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ASX/MEDIA RELEASE

FRAMEWORK AGREEMENT SIGNED WITH THE CAMEROON GOVERNMENT FOR DEVELOPMENT OF THE MBALAM IRON ORE PROJECT

Government commits to establish Fiscal Incentives to ensure that the Project is Internationally Competitive

Government right to become equity participant in Cam Iron SA

Sundance Resources Limited (ASX: **SDL** – “Sundance”) is pleased to announce that its Cameroon operating subsidiary, Cam Iron SA (“Cam Iron”), has agreed ‘in principle’ terms with the Government of Cameroon for development of the Mbalam Iron Ore Project in West Africa.

These terms are set out in a Framework Agreement signed on 18 December 2008. The signatories to the Framework Agreement are the Prime Minister of Cameroon and the Chairman of Cam Iron SA, Mr George Jones.

The Framework Agreement will form the basis for the Mbalam Convention which is expected to be ratified by the Parliament of Cameroon following completion of the Project Feasibility Study.

The Chairman of Sundance, George Jones, said: “Agreement of these terms is of great significance to the Mbalam Project. The agreement addresses key fiscal, development and equity terms which will underpin project financing, construction and operations. This is a very important milestone both for the Republic of Cameroon and the Company as the Mbalam Project is expected to become the largest mining project undertaken in Cameroon and its first major iron ore project.

“The Mbalam Project is expected to place Cameroon in the top ten iron ore exporting nations in the World with projected production commencing in 2012. We are currently targeting staged production of up to 50 million tonnes per annum. Development of the Mbalam Project is likely to attract further investment in exploration and mining in this resource-rich nation with Sundance already looking at potential value-adding opportunities in country.”

The Company’s Chief Executive Officer, Don Lewis, said: “The terms of the Framework Agreement reflect the Cameroon Government’s strong support for the Project.”

“Given the scale of the project and its potential to transform the Cameroon economy, the Government has agreed to provide tax concessions, investment incentives and equity support to ensure that the Project is internationally competitive. These concessions and incentives will facilitate project financing and allow the Mbalam Project to be developed as efficiently as possible.”

“The Cameroon Mining Code already provides specific incentives to promote resources development in the country. The Framework Agreement provides the mechanism for the Government to grant additional incentives such as accelerated depreciation and reduced rates of corporate taxation to ensure that the investment return from Mbalam Project is competitive with similar, large-scale iron ore export projects elsewhere in the world.”

"The Framework Agreement sets a timetable for definition of these incentives and Sundance looks forward to working closely with the Government over the coming months to finalise the specific details as part of the Feasibility Study process," Mr Lewis said.

"In support of this commitment to ensure international competitiveness, the parties have agreed that the Government of Cameroon shall have the right to acquire a 15% contributing equity interest in Cam Iron. This is in addition to their existing entitlement to a 10% carried equity interest provided for by the Cameroon Mining Code."

"The 15% equity interest will be fully contributing to project financing. The total purchase price payable by the Government of Cameroon for its contributing interest in Cam Iron will be equal to 50% of the total costs incurred on the Project prior to funding of construction, including approval of the Feasibility Study and approval of equity and debt financing," Mr Lewis continued.

"The terms of the Framework Agreement represent a "win-win" outcome for Sundance and the Government of Cameroon. By taking a direct interest in Cam Iron, the Government will become a core project participant with common economic interests to Sundance. This investment commitment, together with the incentives and concessions to be defined in the Mbalam Convention, will provide significant security and support for project financing and operations.

"From the Government's perspective, the investment in Cam Iron will allow it to benefit both directly from the project's success and indirectly through the broader economic and employment benefits that will flow to Cameroon over the long term operation of the Mbalam Project."

Cam Iron has recently announced completion of the first stage of drilling at Mbalam in December 2008. Following today's execution of the Framework Agreement, Cam Iron will focus its attention on securing strategic off-take and financing partners for the Project. This will facilitate completion of necessary development studies, Government approvals and commercial arrangements required for project financing in 2009.

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 study on its **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. 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.

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.