



10 October 2008

ASX/MEDIA RELEASE

SUNDANCE EXPANDS WEST AFRICAN IRON ORE ASSETS WITH ACQUISITION IN STRATEGIC EXPLORATION PERMITS IN THE REPUBLIC OF CONGO

TOTAL LAND HOLDING OF 3,770km² IN EMERGING WEST AFRICAN IRON ORE PROVINCE

Sundance Resources Limited (ASX: **SDL** – “Sundance”) is pleased to announce that it has reached agreement to acquire an increased direct interest in Congo Iron SA (“Congo Iron”), the holder of two significant exploration permits in the Republic of Congo located immediately south of the Mbalam Iron Ore Project in Cameroon (refer Figure 1 attached).

The agreement consolidates Sundance’s strategic foothold in this emerging West African iron ore province, increasing the total permit area under Sundance’s control to 3,770km². Major iron ore projects under development in this region include the Mbalam Project and the Belinga Iron Ore Project, currently being developed by the China National Machinery and Equipment Import and Export Corporation (CMEC).

Congo Iron holds a 100% interest in Exploration Permits 2007 - 362 and 2007 – 363 in the Republic of Congo. These permits confer iron ore exploration rights over the Nabeba and Ibanga prospects. Congo Iron is incorporated in the Republic of Congo.

Sundance has reached agreement to acquire an 85% interest in Congo Iron through purchase of 70% of Congo Iron held by Cam Iron SA (“Cam Iron”) and 15% held by Olivier Fabrice-Sil, the representative of Congo Mining Investments SA (“Cominvest”). As a result of this acquisition, Sundance will increase its interest in Congo Iron from an indirect 63% interest to a direct 85% interest. Cam Iron, Sundance’s 90% owned Cameroon subsidiary, is the holder of the adjoining Exploration Permits 92 and 143 in Cameroon which comprise the Mbalam Iron Ore Project.

The consideration for this acquisition is payable in three tranches, through the issue of SDL shares, as follows:

Tranche 1 – the issue of 5 million Sundance ordinary shares to Cominvest as follows:

- (i) 1,000,000 Sundance ordinary shares upon receipt of any necessary shareholder approval, upon receipt of any Government approvals as required under Congo and Cameroon law and completion of legal due diligence;
- (ii) 4,000,000 Sundance ordinary shares upon completion of an airborne aeromagnetic survey and exploration report and completion of a number of administrative tasks;

Tranche 2 – the issue of 14 million ordinary Sundance shares to Cominvest on the definition of 200 million tonnes of hematite reserves (as defined by the JORC Code) grading +60% Fe;

Tranche 3 – the issue of a further 14 million ordinary Sundance shares to Cominvest on the definition of 400 million tonnes of hematite reserves (as defined by the JORC Code) grading +60% Fe.

Importantly, other than the issue of the first five million Sundance shares, payment of the consideration is conditional on the definition of more than 200 million tonnes of JORC-Code compliant hematite reserves grading +60% Fe.

On the basis of this agreement, Cominvest will not be required to contribute to project costs up to the completion of a Feasibility Study. Sundance will loan all funds required for these activities to Congo Iron (which loans shall bear interest at USD LIBOR plus 3% which and are to be repaid prior to the payment of any dividends by Congo Iron). After completion of the Feasibility Study, all shareholders in Congo Iron shall be required to fund project development pro-rata to their shareholdings except that Cominvest shareholders of 5% of Congo Iron SA shall not be required to contribute until commencement of mining.

Sundance is in the process of making an offer to three parties who brought this opportunity to the Company by offering each of them 5 million 25 cent SDL options subject to vesting only in the event that 100 million tonnes of JORC-Code compliant hematite reserves grading +60% Fe are defined on the Permits. These terms have been accepted by two of the parties. The other party is a former consultant to the Company who is pursuing separate claims against the Company. The maximum exposure of the Company to this consultant in regard to the Congo permits is 10 million 10 cent options, however, the Company is of the view that the offer, as accepted by the other two parties, is fair and reasonable.

Commenting on the announcement, Sundance's Managing Director, Mr Don Lewis, said: "This agreement represents a significant new opportunity for the Company as our business development activities gather momentum in the iron ore province which is emerging in this part of West Africa."

"The Congo Republic is relatively under-explored and this area in particular, in the country's north-western region, has seen very little exploration due to lack of infrastructure. The development of our Mbalam Project immediately to the north offers a unique opportunity to leverage off our current and proposed operations in Cameroon."

"In the event that economic iron ore deposits are identified on the Congo Exploration Permits, it is expected that any such deposits would be developed in conjunction with the Mbalam Project, subject to appropriate agreements being concluded with the Governments of Congo and Cameroon and between the two subsidiary companies."

"There are clearly potential synergies between the two areas of activity," Mr Lewis continued. "The fact that the Congo Exploration Permits extend right to the boundary of our existing permits at Mbalam adds an important dimension to this exploration project. We already have a good understanding of the geology at Mbalam and there are indications that the mineralisation identified at Mbalam may extend across the border. Sundance will shortly commission an aeromagnetic survey over the Congo Exploration Permits which will also cover key areas of our new Exploration Permit 143 in Cameroon. Results from the survey will be reported to the market as they come available".

ENDS

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About Sundance Resources Limited

Sundance Resources Ltd is an Australian exploration company focused on mining interests in the Republic of Cameroon, on the central west coast of Africa. Sundance has commenced feasibility study on the Mbalam Iron Ore Project in Cameroon as the basis for developing a global iron ore business.

Central West Africa is considered to have the potential to develop into a significant new iron province, underpinned by the Mbalam Iron Ore Project and the nearby Belinga Project in Gabon, under development by the China National Machinery and Equipment Import and Export Corporation.

WA-based Sundance has been listed on the Australian Stock Exchange since 1993 and is also traded on over-the-counter markets in Frankfurt, Berlin, Hamburg, Stuttgart and Munich.

Forward-Looking Statement

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the iron ore mining industry, expectations regarding iron ore prices, production, cash costs and other operating results, growth prospects and the outlook of SDL's operations including the likely commencement of commercial operations of the Mbalam Project or other exploration interests and its liquidity and capital resources and expenditure, contain or comprise certain forward-looking statements regarding SDL's exploration operations, economic performance and financial condition. Although SDL believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in iron ore prices and exchange rates and business and operational risk management. For a discussion of such factors, refer to SDL's most recent annual report and half year report. SDL undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

Figure 1 : Location of Exploration Permits held in Cameroon and Congo

