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FOR IMMEDIATE RELEASE

29 July 2011

General Manager
 The Company Announcements Office
 Australian Securities Exchange

Dear Sir:

ACTIVITIES REPORT FOR THE QUARTER ENDED 30 JUNE 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 30 June 2011; this report provides highlights of Sundance’s activities for the final quarter of its 2010/2011 financial year.

Highlights

Execution of Development Plan Resulting in Production Growth	<ul style="list-style-type: none"> ▪ Participated in 11 gross developmental wells during the quarter targeting the Middle Bakken and Three Forks Shales in the Williston Basin and 2 100 percent owned wells in the Wattenberg Field located in Colorado’s DJ basin targeting the Codell and Niobrara formations ▪ Produced an average of 770 barrels of oil equivalent per day (“boepd”) during the quarter ended 30 June 2011, compared to 276 boepd during the same quarter last year ▪ As at the end of the quarter under review, maintained an inventory of 23 gross and 2.81 net wells awaiting fracture stimulation
Low Risk Exploration Assets Showing Strong Initial Results	<ul style="list-style-type: none"> ▪ Continued initial development and permitting work on Sundance operated well locations targeting the Niobrara Shale in the Silo and Bull Canyon Prospects joint ventured with Halliburton and Macquarie ▪ Niobrara Shale play continued to be viewed by the US oil and gas industry as the next important US resource play; Sundance owns approximately 15,192 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
Capital Markets Progress	<ul style="list-style-type: none"> ▪ Subsequent to the Quarter concluded US\$100 million senior credit facility with Bank of Oklahoma (announced at beginning of Quarter) ▪ Continued process of reviewing possible North American stock exchange listing ▪ Hosted a prospect tour for leading Australian institutional investors
Maintain Strong Financial Profile	<ul style="list-style-type: none"> ▪ Generated cash operating income of AU\$3.4M ▪ Cash on the balance sheet of AU\$23.8M as at 30 June 2011 ▪ Cash receipts from product sales of AU\$7.1M compared to AU\$3.3M in the previous quarter ▪ Revenue of AU\$6.0M compared to AU\$5.5M in the previous quarter ▪ Obtained calendar year 2012 and 2013 hedge collars capitalizing on strong oil prices

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Activities Report for the
Fourth Financial Quarter 2010-11

A. SELECT FINANCIAL AND PRODUCTION DATA

As is set forth in the table below, the Company's production and revenue continued its strong performance during the financial quarter under review. Sundance produced an average of approximately 770 boepd during the three months ended 30 June 2011, compared to its forecast of 1,168 boepd. Production continues to run below early forecasts primarily as a result of the heavily stressed service environment as operators throughout the Williston Basin, including the Company's, continued to play catch up following historically inclement winter weather in North Dakota. The lower than expected daily production rate was a direct result of the Company awaiting completion on 23 gross and 2.81 net Williston Basin wells and 2 100% owned wells in the Wattenberg Field. Given anticipated production levels, Sundance expects that it would have achieved its forecast had this completion backlog not occurred.

Sundance Energy Australia Ltd.

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

Calendar Quarter	2Q 2011	1Q 2011	4Q 2010	3Q 2010	2Q 2010	1Q 2010
Fiscal Quarter	Fiscal Q4	Fiscal 3Q	Fiscal 2Q	Fiscal 1Q	Fiscal 4Q	Fiscal 3Q
Barrels sold	54,072	61,841	52,594	39,578	19,443	21,605
Mcf sold	100,575	96,652	38,783	50,732	35,913	37,980
BOE sold (6:1)	67,182	77,950	59,058	48,033	25,429	27,935
BOE sold per day	770	866	642	522	279	310
Wellhead price per barrel	\$98.57	\$82.99	\$73.64	\$72.31	\$63.79	\$77.39
Wellhead price per Mcf	\$4.54	\$3.74	\$3.83	\$5.66	\$4.81	\$6.29
Oil Revenue	\$5,683	\$5,132	\$3,873	\$2,862	\$1,240	\$1,672
Gas Revenue	\$304	\$361	\$318	\$287	\$173	\$239
Total Revenue	\$5,987	\$5,493	\$4,191	\$3,149	\$1,413	\$1,911
Payments for production	\$(1,325)	\$(520)	\$(668)	\$(411)	\$(184)	\$(416)
Payments for administration	\$(1,335)	\$(964)	\$(1,359)	\$(611)	\$(832)	\$(836)
Cash operating income	\$3,372	\$4,009	\$2,164	\$2,127	\$397	\$659
Payments for explorations & evaluation	\$(898)	\$(146)	\$(80)	\$(476)	\$(578)	\$(774)
Payments for development	\$(5,331)	\$(7,220)	\$(4,812)	\$(5,067)	\$(416)	\$(1,133)
Total capital expenditures	\$(6,229)	\$(7,366)	\$(4,892)	\$(5,543)	\$(994)	\$(1,907)
Total Net acres (US)	117,468	119,954	114,753	110,759	114,239	108,730
Qtr/Qtr % change in Acreage	-7%	5%	4%	-3%	5%	-3%

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	Three Months Ended			Twelve Months Ended		
	30 June, 2011	30 June, 2010	% Change	30 June, 2011	30 June, 2010	% Change
Net production:						
Crude Oil (Bbls)	54,072	19,443	178%	208,085	79,093	163%
Natural Gas (Mcf)	100,575	35,913	180%	286,742	137,794	108%
Total (boe) (1)	70,835	25,429	179%	255,875	102,059	151%
Average daily production (boepd)	770	276	179%	701	280	151%
Net sales:						
Oil (2)	5,683,000	1,240,000	358%	17,550,000	5,392,184	225%
Natural gas (2)	304,000	173,000	76%	1,270,000	723,045	76%
Total oil and natural gas (2)	5,987,000	1,413,000	324%	18,820,000	6,115,229	208%
Receipts from product sales	7,083,000	1,800,000	294%	16,040,000	6,612,000	143%
Average sales prices:						
Oil (per Bbl)	105.10	63.78	65%	84.34	68.18	24%
Effect of realized oil hedges on average price (per Bbl)	(7.26)	(3.92)	85%	(3.22)	(0.96)	234%
Oil net of hedging (per Bbl)	97.84	59.85	63%	81.12	67.21	21%
Average WTI Cushing price (per Bbl)	101.04	77.82	30%	89.75	75.14	19%
Natural gas (per Mcf)	3.02	4.82	-37%	4.43	5.25	-16%
Average Henry Hub price (per Bbl)	4.38	4.34	1%	4.17	4.23	-1%
Cost and expense (per boe)						
Production expenses (3)	16.92	10.77	57%	11.29	11.29	0%
General and administrative expenses	26.58	32.72	-19%	11.47	19.12	-40%

(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 30 June 2011, the Company's oil and gas sales increased AU\$4.6M compared to the three months ended 30 June 2010. This favourable variance was the result of both increased production and improved product pricing arising out of Sundance's developmental drilling program in the Williston Basin; approximately AU\$3.4M was due to increased production while improved product pricing accounted for approximately AU \$1.2M. The Company's cash receipts from product sales for the three months ended 30 June 2011, of AU \$7.1M is approximately AU\$1.1M greater than the Sundance's total quarterly oil and gas sales due to collection of accounts receivable under normal payment terms.

During the twelve months ended 30 June 2011, the Company's oil and gas sales increased AU\$12.7M compared to the twelve months ended 30 June 2010. Again, this was driven primarily by both increased production and improved product pricing out of Sundance's developmental drilling program in the Williston Basin; approximately AU\$10.6M resulted from increased production, while improved product pricing contributed approximately AU\$2.1M. The Company's cash receipts from product sales for the twelve months ended 30 June 2011, of AU

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\$16.0M is approximately AU\$2.8M 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 30 June, the Company owned approximately 117,468 net US acres located in a number of the most prospective oil and gas shale basins in the country; this represents an increase of approximately 800 acres during the quarter under review notwithstanding a decision to allow leases for approximately 250 acres in the Manitou Prospect to expire as they were deemed to be uneconomic. * Sundance is actively continuing to lease across its prospects in keeping with its core growth strategy of identifying and acquiring valuable resource play mineral acres at an early, economic stage in their development curve.

* The acreage total reported in the Activities Report for the Company's Third Financial Quarter contained a typo and should have been 116,660 as opposed to 119,954.

Prospect acreage as of 30 June 2011

	Gross	Net
Development Assets:		
Williston Basin - Bakken/Three Forks Shales	129,781	8,667
Niobrara Shale	43,050	15,192
DJ Basin - Conventional	562	210
North Washington	282	22
Total Development Assets	173,675	24,091
Exploration Assets:		
Arriba	74,476	40,376
Pawnee	19,817	4,262
Illinois Basin	100,168	48,739
Total Exploration Assets	194,461	93,377
Grand Total US Assets	368,136	117,468

C. DERIVATIVE FINANCIAL INSTRUMENTS

As has been previously reported, the Company remains exposed to certain risks related to its ongoing operations, and Sundance continues to utilize various derivative instruments to manage and insure against associated commodity price risk. The Company portfolio of derivative contracts, primarily costless collars and swaps, helps it to achieve a more predictable cash flow to fund its capital development programs and manage to its returns on acquisitions and drilling campaigns.

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 Company policies and procedures which mandate ongoing monitoring and approval by Sundance's 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 30 June 2011, are summarized below:

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Contract Type	Counterparty	Basis	Quantity (Bbl/month)	Strike Price (\$/Bbl)	Term
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
Collar	Shell Trading US Co.	NYMEX	2,000	\$85.00/\$109.50	1 Jul - 31 Dec 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	2,000	\$100.00	1 Jan - 31 Dec 2012
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
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

D. ERIC MCCRADY NAMED CEO

On 4 April, the Company announced the promotion of CFO Eric McCrady to President and Chief Executive Officer of Sundance's wholly owned US subsidiary, Sundance Energy, Inc. Then, on 18 May, Sundance announced that Managing Director Jayme McCoy had resigned to pursue other interests and that Mr. McCrady had been appointed as CEO of the Company entire with responsibility for Sundance's day-to-day management and strategic direction. Mr. McCrady joined Sundance Energy in June of 2010.

E. COMPANY ANNOUNCES INTENTION TO CONSIDER AU/US DUAL LISTING

Also on 4 April, Sundance announced its intention to begin formal consideration of listing on a North American stock exchange. At the time, the Company's Board directed management to commence exploratory discussions with its US and Australian financial and legal advisors and to initiate the appropriate review of the various factors relevant to undertaking a listing that would see the Company dual listed on both the ASX and a North American stock exchange. As at this date, Sundance is continuing this review process.

F. SENIOR CREDIT FACILITY

The Company announced on the same day that negotiations were well advanced towards concluding a US\$100 million senior credit facility with a North American bank. And, on 21 July, it announced that it had successfully closed that US \$100 million senior credit facility with the Bank of Oklahoma.

This Facility is guaranteed by the Company, and has an initial borrowing base of US\$10MM that can be drawn down in multiple tranches and is immediately available to Sundance. The Facility has a 4-year term. Interest on the Facility will accrue, at the Company's option, at i) LIBOR, or ii) the Base Rate, meaning for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 1/2 of 1%, (b) the Prime Rate, and (c) the Adjusted LIBOR Rate plus 1%; plus the margin set forth in the table below.

Applicable Margin				
<i>Level</i>	<i>Utilization Percentage</i>	<i>LIBOR Loans</i>	<i>Base Rate Loans</i>	<i>Commitment Fee Rate</i>
1	< 50%	2.25%	1.00%	0.50%
2	≥ 50% but <75%	2.50%	1.25%	0.50%
3	≥ 75% but <90%	2.75%	1.50%	0.50%
4	≥ 90%	3.00%	1.75%	0.50%

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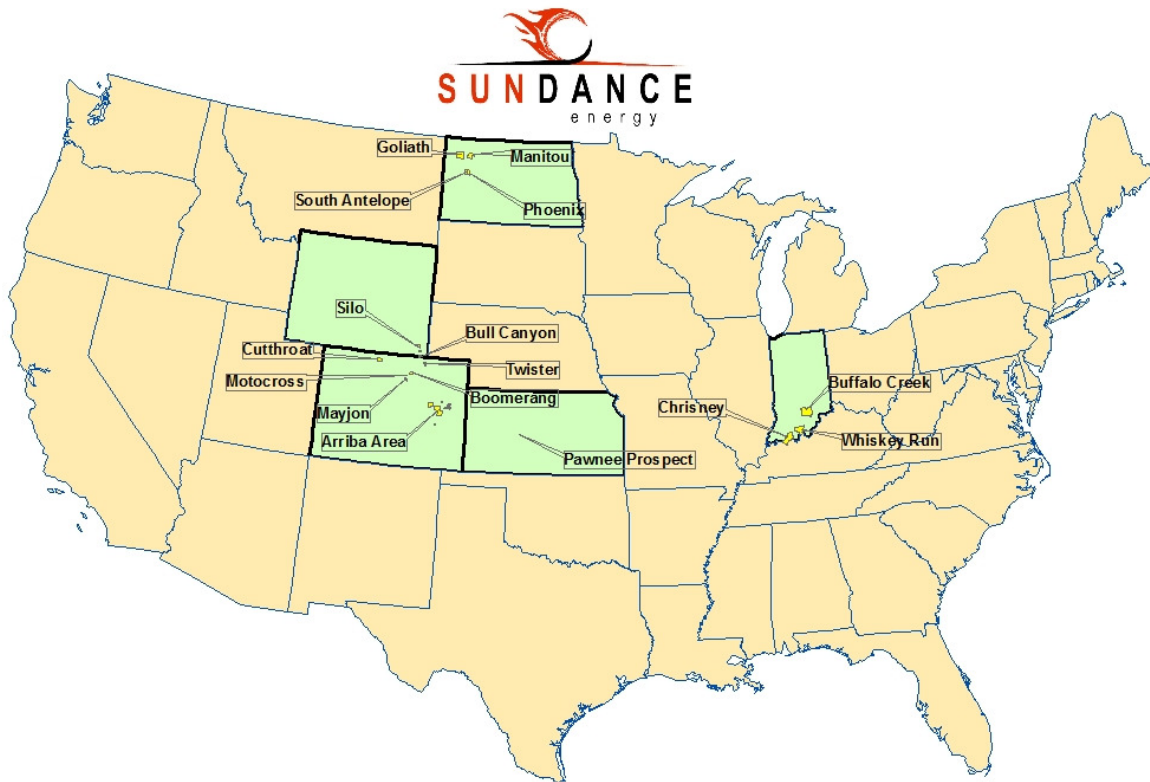
Facility proceeds will be used to fund Sundance's ongoing drilling programs in the Williston and DJ Basins in the United States, as well as for other corporate oil and gas development and acquisition activities, allowing the Company to continue to add shareholder value both through the ongoing development of its current mineral assets, as well as the identification and acquisition of new assets.

G. PROSPECT TOUR

In early June, Sundance hosted a tour of its US Prospects for leading Australian institutions. The tour was coordinated by the Company's long time underwriter, Euroz Securities Ltd, and provided Company executives with the opportunity to travel across Sundance's various US prospects with the attendees during which they were able to witness first hand the extensive drilling and completion programs underway across the Williston and DJ Basins.

H. UNITED STATES EXPLORATION INTERESTS

Sundance's development activity in the quarter remained strong notwithstanding ever-increasing pressure on the various service industries as the pace of industry wide development continued to mount, especially in the Williston Basin, both organically and as operators throughout that Basin played catch up following historically inclement winter weather conditions. During the period, the Company participated in 13 wells across 3 different prospects in North Dakota and Colorado.



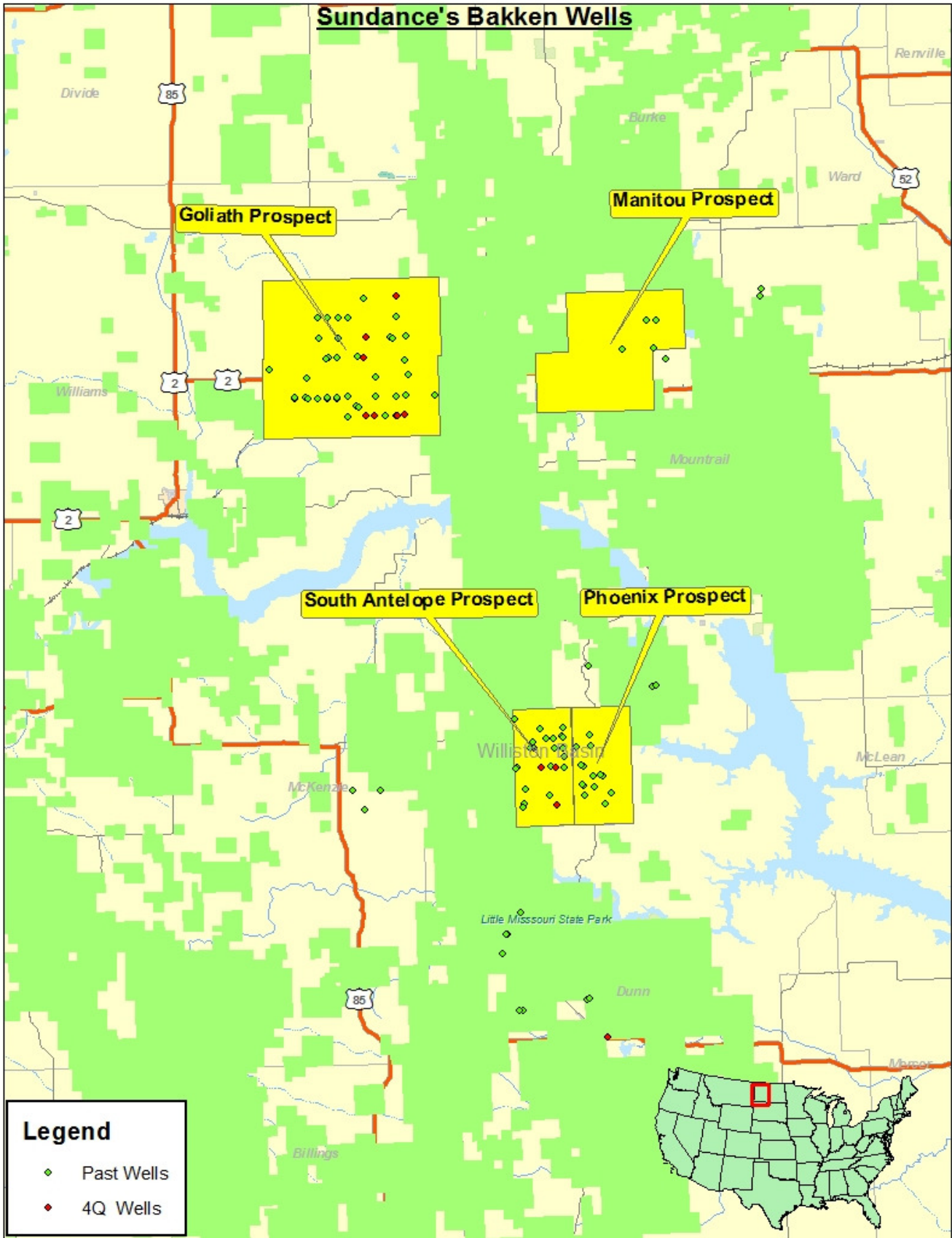
NORTH DAKOTA BAKKEN PROSPECTS
The Williston Basin

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 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 continue to bear out the concept, and it is anticipated that the remainder of 2011 will see a preponderance of 1280 long lateral wells being employed.

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. It is anticipated that will continue to be the case throughout calendar 2011.

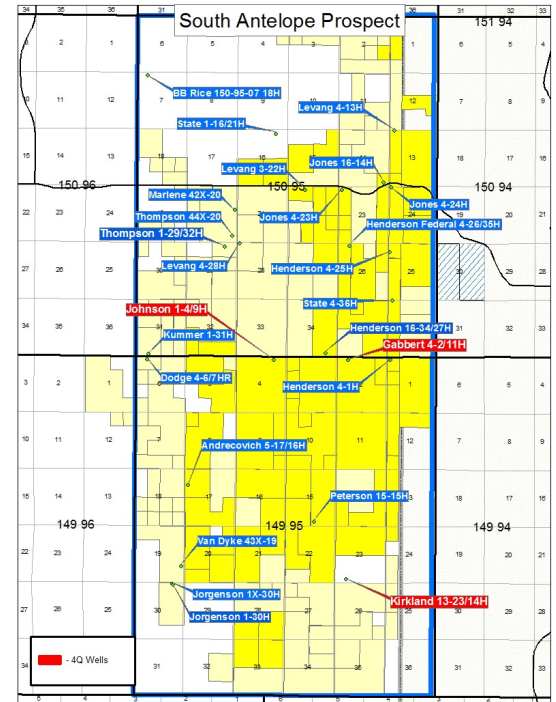
During the quarter under review, Sundance participated in a total of 11 wells across its Goliath and South Antelope prospects.



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- 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 Andreovich 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);
- the Thompson 1-29/32H (Helis) (Sundance owns ~ 4.8% WI);
- the Gabbert 4-2-11H (Helis) (Sundance owns 7.16% WI);
- the Johnson 1-4-9H (Helis) (Sundance owns 7.16% WI); and,
- the Kirkland 13-23H (Helis) (Sundance owns 4.47% WI).

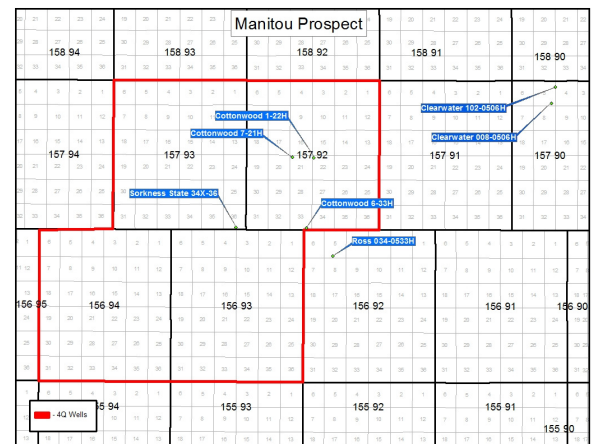


Manitou Prospect

The Manitou prospect is also located in the Bakken play with acreage spread across a number of tracts. 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. During the quarter under review, Sundance determined not to pursue new leases on certain expiring Manitou tracts in light of their questionable economics; as a result, at quarter end, leases for approximately 250 acres on this prospect expired unexplored.

As at 30 June, the Company owned an interest in the following six producing 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);
- the Clearwater 008-0506H (EOG) (Sundance owns 0.96206% WI); and,
- the Ross 034-0533H (EOG) (Sundance owns 0.462% WI).



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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. Hess Corporation (NYSE: HES) is the prospect's operator.

During the quarter under review, the Company participated in 8 new wells on the Goliath Prospect and, as at 30 June, had ownership interests in the following sixty wells there:

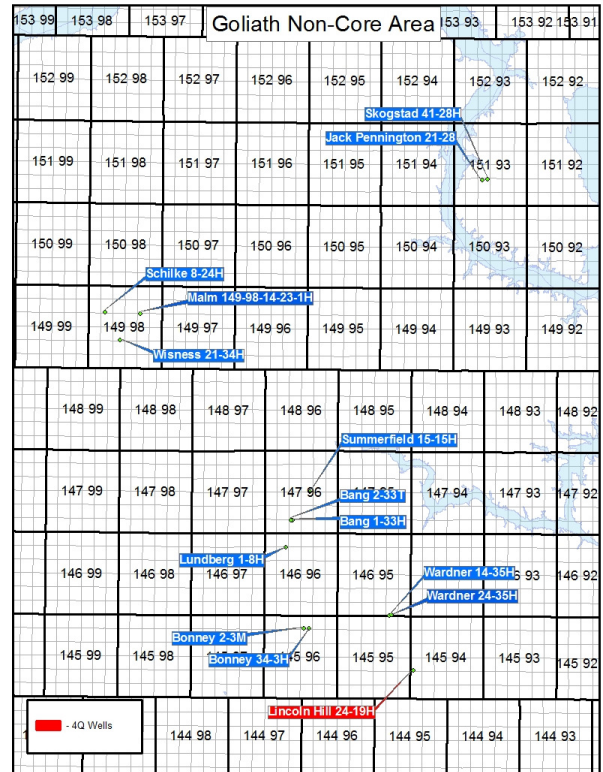
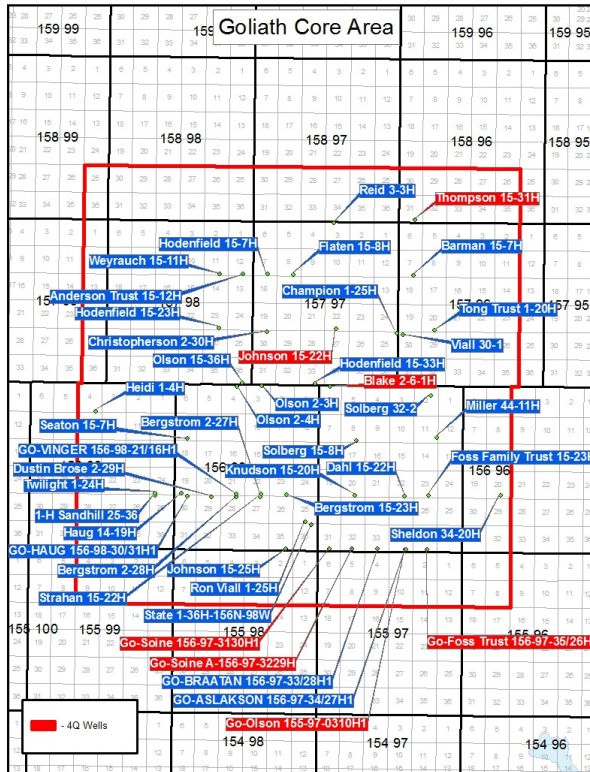
- the Champion 1-25H (Evertson) (Sundance owns 2% WI);
- the Solberg 32-2 (Whiting) (Sundance owns 1.19% WI);
- the Jack Pennington 21-28H (Sundance owns 1.25% WI);
- the Sheldon 34-20H (Sundance owns 1.20% WI);
- the Wardner 14-35H (Marathon) (Sundance owns .625% WI);
- the Bang 1-33H (Continental) (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);

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- 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);
- the Knudson 15-20H (Hess) (Sundance owns 2% WI*);
- the Strahan 15-22H (Hess) (Sundance owns 2.187% WI);
- the Skogstad 41-28H (Marathon) (Sundance owns 0.3125% WI);
- the Blake 2-6-1H (Hess) (Sundance owns 2.724% WI);
- the Go-Soine A-156-97-3229H (Hess) (Sundance owns 3.38% WI);
- the Go-Foss Trust 156-97-35/26H (Hess) (Sundance owns 2.00% WI);
- the Go-Olson 155-97-0310H1 (Hess) (Sundance owns 1.64% WI);
- the Go-Soine 156-97-3130H1 (Hess) (Sundance owns 2.665% WI);
- the Go-Johnson 15-22H (Hess) (Sundance owns 2.62% WI);
- the Go-Thompson 15-31H (Hess) (Sundance owns 2.9% WI); and,
- the Lincoln Hill 24-19H (Conoco-Phillips) (Sundance owns 0.3% WI).

*WI yet to be formally determined

Sundance expects that Hess's development efforts throughout this prospect will remain very active for the remainder of his 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 alone, 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.

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- 1-EOG Jake 2-01H-First 8 days average 1770 BOPD; First 30 days average 682 BOPD
- 2-Carrizo State 16-11-9-60H- IP 602 BOPD
- 3-Carrizo State 36-24-9-61- IP 681 BOPD
- 4-Carrizo Bob White 36-44-8-62- IP 725 BOPD

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Arriba Project Area

This exciting project 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 30 June, the Company had more than 39,800 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, and is set to conduct a seismic program later this calendar year; preliminary development will 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 allows the Company to participate in all future acreage acquisitions made by either Noble or McElvain within the AMI.

Noble remains committed to drilling at least one well on the Twister Prospect this year. Additionally, EOG has permitted 13 wells on lands within Twister which the Company will have the right to participate in when they are drilled.

Silo and Bull Canyon Prospects

At the end of calendar 2010, 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.

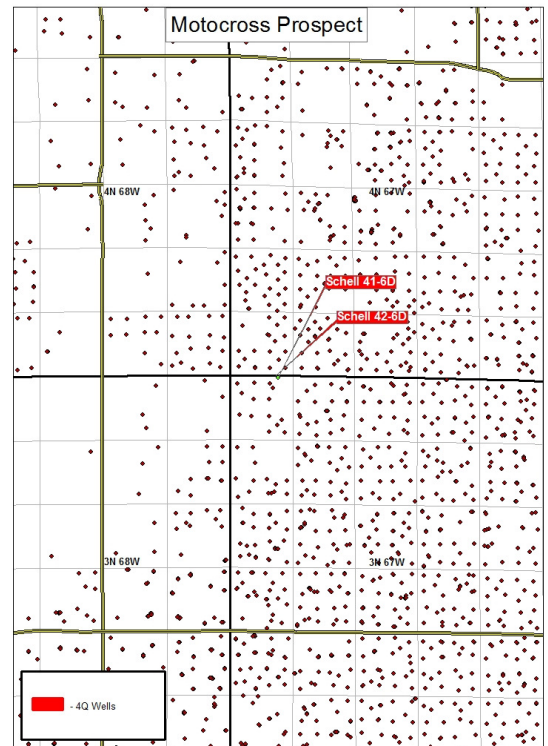
During the quarter under review, the parties to the Participation Agreement continued to advance the initial development process. As at the date of this report, Sundance has made good progress in the permitting process and has concluded the seismic acquisition program which is awaiting final interpretation. The Company anticipates spudding the first well on these prospects during the current quarter.

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Motocross Prospect

During the quarter under review, the Company successfully drilled two 100% owned wells in this new prospect which is located in the heart of Colorado's DJ Basin. Each of these wells was completed in the Codell formation and each will be completed at a later date in the Niobrara formation for combined production. As at this date, both wells are shut in awaiting completion of production facilities. The two wells are:

- the Schell 41-6D (Sundance) (Sundance owns 100% WI); and,
- the Schell 42-6D (Sundance) (Sundance owns 100% WI).



KANSAS PROSPECT

Pawnee Prospect

During the first quarter of its recently concluded 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.

Pawnee Prospect development is focused on conventional targets as well as an unconventional shale target that the Sundance believes to be very prospective. 3D seismic has been shot across a small percentage of the acreage, and the Company has high graded several drillable prospects. Access to the unconventional shale will require the application of horizontal drilling technology and suits the Sundance'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 one unsuccessful well here, the Schroeder 1-16, which has been plugged and abandoned, and a successful disposal well, the Stithem 2-4.

As at this date, Sundance owns an interest in the following three producing wells on the Pawnee Prospect:

- 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).

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Yours sincerely
Sundance Energy Australia Limited

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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.