SUN RESOURCES NL

ABN 69 009 196 810
(INCORPORATED IN WESTERN AUSTRALIA)

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24 January 2007

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

Dear Sir

APPENDIX 5B - MINING EXPLORATION ENTITY QUARTERLY REPORT

Please see attached.

Yours faithfully

A P Woods
Director

Copy: CB/Xin
Directors
DD
ASX
ASIC

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

SUN RESOURCES NL

ABN	Quarter ended ("current quarter")
69 009 196 810	31 DECEMBER 2006

Consolidated statement of cash flows

			Current quarter $A'000	Year to date (6 months) $A'000
Cash flows related to operating activities				
1.1	Receipts from product sales and related debtors		-	-
1.2	Payments for	(a) exploration and evaluation	(732)	(1,195)
		(b) development	-	-
		(c) production	-	-
		(d) administration	(211)	(463)
1.3	Dividends received		-	2
1.4	Interest and other items of a similar nature received		33	43
1.5	Interest and other costs of finance paid		-	-
1.6	Income taxes paid		-	-
1.7	Other (income from Flour Bluff)		414	684
	Net Operating Cash Flows		(496)	(929)
	Cash flows related to investing activities			
1.8	Payment for purchases of:	(a)prospects	-	-
		(b)equity investments	-	-
		(c)other fixed assets	(2)	(2)
1.9	Proceeds from sale of:	(a)prospects	-	-
		(b)equity investments	16	16
		(c)other fixed assets	-	-
1.10	Loans to other entities		-	-
1.11	Loans repaid by other entities		-	-
1.12	Other (provide details if material)		-	-
	Net investing cash flows		14	14
1.13	Total operating and investing cash flows (carried forward)		(482)	(915)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(482)	(915)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2,090	2,090
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material) Share Issue Expense	-	-
	Net financing cash flows	2,090	2,090
	Net increase (decrease) in cash held	1,608	1,175
1.20	Cash at beginning of quarter/year to date	1,377	1,866
1.21	Exchange rate adjustments to item 1.20	5	(51)
1.22	**Cash at end of quarter**	2,990	2,990

Payments to directors of the entity and associates of the directors Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	120
1.24	Aggregate amount of loans to the parties included in item 1.10	NIL

1.25 Explanation necessary for an understanding of the transactions

1.23 Directors provide geological and administrative services to the company. These services are provided at normal commercial rates.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	N/A	N/A
3.2	Credit standby arrangements	25	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	400
4.2	Development	-
	Total	400

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	2,923	1,310
5.2	Deposits at call	67	67
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	2,990	1,377

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	✓	Refer Attachments (A) and (B)	✓	✓
6.2	Interests in mining tenements acquired or increased	✓	Refer Attachments (A) and (B)	✓	✓

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference ⁺securities** *(description)*	-	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	- -	- -	- -	- -
7.3	**+Ordinary securities**	170,755,785 4,800,000	170,755,785 -	- 25 cents	- 2.5 cents
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	22,000,000 -	22,000,000 -	- -	- -
7.5	**+Convertible debt securities** *(description)*	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -	- -
7.7	**Options** *(description and conversion factor)*	 2,000,000 2,000,000 2,000,000 12,500,000	 - - - -	*Exercise price* 25 cents 35 cents 45 cents 20 cents	*Expiry date* 29/02/2008 30/04/2008 30/06/2008 30/12/2008
7.8	Issued during quarter	12,500,000	12,500,000	20 cents	30/12/2008
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	1,500,000	1,500,000	20 cents	30/12/2008
7.11	**Debentures** *(totals only)*	-	-		
7.12	**Unsecured notes** *(totals only)*	-	-	-	-

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: .... Date: 24 January 2007
(Director/Company secretary)

Print name: ALAN PETER WOODS

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.

ATTACHMENT (A)

APPENDIX 5B - ASX LISTING RULES
MINING EXPLORATION ENTITY QUARTERLY REPORT

ITEM 6 - Changes in Interests in Mining Tenements

SUN RESOURCES NL
ABN 69 009 196 810

FOR THE QUARTER ENDED 31 DECEMBER 2006

	Tenement Reference	Nature of Interest	Interest at Beginning of Quarter	Interest at End of Quarter
(A) Interests in mining tenements relinquished, reduced and/or lapsed	-	-	-	-
(B) Interest in mining tenements acquired and/or increased	-	-	-	-

+ See chapter 19 for defined terms.

ATTACHMENT (B)

APPENDIX 5B - ASX LISTING RULES
MINING EXPLORATION ENTITY QUARTERLY REPORT

SUN RESOURCES NL
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TENEMENT SCHEDULE
31 DECEMBER 2006

	Tenement Reference		Nature of Interest
Oil & Gas	WA254-P	Offshore Dampier Sub-Basin	7.869 (Blocks 1,3 & 4) 9.25% (Block 2)
	WA-257-P	Offshore Dampier Sub-Basin	9.64%
	WA-261-P	Offshore Dampier Sub-Basin	6.15%
	WA-340-P	Offshore Dampier Sub-Basin	20%
	PEL442	Onshore Sydney Basin	20%
	PEL444	Onshore Sydney Basin	20%
	PSPA10	Onshore Sydney Basin	14%
	CCL703 & CCL379	Onshore Sydney Basin	20%
	Flour Bluff (private mineral)	Corpus Christi, Texas, USA	20 - 24.167%
	Eagle (private mineral)	San Joaquin Basin, California USA	10%
	AREA 4, Block 3; AREA 5	Malta ESA	20%
	Margarita (private mineral)	South Texas, USA	37.5%
Gold/Base Metals	Butterfly - M40/110		5% Net Profit Interest (area only of former P40/462)