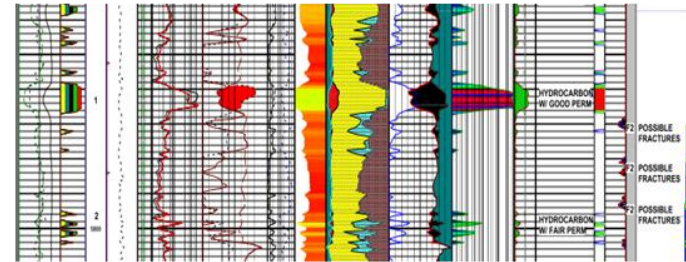
- Organic-rich, laminated sand above Buda
- **~40% silica and clastics = natural fractures**
- Geologically equivalent to EFS in South Texas
- **Modern drilling/completion skills critical**
- Multiple, high quality sand lenses
- **Premium pricing being paid for oil, NGL's and gas**
- 10%+ porosity, 4-5% total organic carbon content (TOC)
- **Current IP's 3-4 times higher than previous estimates**
- Well cost = US\$5.5 to US\$6.5 million
- **Spud to Production = 60 to 90 days**
- Well Spacing = 160 acres (down from 320 acres)
- **EUR = 467mboe per well per zone**
- Potential fraccable target reservoirs existing from 5,500 to 11,500 feet depth
- **Responds to multi-stage fracs (10 to 30 stages)**
- High porosity = high storage capacity fraccable sands
- **Down-dip permeability traps hydrocarbons**

*Ongoing activity continues to de-risk the play and prove the considerable potential of this play*

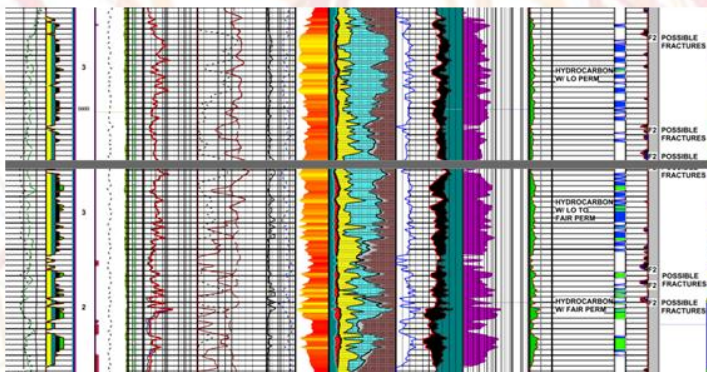
## Sub Clarksville: 20+ meters



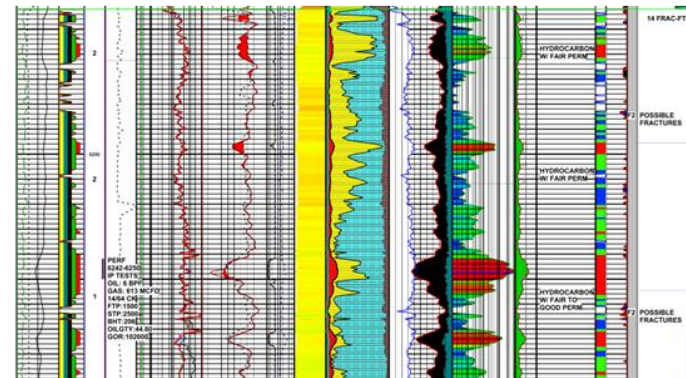
## Clean Woodbine in 3/5 wells



## Eagle Ford Shale: 20-50 meters



## Buda Limestone: 100m pay



## Vertical Well A

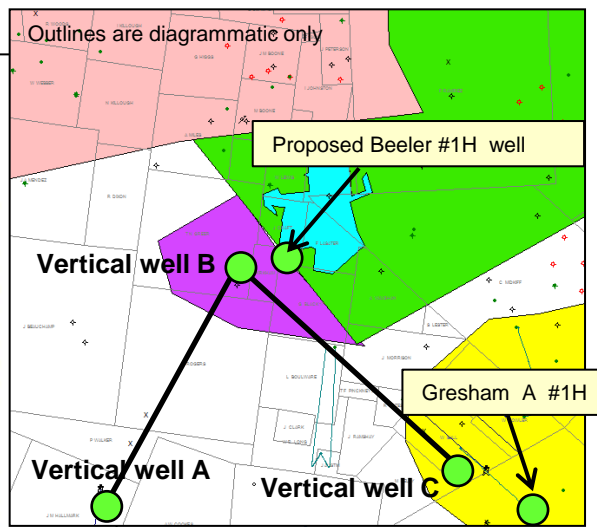
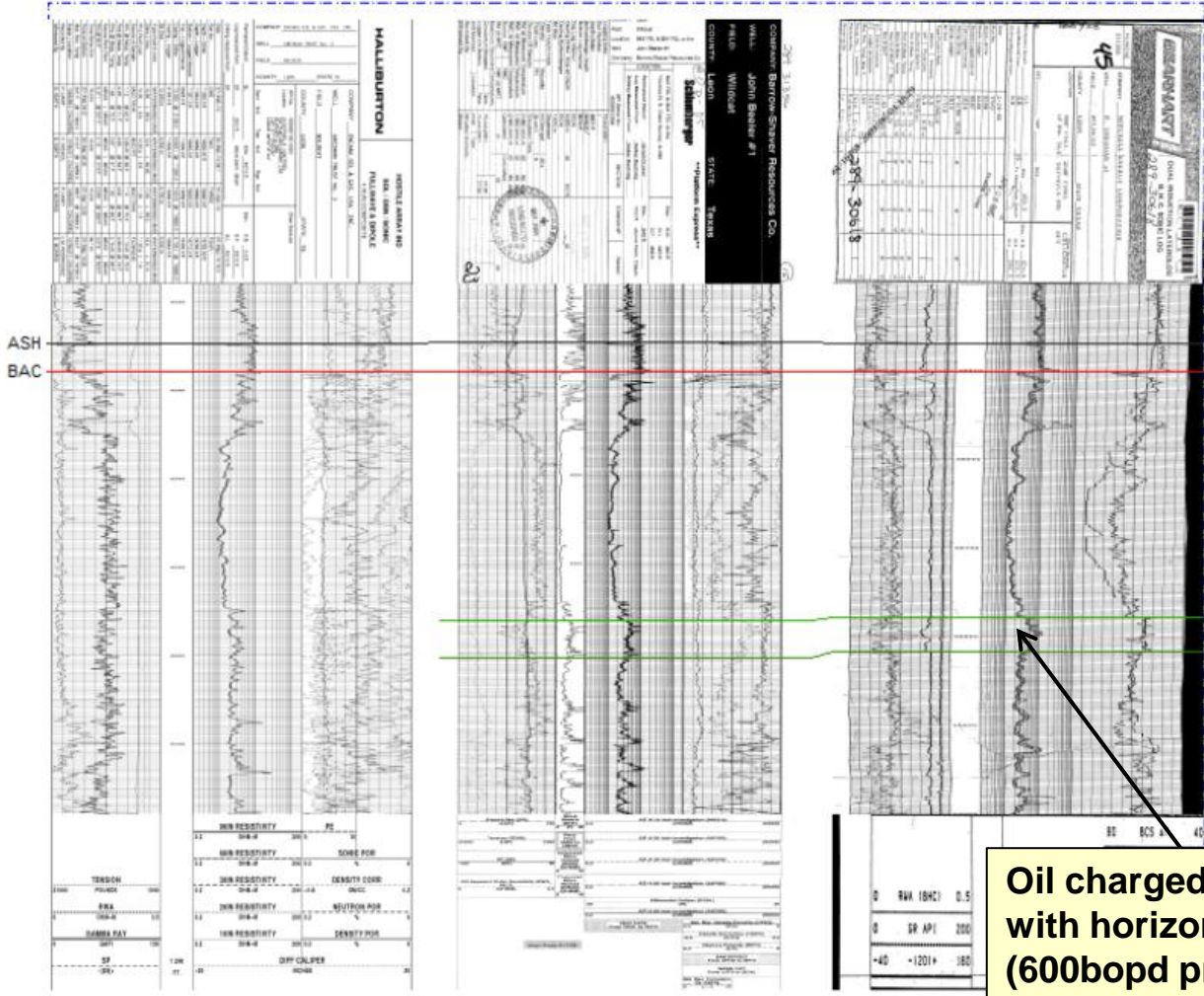
## Vertical Well B

## Vertical Well C

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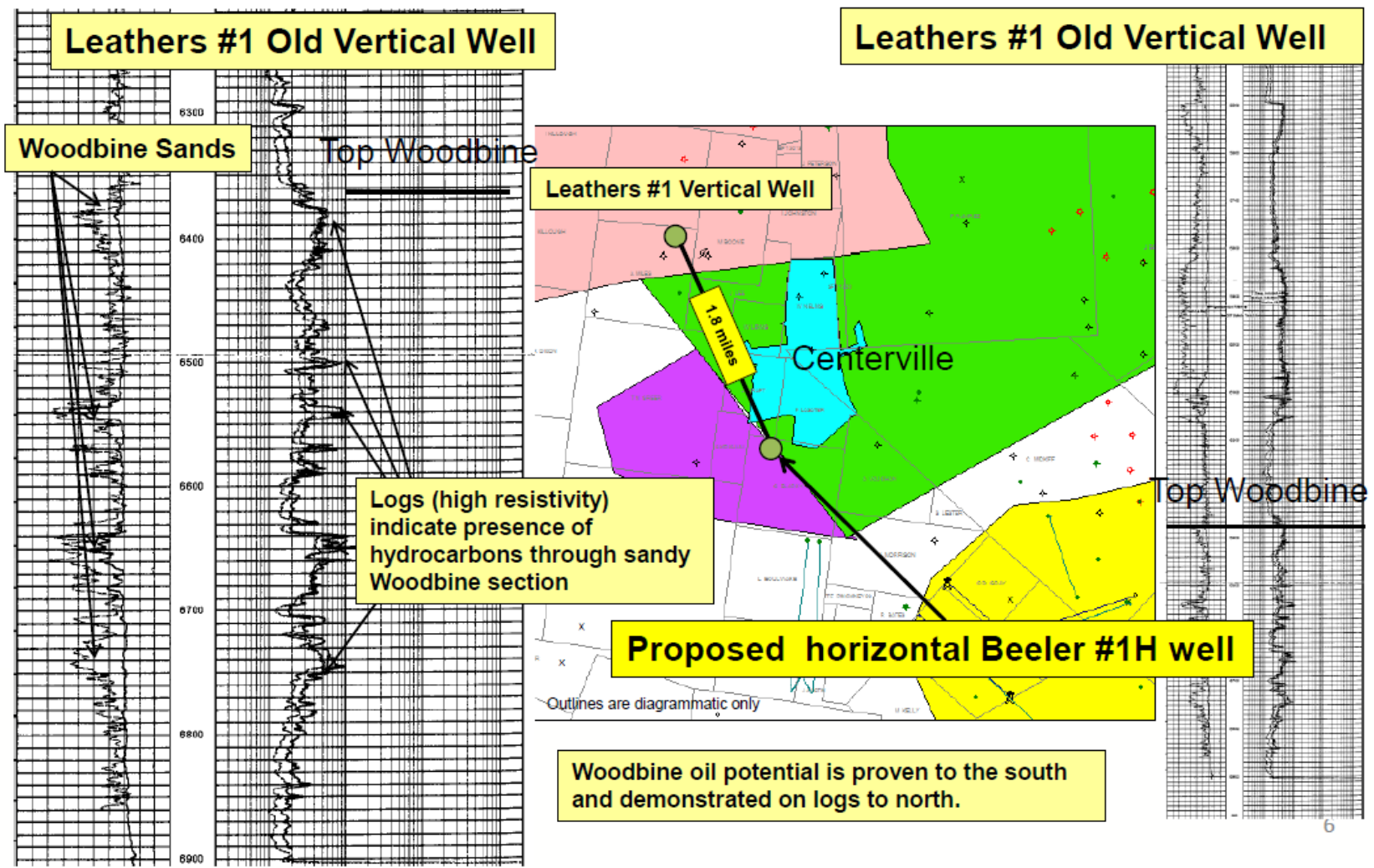
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GRESHAM ROBERT E 1  
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ELEV\_KB : 375



- Sun Delta leases
- Amerril/Sun leases
- Richland/ Amerril/Sun Farmin -1360 acres
- Halcon US\$500m Amerril/PMO Oil Field purchase

**Oil charged Woodbine sands correlate with horizontal well Gresham A #1H (600bopd production)**



**Proposed Beeler #1H well is only 1.8 miles from old vertical well Leathers #1 whose well log is interpreted by Sun to indicate the presence of hydrocarbons through the Woodbine.**

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