



ABN 73 117 770 475
Burleson Energy Ltd

Registered Office
11 Rodborough Avenue
Crows Nest
NSW 2065

Management
132 Coolowie Rd
PO Box 42
Terrey Hills
NSW 2084

Phone: +61 2 9450 2002
Facsimile: +61 2 99861753

info@burlesonenergyltd.com

16 February 2010

Company Announcements
ASX Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

By electronic lodgement – 3 pages

ASX ANNOUNCEMENT Non-renounceable Rights Issue

16 February 2010, Sydney, Australia:

Burleson Energy Limited (BUR or Company) is pleased to announce the terms of a non-renounceable rights issue (**Rights Issue**) on the basis of one (1) share for every three (3) shares held at the record date of Wednesday 24 February 2010 (**Record Date**).

Rights Issue shares will be offered at 6 cents per share a discount of 25% to the weekly volume weighted average price of BUR shares being 8 cents over the preceding 5 trading days. The maximum number of shares which may be issued under the Rights Issue is estimated at 51,480,038. The Rights Issue is expected to raise approximately \$3.08 million (before expenses of offer).

The Company intends to apply the proceeds from this issue in conjunction with its existing funds towards funding the Company's participation in the drilling of 6 onshore gas and oil exploration wells located in Colorado County and Wharton County, Texas; and working capital for the Company.

The record date for entitlements under the Rights Issue is 24 February 2010 and the due date for receipt of applications for shares pursuant to the Rights Issue is 15 March 2010.

Further details of the terms and conditions of the Rights Issue are set out on the following pages, together with an ASX Appendix 3B in respect of the Rights Issue shares.

Evidencing their strong belief in the Company's prospects, all Australian based Directors will take up their full entitlements and the US based Directors will take up part of their entitlements.

NOTICE UNDER s708AA OF THE CORPORATIONS ACT 2001 (Cth) (“ACT”)

The Company hereby notifies ASX under paragraph 708AA 2(f) of the Act that:

1. the Company will offer the Shares for issue without disclosure to investors under Part 6D.2 of the Act;
2. the Company is providing this notice under paragraph 2(f) of section 708AA of the Act;
3. as at 16 February 2010, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company;
4. as at 16 February 2010, the Company has complied with section 674 of the Act;
5. as at 16 February 2010, there is no information:
 - a. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - b. that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - i. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - ii. the rights and liabilities attaching to the Shares,
to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in a disclosure document; and
6. the issue of Shares under the Rights Issue is not expected to have any effect on the control of BUR.

DETAILS OF THE RIGHTS ISSUE

The Rights Issue offer is on the basis of one (1) share for every three (3) shares held on the Record Date.

Rights Issue shares will be offered at 6 cents per share.

The Rights Issue is non-renounceable and is available to all eligible BUR shareholders registered on the Record Date as detailed in the timetable which follows (**Timetable**). Please note that shareholders at the Record Date with a registered address outside of Australia or New Zealand will not be eligible to participate in the Rights Issue.

The approximate number of shares which may be issued under the Rights Issue is 51,480,038 to raise approximately \$3.08 million (before costs of issue) based on the current capital structure of the Company.

An offer document (Letter of Offer) and entitlement form will be sent to you on the date referred to in the Timetable.

Where the determination of the entitlement of any eligible shareholder results in a fraction of a Rights Issue share, such fraction will be rounded up to the nearest whole share. Rights Issue shares, once issued will rank equally with shares currently on issue. Shareholder approval is not required in relation to the Rights Issue.

The Rights Issue is not underwritten. However, the Directors, at their discretion, may offer any shortfall to shareholders to whom offers are made under the Rights Issue, or to other investors who fall within section 708 of the Act, for up to three months after the close of the Rights Issue.

Upon completion of the Rights Issue, it is expected that the Company will have the following securities on issue:

Security	Terms	Number
Shares	Ordinary Fully Paid Shares	205,920,152
C-Class Shares	Each convertible into 150,000 ordinary shares upon certain criteria on or before 31 December 2010	45
Listed Options	Options with an exercise price of \$0.25 on or before 31 August 2010	55,100,001
Employee Options	(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. All expiring 30 June 2012	2,500,000
Convertible Notes	Bearing an interest rate of 10% per annum, with a maturity date of 31 December 2010	1,450,000

Timetable

Activity	Date
Announcement of Rights Issue, lodge Appendix 3B, Cleansing Notice and sample Letter of Offer with ASX	Tuesday 16 February 2010
Notices of pro-rata non-renounceable offer sent to all Shareholders	Wednesday 17 February 2010
Record Date for determining entitlement to participate in the Rights Issue	Wednesday 24 February 2010
Offer Opens - Letter of Offer and Entitlement and Acceptance Form sent to Shareholders. Announcement on ASX that despatch has been completed	Friday 26 February 2010
Closing Date (5.00pm WST) for receipt of Entitlement and Acceptance Form	Monday 15 March 2010
Expected date for quotation of shares on ASX – Deferred settlement basis	Tuesday 16 March 2010
ASX notified of under-subscriptions	Thursday 18 March 2010
Anticipated date for the issue of New Shares and dispatch of holdings statements	Monday 22 March 2010
Normal ASX trading for New Shares commences	Tuesday 23 March 2010

These dates are indicative only and the Company reserves the right (subject to the Act and the ASX Listing Rules) to vary the dates and times outlined above without notifying you.

For further information, please contact:

Mike Sandy
Managing Director