SUNDANCE RESOURCES

Developing a global iron ore business

11th September 2008 **ASX/MEDIA RELEASE**

SUNDANCE DELIVERS 50% INCREASE IN ITABIRITE INFERRED RESOURCE TO 1.75 BILLION TONNES AT 40% Fe

Updated Inferred Resource includes 0.8 billion tonnes at 43% Fe

Latest testwork delivers BF and DR Grade Concentrate from Mbarga Itabirite Hematite

International iron ore company Sundance Resources Limited (ASX: SDL – "Sundance") is pleased to announce a substantial increase in the JORC-Code compliant Inferred Mineral Resource inventory of Itabirite hematite at its 90%-owned Mbalam Iron Ore Project in Cameroon, West Africa to **1.75 billion tonnes at 40% Fe**.

This represents a **50% increase** in Itabirite resource tonnage (compared with the initial Itabirite resource announced on 21 July 2008) and complements the Inferred Mineral Resource of 223 million tonnes of DSO quality hematite grading 61.6% Fe announced by Sundance on 3 September.

Significantly, the upgraded resource includes **0.8 billion tonnes at 43% Fe** (as compared to the average 38% Fe reported in the July 2008 resource statement). This increased grade is expected to result in reduced mining and beneficiation costs.

The Inferred Resources now identified at the Mbarga Deposit contain sufficient material to support the first 20 years of proposed mine operations at a production rate of 35 million tonnes per annum. The latest mine pit modelling has confirmed the very low strip ratio for the Mbarga Itabirite pit (approximately 0.3 : 1) after pre-stripping the DSO supergene material. The mine pit model currently includes approximately 1.1 billion tonnes of Itabirite grading 40.2% Fe. This grade may increase as the mine pit model is optimised to maximise use of the higher grade Itabirite.

The updated Itabirite Inferred Mineral Resource inventory at the Mbarga Deposit is summarised below. This is based on assay data received from a total of 224 drill holes, including 20 diamond core holes, for a total of 47,700 metres drilled, with resource modelling to a base RL of 425 metres.

Mbarga Deposit	Million Tonnes	Fe (%)	SiO_2 (%)	$A1_2O_3$ (%)	P (%)	LOI (%)	Cut-Off (% Fe)
	790	*43.2*	*42.0*	*0.8*	*0.04*	*0.4*	*+40%*
	960	*36.5*	*47.5*	*1.8*	*0.04*	*0.8*	*32% - 40%*
Total	**1,750**	**39.6**	**45.0**	**1.4**	**0.04**	**0.6**	**+32%**

The Company has now achieved its previously announced Exploration Target for Itabirite hematite at the Mbarga Deposit of 1.6 to 1.8 billion tonnes. Significantly, the Itabirite hematite mineralisation at Mbarga is open at depth with **enrichment extending to drill depths of up to 600 metres** (RL of around 300 metres). Accordingly, further increases in the Itabirite Mineral Resource inventory at Mbarga are anticipated once sufficient assay data are received to the full depth of drilling.

It is also now realistic to expect that the Mbarga Deposit by itself may deliver the additional tonnages of Itabirite hematite required to achieve the previously announced Exploration Target of 2.0 to 2.5 billion tonnes for the entire Exploration Permit No. 92. Additional Itabirite mineralisation has also been identified by recently commenced drilling at the Metzimevin Prospect (which is also targeting high Fe grade Direct Shipping Ore (DSO) - see ASX Announcement of 3 September 2008).

On the basis of these very exciting recent drilling results, the immediate focus for the Company's exploration program on EP92 is to:

- continue in-fill drilling at Mbarga to progressively convert Inferred Resources to Indicated and Measured status as part of Feasibility Studies ahead of planned project commencement in 2009;
- extend exploration drilling to the Metzimevin and Meridional Prospects with the aim of increasing the DSO quality Mineral Resource inventory; and
- progressively identify enriched areas within each deposit to optimise mining and beneficiation costs by increasing Itabirite hematite feed grade and recoveries.

Metallurgical testwork completed to August 2008 indicates that reverse flotation is the most effective primary recovery method for the Itabirite hematite. Indications are that a primary grind of 75µm and limited re-grind will provide a **weight recovery of approximately 40%** and a **Blast Furnace (BF) feed grade concentrate of 66% Fe**. The results also indicate that a finer primary grind can provide a similar weight recovery to provide both a **Direct Reduction (DR) grade concentrate of 68% Fe** (with approximately 2% combined SiO_2 and Al_2O_3) and a BF grade concentrate in the order of 65% Fe. Work is continuing to confirm and optimise these process flowsheets.

Commenting on the announcement, Sundance's CEO, Don Lewis, said: "This substantial increase in our JORC-Code compliant Inferred Resource of Itabirite hematite at Mbarga has been achieved less than 2 months after the initial Itabirite resource was announced and follows last week's upgrade in DSO quality Inferred Resources to 223 million tonnes. The achievement of our Itabirite Exploration Target for the Mbarga Deposit so rapidly is a credit to our exploration team".

"Our metallurgical test work to date shows that the Itabirite may be upgraded to produce a high-grade hematite concentrate using conventional beneficiation technology. This testwork underpins the Company's business model for staged development of DSO/Itabirite mining operations producing 35Mtpa of high-grade product over a 20 year plus mine life".

"It is particularly pleasing to see our exploration continue to build the DSO and Itabirite resource base at Mbalam with increased tonnage and grade. The Mbarga Deposit is clearly a very large, enriched ore body which we believe is capable of underpinning a long-term, international iron ore business. Given the scale of our resource inventory, the project team will focus its efforts on project development activities over the next quarter with priority tasks being to progress planning for beneficiation, power and rail infrastructure; and to advance product definition and marketing and project financing as quickly as possible," Mr Lewis concluded.

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 studies on its 90%-owned **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.

Competent Persons Statement

The information in this release that relates to Exploration Results is based on information compiled by Mr Robin Longley, a Member of the Australian Institute of Geoscientists, and Mr Lynn Widenbar, a member of the Australasian Institute of Mining and Metallurgy.

Mr Longley is a consultant to the Company and has sufficient experience which is relevant to the style of mineralisation and type of Deposit and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Longley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Mr Widenbar is a consultant to the Company and has sufficient experience which is relevant to the style of mineralisation and type of Deposit and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Widenbar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

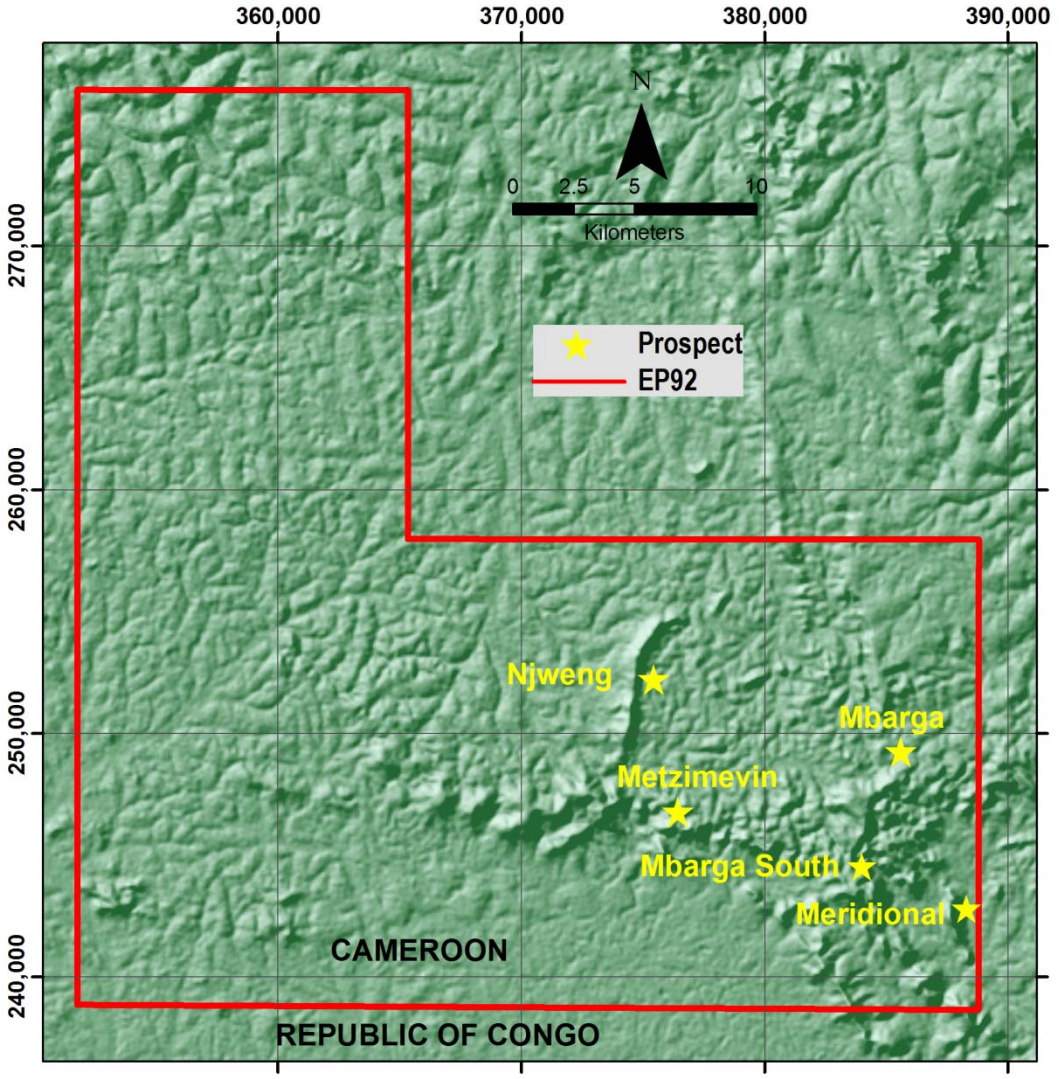
The estimated quantity and grade of near-surface DSO quality supergene mineralisation and underlying Itabirite-style mineralisation has been restricted to the area currently covered by drilling on a 200m x 100m pattern at Mbarga, with partial infill to 100m x 100m. This is represented by an area approximately 3km (east-west) x 3km (north-south) on the Mbarga Deposit and by an area approximately 1.5km (east-west) x 1.0km (north-south) on the Mbarga South Deposit. Grade interpolation has been extrapolated using Ordinary Kriging on composited sample results and a nominal 50% Fe cutoff value for DSO and Inverse Distance Squared methodology and 32% and 40% cutoff values for Itabirite. A digital terrain surface (based on highly accurate topographic data), has been used to limit extrapolation of the mineralisation to the topographic hill at Mbarga. An internal waste zone (schist) cross-cutting the supergene and Itabirite zones and surficial cover has been modeled and removed from the quantity estimated as DSO quality and Itabirite mineralisation. Densities of 4.0t/m3 and 3.35t/m3 have been applied for evaluation of the DSO and Itabirite mineralisation respectively.

While the Company is optimistic that it will report additional resources in the future, any discussion in relation to Exploration Targets, over and above the stated Inferred Resources of is only conceptual in nature. There has been insufficient exploration to define a Mineral Resource over and above the Inferred Resource and it is uncertain if further exploration will result in determination of a Mineral Resource.

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 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: MAP OF EP92 SHOWING LOCATION OF PRINCIPAL DEPOSITS



Sundance Resources Limited
Mbalam Project - Mbarga & Mbarga South Deposits

IDENTIFIED MINERAL RESOURCE – PARAMETERS

Item	Details	Comments
Surveying	Differential GPS	Established survey control by licensed surveyor.
Drilling Techniques	RC and Diamond	5¼" face sampling RC; NQ/HQ/PQ diamond.
Downhole Surveying	North Seeking Gyroscope	Surtron mobilised to site and commenced.
Geological Logging	QC Logging Procedures	Field Marshall/acQuire logging system.
Geotechnical/Strutural	Diamond Core Orientated	Geotechnical/structure logging - Field Marshall/acQuire logging system.
Sampling	RC Sub-Sample and Half Core	Multi-tiered splitter; diamond sawing.
Assaying	Niton XRF and XRF	Niton on site; commercial lab in Australia.
Assay QA/QC	Duplicates, Lab Standards	Site specific standards being developed; routine duplicates and lab standards monitored in acQuire QA/QC reports.
Data Spacing	200m x 100m; 2m Sampling	Nominal drill hole spacing; infilling to100m x 100m in progress.
Density	Site Measurements and Lab Confirmation	Conventional weighed suspended in air and water; pycnometer; metallurgical test work confirmation of densities; Supergene 3.35g/cm^3 and Itabirite 4.00g/cm^3.
Database Integrity	acQuire Drill Hole Database	Fully validated drill hole database; independently audited.
Verification of Sampling and Assaying	One (1) twinned RC/DD hole.	Further twinned holes planned.
Auditing	Drilling, Assaying and Database	Independent technical auditors; monitored by internal auditor.
Geological Interpretation	Surface Mapping and Drill Holes	Surface mapping used for initial geological framework, modified by drill hole data.
Geological Modelling	3D Surfaces (DTM) and Wireframes	Geological domains based on initial geological mapping and interpretation.
Block Size	20m (X) by 10m (Y) by 10m (Z)	Sub-celled to honour DTM and wireframe shapes.
Interpolation Method	Ordinary Kriging/IDS^2	Supergene Domain - OK and validated by IDS^2 estimate. Itabirite Domain - IDS^2
Search Parameters	Variable by Domain	Search radii and orientation variable, domain and spatially dependent.

Item	Details	Comments
Variables Interpolated	Fe, SiO_2, Al_2O_3, P, LOI, MnO, CaO, MgO, K_2O, Na_2O, S, TiO_2, Cr_2O_3, V_2O_5, Density	
Nominal Drill Hole Spacing	200m (E) by 100m (N)	Partial infill to 100m (E) x 100m (N).
Classification	Supergene/DSO – Fully constrained as material type using wireframe Itabirite – Number of Samples > 10 or Number of Holes >1; Within 'Main Itabirite Domain'; Above 425m RL	Assessment criteria in addition to sampling, data and estimation criteria as above.
Metallurgical Data	Initial test work on core from geographically dispersed holes.	Results of average feed grade support resource grades. Flotation tests provide viable concentration grade.
Mining Factors	Scoping pit optimisation and scheduling scenarios.	Revenue and cost factors from scoping study; mining parameters for large pit.
Cut-Off Parameters	DSO – 50% iron (Fe). Itabirite – 32% iron (Fe).	DSO – maintains 60% Fe head grade. Itabirite – above break-even cut-off grade. Supports average feed grade for metallurgical test work and average resource grade.