SUNDANCE RESOURCES

Developing a global iron ore business

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UPDATED CAPITAL AND OPERATING COST ESTIMATES
MBALAM IRON ORE PROJECT

International iron ore company Sundance Resources Limited (ASX: **SDL** – "Sundance") is pleased to report updated capital and operating cost estimates for its 90%-owned **Mbalam Iron Ore Project** in Cameroon, West Africa. This work has been completed as part of the Company's pre-feasibility study program. The estimates will be presented today to the Indaba conference in South Africa.

A study report provided by WorleyParsons has updated the original cost forecasts contained in the 2006 Scoping Study of the Mbalam Project completed by Promet Engineers. The study report is based on December 2007 US Dollar pricing. The estimates remain preliminary and subject to various assumptions in respect of site data, engineering definition, construction and operating conditions, exchange rates, etc. Work is continuing with the aim to progressively refine the project scope and costings.

The project operating financials have been updated as below using the current operating cost estimate and 2007 FOB contract prices for Australian DSO grade lump and fines products. This shows a **potential annual operating margin of >US$30/tonne** on assumed 35Mtpa production of Direct Shipping Ore (DSO) hematite**.** This represents a 20% increase over the operating margin reported on the basis of the 2006 Scoping Study.

	Updated Dec 2007 Estimates US$/tonne
Average FOB Price (Lump + Fines DSO)	52.30
Estimated Cash Operating Cost (35 Mtpa production)	20.68
Potential Project Operating Margin (before interest, tax, capital charges, etc)	31.62

The updated operating financials assume a DSO lump:fines product ratio of 30:70 with a mine life of 20 years. This requires total DSO production of ~700 million tonnes ore at +60% Fe grade. At this stage, this is purely an assumed production target with any potential or assumed ore quantity and grade being conceptual in nature with insufficient results received from exploration completed to date to estimate a Mineral Resource compliant with the JORC Code (2004) guidelines. Furthermore, it is uncertain if exploration will result in the determination of a Mineral Resource sufficient to meet this assumed production target.

The updated capital works estimate is summarised below with the majority of the capital cost attributable to development of rail and port infrastructure. The estimate includes a contingency allowance of ~US$500m.

Item	**Updated Dec 2007 Capital Works Estimate US$ million**
Mine, Plant and Infrastructure	375
Rail	1,423
Port and Infrastructure	529
Indirect Costs	442
Contingency	508
Total Estimated Capex	**3,277**

Sundance's Managing Director, Mr Don Lewis, commented that "whilst the updated estimates reflect cost increases experienced across the resources industry in 2006/2007, the current costings remain industry competitive for the proposed scale of operation. Importantly, the potential project operating margin has increased from that previously defined in the 2006 Scoping Study, rising to ~US$1 billion per year on the basis of the DSO project scope. It is important to note that the updated financials are not based on any price increase from the current 2008 iron ore price negotiations".

Mr Lewis added, "the update affirms the strong potential of the Mbalam Project based on the assumed 35Mtpa DSO production. This production target is dependent upon the outcome of our current exploration program and the updated estimates do not reflect development of potential "itabirite" style mineralisation as reported in our December 2007 Activities Report. Whilst such development would result in additional mining and beneficiation costs, the rail and port infrastructure costs would not change significantly. We will progressively review our exploration targets and development strategy as drilling results become available during 2008."

ENDS

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It must also be noted that, at this stage, any potential or implied quantity and grade of mineralization mentioned in this release is conceptual in nature and there has been insufficient results received from drilling completed to date to estimate a Mineral Resource compliant with the JORC Code (2004) guidelines. Furthermore, it is uncertain if further exploration will result in the determination of a Mineral Resource.