



SUN RESOURCES NL

ABN 69 009 196 810
(INCORPORATED IN WESTERN AUSTRALIA)

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Thursday, 3 March 2005

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

Dear Sir/Madam

RE: BG WEBB #1 WELL - FLOUR BLUFF GAS PROJECT, TEXAS

Texas Crude Energy Inc ("TCEI"), the Operator of the Flour Bluff Gas Project, Gulf Coast, Corpus Christi, Texas, has advised Sun Resources NL ("Sun Resources") via the 5.30 am morning well report dated March 2 (Texas time) that the **BG Webb #1 well was at 9,242 feet (2,817 metres) and slowly drilling ahead in 8 1/2" hole in thick shale seal to targeted Frio J sands above next logging and casing point at 10,000 feet (3,048 metres).**

The BG Webb #1 well is a 12,500 foot (3,810 metres) deep well which will specifically test multiple sand targets principally Frio J and K series sands between 8,700 feet (2,652 metres) and total depth in the Flour Bluff Field itself, a large upthrown, 3 way dipping fault closure.

The well is targeting 19 billion cubic feet ("BCF") of gas potential below 8,700 feet (2,652 metres) in the J and K sands in the drainage capture of the well, i.e. undeveloped 2P reserves of 9.22 BCF of gas (Ryder Scott 2004 reserve report) and additional potential of 9.78 BCF of gas in the lower K sands. Historically wells have produced up to 20 BCF of gas in this field.

The BG Webb #1 well will also test the "overview concept" of the existence of a potential 160 BCF of gas in multiple J and K Frio sands below current 3P reserves of 67 BCF of gas in the deep portion of the regional structure of the Flour Bluff Field itself.

The well on reaching total depth in about 42 days will be released to drill a further two wells (EFB D-10 and EFB D-24) on the East Flour Bluff Field which lies in a downthrown 4-way dipping structural closure eastern adjacent to the Flour Bluff Field. East Flour Bluff Field has a present 3P reserve of 22 BCF of gas with further upside potential of 44 BCF of gas, in all 66 BCF of gas.

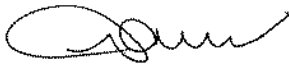
Subject to well data, including well logs, a well service rig will move in for well completion, fracture stimulation and testing operations which may run for a further 40 days.

Participants Working Interests in the Flour Bluff Project through their USA wholly owned subsidiaries are:-

* Sun Resources NL	12.50%
* Victoria Petroleum NL	12.50%
* Tony Barlow Limited	12.50%
US Private Investor Companies	<u>62.50%</u>
	100.00%
* 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

Information contained in this report was compiled from information provided by Texas Crude Energy Inc and diligence conducted on the project by the Managing Director of Sun Resources NL, Dr B. L. Farrell, PhD, MSc, BSc (Hons Eco.Geol), FAIMM, MICA, CPGeol, MIMM, MPESA, who has had 35 years experience in the practice of geology and more than 5 years experience in petroleum geology.