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Company Announcements
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WILCOX DRILLING UPDATE

HEINTSCHEL #1 CONNECTED TO GAS SALES PIPELINE

JOANN #1 UNDERGOING FLOW TESTING

MOELLER #1 WELL FURTHER TESTING

BRASHER #1 WELL PRODUCTION UPDATE

(ASX: BUR)

Burleson Energy Ltd (**BUR**) is pleased to provide the following update on the Wilcox drilling program currently being undertaken in Colorado County, Texas, USA. BUR has a 38% working interest (WI) in the Brasher #1 and Heintschel #1 wells, a 39.4% WI (up from 38%) in the Joann #1 well and a 38.5% WI in the Moeller #1 well, along with its JV partners New Standard Energy Limited (NSE) and US-based operator AKG Energy, L.P.

Heintschel # 1 well

Following the successful initial testing of the lower zone of the reservoir sand package which flowed at between 1 and 1.4 million cubic feet of gas per day (mmcf/d) plus condensate (and without fracture stimulation), testing of the Heintschel well continued until 8 July. Additional reservoir zones at the base of the main reservoir sand package were also perforated in preparation for fracing.

Given the encouraging flow rates from the lower sand, the Heintschel #1 well has now been tied into the gas sales pipeline and is currently awaiting fracing. Once this is completed all of the reservoir zones of interest will be opened up and flowed to sales. The availability of a fracing unit remains a high priority and a suitable contractor will be secured at the first available opportunity.

Joann #1 well

The test equipment has now been mobilised from the Heintschel site to flow test the reservoir zones of interest in the Joann #1 well. The testing has recently commenced and is in the early clean up stage in which drilling fluids are expelled from the well bore. The results of the testing will be released once definitive results have been received.

Moeller #1 well

Study is underway, pending testing on the uppermost 20 feet of reservoir sands at the Moeller #1 well to ensure any formation damage is remediated and to ascertain whether hydrocarbons can flow at commercial rates.

Brasher #1:

This well was the first in the Colorado County drilling program and was a gas discovery. It was completed for gas production in mid April 2010. It was a low cost well targeting shallow Yegua Formation reservoirs. The initial flow tests were measured at rates of 380 thousand cubic feet of gas per day (mcf/d) however the well has been flowing into the gas sales pipeline at an average of ~220 mcf/d due to water influx and pipeline pressure constraints. Maintenance work has recently been undertaken on the Brasher 1 and excess water removed from flow lines resulting in a significant increase in the instantaneous production rate which should plateau over the coming weeks.

First cheques have now been banked for Brasher 1 production.

BUR Executive Director Michael Sandy commented

“The news on Heintschel just keeps getting better. The well is now tied into the sales network and producing gas and condensate and earning revenue for BUR – all this due to an unexpected high gas flow from the well achieved before it was fracture stimulated.

BUR, with its very first Wilcox well in the program, Heintschel #1, has potentially made a “company maker” gas condensate discovery. This success has been masked to an extent by the Moeller #1 well disappointment and the delay in securing fracking equipment to complete Heintschel #1, but the fact is – significant material success has already been achieved at Heintschel and with considerable upside potential when fracture stimulation of the well has occurred.

Given the positive flow test results, additional work has been undertaken on determining the size and prospectivity of the broader Heintschel structure, and we anticipate providing an update in the near future“

For further information, please contact:

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