



29 April 2016

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

ASX Code: BUR

Quarterly Activities Report

Quarter ending 31st March 2016

The Board of Burleson Energy Limited (**Burleson**) is pleased to provide the following update on the activities of the Company for the quarter ending 31st March 2016.

Activity Overview

- Shareholders approve acquisition of Sky and Space Global
- Completion of acquisition expected shortly
- SSG achieves several commercial milestones, demonstrating strong momentum
- Equity capital raising of \$4.57m closed in April 2016

Sky and Space Global

As announced on 3 December 2015, Burleson entered into a binding heads of agreement pursuant to which it has agreed, subject to satisfaction of certain conditions precedent, to acquire 100% of the shares in the nano-satellite technology company Sky and Space Global (UK) Limited (**SSG**) (**Acquisition**).

SSG is a UK incorporated company founded by industry experts from the Israeli Research and Development centre of Aerospace and Satellite Industry. SSG plans to deploy nano-satellite constellations in orbit to provide global communication infrastructure and services to the telecommunications and international transport industries. The core SSG business is to construct a communication infrastructure based on nano-satellite technology and develop the highly complex and sophisticated software systems that will deploy, maintain orbit control and handle communication code between each of the nano-satellites to give a global coverage.

Further information on SSG, the terms of the Acquisition and conditions precedent are contained in the Company's ASX release dated 3 December 2015.

Status of Acquisition

The proposed Acquisition of SSG constitutes a change in the nature and scale of the Company's activities from exploration and development of oil and gas properties in the USA to the business of operating a narrow-band communication network based on nano-satellites.

On 1 April 2016, a General Meeting of Burleson shareholders approved the Acquisition of SSG and passed all resolutions necessary to complete the Acquisition.

As part of the Acquisition, the Company is required, pursuant to ASX Listing Rule 11.1.3, to re-comply with Chapters 1 and 2 of the Listing Rules. The Company is working through the schedule of re-compliance matters and expects to complete the Acquisition of SSG, re-compliance with Chapters 1 and 2 and re-instatement of trading of its shares on the ASX in the coming weeks.

Equity Capital Raising

On 28 April 2016, Burleson announced that the equity capital raising pursuant to the prospectus dated 22 March 2016 (**Capital Raising**) had closed. Burleson has raised \$4.57 million at a pre consolidation price of 0.4c per share (2.0 cents per share post consolidation), which is in excess of the \$4.0 million minimum raising amount required for completion of the Acquisition of SSG. Patersons Securities Limited acted as Lead Manager to the Capital Raising.

SSG Business Initiatives

During the March 2016 quarter, Burleson announced several commercial milestones achieved by SSG, which demonstrate the strong operational and strategic momentum within SSG's business. These milestones included following:

- On 7 March 2016 SSG executed a binding agreement with leading EU satellite contractor GomSpace for the construction and supply of 3 SSG designed nano-satellites and a ground station to operate the satellites. Construction of SSG's 3 nano-satellites has now commenced and will be delivered following Launch Readings Review in time to meet the scheduled launch, deployment and successful confirmation of communication parameters by mid-2017.
- On 15 March 2016, SSG executed a binding Letter of Intent (LOI) with leading Pan-African communications company Sat-Space Africa (**Sat-Space**). Under the terms of the LOI, Sat-Space has agreed to purchase all available communication bandwidth that SSG can provide from its equatorial nano-satellite constellation to service their African customer base, at market competitive prices. Sat-Space will allow SSG to use their

ground control stations during the initial 2-3 nano-satellite pilot phase during H1 2017 as part of the communication platform testing programs, which will deliver multi-million dollar cost savings for SSG and a fast track path for commercialisation of the network.

- On 31 March 2016, SSG signed a Memorandum of Understanding (**MOU**) with Australian satellite tracking and communications company, ESSTRACK Pty Ltd. ESSTRACK is an innovative satellite tracking and communications company providing services for the aviation, marine and recreational markets. Under the MOU, ESSTRACK and SSG will collaborate to integrate ESSTRACK's unique tracking and communications systems into SSG's narrow-band communications network.

Further information on these important milestones is contained in the relevant ASX releases made by Burleson during the March 2016 quarter.

Board Changes

On 24 March 2016, Mr Andrew Bald resigned as a director of the Company. The Board thanks Andrew for his important contribution to Burleson over a number of years. Alex Sundich was appointed a director of Burleson on 24 March 2016 and continues in his role as Company Secretary.

In the event that the Company completes the Acquisition of SSG and immediately following settlement of the Acquisition, SSG will have the right to appoint Mr Brett Mitchell and three (3) additional directors to the Board of the Company. One of the existing directors, Mr Peter Wall, will remain on the Board following settlement. Existing directors Mr Michael Sandy and Mr Alex Sundich will resign from the Board at that time.

It is SSG's intention to appoint the founding shareholders and executive management team members, Mr Meir Moalem and Mrs Maya Glickman, to the Board of the Company. Further details of the prospective Board appointees is contained in the Company's ASX release dated 3 December 2015.

U.S. Oil and Gas Assets

On 1 March 2016, Burleson's wholly controlled entity Burleson Energy General LLC entered into an agreement with AKG Energy L.P. (**Sale Agreement**) for the sale of its oil and gas assets located in the United States of America for cash consideration of A\$43,500 (the **Sale**). The Sale is effective from 1 December 2015.

As Burleson's interest in these oil and gas assets is currently its main undertaking, the Company sought and obtained shareholder approval for the Sale at a meeting of Burleson shareholders on 1 April 2016. Final completion of the Sale is conditional on completion of the Acquisition of SSG.

Working Interests

As at 31st March 2016, Burleson held the following ownership (working) interests in six producing oil and gas wells in South Texas, USA (**no changes in the Quarter**), which are subject to the Sale Agreement described above:

Well Ownership Percentages	As at 31 st March 2016
Joann #1	39.4%
Heintschel #1	38.0%
Heintschel #2	38.0%
D. Truchard #1	38.0%
Truchard #2H	50.0%
Truchard #3	50.0%

Gross & Net Acreage

Burleson holds oil and gas lease rights which are negotiated with individual land owners in the areas it operates, being South Texas, USA. Individual lease rights are acquired, renewed or relinquished regularly and in the ordinary course of business. Burleson's gross and net acres under lease, which are subject to the Sale Agreement described above (with no change in the March 2016 quarter), were as follows:

	31 st Mar. 2016	31 st Dec. 2015
Gross Acres	3,183	3,183
Net Acres	1,628	1,628
Burleson's Average Interest	51%	51%

New Farm-in / Farm-out agreements

During the March 2016 quarter Burleson did not enter into any farm-in or farm-out agreements in relation to its oil and gas assets.

Cash at hand

As at 31st March 2016, the Company had approximately A\$509,000 in the bank. This is prior to the A\$4.57 million raised in the Company's latest capital raising.

For further information please contact:

Alex Sundich, Company Secretary

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www.burlesonenergy.com

Competent Person Statement:

The information in this report that relates to oil and gas exploration results and hydrocarbon resources is based on information verified by Mr Michael Sandy BSc. (Hons) (Melbourne University), who is a petroleum geologist and a member of the American Association of Petroleum Geologists (AAPG). Mr Sandy is a Director of, and consultant to, the Company. Mr Sandy has more than thirty five years' experience in this discipline and he consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.