

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

BURLESON ENERGY LIMITED

ABN

73 117 770 475

Quarter ended ("current quarter")

DEC 09

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 mths to Dec 09) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors (includes Sale proceeds from Colorado County 3D seismic project)	118	326
1.2 Payments for		
(a) exploration and evaluation	(292)	(439)
(b) development	-	-
(c) production	-	-
(d) administration		
- Australia	(159)	(302)
- USA	(188)	(262)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	2
1.5 Interest and other costs of finance paid	(49)	(96)
1.6 Income taxes paid	-	-
1.7 Other (Security Bonds)	-	-
Net Operating Cash Flows	(569)	(771)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(569)	(771)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(569)	(771)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	773	773
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (share proceeds paid in advance)	-	-
	Net financing cash flows	773	773
	Net increase (decrease) in cash held	204	2
1.20	Cash at beginning of quarter/year to date	816	1,333
1.21	Exchange rate adjustments to item 1.20	227	(88)
1.22	Cash at end of quarter	1,247	1,247

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	85
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Consulting fees, salary, super

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	250
4.2 Development	-
Total	250

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,247	816
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other	-	-
Total: cash at end of quarter (item 1.22)	1,247	816

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)	-	-	-	-
7.2 Changes during quarter	-	-	-	-
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 *Ordinary securities				
BUR	134,295,752	134,295,752	-	-
45 C Class		Nil	-	-
BURAO Converts 1:150,000 ordinary shares			-	-
7.4 Changes during quarter				
(a) Increases through issues	17,516,752	17,516,752	5 cents	5 cents
(b) Decreases through returns of capital, buy-backs				
7.5 *Convertible debt securities (description)	1,450,000 (see description below)	Nil	-	-
7.6 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
7.7 Options			Exercise price	Expiry date
BURO	41,500,001	41,500,001	0.25	31 Aug 2010
BURAP	13,600,000	13,600,000	0.25	31 Aug 2010
2,500,000 Unlisted Director Options		-		
7.8 Issued during quarter				
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures (totals only)	-	-		
7.12 Unsecured notes (totals only)	-	-		

Para 7.4 The Convertible Notes were issued at \$1 each and have a coupon rate of 10%. They can be converted at any time into ordinary shares at the volume weighted average share price on the ASX for the preceding 30 trading days. The Conversion Price will be not less than 10 cents and no more than 25 cents. The convertible notes are unsecured.

Para 7.7 Unlisted Director Options issued as approved at AGM 20 November 2008, expiring 30 June 2012.

- (a) 600,000 options at an exercise price 15 cents per share,
- (b) 900,000 options at an exercise price 20 cents per share,
- (c) 1,000,000 options at an exercise price 25 cents per share.

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Compliance statement

- 1 This statement has been prepared under accounting policies, which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: Date: JAN 2010
(~~Director~~/Company Secretary)

Print name: .KEVIN LYNN.....

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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