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**WILCOX DRILLING UPDATE
HEINTSCHEL #1 FLOWS GAS AT RATE OF 1.0 TO 1.45 MMCFD ON INITIAL TEST
JOANN #1 AWAITING FLOW TESTING**

(ASX: BUR)

Burlison 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 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.

Heintschel # 1 well

Work has commenced on preparing the Heintschel #1 well for fracture stimulation (fracking). As part of this preparatory work a 4 foot interval within the lowest zone of interest has been perforated and flow tested. Gas flowed naturally from this zone at measured rates of between 1.0mmcf/d and 1.45mmcf/d during a 12 hour flow test. The gas was flared. Small amounts of condensate and water were also produced. Importantly these flow rates have been achieved without the need for fracking, which is a positive sign.

Only a 4 foot section of the lowest reservoir sand was perforated for this test. The tested sand lies below a 225 foot interval of gas saturated reservoir sands that has been previously described and announced to the market. At this stage no testing has been undertaken on any of the overlying 225 feet of gas saturated sands. Significant additional production potential exists within these upper sands.

The next stage of testing is to move upwards into the bottom of the overlying 225 foot gas column to continue testing and to prepare the well for fracking.

Joann #1 well

Casing has been run and cemented into the Joann #1 well. Immediately following the Heintschel #1 preparatory work and well testing, the testing equipment will be moved to the Joann #1 well to perforate and flow test the reservoir zones of interest.

Moeller #1 well

Testing work continues on the uppermost 20 feet of reservoir sands at the Moeller #1 well to ensure any formation damage is remediated to ascertain whether hydrocarbons can flow at commercial rates.

BUR Executive Director Michael Sandy commented

“This is a very encouraging early result for the Heintschel prospect. It is an excellent outcome to be able to demonstrate any natural flow of gas, let alone a flow at potentially commercial rates. Importantly this was achieved without fracking and from a thin zone at the bottom of the total sand package. This result has the effect of increasing the size of the Heintschel structure and, also, generates a significant degree of optimism for the potential in the main section of the overlying 225 feet of gas saturated reservoir sands (yet to be tested).

Indeed, it speaks well for BUR’s future Wilcox drilling prospects.

Achieving a substantial natural flow of gas from the base of the sands is a significant initial step in confirming the upside potential of the Heintschel prospect. Clearly there is still a way to go in the testing program to confirm the full potential of the Heintschel #1 well but this is a much better than expected start to that campaign.

It is important to note that two different varieties of Wilcox sands have been targeted in the current drilling program. The Heintschel #1 and Joann # 1 wells have intersected reservoir sands with different characteristics to those encountered in the Moeller #1 well. The sands in Moeller#1 were deeper than anticipated, and there is limited industry knowledge of this reservoir. (Note that despite the disappointing test results to date in Moeller #1 the well did establish an attractive updip well location on our leases).

In contrast, the Heintschel Wilcox reservoirs are better understood, and the equivalent sands are producing gas and condensate from numerous Wilcox wells and fields in the immediate neighbourhood of BUR’s project areas.

Sometimes the oil and gas exploration business feels like a roller coaster. Witness the unanticipated disappointing results from Moeller # - followed a short time later by somewhat unanticipated excellent initial flow results from Heintschel #1!”

For further information, please contact:

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