

12 September 2016

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

Dear Sir/Madam

RE: NOTICE OF GENERAL MEETING, EXPLANATORY STATEMENT & PROXY FORM

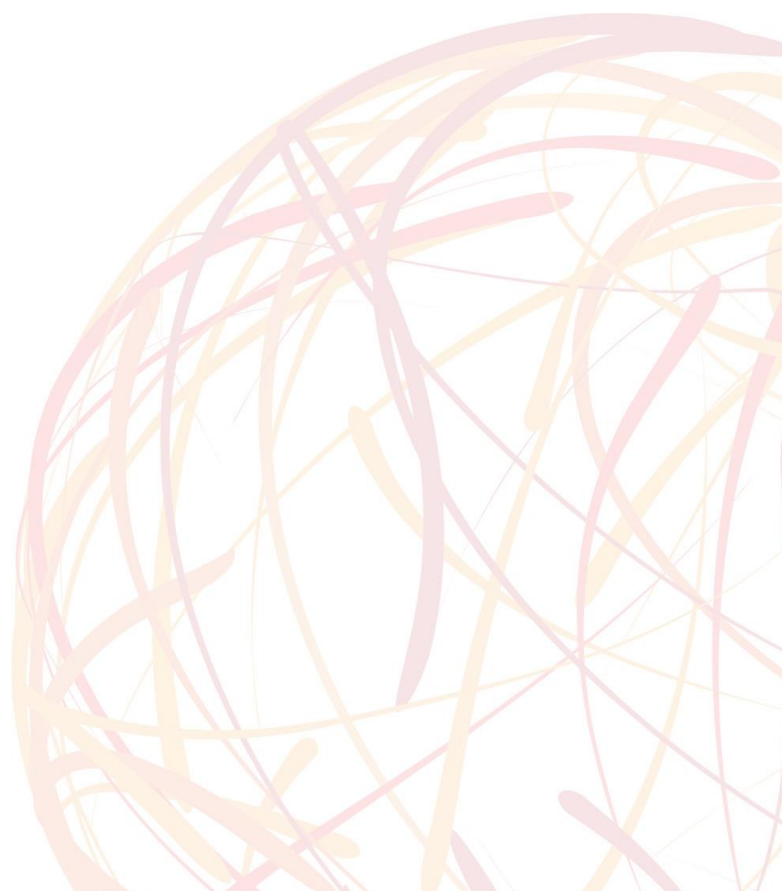
We advise that the Company's Notice of General Meeting, Explanatory Statement and Proxy Form were despatched to Shareholders today.

We attach a copy of the Notice of General Meeting, Explanatory Statement and Proxy Form.

Yours faithfully
SUN RESOURCES NL



Craig Basson
Company Secretary





SUN RESOURCES NL

ABN 69 009 196 810

NOTICE OF GENERAL MEETING

EXPLANATORY STATEMENT

AND

PROXY FORM

Date of Meeting

Wednesday 12 October 2016

Time of Meeting

11:00am AWST

Place of Meeting

BDO

38 Station Street

Subiaco, Western Australia

CONTENTS

- A. Notice of General Meeting
- B. Explanatory Statement
- C. Proxy Form

IMPORTANT NOTE

This booklet sets out information to assist Shareholders to assess the resolutions to be considered at the General Meeting.

You should read this information carefully and in its entirety before making a decision as to how to vote at the Meeting. No responsibility is taken for the contents of this booklet by ASIC, ASX or any of their officers.

If you do not fully understand the contents of this information you should consult your financial or legal adviser for assistance.

A Notice of General Meeting, Explanatory Statement, Proxy Form and Appointment of Corporate Representative Form are included in this booklet. Shareholders are urged to complete and return the enclosed Proxy Form as soon as possible, irrespective of whether or not they intend to attend the Meeting.

QUESTIONS

If you have any queries regarding the contents of this booklet or in relation to the General Meeting, please contact the Company Secretary, Mr Craig Basson, on (08) 9321 9886.

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders of Sun Resources NL will be held on:

Wednesday 12 October 2016 commencing at 11:00am AWST

at:

BDO
38 Station Street
Subiaco, Western Australia

HOW TO VOTE

You may vote by attending the Meeting in person, by proxy or authorised representative.

VOTING IN PERSON

To vote in person, attend the meeting on the date and at the place set out above. The meeting will commence at 11:00am AWST.

VOTING BY PROXY

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of General Meeting as soon as possible and either:

- send the proxy by facsimile to the Company Secretary, Mr Craig Basson on facsimile number (+618) 9321 8161; or
- deliver to the Company Secretary at Level 2, 30 Richardson Street, West Perth, Western Australia 6005; or
- post to PO Box 1786, West Perth, Western Australia 6872; or
- send by email to admin@sunres.com.au,

so that it is received not later than 11.00am AWST on Monday 10 October 2016.

Your Proxy Form is enclosed

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Sun Resources NL will be held on Wednesday 12 October 2016 at 11:00am AWST, at the office of BDO, 38 Station Street, Subiaco, Western Australia.

The following matters are to be considered at the Meeting and are discussed in further detail in the Explanatory Statement which forms part of this Notice.

AGENDA

ORDINARY BUSINESS

1. Resolution 1 – Issue of Placement Options

To consider and, if thought fit, pass the following as an Ordinary Resolution:

“That, for the purposes of ASX Listing Rule 7.1 and all other purposes, the Company is authorised to issue 230,000,000 Placement Options at an issue price of \$0.0001 each to raise \$23,000 (before costs) and otherwise on the terms set out in the Explanatory Memorandum.”

Voting Exclusion: *The Company will disregard any votes cast on Resolution 1 by a person who may participate in the issue or a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form, or it is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

2. Other Business

To transact any other business that may be brought forward in accordance with the Company's Constitution.

EXPLANATORY STATEMENT

Shareholders are referred to the Explanatory Statement accompanying and forming part of this Notice of General Meeting.

VOTING ENTITLEMENT

Regulation 7.11.37 of the Corporations Regulations 2001 permits the Company to specify a time, not more than 48 hours before the meeting, at which a “snap shot” of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting.

For the purposes of determining voting entitlements at the General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 11:00am AWST on Monday 10 October 2016. Accordingly, transactions registered after that time will be disregarded in determining entitlements to vote at the meeting in the event of a poll.

PROXIES

A Proxy Form with related information and instructions accompanies this Notice of Meeting.

CORPORATE REPRESENTATIVE

If a representative of a Shareholder corporation is to attend the meeting, the attached Appointment of Corporate Representative Form should be completed and produced prior to the meeting commencing.

Dated at Perth this 12th day of September 2016.

By order of the Board of Directors.



Craig Basson
Company Secretary

EXPLANATORY STATEMENT

INTRODUCTION AND BACKGROUND

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the resolution contained in the accompanying Notice of General Meeting of Sun Resources NL.

Shareholders at the General Meeting will be asked to consider a resolution to allow the Company to issue 230,000,000 Placement Options to raise \$23,000 (before costs). The Placement Options will be exercisable at \$0.01 each on or before the date that is 4 years from their date of issue.

The issue of the Placement Options will be undertaken in conjunction with a non-renounceable rights issue by the Company to raise \$1,320,528 (before costs). The rights issue and the issue of the Placement Options will take place under a Prospectus lodged by the Company with ASIC on 9 September 2016.

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's General Meeting to be held at the offices of BDO, 38 Station Street, Subiaco, Western Australia on Wednesday 12 October 2016 commencing at 11:00am AWST.

The purpose of this Explanatory Statement is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the above resolution. The Directors recommend that Shareholders read this Explanatory Statement before determining whether to support the resolution or otherwise.

1. RESOLUTION 1 – ISSUE OF PLACEMENT OPTIONS

1.1 Introduction

The Company is proposing to issue 230,000,000 Placement Options at \$0.0001 each to raise \$23,000 (before costs).

Resolution 1 seeks Shareholder approval to issue the Placement Options pursuant to ASX Listing Rule 7.1.

1.2 ASX Listing Rule 7.1

Subject to certain exceptions, ASX Listing Rule 7.1 restricts a company from issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of the company's ordinary securities on issue at the commencement of that period without shareholder approval.

Equity securities issued with shareholder approval under ASX Listing Rule 7.1 do not count towards the 15% capacity.

The Company is seeking Shareholder approval in accordance with ASX Listing Rule 7.1 to issue 230,000,000 Placement Options so that the Placement Options and any Shares issued upon conversion of the Placement Options do not count towards the Company's 15% capacity.

1.3 Information required by ASX Listing Rule 7.3

ASX Listing Rule 7.3 sets out a number of matters which must be included in a Notice of Meeting seeking an approval under ASX Listing Rule 7.1.

For the purposes of ASX Listing Rule 7.3, the following information is provided to allow Shareholders to assess the issue of the Placement Options the subject of Resolution 1:

- (a) the maximum number of securities to be issued by the Company is 230,000,000 Placement Options;
- (b) the Placement Options will be issued approximately 7 days after the date of the Meeting (i.e. on or about 19 October 2016) but in any event no later than 3 months after the date of the Meeting;
- (c) the issue price of the Placement Options will be \$0.0001 each;
- (d) the Placement Options will be issued to investors who subscribe for the Placement Options under the Company's Prospectus dated 9 September 2016 (and who will not be related parties of the Company);
- (e) the terms of the Placement Options are set out in Schedule 1;
- (f) the issue of the Placement Options will raise \$23,000 which will be used by the Company towards:
 - (1) the evaluation and appraisal of new oil and gas development opportunities located in the USA which, if proceeded with, may move the Company towards a sustainable business model in the current low oil price environment;
 - (2) assessing development activities in the Company's remaining East Texas unconventional portfolio (subject to being economically viable);
 - (3) general working capital;
 - (4) the costs of the Offer;
- (g) the Placement Options will be issued in one line approximately 7 days after the date of the Meeting (i.e. on or about 19 October 2016); and
- (h) a voting exclusion statement is included in the Notice.

1.4 Directors' recommendation

The Directors intend to vote in favour of Resolution 1 and recommend that Shareholders also vote in favour of the Resolution.

2. GLOSSARY

In the Notice of Meeting and this Explanatory Statement:

- (a) "General Meeting" or "Meeting" means the General Meeting of the Company the subject of the Notice of Meeting.
- (b) "ASIC" means Australian Securities and Investments Commission.
- (c) "ASX" means the Australian Securities Exchange operated by ASX Limited.
- (d) "ASX Listing Rules" and "Listing Rules" means the listing rules of the ASX.
- (e) "AWST" means Australian Western Standard Time, being the time in Perth, Western Australia.
- (f) "Board" means the Directors of the Company as at the date of this Notice of Meeting.
- (g) "Chairman" or "Chairperson" means the person appointed to chair the Meeting.
- (h) "Company" means Sun Resources NL ABN 69 009 196 810.
- (i) "Constitution" means the constitution of the Company.
- (j) "Corporations Act" means the *Corporations Act 2001* (Cth).
- (k) "Director" means a director of the Company.
- (l) "Explanatory Statement" means the explanatory statement to the Notice of Meeting.
- (m) "Notice" or "Notice of Meeting" means this notice of General Meeting.
- (n) "Option" means an option to acquire a Share.
- (o) "Optionholder" means a holder of Options.
- (p) "Placement Options" means Options having the terms set out in Schedule 1.
- (q) "Proxy Form" means the proxy form attached to the Notice of Meeting.
- (r) "Resolution" means a resolution contained in this Notice of Meeting.
- (s) "Share" means fully paid ordinary share in the capital of the Company.
- (t) "Shareholder" means a holder of Shares.

ANNEXURE A – TERMS OF PLACEMENT OPTIONS

1. The issue price for each of the Options will be \$0.0001.
2. The exercise price for each of the Options will be \$0.01.
3. The Options will expire four years from their date of issue unless exercised prior to that date.
4. Subject to the foregoing, the Options may be exercised by the recipient once granted.
5. Each Option is exercisable into one Share in the Company which will rank pari passu with existing Shares.
6. The Company will make an application to the ASX for the quotation of Shares issued on exercise of Options. The Company will not be under any obligation to ensure that such Shares will be quoted.
7. Subject to the foregoing, the Options can be exercised by the recipient in whole or in part.
9. The Options will be exercisable by notice in writing to the Company together with a payment of the exercise price of the Options.
10. Any notice of exercise of an Option received by the Company shall be deemed to be a notice of the exercise of the Option on the first Business Day after the date of receipt of the notice.
11. The recipient will be permitted to participate in any pro-rata issue of securities of the Company on prior exercise of the Options, in which case the recipient will be afforded the period of at least 7 Business Days prior to and inclusive of the record date to determine entitlements to the issue to exercise the Options.
12. The Options will not confer on the holder any right to participate in dividends until Shares are allotted pursuant to the exercise of the Options.
13. In the event of a reorganisation of the issued capital of the Company, the Options will be reorganised in accordance with the Listing Rules (if applicable) and in any case in a manner which will not result in any benefits being conferred on the recipient which are not conferred on Shareholders of the Company and for such purpose the Company may vary the number, exercise price or other terms of the Options in such manner as may be necessary to comply with the Listing Rules.
14. The number of Shares to be issued pursuant to the exercise of Options will be adjusted for bonus issues made prior to exercise of the Options so that, upon exercise of the Options, the number of Shares received by the recipient will include the number of bonus Shares that would have been issued if the Options have been exercised prior to the record date for the bonus issues. The exercise price of the Options will not change as a result of any such bonus issues.
15. Shares issued pursuant to the exercise of the Options will be granted following the receipt of all relevant documentation and payments.
16. In the event of the recipient dying prior to the expiry of the Options, the right of the recipient to exercise the Options will vest in his or her executor and/or administrator and

they shall have the same rights to exercise the Options as such deceased holder would have had during the option period but for his or her death.

17. The Options will be transferable.
18. The Options will not be quoted on ASX.

Lodge your vote:



By Mail:

Sun Resources NL
PO Box 1786
WEST PERTH WA 6872

Alternatively you can fax your form to
(within Australia) 08 9321 8161
(outside Australia) + 61 8 9321 8161

For all enquiries call:

(within Australia) 08 9321 9886
(outside Australia) + 61 8 9321 9886

Proxy Form



For your vote to be effective it must be received by 11:00am AWST Monday 10 October 2016

How to Vote on Items of Business

All your securities will be voted in accordance with your directions

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a security holder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the security holder must sign.

Joint Holding: Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney: If you have not already lodged a Power of Attorney with the Share Registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to Section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate security holder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Corporate Representative" prior to admission. A form of the certificate is attached to the back of this notice.

Comments and Questions: If you have any comments or questions for the company please write them on a separate sheet of paper and return with this form.

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting. i.e. no later than 11:00am AWST on Monday 10 October 2016. Any Proxy Form received after that time will not be valid for the scheduled meeting.

This Proxy Form (and any Power of Attorney and/or second Proxy Form) may be sent or delivered to the Company's registered office at Level 2, 30 Richardson Street, West Perth, WA, 6005 or PO Box 1786, West Perth, WA, 6872, sent by facsimile to the registered office on (08) 9321 8161 or sent by email to admin@sunres.com.au.

Please mark ☒ to indicate your directions

PROXY FORM

Shareholder Details

Name: _____

Address: _____

Contact Telephone No: _____

Contact Name (if different from above): _____

Appoint A Proxy to Vote on Your Behalf

I/We being a shareholder/s of Sun Resources NL hereby appoint

☐

The Chairman
of the Meeting

OR



PLEASE NOTE:

Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name (s).

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Sun Resources NL to be held at the office of BDO, 38 Station Street, Subiaco, Western Australia, on Wednesday 12 October 2016 at 11:00am AWST and at any adjournment of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the General Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the key management personnel, which includes the Chairman.

IMPORTANT INFORMATION IF APPOINTING THE CHAIRMAN AS YOUR PROXY

If the Chairman of the General Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2 below.

The Chairman of the General Meeting intends to vote undirected proxies in favour of each Item of business.

Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain*
Resolution 1 – Issue of Placement Options	☐	☐	☐

Appointment of a second proxy

If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form

%

Signature of Security holder (s) *This section must be completed*

Individual or Security Holder 1

**Sole Director and
Sole Company Secretary**

Security Holder 2

Director

Security Holder 3

Director/Company Secretary

Contact

Name: _____

**Contact
Daytime**

Telephone: _____

Date: ____/____/____

APPOINTMENT OF CORPORATE REPRESENTATIVE FORM

Shareholder Details

This is to certify that by a resolution of the Directors of:

--

(Company)

(Insert name of shareholder company)

The Company has appointed:

--

(Authorised corporate representative)

(Insert name of corporate representative)

in accordance with the provisions of section 250D of the Corporations Act 2001, to act as the body corporate representative of that Company at the General Meeting of Sun Resources NL to be held on Wednesday 12 October 2016 at 11:00am AWST and at any adjournments of that meeting.

DATED ____ / ____ / ____

Please sign here

Executed by the Company

in accordance with its constituent documents

Signed by authorised representative

Signed by authorised representative

Name of authorised representative (print)

Name of authorised representative (print)

Position of authorised representative (print)

Position of authorised representative (print)

Instructions for Completion

1. Insert name of appointer Company and the name or position of the appointee (e.g. "John Smith" or "each Director of the Company").
2. Execute the Certificate following the procedure required by your Constitution or other constituent documents.
3. Print the name and position (e.g. Director) of each Company officer who signs this Certificate on behalf of the Company.
4. Insert the date of execution where indicated.
5. The certificate must be produced prior to admission to the Meeting. This certificate may be sent or delivered to the Company's registered office at Level 2, 30 Richardson Street, West Perth, WA, 6005 or PO Box 1786, West Perth, WA, 6872, sent by facsimile to the registered office on (08) 9321 8161 or sent by email to admin@sunres.com.au.