



31st January 2014

Company Announcements
Australian Securities Exchange Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

ASX Code: BUR

Quarterly Activities Report

December 2013

The Board of Burlison Energy Limited is pleased to provide the following update on the activities of the Company in the quarter ending 31st December 2013. Much of the information below has been previously reported in the Operations Update Report dated 15th January 2014.

Activity Overview

Whilst the December Quarter saw no new drilling activity, the works undertaken on the Truchard #2H Horizontal Development Well (T#2H) in November have resulted in increased production consistency. This in turn has demonstrated that the Heintschel field has significant development potential due to the fact that production from T#2H has not shown any recent marked decline in production.

Over the Quarter, T#2H continued to be the most productive well producing an averageⁱ in excess of 1,100 mcf of gas per day and 30 bbls/day of condensate. The following table summarises the Total Production from each of the 5 wells in which Burlison has an interest.

| Well | Net Gas | | Condensate | | Production Days per Qtr | |
|----------------|-----------|-------------|------------|--------------|-------------------------|-----------|
| | Total mcf | Avg mcf p.d | Total bbls | Avg bbls p.d | Lost | Producing |
| Joann #1 | 7,639 | 166 | 246 | 5 | 5 | 24 |
| D Truchard #1 | 6,937 | 217 | 10 | 0 | 60 | 32 |
| Heintschel #1 | 4,014 | 56 | 423 | 6 | 19 | 72 |
| Heintschel #2 | 13,090 | 267 | 289 | 6 | 43 | 49 |
| Truchard #2H | 88,337 | 1,176 | 2,477 | 30 | 20 | 72 |
| Totals for Qtr | 120,017 | 1,881 | 3,445 | 47 | | |

Importantly, gas prices rose over the quarter and have continued to rise into the first quarter of 2014, recently passing \$5.00 per mcf, Burlison typically receives a premium of circa \$1.50/mcf over the gas benchmark due to the high level of liquids in the gas.

Burlison Energy Limited
ABN 73 117 770 475

Phone: +61 2 8252 6177
Facsimile: +61 2 8252 6178
www.burlisonenergylimited.com

Registered Office / Administration
Level 6
9 Barrack Street
SYDNEY NSW 2000
Australia

Mailing Address
GPO Box 92
SYDNEY NSW 2001
Australia

With respect to the production days lost, most of the lost days on Truchard #2H were a result of the workover with the remainder of days lost dominated by adverse weather-related pipeline issues.

Corporate Activities

Burleson continues to hold a healthy cash position of approximately \$2.6m due to production revenue from existing wells. This cash balance gives Burleson the flexibility to pursue the new venture activity that is part of the Company's strategic plan.

To this end, the Company's technical team, AEG Energy, continued to interpret the 12 sets of seismic data that it has acquired for the 13D seismic project. The result has been that numerous shallow oil and liquids-rich gas prospects have been identified and are now being pursued. Subject to the successful negotiation of lease agreements, the Company may seek to drill one or more of these targets in early 2014.

In addition, the Company has identified an unconventional resource play of broad areal extent located outside of the state of Texas, targeting shallow conventional and unconventional targets. The plan is to apply modern drilling and completion methods to a very old existing oil producing area, with the aim of significantly boosting the historical oil production rates in future wells. The Company sees this as an opportunity to develop a hybrid resources play involving production from both conventional reservoirs and shales. The Company has begun the process of establishing a land position in this play and will inform our shareholders of the Company's plans and objectives when such is completed.

With respect to the Heintschel project, the Company remains committed to this project and is actively developing a plan to develop the field while seeking a Joint Venture Partner or Farm-in arrangement to help fund development of this field.

Board and Management Changes

The following changes to the Board and Management were made during the quarter. These changes were made in order to expedite the implementation the Company's corporate strategy.

- Norm Zillman retired as Non-Executive Chairman;
- Mike Sandy assumed the role of Executive Chairman;
- Alex Sundich rejoined the Board of BUR as Executive Director; and
- Andrew Bald was appointed as the interim CEO.

For further information contact:

Andrew Bald, CEO
Phone: +61 2 8252 6177
www.burlesonenergy.com

ⁱ Production numbers have been adjusted to account for the 17 days lost production in November 2013.