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ASX Limited
Company Announcements
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Krai Thong #1 Drilling Update: Onshore Thailand

Sun Resources NL ("**Sun**" or "**the Company**") (**ASX:SUR**) is pleased to provide an update of the drilling activities at Block L20/50 onshore Thailand, which are currently focused on the second well (Krai Thong #1) in this multi-well programme being operated by Joint Venture partner, Carnarvon Petroleum Limited ("**Carnarvon**").

Progress

The Operator reports that, since the last report, the Krai Thong #1 well has completed drilling the intermediate hole down to 605 meters and has set 9 5/8" casing. As at 6:00 am on 8 March the well is preparing to drill ahead in 8 ½" hole to total depth ("TD").

Forward Plan

Operations for the next 3-4 days will be to complete the drilling of the well and run and evaluating wireline logs. The well is planned to intersect the target objectives within this 8 ½" hole section. Upon analysis of logs the well will either be completed for production testing or plugged and abandoned.

Further updates will be issued as the well progresses.

Krai Thong

The Krai Thong Prospect is located onshore central Thailand in the Phitsanulok basin, approximately 350 km north west of Bangkok and 50km south of the prolific Sirikit Oil Field (producing ~20,000 bopd with >200 mmboe estimated ultimate recovery). The second well to be drilled in this multi-well program will test the Krai Thong Prospect (fig. 1), a faulted anticlinal structure with multiple stacked targets. The Joint Venture estimates the Krai Thong Prospect to have a gross speculative potential resource of approximately 37 million barrels. The Krai Thong #1 well will target two separate mapped horizons between approximately 700 meters and TD of 1,425 metres.

Sun has a very significant 42.5% interest in L20/50, providing maximum leverage to its shareholders in this multi-well drilling programme.

For more information and regular updates, please visit the website: www.sunres.com.au

Yours faithfully
SUN RESOURCES NL

Matthew Battrick
MANAGING DIRECTOR

Information contained in this report was sourced from the Operator of the Joint Venture in which the Company has an interest and was compiled by the Managing Director of Sun Resources, Matthew Battrick, BSc (Geol), MPESA, MPESGB, MAAPG, GAICD who has 30 years experience in the practice of geology and more than 25 years experience in petroleum geology.

AD-1 Drilling Rig

About the L20/50 Multi-well Drilling Programme

Tapao Kaew Prospect
The Tapao Kaew Prospect (figure 1) is a 4-way anticlinal structure with stacked targets on the western edge of the basin, immediately adjacent to the interpreted hydrocarbon kitchen.

Krai Thong Prospect
The second well will be drilled into the Krai Thong Prospect (fig. 1), a faulted anticlinal structure with multiple stacked targets. The Joint Venture estimates the Krai Thong Prospect to have a gross speculative potential resource of approximately 37 million barrels. The Krai Thong #1 well will target two separate mapped horizons between approximately 700 - 1,450 metres.

Chalawan Prospect
If sufficient encouragement is demonstrated by the second well, the Joint Venture may drill a third well as part of this initial drill program. This well would be at the Chalawan Prospect (fig. 1). This structure comprises a series of tilted fault closures on the eastern edge of the basin. The Joint Venture estimates the Chalawan Prospect to have a gross speculative potential resource of approximately 32 million barrels. If this prospect is drilled, it is planned to be a shallow well to a total depth of 950 metres.

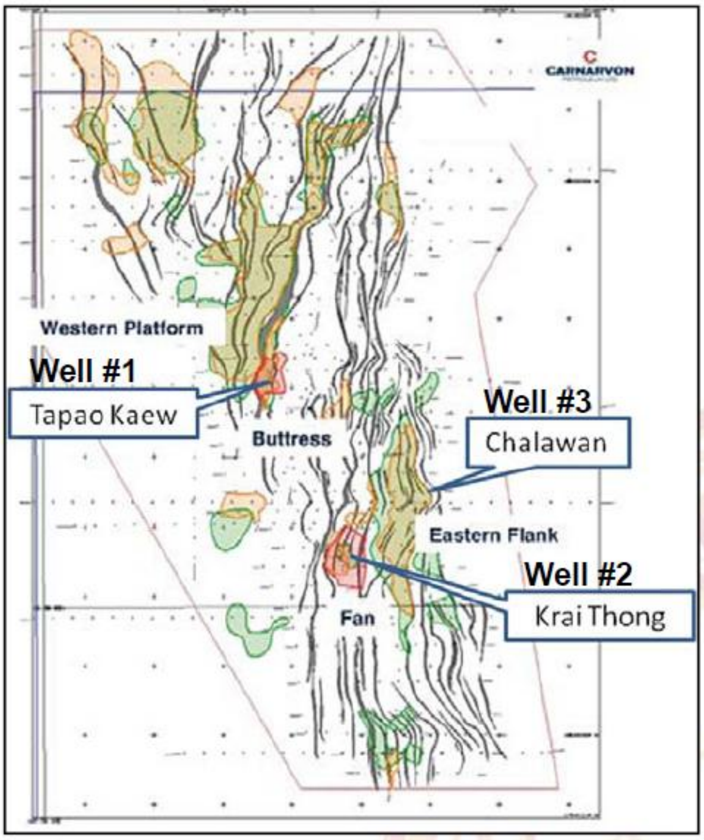

Figure 1, Prospect location map, L20/50 Permit

About the L20/50 Permit

The L20/50 permit lies on the onshore Phitsanulok Basin, located between Thailand's two largest producing onshore field complexes, being the next basin along from Carnarvon Petroleum Limited's Phetchabun Basin Oil Fields (producing up to 15,000 bopd with >60 mmboe estimated ultimate recovery) and 20 kilometres south, in the same basin as the prolific Sirikit Oil Field (producing ~20,000 bopd with >200 mmboe estimated ultimate recovery).

The L20/50 Joint Venture exploration program is targeting a resource of similar size to that of Carnarvon and Pan Orient who are producing up to 15,000 bopd (with >60 mmboe estimated gross ultimate recovery) from a number of new oil pools in the "volcanic play" in the adjacent Phetchabun Basin, 50 kilometres to the east. The primary reservoir target in the wells testing the firm prospects is the traditional sandstone reservoirs that produces most of the oil from the prolific Sirikit Oil Field and is present in multiple levels in the Nong Bua-1 well within L20/50.