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Company Announcements
Australian Stock Exchange Limited
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ASX Announcement

Heintschel #1 Heintschel #2 & D Truchard #1 all Connected to Sales

Burleson Energy (BUR) is pleased to advise that the Heintschel #2, a step-out development well on the Heintschel field, was connected on 19 February 2011 (Texas time) to a sales pipeline and has been producing gas and condensate at commercial rates. A further release will be made once the flow rates have stabilised.

This means that all three of the wells on the Heintschel field are now on production and selling gas and condensate.

Gas from the wells will receive a slight premium (~10%) over the Henry Hub marker gas price (currently at $3.90 per mcf) while condensate sells for about the same price as crude oil (the WTI marker price is currently ~$94 per barrel).

Backgound:

The **Heintschel** field was discovered by the Heintschel #1 exploration well in October 2010. The well encountered a much thicker reservoir section covering a greater area than expected. To follow up the discovery, two wells were planned for late 2010 with dual aims: to add valuable production and cash flow; and, to firm up resource and reserve estimates for the field.

D.Truchard #1 , (BUR WI 38%, NRI 29.64%) The D.Truchard #1 well is located ~3km from the Heintschel # 1 gas condensate discovery. It was planned as an appraisal well in the Heintschel field in Colorado County, Texas. D.Truchard #1 was spudded in late November and drilled to a total depth of 12,000 feet (3658m) and gas shows were recorded while drilling the lower part of the hole. It came in structurally higher than the pre drill prognosis which is a positive indication for the performance of the well. A decision was subsequently made, following electric logging, to complete the D.Truchard #1 well for production.

Heintschel # 2 (BUR WI 38%, NRI 29.59%,) This appraisal/development well is located 0.37 km from the Heintschel # 1 gas condensate discovery. The Heintschel #2 well was planned as an appraisal well targeting the main gas condensate sands encountered in the Heintschel #1 discovery well but in a structurally higher (updip) location. It was spudded in late December and drilled to a total depth of 11,900 feet (3627m)

with gas shows recorded while drilling the lower part of the hole. The main shows appear to correlate to gas condensate charged reservoir sands in the Heintschel #1 discovery well. Results of electric logging of the Heintschel #2 well were as expected, and a decision was made to complete the well for production.

Both D.Truchard #1 and Heintschel #2 required fracture stimulation (fraccing) prior to hooking up to a sales pipeline and the fracs were completed on 24 and 25 January, as planned.

The **Joann** #1 well (BUR WI 39.4%, NRI 30.73%) made a gas condensate discovery in July 2010.. Prior to being shut-in awaiting connection to a sales pipeline the well was tested. One of four prospective zones identified by logging in Joann #1 was perforated and flowed gas at 2.1 million cubic feet of gas per day and approximately 38 barrels of condensate per day.

Heintschel Field Working Interests:

Burleson Energy (ASX: BUR) 38.0%
New Standard Energy (ASX: NSE) 32.5%
AKG and Associates (AKG) 29.5%

Mike Sandy
Managing Director

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. Mr Sandy is a Director of, and consultant to, the Company. Mr Sandy has more than thirty 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.

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