



20th January 2015

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

T#3 Production update

The Board of Burleson advises that the Truchard #3 well has been on production now for 23 days including the initial “cleaning up” phase where it was discharging the remaining frac fluids and drilling fluids.

Since stabilising, the choke on the well has been opened from 18/64 to 30/64 produced at daily production rates as per the following table.

Product	Minimum	Maximum	Average
Gas (mcf/d)	1025	1452	1252.40
Condensate (b/d)	20.04	30.06	25.16

Despite the recent falls in oil and gas prices, based on these average flow rates, T#3 will add significant cash to Burleson’s financial position at the rate of approximately USD\$75,000 per month¹ (equivalent to AUD92,000 using an exchange rate of USD\$1 =AUD\$0.81).

This forecast is based on average monthly production rates of 1200 mcf/d and 22 b/d however the Board further advises that some production decline is expected from this conventional well.

The additional revenue significantly strengthens Burleson’s financial position adding to the current monthly cashflows which are generating circa USD\$68,000 per month (AUD\$84,000)².

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

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.

The well was fraced on the 18th December 2014 and connected to production on the 24th December 2014.

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¹ Assuming and oil price of USD\$49 per barrel, gas at USD\$3.30 per mcf and a premium of USD\$0.90/mcf for Burleson’s wet gas.

² Using an exchange rate of USD\$1 = AUD\$0.81 and the same oil and gas assumptions stated above.

³ BUR’s Working Interest is 50%, BUR’s Revenue Interests in T#3 comprises 39.19% Net Revenue Interest plus Overriding Royalty Interest of 1.13%