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29 April 2011

General Manager
The Company Announcements Office
Australian Securities Exchange

Dear Sir

Activities Report for the quarter ended 31 March 2011

The attached activities report has been amended to show the correct cash on hand on page 2 at 31 March 2011 of $26.5 million.

Yours faithfully,

Sundance Energy Australia Limited

Mike Hannell
Chairman

SUNDANCE energy australia
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FOR IMMEDIATE RELEASE

29 April 2011

General Manager
The Company Announcements Office
Australian Securities Exchange

Dear Sir:

ACTIVITIES REPORT FOR THE QUARTER ENDED 31 MARCH 2011

The Directors of Sundance Energy Australia Limited (ASX: SEA) ("the Company") are pleased to provide the following Activities Report for the financial quarter ended 31 March 2011; this report provides highlights of Sundance's activities for the third quarter of its 2010/2011 financial year.

Highlights

Execution of Development Plan Resulting in Production Growth	▪ Participated in 15 gross developmental wells during the quarter primarily targeting the Middle Bakken and Three Forks Shales in the Williston Basin and 1 gross (0.125 net) well in our Pawnee Prospect targeting multiple formations ▪ Produced an average of 866 barrels of oil equivalent per day ("boepd") during the quarter ended 31 March 2011, compared to 720 boepd during the previous quarter despite worse than average weather conditions impacting our fiscal third quarter development pace ▪ Maintain a current inventory of 14 gross and 0.6 net wells awaiting fracture stimulation
Low Risk Exploration Assets Showing Strong Initial Results	▪ Niobrara Shale play continued to be viewed by the US oil and gas industry as the next important US resource play; Sundance owns approximately 14,737 Niobrara Shale prospect acres ▪ Approximately 547 permits for horizontal Niobrara wells currently filed in Colorado and Wyoming by leading shale developers including EOG, Noble and Continental Resources ▪ Began permitting 16 Sundance operated well locations targeting the Niobrara Shale in the Silo and Bull Canyon Prospects joint ventured with Halliburton and Macquarie ▪ Permitted second wash down and shale test well in the Arriba Prospect in the southern Denver-Julesburg Basin
Capital Markets Progress	▪ Share liquidity increased to an average of 1.5 million shares per day during the quarter ended 31 March 2011, compared to 1.4 million per day during the quarter ended 31 December 2010 ▪ Immediately subsequent to quarter end, the Company announced its intention to pursue a North American stock exchange listing

Maintain Strong Financial Profile

- Generated cash operating income of AU$4.0M during the quarter compared to AU$2.2M in the previous quarter
- Cash on the balance sheet of AU$26.5M as at 31 March 2011
- Cash receipts from product sales of AU$3.3M compared to AU$4.3M in the previous quarter on revenue of AU$5.5M compared to AU$4.2M in the previous quarter
- Obtained calendar year 2012 and 2013 hedge collars capitalizing on strong oil prices

A. SELECT FINANCIAL AND PRODUCTION DATA

As is set forth in the table below, the Company's production and revenue continued to ramp up during the financial quarter under review notwithstanding worse than normal weather conditions in North Dakota which caused a slow down in both well completions and ongoing production during the quarter. Sundance produced an average of approximately 866 boepd during the three months ended 31 March 2011, compared to its forecast of 917 boepd. The lower than expected daily production rate was a direct result of historically inclement winter weather in North Dakota. These extreme meteorological conditions caused reduced production from existing wells as they were shut in or choked back and delayed multiple fracture stimulations on the Company's drilled but uncompleted wells.

Sundance Energy Australia Ltd.

U.S. Selected Financial Data (AU$) (thousands)

Calendar Quarter / Fiscal Quarter	1Q 2011 Fiscal 3Q	4Q 2010 Fiscal 2Q	3Q 2010 Fiscal 1Q	2Q 2010 Fiscal 4Q	1Q 2010 Fiscal 3Q	4Q 2009 Fiscal 2Q
Oil Revenue	$5,132	$3,873	$2,862	$1,240	$1,672	$1,507
Gas Revenue	$361	$318	$287	$173	$239	$219
Total Revenue	$5,493	$4,191	$3,149	$1,413	$1,911	$1,726
Payments for production	($520)	($668)	($411)	($184)	($416)	($268)
Payments for administration	($964)	($1,359)	($611)	($832)	($836)	($597)
Cash operating income	$4,009	$2,164	$2,127	$397	$659	$861
Payments for explorations & evaluation	($146)	($80)	($476)	($578)	($774)	($525)
Payments for development	($7,220)	($4,812)	($5,067)	($416)	($1,133)	($983)
Total capital expenditures	($7,366)	($4,892)	($5,543)	($994)	($1,907)	($1,508)
Total Net acres (US)	119,954	114,753	110,759	114,239	108,730	112,557
Qtr/Qtr % change in Acreage	5%	4%	-3%	5%	-3%	14%

U.S. Selected Financial Data (AU$), continued

	Three Months Ended			Nine Months Ended		
	31 March 2011	**31 March 2010**	**% Change**	**31 March 2011**	**31 March 2010**	**% Change**
Net production:						
Crude Oil (Bbls)	61,841	21,630	186%	153,000	60,669	152%
Natural Gas (Mcf)	96,652	38,361	152%	231,016	102,958	124%
Total (boe) (1)	**77,950**	**28,023**	**178%**	**191,503**	**77,829**	**146%**
Average daily production (boepd)	866	311	178%	699	284	146%
Net sales:						
Oil (2)	5,132,200	1,520,362	238%	11,557,615	4,362,000	165%
Natural gas (2)	361,366	249,956	45%	960,783	572,000	68%
Total oil and natural gas (2)	**5,493,566**	**1,770,318**	**210%**	**12,518,398**	**4,934,000**	**154%**
Receipts from product sales	3,316,000	1,885,000	76%	8,957,000	4,812,000	86%
Average sales prices: (USD)						
Oil (per Bbl)	82.99	70.29	18%	75.54	71.90	5%
Effect of realized oil hedges on average price (per Bbl)	(1.71)	-	0%	(1.82)	-	0%
Oil net of hedging (per Bbl)	**81.28**	**70.29**	**18%**	**73.72**	**71.90**	**5%**
Average WTI Cushing price (per Bbl)	93.54	78.64	19%	84.90	74.30	14%
Natural gas (per Mcf)	**3.74**	**6.52**	**-43%**	**4.16**	**5.56**	**-25%**
Average Henry Hub price (per Bbl)	4.19	5.15	-19%	4.09	4.22	-3%
Cost and expense (per boe)						
Production expenses (3)	6.67	14.84	-55%	8.18	14.80	-45%
General and administrative expenses	12.37	29.83	-59%	15.32	25.07	-39%

(1) Boe is defined as barrel of oil equivalent, using the ratio of 6 Mcf of natural gas to 1 Bbl of crude oil, natural gas liquids and condensate
(2) Before consideration of hedging transactions
(3) Lease operating expenses plus production taxes

Oil and natural gas sales. During the three months ended 31 March 2011, the Company's oil and gas sales increased AU$3.7M compared to the three months ended 31 March 2010. This increase is primarily driven by increased production out of the Company's developmental drilling program targeting the Bakken and Three Forks Shales amounting to an increase of approximately AU$3.2M and improved product pricing of approximately AU $516,000. The Company's cash receipts from product sales for the three months ended 31 March 2011, of AU $3.3M is approximately AU$2.2M less than the Sundance's total quarterly oil and gas sales due to normal lags in collection from product sales.

During the nine months ended 31 March 2011, the Company's oil and gas sales increased AU$7.6M compared to the nine months ended 31 March 2010. This increase is primarily driven by increased production out of Sundance's developmental drilling program targeting the Bakken and Three Forks Shales amounting to an increase of approximately AU$7.4M and improved product pricing of approximately AU$233,000. The Company's cash receipts from product sales for the nine months ended 31 March 2011, of AU $9.0M is approximately AU$3.6M less than its total oil and gas sales due to normal lags in collections from its product sales.

B. PROSPECT ACREAGE STATUS

As is set forth in the table below, as at 31 March, the Company owned approximately 119,954 net US acres located in a number of the most prospective oil and gas shale basins in the country. As at this date, Sundance's leasing efforts are ongoing, and the Company's remains committed to its core growth strategy of identifying and acquiring valuable resource play mineral acres at an early, economic stage in their development curve.

During the quarter, major US oil and gas companies continued to target the Niobrara Shale in the DJ Basin, anticipating it to become the next significant US resource play. Sundance's Niobrara portfolio in the DJ Basin includes more than 14,500 net acres located in the heart of the play. Initial development of horizontal Niobrara wells with multi-stage fracture stimulation by, among others, SM Energy (NYSE: SM) and EOG Resources (NYSE: EOG) continue to yield impressive results. The value of the Company's acreage is further confirmed by continuing strong sales in the area, including Sundance's recent sales to Noble (Twister) and Halliburton/Macquarie (Bull Canyon/Silo).

Prospect acreage as of 31 March 2011

	Gross	Net
Development Assets:		
Williston Basin - Bakken/Three Forks Shales	131,533	8,890
Niobrara Shale	41,545	14,737
DJ Basin - Conventional	960	504
North Washington	282	22
Total Development Assets	**174,320**	**24,153**
Exploration Assets:		
Arriba	73,580	39,800
Pawnee	4,262	4,262
Illinois Basin	100,168	48,739
Total Exploration Assets	**178,010**	**92,801**
Grand Total US Assets	**352,330**	**119,954**

C. RESERVE REPORT

On 31 March, Sundance announced Proved plus Probable ("2P") Reserves of 16.6 million barrels of oil equivalent ("mboe"*) as of 31 December 2010, as calculated by Netherland Sewell and Associates, Inc. This represents a 102% increase in 2P reserves compared to the Company's 30 June 2010, 2P Reserves.

	30 June 2010	31 December 2010	Net Change	Percent Change
Proved developed producing (mboe)	760	1,340	580	76.4%
Proved developed not producing (mboe)	329	326	(3)	-0.8%
Proved undeveloped (mboe)	3,986	5,136	1,151	28.9%
Total Proved Reserves (1P) (mboe)	5,074	6,802	1,728	34.1%
Probable (mboe)	3,100	9,759	6,659	214.8%
Total Proved + Probable Reserves (2P) (mboe)	8,174	16,561	8,387	102.6%
PV10 (thousand USD)	99,148	200,145	100,997	101.9%

**boe is defined as a barrel of oil equivalent using the ratio of 6MCF of natural gas to 1 bbl of crude oil.*

While this study was limited to 1P and 2P reserves, based upon its conclusions, the Company anticipates that its 3P reserve upside is substantial; Sundance is preparing a 3P reserve report to be released in September 2011. Netherland Sewell's 2P Reserves did not consider:

- Additional infill well locations and continued type curve upgrades in the Williston Basin;
- Niobrara shale evaluation with proved, probable and possible reserves; or,
- Arriba Prospect evaluation with possible reserves and contingent resources.

The Company's 2P Reserves consist of 13.5 million barrels of oil, or 81% of 2P Reserves, and 18.7 billion cubic feet of high-BTU natural gas. The oil weighting benefits Sundance as oil currently exhibits a 23:1 price conversion compared to natural gas compared to a 6:1 energy conversion.

Sundance Net Reserves and NPV as of 31 December 2010 (net of royalties)	**Net Oil (mbls)**	**Net Gas (mmcf)**	**Total (mboe)**	**Net Revenue (USD thousands)**	**PV10 (USD Thousands)**
Proved developed producing	1,059	1,685	1,340	72,966	40,218
Proved developed not producing	226	600	326	13,525	6,485
Proved undeveloped	4,117	6,116	5,136	208,214	61,636
Total Proved Reserves (1P)	**5,402**	**8,401**	**6,802**	**294,705**	**108,339**
Probable	8,056	10,218	9,759	403,071	91,806
Total Proved + Probable Reserves (2P)	**13,458**	**18,619**	**16,561**	**697,776**	**200,145**

Escalating prices based on the Nymex strip as of 31 December 2010.

In addition to its escalating price case reserves, Sundance engaged Netherland Sewell to prepare a reserve evaluation in accordance with Securities and Exchange Commission ("SEC") requirements. In this SEC case, the Company's proved reserves at 31 December 2010, were computed using first-day-of-the-month 12-month average 2010 commodity prices of $79.43 per Bbl of oil (based on NYMEX prices) and a Henry Hub cash price of $4.40 per MMBtu of natural gas, with necessary adjustments applied to each field to arrive at the net prices received by the Company.

Sundance Net Reserves and NPV as of 31 December 2010 (net of royalties)	**Net Oil (mbls)**	**Net Gas (mmcf)**	**Total (mboe)**	**Net Revenue (USD thousands)**	**PV10 (USD Thousands)**
Proved developed producing	1,048	1,649	1,323	54,262	32,055
Proved developed not producing	222	580	319	9,261	4,565
Proved undeveloped	4,063	6,028	5,068	129,044	34,205
Total Proved Reserves (1P)	**5,333**	**8,257**	**6,709**	**192,567**	**70,825**
Probable	7,929	10,060	9,606	243,672	50,471
Total Proved + Probable Reserves (2P)	**13,262**	**18,317**	**16,315**	**436,239**	**121,296**

Prepared by Netherland Sewell and Associates, Inc.

NPV is calculated post royalties, production taxes, lease operating expenses, abandonment costs and future capital costs but before income taxes.

D. DERIVATIVE FINANCIAL INSTRUMENTS

The Company is exposed to certain risks relating to its ongoing business operations, and Sundance uses derivative instruments to manage its commodity price risk. The Company enters into derivative contracts, primarily costless collars and swaps, to achieve a more predictable cash flow to fund its capital programs and to manage returns on acquisitions and drilling programs. Costless collars are designed to establish floor and ceiling prices and swaps are designed to set prices on anticipated future oil and gas production. Their use is subject to policies and procedures as approved by the Board of Directors. While the use of these derivative instruments limits the downside risk of adverse price movements, they may also limit future revenues from favourable price movements. Sundance does not trade in derivative financial instruments for speculative purposes. Derivative financial instruments are initially recognized at cost.

Subsequent to initial recognition, derivative financial instruments are recognized at fair value. The derivatives are valued on a mark to market valuation and the gain or loss on re-measurements recognized through the statement of comprehensive income. The realized gain or loss on expiration of the derivatives is recognized through the consolidated statement of cash flows.

The Company's derivative contracts as at 31 March 2011, are summarized below:

Contract Type	**Counterparty**	**Basis**	**Quantity (Bbl/month)**	**Strike Price ($/Bbl)**	**Term**
Puts	Commonwealth Bank of Australia	NYMEX	8,000	$60.00	1 Feb - 30 Jun 2011
Swap	Shell Trading US Co.	NYMEX	4,000	$75.00	1 Jul - 31 Dec 2011
Call	Shell Trading US Co.	NYMEX	4,000	$100.00	1 Jul - 31 Dec 2011
Swap	Shell Trading US Co.	NYMEX	2,000	$80.00	1 Oct 2010 - 30 Jun 2011
Collar	Shell Trading US Co.	NYMEX	2,000	$75.00/$83.75	1 Nov 2010 - 30 Jun 2011
Collar	Shell Trading US Co.	NYMEX	2,000	$80.00/$88.00	1 Nov 2010 - 31 Dec 2011
Swap	Shell Trading US Co.	NYMEX	1,000	$83.50	1 Nov 2010 - 30 Jun 2011

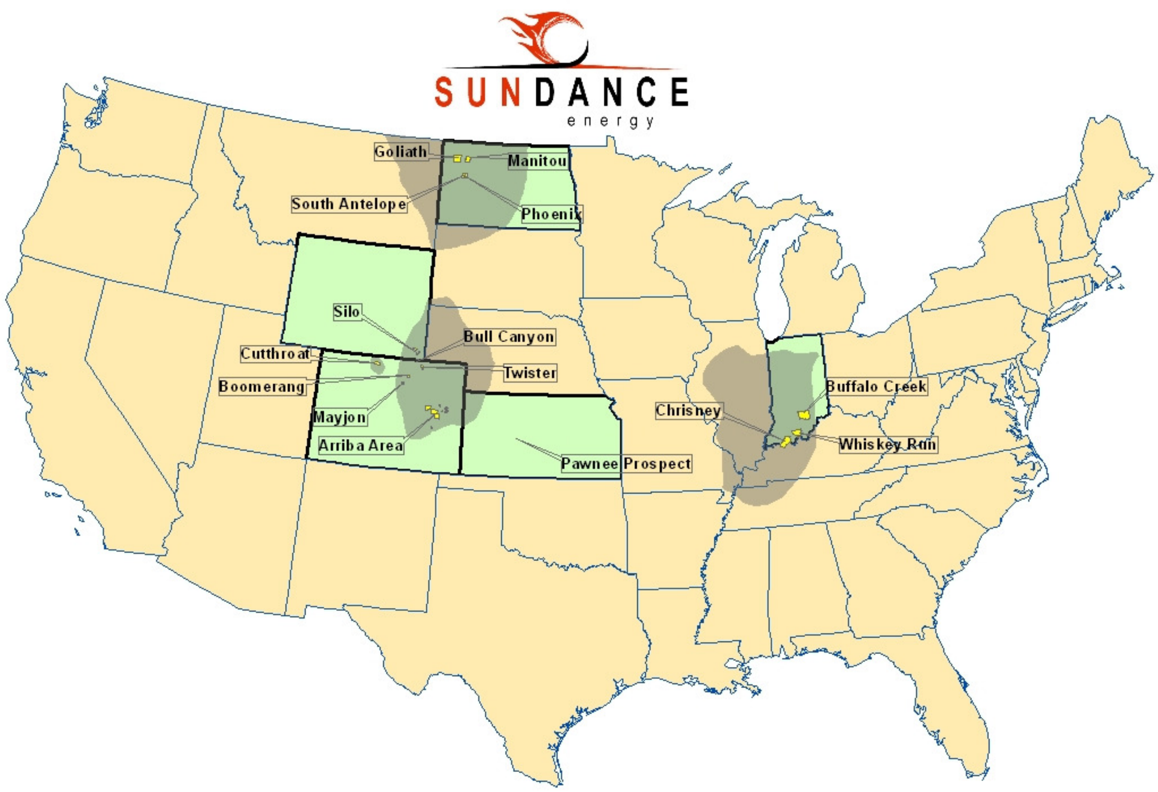
Collar	Shell Trading US Co.	NYMEX	2,000	$85.00/$109.50	1 Jul - 31 Dec 2011
Swap	Shell Trading US Co.	NYMEX	2,000	$100.00	1 Jan - 31 Dec 2012

Subsequent to 31 March 2011, the Company entered into additional commodity derivative contracts that are summarized below:

Contract Type	Counterparty	Basis	Quantity (Bbl/month)	Strike Price ($/Bbl)	Term
Collar	Shell Trading US Co.	NYMEX	1,000	$90.00/$117.75	1 Jan - 31 Dec 2013
Collar	Shell Trading US Co.	NYMEX	1,000	$95.00/$112.75	1 Jan - 31 Dec 2013
Collar	Shell Trading US Co.	NYMEX	1,000	$90.00/$126.00	1 Jan - 31 Dec 2012
Collar	Shell Trading US Co.	NYMEX	1,000	$100.00/$117.50	1 Jan - 31 Dec 2012

E. UNITED STATES EXPLORATION INTERESTS

Sundance's development activity in the quarter remained on track notwithstanding historically inclement winter weather in combination with ever increasing pressure on the various service industries as the pace of industry wide development across the Williston Basin continued to mount. During the period, the Company participated in 16 wells across 3 different prospects in North Dakota and Kansas.



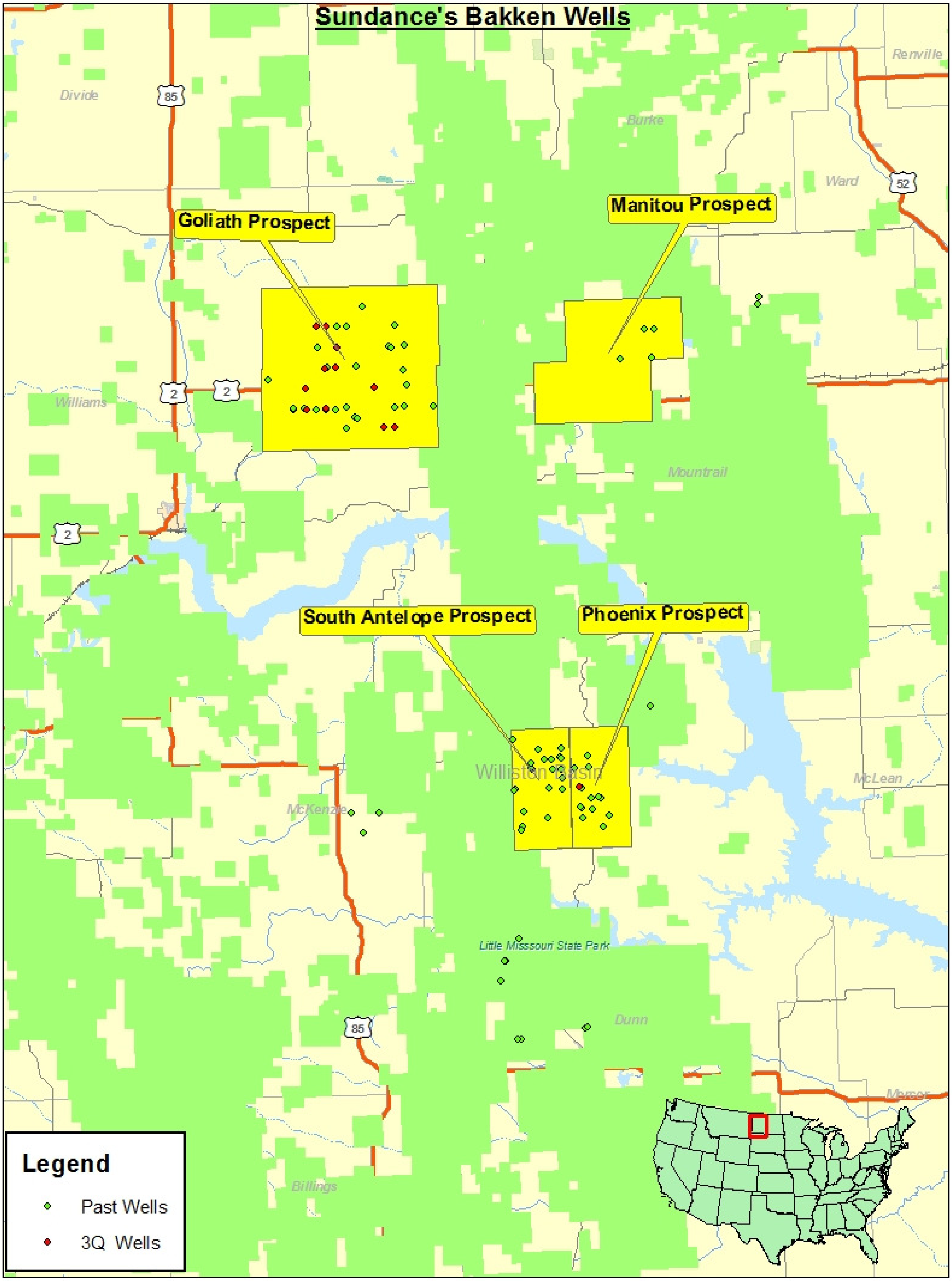
NORTH DAKOTA BAKKEN PROSPECTS
The Williston Basin

Sundance has equity interests in four Bakken Shale plays in the Williston Basin. This basin remains one of the most prospective oil regions in the US. The Williston Basin has produced over 50 billion barrels of oil since its first production in the 1950s, and its Bakken Shale has long been considered the most important oil discovery in the US since Alaska's North Slope. The Basin's Bakken Shale is a prolific, over pressured shale reservoir. Each of Sundance's Bakken prospects' primary target formation is the oil-bearing Bakken Shale; secondary target horizons include the oil-bearing Mission Canyon, Nisku, Duperow and Red River formations.

Drilling operations on each of the Company's Williston Basin prospects continues to include extending lateral well bore lengths as well as applying increased densities on the massive hydraulic fracturing of the well bores. Throughout most of calendar 2010, the Company's operators were drilling their horizontal Bakken wells on 640 acre spacing units, employing approximately 15-20 separate frac stages per 1 mile lateral (a "short lateral"); however, as the year wore on, many began to apply the same conceptual technology to 1280 acre spacing units, drilling approximately 2 mile laterals (a "long lateral") and utilizing 25-30 frac stages. Initial results are bearing out the concept, and it is anticipated that the remainder of 2011 will see a preponderance of 1280 long lateral wells being employed across these prospects.

The Company's interests in many successful, producing wells throughout its various Bakken prospects continue to provide the cornerstone of Sundance's production and revenue numbers. It is anticipated that will continue to be the case throughout calendar 2011 as Sundance projects participating in a similar number of wells throughout its Bakken prospects as it did in 2010.

During the quarter under review, Sundance participated in a total of 15 wells across its Goliath, Phoenix and South Antelope prospects.

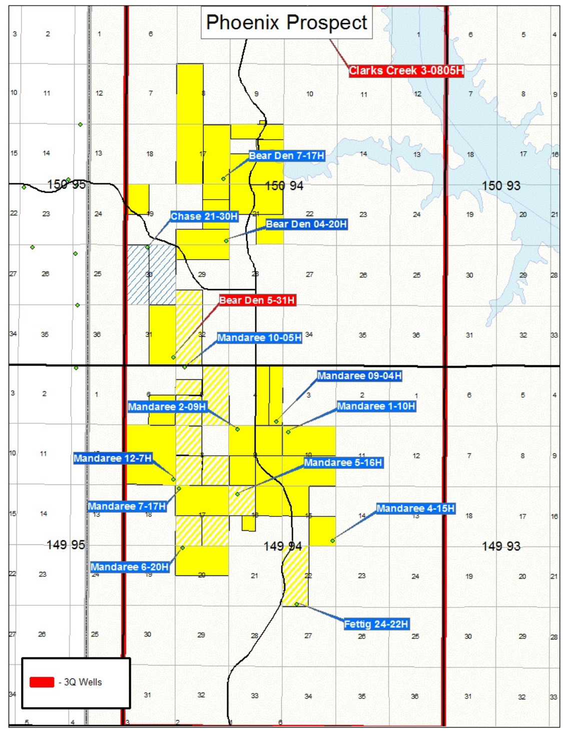

Sundance's Bakken Wells
Goliath Prospect
Manitou Prospect
South Antelope Prospect
Phoenix Prospect
Divide
Burke
Renville
Ward
Williams
Mountrail
McKenzie
Williston Basin
McLean
Little Missouri State Park
Dunn
Mercer
Billings
85
2
52
Legend
Past Wells
3Q Wells

Phoenix Prospect

Located in the centre of the Williston Basin in McKenzie County, North Dakota, the Phoenix Prospect is immediately southeast of the Blue Buttes Unit operated by Hess Corp.

Following the sale by Sundance of 90% of its non-producing leasehold in this prospect to EOG Resources (NYSE: EOG) in June of 2009, for cash, carry in future drilling and an approximate 1.8% overriding royalty interest in future production, EOG's drilling program gained critical momentum in 2010. Indeed, Sundance participated in all 11 EOG operated wells on this prospect in 2010, exceeding its early projections by 1 gross well.

However, EOG's decision to convert its spacing unit approach to the long laterals discussed above necessitated a temporary halt to its development program on this prospect in order to allow for permitting conversion. Sundance did participate in 2 new wells in this prospect during the quarter.



The Company anticipates EOG to reengage its development program later this year and expects it to proceed continuously from there throughout the balance of 2011 and beyond.

As at 31 March, the Company owned an interest in the following fourteen wells on the Phoenix Prospect:

- the Mandaree 1-10H (EOG) (Sundance owns 10% WI);
- the Mandaree 6-20H (EOG) (Sundance owns 10% WI);
- the Mandaree 7-17H (EOG) (Sundance owns 8.13% WI);
- the Mandaree 5-16H (EOG) (Sundance owns 10% WI);
- the Mandaree 10-05H (EOG) (Sundance owns 4.56% WI);
- the Mandaree 2-09H (EOG) (Sundance owns 9.76% WI);
- the Mandaree 4-15H (EOG) (Sundance owns 7.5% WI);
- the Bear Den 4-20H (EOG) (Sundance owns 9.95% WI);
- the Bear Den 7-17H (EOG) (Sundance owns 9.56% WI);
- the Mandaree 12-7H (EOG) (Sundance owns 9.56% WI);
- the Mandaree 09-04H (EOG) (Sundance owns 10% WI);
- the Fettig 4-22H (Encore) (Sundance owns 2.41% WI);
- the bear Den 5-31H (EOG) (Sundance owns 10% WI); and,
- the Clarks Creek 3-0805H (EOG) (Sundance owns ~ 2.5%WI).

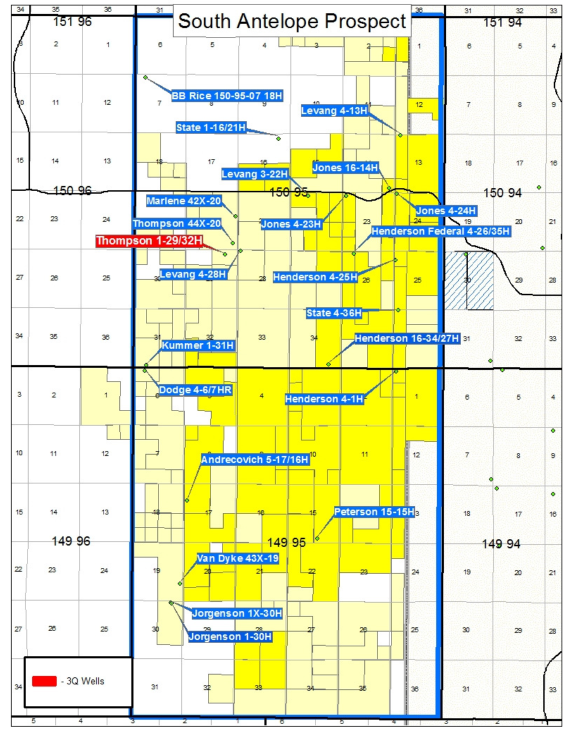
South Antelope Prospect

Helis Oil & Gas, an exploration and production company with operations in the onshore and offshore Gulf of Mexico and in the Northern Rockies ("Helis") is the operator of the South Antelope Prospect.

Sundance participated in 1 new well in this prospect during the quarter. As at this date, Helis has added a second rig to the program, hence the Company anticipates a strong development curve in the coming fiscal quarters.

As at 31 March, the Company owned an interest in the following twenty-three wells in South Antelope:

- the Levang 3-22H (Helis) (Sundance owns 3.2% WI);

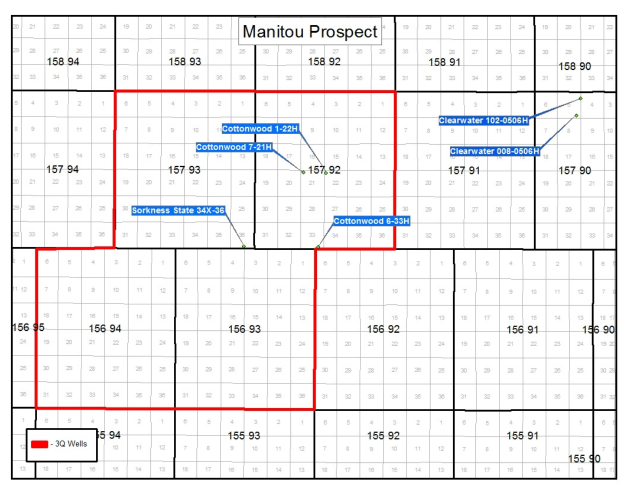


- the Jones 4-23H (Helis) (Sundance owns 44% WI);
- the Jones16-14H (Helis) (Sundance owns 47% WI);
- the Peterson 15-15H (Helis) (Sundance owns 7.1% WI);
- the Levang 4-28H (Helis) (Sundance owns 6.8% WI);
- the Levang 4-13H (Helis) (Sundance owns 50% WI);
- the State 4-36H (Helis) (Sundance owns 50% WI);
- the Henderson 4-1H (Helis) (Sundance owns 36% WI);
- the Jones 4-24H (Helis) (Sundance owns 49% WI);
- the Thompson 44X-20 (XTO) (Sundance owns 1.1% WI);
- the BB Rice 150-95-0718H (Hess) (Sundance owns .74% WI);
- the Van Dyke 43X-19 (XTO) (Sundance owns 1.12% WI);
- the Kummer #1-30H (Continental Resources) (Sundance owns 1.1% WI);
- the Dodge 4-6/7HR (Helis) (Sundance owns 7% WI);
- the Andrecovich 5-17/16H (Helis) (Sundance owns 7% WI);
- the Henderson 4-25H (Helis) (Sundance owns 24.02% WI);
- the Marlene 42X-20 (XTO) (Sundance owns 1.32% WI);
- the State 1-1621H (Helis) (Sundance owns 4.532% WI) ;
- the Henderson Fed. 4-26/35H (Helis) (Sundance owns 19.22% WI);
- the Jorgenson 1X30H (SM Energy) (Sundance owns 0.0557% WI);
- the Henderson 16-34/27H (Helis) (Sundance owns 6.79%WI);
- the Jorgenson 1-30H (SM Energy) (Sundance owns 0.0557% WI); and,
- the Thompson 1-29/32H (Helis) (Sundance owns ~ 4.8%% WI).

Manitou Prospect

The Manitou prospect also lies in the heart of the Bakken play. This prospect's acreage is spread across a number of tracts, each of which are located northeast of the Phoenix Prospect and just north of EOG's very successful Parshall Field, home to some of the Williston Basin's largest producing Bakken wells. 75% of the Company's interest in this prospect was sold to EOG along with the Phoenix Prospect acreage in 2009; in addition to the cash consideration, Sundance retained an overriding royalty interest of approximately 1% on all future production from this acreage.

As at 31 March, the Company owned an interest in the following six wells in Manitou:



- the Cottonwood 1-22H (EOG) (Sundance owns 1.56% WI);
- the Cottonwood 7-21H (EOG) (Sundance owns .39% WI);
- the Cottonwood 6-33H (EOG)(Sundance owns 1.59% WI);
- the Sorkness State 3X-36 (XTO) (Sundance owns 0.78% WI);
- the Clearwater 102-0506H (EOG) (Sundance owns 0.96206% WI); and,
- the Clearwater 008-0506H (EOG) (Sundance owns 0.96206% WI).

Goliath Prospect

This highly prospective Bakken oil play sits on the Western flank of the Williston Basin's Nesson anti-cline. The prospect's primary target horizon is, again, the oil bearing Bakken Shale which lies approximately 10,000 feet (3,050 metres) deep in the area with secondary target horizons including the oil bearing Mission Canyon, Nisku, Duperow and Red River formations. The Goliath Prospect boasts an Area of Mutual Interest encompassing approximately 142,000 acres. As been widely reported, late in 2010 the Company's prior joint venture partner, American Oil & Gas, Inc., (AMEX: AEZ) concluded a sale of all of its ownership interests to Hess Corporation (NYSE: HES); Hess also became the prospect's new operator.

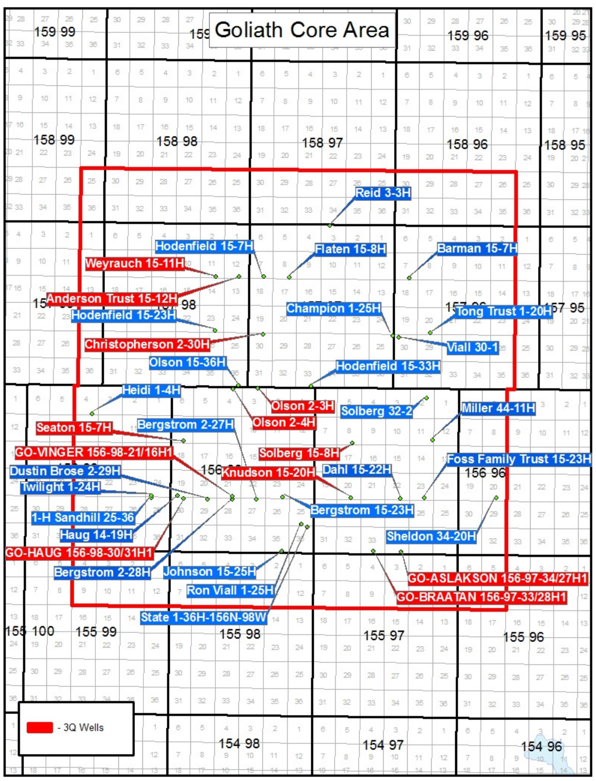
During the quarter under review, the Company participated in 12 new wells on the Goliath Prospect and, as at 31 March, had ownership interests in the following fifty two wells on it:

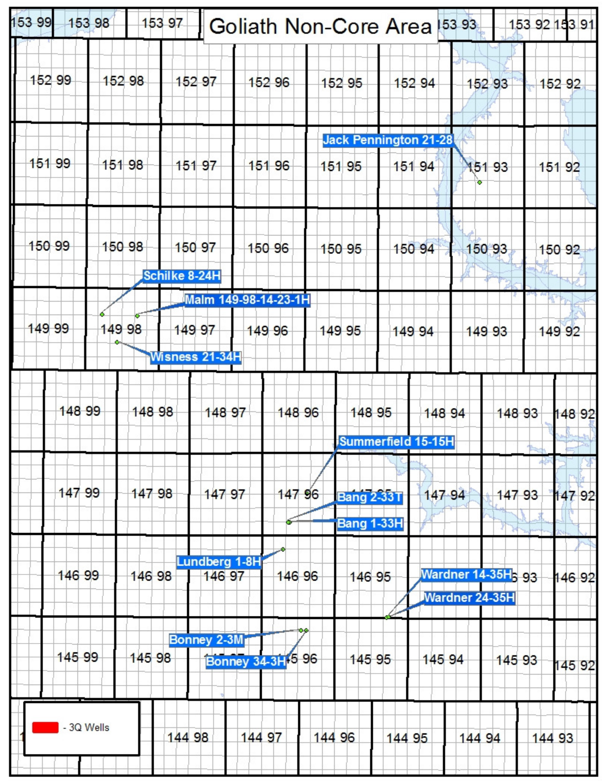
- the Champion 1-25H (Evertson) (Sundance owns 2% WI);
- the Solberg 32-2 (Whiting) (Sundance owns 1.19% WI);
- the Jack Pennington 21-28H (Sundance owns 1.25% WI);
- the Sheldon 34-20H (Sundance owns 1.20% WI);
- the Wardner 14-35H (Marathon) (Sundance owns .625% WI);
- the Bang 1-33H (Continental) (Sundance owns .31% WI);
- the Bonney 34-3H (Burlington) (Sundance owns .25% WI);
- the Viall 30-1 (Evertson) (Sundance owns 3.43% WI);
- the Tong Trust 1-20H (American) (Sundance owns 1.35% WI);
- the Lundberg 1-8H (Continental) (Sundance owns .625% WI);
- the Heidi 1-4H (Newfield) (Sundance owns .288% WI);
- the Bang 2-334 (Continental) (Sundance owns .31% WI);
- the Summerfield 15-15H(American)(Sundance owns 2.187% WI);
- the Schilke 8-24H (Peak) (Sundance owns .016% WI);
- the Ron Viall 1-25H (American) (Sundance owns 4.59% WI);
- the Bergstrom 15-23H (American) (Sundance owns ~ 4% WI);
- the Johnson 15-35H (American) (Sundance owns ~ 5% WI);
- the Wisness 21-34H (Peak) (Sundance owns .31% WI);
- the Bonney 2-3M (Continental) (Sundance owns .31% WI);
- the Hodenfield 15-7H (American) (Sundance owns 2.36% WI);
- the Hodenfield 15-23H (American) (Sundance owns 1.98% WI);
- the Olson 15-38H (American) (Sundance owns 3.50% WI);
- the Hodenfield 15-33H (American) (Sundance owns 1.49% WI);
- the 1-H Sandhill 25-36 (Newfield) (Sundance owns 2.19% WI);
- the Bergstrom 2-27H (American) (Sundance owns 3.25% WI);
- the State 1-36H-156N-98W (Anschutz) (Sundance owns 2.39% WI);
- the Reed 3-3H (Hess) (Sundance owns 1.88% WI);
- the Dustin Brose 2-29H (Hess) (Sundance owns 4.29% WI);
- the Bergstrom 2-28H (Hess) (Sundance owns 4.38% WI);
- the Twilight 1-24H (Hess) (Sundance owns 1.72% WI);
- the Haug 14-19H (Hess) (Sundance owns 3.58% WI);
- the Dahl 15-22H (Hess) (Sundance owns 3.39% WI);
- the Foss Family Trust 15-23H (Hess) (Sundance owns 2.15% WI);
- the Flaten 15-8H (Hess) (Sundance owns 3% WI);
- the Barman 15-7H (Hess) (Sundance owns 2.9% WI);
- the Malm 149-98-14-23-1H (Newfield) (Sundance owns 0.46875% WI);
- the Miller 44-11H (Whiting) (Sundance owns 0.8451% WI);
- the Wardner 24-35H (Marathon) (Sundance owns 0.625% WI);
- the Solberg 15-8H (Hess) (Sundance owns 2.6% WI);

- the Seaton 15-7H (Hess) (Sundance owns 4.48% WI);
- the Anderson Trust 15-12H (Hess) (Sundance owns 4.1% WI);
- the Weyrauch 15-11H (Hess) (Sundance owns 2.19% WI);
- the Olson 2-3H (Hess) (Sundance owns 4.75% WI);
- the Christopherson 2-30H (Hess) (Sundance owns 2.51% WI);
- the Go-Haug 156-98-30/31H1 (Hess) (Sundance owns ~ 5% WI);
- the Go-Braatan 156-97-3328H1 (Hess) (Sundance owns 2.81% WI);
- the Olson 2-4H (Hess) (Sundance owns 2.41%);
- the Go-Aslakson 156-97-3427H1 (Hess) (Sundance owns 1.95% WI);
- the Go-Vinger 156-98-21/16H1 (Hess) (Sundance owns 1.64% WI); and,
- the Knudson 15-20H (Hess) (Sundance owns 2% WI*).

*WI yet to be formally determined

Sundance expects that Hess's development efforts throughout this prospect will remain very active this year.

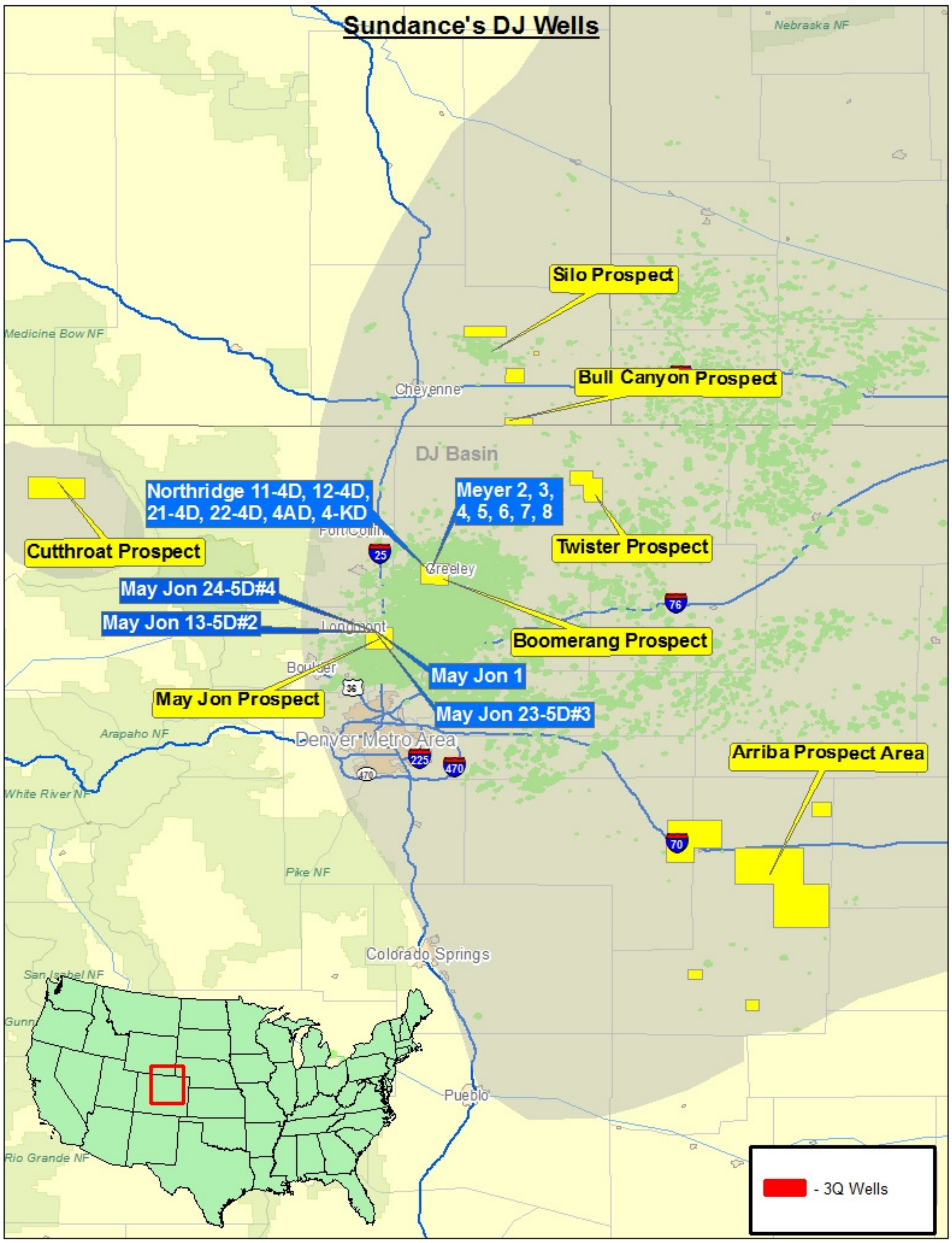




COLORADO PROSPECTS
The DJ Basin

The Company has several active development projects in the Denver Julesberg ("DJ") Basin which is located in north-eastern Colorado and south-eastern Wyoming; significant quantities of oil and gas have been produced from the DJ Basin. The Company's DJ prospects each target multiple tight sand and shale formations that may be developed both vertically and horizontally. The basin has a thick stack of source rocks and Sundance, and many of its industry peers, believe it is well suited to the horizontal drilling and fracture stimulation techniques that have proven so successful for it elsewhere, including in the Arkoma and Williston Basins. Recent significant discoveries in the area by, among others, Noble Energy and EOG Resources, clearly support the Company's assessment of these plays' potential prospectivity as a viable oily unconventional resource play.

The DJ Basin is located primarily in eastern Colorado, but also extends into southeast Wyoming, western Nebraska, and western Kansas. The basin has been a prolific producer of oil and gas since 1901. The most significant field - the Wattenberg Field - is one of the largest natural gas deposits in the United States. The field has produced more than 4.0 trillion cubic feet (TCF) of natural gas from the Lyons Sandstone, J Sandstone, Codell Sandstone, Niobrara Shale, Hygiene Sandstone, and Terry Sandstone. In 2007, the field made 11 million barrels of oil and 170 billion cubic feet (BCF) of gas with cumulative production of over 4TCF, from more than 14,000 wells, making it the 9th largest source of natural gas in the United States.



Arriba Project Area

This exciting project now encompasses as many as 8 distinct prospects, each located in the south-eastern part of the DJ Basin. The primary target horizon is the oil bearing Atoka Formation with secondary targets in the Morrow Sandstone, Cherokee, Marmaton, Missouri, Dakota J Sand and Codell Sandstone. Other operators in the area include Newfield Exploration, Unit Petroleum, Running Foxes, Wiepking-Fullerton, Murfin Drilling, Ritchie Exploration and Anadarko Petroleum.

As at 31 March, the Company had more than 37,000 net acres in hand across this project area.

Sundance continued to execute its initial developmental campaign in the Arriba Project Area during the quarter under review by permitting both a second wash down and a seismic program each anticipated to proceed later this calendar year; the development program is set to continue through the remainder of this year and into next.

Twister Prospect

During its first 2010/2011 financial quarter, Sundance announced that it had sold 75% of its Twister Prospect acreage located in Colorado's DJ Basin to Noble Energy, Inc., a leading US independent energy company ("Noble") (NYSE: NBL). Sundance's joint venture partner in the prospect, McElvain Energy Fund 2010, LLC, joined in the sale alongside Sundance. That transaction included a cash payment to the Company of approximately US$8.1 million and a further commitment by Noble to fund US$600,000 of Sundance's share of drilling and completion costs on future drilling in the prospect. In addition, the Company reserved an overriding royalty interest on all the Twister leases sold averaging approximately 3.9%. Sundance, McElvain and Noble also agreed on an Area of Mutual Interest ("AMI") which will allow the Company to participate in any future acreage acquisitions made by either Noble or McElvain within the AMI.

Noble plans to have one rig in Wattenberg Field area this year focused on horizontal Niobrara drilling which could result in as many as 20 new horizontal Niobrara tests there, at least one of which will be located on the Twister Prospect. Additionally, EOG has permitted 13 wells on lands within Twister Prospect which the Company will have the right to participate in when they are drilled.

Silo and Bull Canyon Prospects

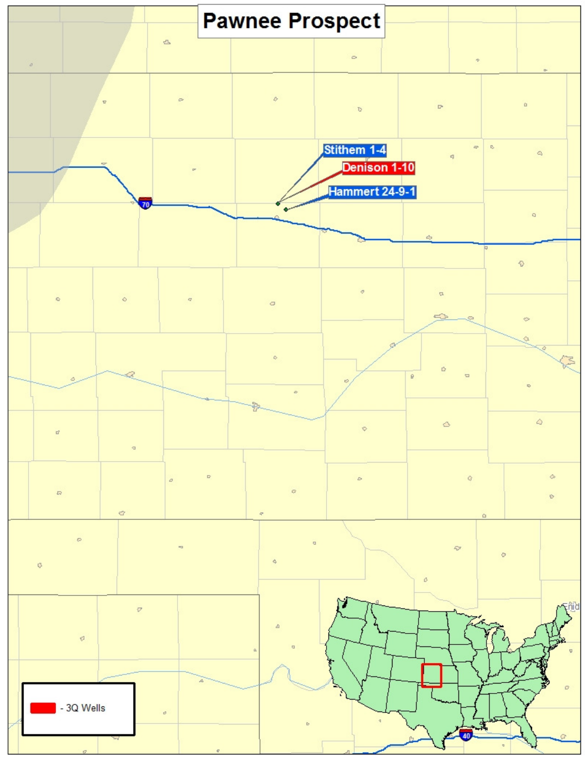
During the past quarter, the Company announced that it had entered a Participation Agreement with Halliburton Energy Services, Inc., and a subsidiary of Macquarie Group Limited (the "Agreement") involving its Silo and Bull Canyon prospects located in the Denver-Julesburg Basin. That Agreement requires the parties to begin drilling a horizontal Niobrara well within 90 days of having completed certain necessary permitting work and the selection of a well location, but in no event later than November 30, 2011. In return for the non-refundable US$2.4 million participation payment, the Agreement also provides Halliburton and Macquarie with the opportunity to earn up to a combined 40% of Sundance's working interest in both prospects through the drilling of a number of wells, including the payment of US$3.9 million in carried development costs on the Company's behalf. Sundance retained operations of both prospects and an overriding royalty interest, while Halliburton will provide certain project management services for the development and evaluation of each of the earning wells.

During the quarter under review, the parties to the Participation Agreement met several times to advance the initial development process. As at the date of this report, we are well advanced in the permitting process and have concluded the seismic acquisition program which is awaiting only final interpretation. Sundance anticipates spudding the first well on these prospects during the second half of this year.

KANSAS PROSPECT

Pawnee Prospect

During its first quarter of its 2010-2011 financial year, Sundance announced the initiation of this new prospect located in the state of Kansas. In sum, the Company's wholly owned US subsidiary, Sundance Energy, Inc., joined its long time joint venture partner, McElvain Oil & Gas Limited Partnership, in the play by acquiring 25% of McElvain's interests, or approximately 4,000 net acres to Sundance.



The play is focused on developing conventional targets as well as an unconventional shale target that the Company believes to be very prospective. 3D seismic has been shot across a small percentage of the acreage and has high graded several drillable prospects. Access to the unconventional shale will require the application of horizontal drilling technology and suits the Company's focus on resource plays while giving it excellent exposure to very economic conventional reserves as well.

During the quarter under review, Sundance participated in the drilling of another successful well on this prospect and now owns an interest in the following three wells there:

- the Hemmert 24-9-1 (McElvain) (Sundance owns 12.5% WI);
- the Stithem 1-4 (Cholla) (Sundance owns 12.5% WI); and,
- the Denison 1-10 (Cholla) (Sundance owns 12.5% WI).

Yours sincerely
Sundance Energy Australia Limited

Jayme McCoy
Managing Director

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About Sundance Energy Australia Limited

Sundance Energy Australia Ltd (ASX: SEA) is an Adelaide-based, independent energy exploration Company, with a wholly owned US subsidiary, Sundance Energy, Inc., located in Colorado, USA. The Company is developing projects in the US and Australia. In the US, Sundance is primarily focused on large, repeatable resource plays where it develops and produces oil and natural gas reserves from unconventional formations.

A comprehensive overview of the Company can be found on the Company's website at www.sundanceenergy.com.au.