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Company Announcements  
Australian Securities Exchange Limited  
Level 4, 20 Bridge Street  
Sydney NSW 2000

ASX Code: BUR

3 pages

## Corporate Update

### Highlights:

- 1) Golla #1 well re-named to Truchard #3
  - a) Drill pad completion date: 3<sup>rd</sup> July 2014
  - b) Burleson and partners on standby to start drilling
- 2) Heintschel field development plan prepared, BUR to farm-out
- 3) Project T progressing
- 4) 1K3D Projects taking shape
- 5) Burleson ends financial year with A\$1.7m in the bank after paying for dry hole cost of upcoming well.

### Golla Well (re-named to Truchard #3) update

BUR is pleased to confirm that, in relation to its upcoming well:

- a) the well permit has been issued;
- b) the drill pads are being finalised and are due to be finished by next week (3<sup>rd</sup> July);
- c) drilling is on track to commence by the middle of the month; and
- d) The Texas Railroad Commission required the Company to change the name of the well to Truchard #3.

As previously announced, the well permit was a formality (they can be arranged within 48 hours) which has now been finalised. The Company expects the drill pads to be completed by the 3<sup>rd</sup> July (next week) and the drill company has been advised accordingly.

CEO Andrew Bald said: "All going well, we should be drilling in the middle of July. AKG have done a tremendous job on the ground there in Austin: they have done everything they said they would, on time and on budget. We are now in the hands of the drilling company, waiting for them to complete their current project before they mobilise their rig and move onto our site. The coming months should be a very exciting time for Burleson."

## Heintschel Field farm-out

The Company recently commissioned 2 independent engineering reports to determine the viability of developing the Heintschel field. The results of these 2 reports demonstrated that the Heintschel Field can be commercially developed using horizontal wells that will be economic if they have longer laterals and more closely spaced fracs than in the Truchard #2H well.

The Board will provide a more detailed update on the results of this report as soon as possible, but the implication for the Company is that the Heintschel field can be developed economically, and the Board has a high degree of confidence that the field can be farmed-out or sold in its entirety, ultimately releasing value for Burleson Shareholders.

## Project T

The Board advises that considerable effort has been expended to date on securing sufficient leases for Project T to commence. We have a number of landmen on the ground actively seeking to secure leases.

Due to the commercially sensitive nature of the leasing program, we do not intend to provide any further information in regards to this project until we have secured our target acreage position.

## 1K3D

Further to our previous announcements, the Company is securing leases over anomalies identified by our Austin based technical team, AKG.

To date, AKG has identified dozens of anomalies that we believe should be drilled. To achieve this, the Company intends to secure the leases, where it has not already done so, and farm-out the prospects.

CEO Andrew Bald stated: "If we have the resources, we want to drill one of the highly prospective targets as soon as possible. We do need to get this next well, the Truchard #3, off of our plate first however. We are running a very small team on a very tight budget at the moment and the team is doing a great job in lining up our projects sequentially."

## Financial position

The Company has paid its contribution towards the dry hole cost of the proposed well and closes the financial year with just over A\$1.7m in the bank.

There have been a number of expenses incurred recently related to - leasing costs including renewal of some Heintschel leases, a new additional 92 acre lease over part of the Truchard #3 anomaly and 1K3D and Project T leasing related expenses.

"Even a modest result from the Truchard #3 well will see the Company well positioned for the beginning of the 2015 Financial Year." said Mr Bald.

## About Truchard #3 Well

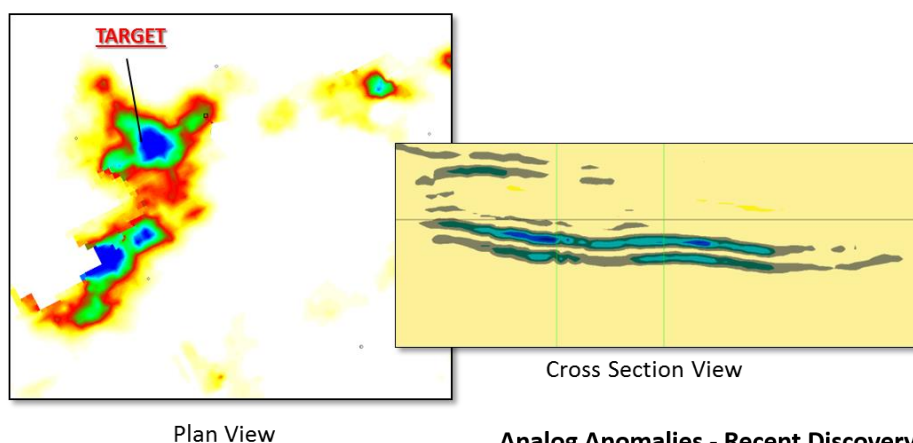
The Truchard #3 (T#3) will be a vertical development well targeting the lowermost Wilcox Prairie Bell 01 reservoir sand in the Heintschel Field. The objective is a 135 acre seismic anomaly at an anticipated depth of circa 11,000 feet.

This anomaly was identified when the 3D seismic was originally interpreted, however its significance became clearer when a number of analogs were drilled with impressive results, starting late last year. Three nearby analogous wells have been extremely productive with one particular well, Cannon 1 (drilled into a 60 acre anomaly) having produced over 1.7bcf (gas) and 82,400bo (oil) from September 2013 to March 2014 (note this is the most recent data).

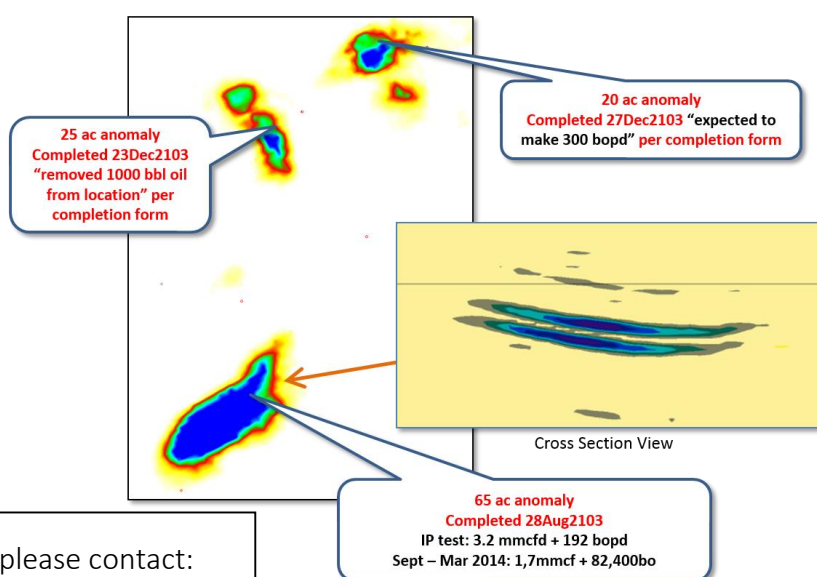
The expected cost to completion for the T#3 well is USD\$2.2m including a 10% contingency. All joint venture parties to the well have fully committed to their respective funding commitments. BUR's working interest is 50%.

The following images show the sweet spot anomaly that is the target for Truchard #3 and the analogs located 20 miles away that host producing wells.

### 135 ac "Sweet Spot" Anomaly within Heintschel Field



### Analog Anomalies - Recent Discovery Wells



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