SUNDANCE RESOURCES

Developing a global iron ore business

16th April 2008

ASX/MEDIA RELEASE

EXPLORATION UPDATE – MBALAM IRON ORE PROJECT

SUNDANCE CONFIRMS POTENTIAL OF MBARGA DEPOSIT TO HOST +1 BILLION TONNES OF DSO/ITABIRITE IRON ORE

International iron ore company Sundance Resources Limited (ASX: **SDL** – "Sundance") is pleased to report that drilling has confirmed the potential of its 90%-owned **Mbalam Iron Ore Project** in Cameroon, West Africa to host an iron ore resource in excess of 1 billion tonnes.

Drilling at the Mbarga Deposit has defined two styles of hematite mineralisation – supergene Direct Shipping Ore ("DSO") from surface underlain by massive itabirite hematite mineralisation to significant depth.

Latest geological modelling (non JORC-Code compliant) of the Mbarga Deposit has outlined the potential for **1.0 – 1.2 billion tonnes itabirite-style mineralisation** at an average grade of approximately 39% Fe. This is based on all assay data received from the areas drilled to date including laboratory assays and data obtained using site hand-held XRF instrumentation. This site XRF data is progressively being verified by laboratory assay work.

The itabirite material comprises banded hematite-quartz with very low phosphorous (~0.03%) and alumina (~1.5%) contents. As previously reported, very preliminary testwork on a small number of selected samples of the Mbarga itabirite material has indicated that the itabirite may be beneficiated to produce a +65% Fe concentrate utilising conventional beneficiation plant similar to that used for upgrading of itabirite iron ores in Brazil. A bulk sample of drill core is currently being air freighted to Perth for more comprehensive beneficiation testing.

The geological modelling has also updated the potential Direct Shipping Ore (DSO) tonnage from the Mbarga Deposit. Latest estimates range from **100 to 140 million tonnes** hematite at an average grade of approximately 60% Fe, 0.09% P and 3.4% Al_2O_3.

Drilling of both the DSO and itabirite ore horizons is continuing on the Mbarga Deposit utilising five of the six drill rigs operating on site. Surface and structural mapping gives reasonable confidence that definition of the itabirite tonnage will increase significantly with additional drilling. The Company will progressively step-out drilling over coming months to test the potential of other prospects on Exploration Permit 92 with these latest results resulting in the Company's objectives for the Mbalam Iron Ore Project being reviewed with definition of an overall **Exploration Target of 2.0-2.5 billion tonnes of itabirite-style mineralisation**.

The latest geological modelling represents a significant step forward for the Company, confirming the potential for the Mbarga Deposit to support an **integrated 35 Mtpa DSO/itabirite operation.** This target is subject to completion of infill drilling to confirm a JORC-Code compliant resource and positive results from ongoing beneficiation testwork. At this stage, this remains a 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.

Sundance's CEO Don Lewis said: "Our exploration efforts at Mbalam are starting to show significant results. We have outlined potential for a +1 billion tonne DSO/itabirite iron ore resource on the Mbarga Deposit within six months of the Company reporting its first drilling results."

"The project could be similar in scale to some of the large iron ore projects in the Minas Gerais area of Brazil, which includes the Minas-Rio project being developed by MMX Mineraceo e Metallicos. That project has a target production capacity of 26.5 million tonnes hematite concentrate per annum, commencing in 2010, based on upgrading itabirite ore (~40% Fe) through conventional grinding and reverse flotation beneficiation plant."

"We believe that the itabirite projects in Brazil represent a useful benchmark for development of the emerging potential of the Mbalam Project. Significant DSO mineralisation in addition to a potentially world scale itabirite resource provides significant development flexibility and would allow low cost production in the early years of operation. The nature of the Mbarga Deposit, with mineralisation from surface, should allow very efficient mining, with low stripping ratios for both DSO and itabirite ore," Mr Lewis added.

Grant of New Exploration Permit in Cameroon

The Company is also pleased to announce that it has secured a significant new Exploration Permit located immediately adjacent to Exploration Permit No. 92 ("EP92") in support of the Mbalam Iron Ore Project. This more than doubles the existing landholding held by Camiron SA, the Company's 90% owned subsidiary, in Cameroon.

The new permit covers an area of approximately 1,000km^2 in south-east Cameroon. The permit area lies immediately east of the defined mineralization on EP92 and contains a number of topographic features similar to those identified in the existing exploration permit. The Company's geological team believes that the new permit area may be prospective for hematite mineralization similar to that defined in EP92.

The new permit represents a significant addition to Sundance's exploration portfolio in Cameroon, consolidating its strategic position in this emerging iron ore province.

The Company will incorporate the new permit area into an expanded regional exploration program designed to deliver future drilling targets alongside its current focus of activity at Mbalam. The Company believes that this represents an opportunity to add significant value to the Company

ENDS

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Competent Persons Statement

The information in this release that relates to Exploration Results is based on information compiled by Mr Robin Longley who is a Member of the Australian Institute of Geoscientists. Mr Longley is a full time consultant of 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.

The potential quantity and grade of near-surface supergene mineralization and underlying itabirite-style mineralization has been restricted to the area currently covered by drilling on a 400m x 100m pattern at Mbarga. This is represented by an area approximately 3km (east-west) x 2.5km (north-south). Grade interpolation has been extrapolated using inverse distance squared method on composited sample results and a nominal 50% Fe cutoff value for DSO and 30% cutoff value for itabirite ore. A digital terrain surface (based on highly accurate topographic data), has been used to limit extrapolation of the mineralization to the topographic hill at Mbarga. An internal waste zone (schist) cross-cutting the itabirite and supergene zones and surficial cover has been modeled and removed from the quantity estimated as potential DSO and itabirite mineralization. Nominal densities of 4.0t/m3 and 3.35t/m3 have been applied for preliminary evaluation of the DSO and itabirite mineralization respectively.

It must be noted that at this stage, the potential quantities and grades mentioned in this release are 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.