



8th September 2014

Company Announcements
Australian Securities Exchange Limited
Level 4, 20 Bridge Street
Sydney NSW 2000
ASX Code: BUR

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Activities Update

Truchard #3 well update

The Board of Burleson is pleased to provide the following update as to the perforating and testing of the Truchard # 3 well(T#3). As per our ASX release dated 1st September 2014, the first and second sections of the PB01 have been perforated and testing is pending.

The Truchard #3 well is flowing gas and condensate and AKG has decided to test the upper PB01 perforated zone through tubing. This will occur early this week. The flow rates achieved by producing via tubing will determine if the well would benefit from fracture stimulation (fracking) at some later stage.

Subsequent to testing the upper zone of the PB01, AKG will move up to the higher PB02 sand and perforate this zone. We expect this to happen in the week beginning 15th September if not before.

CEO Andrew Bald stated: "Whilst this completion and testing phase has gone on slightly longer than expected due to minor mechanical issues, this merely delays the timing of the flow testing and will not affect the ultimate production from the well. Furthermore, T3 will ultimately come onto production and make a positive contribution to Burleson's cash flow position. If we get good flows from this well, we are ready to quickly move onto our next project."

Production update

AKG, operator, was advised by the gas plant which buys Heintschel gas that it is unable to accept gas from the surrounding areas in the county, including the Heintschel Field, under force majeure, until 22nd September due to a problem at their plant. That is, all the Heintschel wells as well as surrounding wells in the nearby counties will be shut-in for that period.

Burleson CEO, Mr Bald said: "Whilst these operational glitches are frustrating, the net effect on BUR is not material: it amounts to between 2 and 3 weeks' deferred (not lost) production and a short delay to the testing program of the T3 well."

Production Implications

The implications for T#3 are that following testing, if a frac is not required, the T3 will be connected to a sales pipeline, then shut-in along with the other 4 Heintschel wells, awaiting the availability of the gas plant.

If a frac is required, the T3 well **may** be shut-in awaiting the frac which would occur in October.

Drilling Costs – on budget

BUR advises that the well cost is on budget and well costs incurred to date total USD\$1,551,285.

About the T #3 Well (BUR Working Interest 50%)

The T#3 spudded and commenced drilling on Wednesday 23rd July and reached the Total Depth of 11,750 feet (3,581m) on 13th August 2014. The well is a vertical development well targeting the lowermost Wilcox Prairie Bell 01 reservoir sand in the Heintschel Field.

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