



SUN RESOURCES NL

ABN 69 009 196 810
(INCORPORATED IN WESTERN AUSTRALIA)

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Monday, 5 July 2004

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

Dear Sir/Madam

RE: MUGGLES 1 DRILLING UPDATE WA-254-P, OFFSHORE CARNARVON BASIN, WA

Operator of WA-254-P, Apache Northwest Pty Ltd ("Apache") has advised Sun Resources NL ("Sun Resources") that Muggles 1 intersected the target *M australis* stratigraphy in the Cretaceous channel on Friday afternoon 2 July 2004 and found it to be non reservoir in character at this location (silt dominant) with as to be expected no significant gas shows or fluorescence.

To increase the understanding of the channel stratigraphy the joint venture decided to deepen the well to total depth of 1,600 metres MDRT rather than 1,454 metres MDRT to intersect all sediments to the base of the target channel.

Upon reaching revised total depth, final logs and sidewall cores were run and the well was then plugged and abandoned on Saturday, 3 July 2004.

Participants in Muggles were:-

* Sun Resources NL	10.3895%
Apache Northwest Pty Ltd	69.7305% (Operator)
* First Australian Resources Ltd	10.7143%
* Victoria Petroleum NL	6.1743%
* Pan Pacific Petroleum NL	2.9914%
	<u>100.0000%</u>
* ASX listed	

Yours sincerely

SUN RESOURCES NL

Dr Brad L Farrell
MANAGING DIRECTOR

This report is lodged on the Company's website, www.sunres.com.au