



**SUNDANCE
RESOURCES LTD**

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ABN 19 055 719 394

13 September 2010

Mr Wade Baggott
Senior Adviser Issuers (Perth)
Australian Securities Exchange Limited
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000

By facsimile (08) 9221 2020,
By Email: wade.baggott@asx.com.au

Dear Mr Baggott

**ASX PRICE AND VOLUME QUERY
SUNDANCE RESOURCES LIMITED ACN 055 719 394 (the "Company")**

We refer to your letter dated 13 September 2010 regarding the price and volume increases in the Company's securities recently.

In response to your questions we reply as follows:

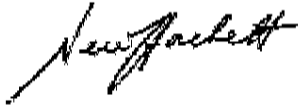
1. The Company has this afternoon concluded negotiations, exchanged documentation and obtained consent giving rise to the attached draft announcement. The announcement states that China Harbour Engineering Company Ltd ("CHEC") and Sundance Resources Ltd have entered into a Memorandum of Understanding ("MOU") to establish the scope, cost and delivery programme for the proposed bulk materials port at Lolabe, Republic of Cameroon. The Port is needed to support Sundance's Mbalam Project in Cameroon and Congo, West Africa.
2. The attached announcement will be released pre-market Tuesday 14 September 2010.
3. The Company believes that the recent announcement dated 8 September 2010 in relation to CRCC China-Africa Construction Limited ("CAC") and Sundance Resources Ltd entering into a Memorandum of Understanding ("MOU") to establish the scope, cost and delivery programme for the railway track and rolling stock needed to support Sundance's Mbalam Project in Cameroon and Congo, West Africa have led to an appreciation by the market of the robust potential for the Company's Mbalam Project in Cameroon and Congo, West Africa and a broader appreciation of the Company's potential value. The Company also notes recent corporate activity involving other listed companies

— 2 —

with iron ore assets in West Africa. Other than this the Company is not aware of any other explanation for the price change and increase in volume in the Company's securities.

4. We confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Yours faithfully



Neil Hackett
Company Secretary

Att.



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13 September 2010

Neil Hackett
Company Secretary
Sundance Resources Limited
Level 35 Exchange Plaza
2 The Esplanade
PERTH WA 6000

By email

Dear Neil

Sundance Resources Limited (the "Company")

PRICE AND VOLUME QUERY

We have noted a change in the price of the Company's securities from a closing price on Friday 10 September 2010 of \$0.20 to an intra-day high today of \$0.26. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price and volume change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price and volume change in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than half an hour before the commencement of trading tomorrow (7:30am WST).**

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

[sent electronically without signature]

Wade Baggott

Senior Adviser, Issuers (Perth)