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**WILCOX DRILLING UPDATE  
JOANN #1 TO BE COMPLETED  
MOELLER #1 INITIAL WELL TESTING COMPLETED  
HEINTSCHEL # 1 BEING PREPARED FOR FRACTURE STIMULATION**

**(ASX: BUR)**

Burleson Energy Limited ('BUR') has a 38% working interest in the Joann #1 and Heintschel #1 wells and a 38.5% working interest in the Moeller #1 well, along with its JV partners New Standard Energy Limited (NSE) and US-based operator AKG Energy, L.P.

**Joann #1 well**

BUR advises that the joint venture has decided to run casing in the Joann well in order to test and further evaluate the various reservoir sand packages intersected in the well and identified by shows and logging (including Repeat Formation Testing). Wellbore conditions have precluded open-hole testing methods. Testing equipment will be moved from the Heintschel #1 to the Joann #1 when testing of the former is complete (see below). It is not known at this stage if the Joann #1 reservoirs will require fracture stimulation (fracking).

**Moeller #1 well**

BUR advises that the initial testing program for the Moeller well has been completed. The formation water in the reservoir sand package has proved to have abnormally low salinity for this depth. This has resulted in a higher water:gas saturation than was anticipated from initial log calculations. As a result the flows to date have produced predominantly formation water and very minimal gas.

The log and test results (and the strong gas shows while drilling) suggest that the well intersected the sand package in a gas to water transition zone just below the main gas leg. The upper 20 feet of the sand package will be further treated and tested to insure that potential formation damage has been remediated, and to determine if economic flow rates of hydrocarbons are achievable.

The reservoir sand package in the Moeller #1 was intersected at a deeper level than anticipated. While the test results of the Moeller #1 are disappointing to date, post-well mapping indicates this thick reservoir sand can be intersected in the gas zone, and in closure, some 150 feet structurally higher at a different location on BUR leases. There is, therefore, excellent potential for significant gas in this reservoir updip from the Moeller 1 well.

Heintschel # 1 well

The testing equipment has left the Moeller 1 site and is now preparing Heintschel 1 for fracking. The preparatory work involves logging for correlation purposes, perforating and preliminary testing of several zones within the reservoir interval. The Heintschel #1 frac job is positioned on the waiting list of the three frac companies operating in this region, which is currently suffering a severe shortage of fracking equipment. It is uncertain at this stage when the equipment will be available to frac the Heintschel # reservoirs.

For further information, please contact:

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