



BUR to drill Heintschel “Sweet Spot”

- Exciting new target identified by 3D seismic in Heintschel field area
- Distinctive seismic anomaly (“sweet spot”) suggests high quality Wilcox sand reservoir
- Analogous wells nearby drilled into similar anomalies in Wilcox sands had impressive IP rates and substantial 100 day production
- Burlison to fund its commitments using existing cash

Burlison Energy Limited (BUR) is pleased to advise that, after considerable work on its 3D seismic data package covering the Heintschel field area, it has identified a highly prospective target that it intends to drill.

The new target had already been identified but its significance became apparent once the results of 5 recent nearby wells drilled on very similar anomalies came to our attention.

BUR’s technical team and operator, AKG, believe that the 135 acre anomaly could be indicative of the presence of a better quality reservoir than seen elsewhere in the field to date.

BUR’s board has resolved to prioritise this target and is now in the process of securing permits and mobilising a drill rig.

If the first well is successful, there are at least 2 more drilling locations on the 135 acre anomaly

Comparable anomalies

The near field anomalies that are being used for comparison cover smaller acreages (20, 25 and 65 acres respectively). These analogue wells have produced at initial rates of up to 400 barrels of oil per day and 8 million cubic feet of gas per day. One well had its first 100 days of production of 40 thousand barrels of oil and 0.8 billion cubic feet of gas. At current gas and oil prices this represents gross revenue (before tax, royalties and opex) of approximately \$7m in 100 days.

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BUR's CEO, Andrew Bald advised stated:

"BUR's target 135 acre anomaly falls within our existing Heintschel field and, given our previous experience with, and production from, the gas condensate charged Wilcox reservoir sands, we believe there is a low chance of not finding gas condensate in this well. However, the upside potential is considerable if the results seen in the analogue drilling are matched by the sweet spot well

We are going to drill a vertical, unfracted well and that will cost around USD\$2m (drilled and completed). Burleson has a 50% working interest in the well and, importantly, given we have circa \$2.5m in the bank and monthly revenue from 5 producing wells, we have sufficient balance sheet capacity."

Mr Bald pointed out that: "To date, our technical team has extremely successful in drilling for hydrocarbons under 3D seismic. I believe this is one of the best prospects the team has identified to date.

The following images illustrate:

1. the target sweet spot anomaly and
2. similar analogues 20 miles away that host 5 producing wells.

Figure 1: New Heintschel Field "Sweet Spot"

135 ac "Sweet Spot" Anomaly within Heintschel Field

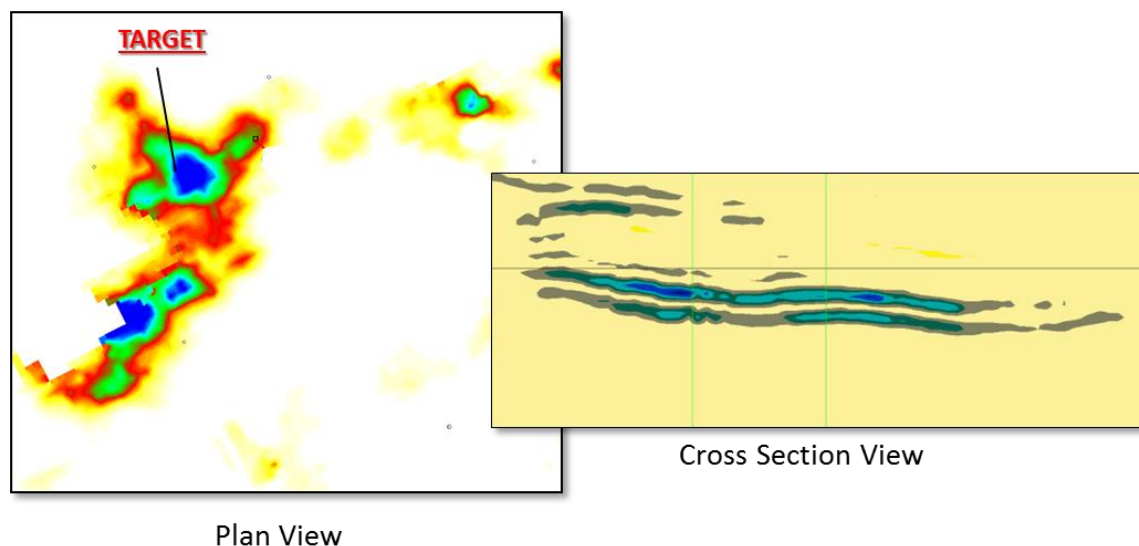


Figure 2: Analogous Anomalies

