



30th April 2014

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

ASX Code: BUR

Quarterly Activities Report

31st March 2014

The Board of Burlison Energy Limited is pleased to provide the following update on the activities of the Company in the quarter ending 31st March 2014.

Activity Overview

- The Company announced that it is proposing to drill a new well, (**Golla #1**) into a large seismic anomaly within the existing Heintschel field (refer ASX announcement 25th March 2014).
- Gas prices continued to rise through the quarter, for example, Burlison received upwards of US\$6.50/mcf for its liquids rich gas in February. This helped to offset the production lost due to pipeline maintenance, upgrades and adverse weather conditions that affected pipelines in the region.

Golla #1 well

Golla #1 will be a vertical well drilled on leases already owned by the Company within the Heintschel field. It is expected to cost circa US\$2 million. BUR has a 50% working interest in the well.

The target is a 135 acre seismic anomaly that was identified as significant following a number of successful wells drilled nearby that provided encouraging analogues for the distinctive anomaly (identified by our operator AKG Energy). By way of analogue, it is anticipated that the anomaly is indicating an improved reservoir quality compared to the rest of the field.

One of these analogous wells, known as Cannon#1, has produced over 55,000 bbl of oil and 1,139,537 mcf of gas since coming onto production in September 2013 (approximately 5 months). Gross revenue, assuming prices consistent with those Burlison is currently receiving before royalties and taxes, would exceed \$10 million.

In relation to progressing the drilling of the well, the Company has received proposals from a number of drilling contractors, and expects to sign a new contract within the next week. Subject to signing, we will be seeking the earliest available drill rig and will update the market as soon as we have a proposed spud date.

Quarterly Production

Gross Total Production for the quarter ended 31st March 2014 from each of the 5 wells in which Burlleson has an interest is summarised in the table below.

	Gas		Condensate		Production Days	
	Total mcf	Avg mcf p.d.	Total bbls	Avg bbls p.d	Lost	Producing
Joann #1	15,857	264	818	5	5	24
D Truchard #1	22,284	586	59	0	60	32
Heintschel #1	0	0	314	6	19	72
Heintschel #2	13,590	295	265	6	43	49
Truchard #2H	68,611	953	2,019	30	20	72
Totals for Qtr	120,342	2,099	3,476	47		

Corporate Activities

Burlleson's revenue from oil and gas sales has continued to provide relatively stable cash-flow with increased prices for gas partly compensating for lost production. The Company has recently leased a new area that extends the existing acreage within the Heintschel field, and is now seeking to secure new leases for its 1K3D projects. These new leases are all relatively small, and the Company's revised portfolio of leases will be updated in the Quarterly Report for period ending 30th June 2014.

Producing Wells

There was no change to Burlleson's ownership interests in its producing wells during the March 2014 quarter.

Working Interests

As at 31st March 2014, Burlleson held the following ownership (working) interests in five producing oil and gas wells in South Texas, USA (**no changes in the Quarter**):

Well Ownership Percentages	As at 31 st March 2014
Joann #1	39.4%
Heintschel #1	38.0%
Heintschel #2	38.0%
D. Truchard #1	38.0%
Truchard #2H	50.0%

Cash of hand

As at 31st March 2014, the Company had approximately \$2.43M in the bank, sufficient to fund our 50% interest in the Golla #1 well which we expect will be no more than \$1.1M.

Gross & Net Acreage

Burleson holds oil and gas lease rights which are negotiated with individual land owners in the areas it operates, being South Texas. Individual lease rights are acquired, renewed or relinquished regularly and in the ordinary course of business. As at 31st March 2014, Burleson's gross and net acres under lease were **unchanged from the previous Quarterly Report** (31st December 2014) and are as follows:

As at 31st March 2014

Gross Acres	4,743
Net Acres	1,890
Burleson's Average Interest	39.8%

These numbers have increased since 31st March and will be updated in the June Quarter update.

New Farm-in / Farm-out agreements

During the March 2014 quarter Burleson did not enter into any farm-in or farm-out agreements.

For further information please contact:

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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

BURLESON ENERGY LIMITED

ABN

Quarter ended ("current quarter")

73 117 770 475

March 2014

Consolidated statement of cash flows

Cash flows related to operating activities

	Current quarter March 2014 \$A'000	Year to date (9 months to March 2014) \$A'000
1.1 Receipts from product sales and related debtors	329	1,191
1.2 Payments for (a) exploration & evaluation	(42)	(593)
(b) development	-	-
(c) production	-	-
(d) administration		
- Australia	(188)	(529)
- USA	(47)	(94)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	14	35
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid		
1.7 Other – Proceeds of farm out transaction / sale	-	-
Net Operating Cash Flows	66	10
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) producing assets		
(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)	66	10
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc.		
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 (provide details if material) Rights Issue Proceeds		

+ See chapter 19 for defined terms.

30/9/2001

	Net financing cash flows	-	-
	Net increase (decrease) in cash held	66	10
1.20	Cash at beginning of quarter/year to date	2,619	2,624
1.21	Exchange rate adjustments to item 1.20	(249)	(198)
1.22	Cash at end of quarter	2,436	2,436

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	213
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors Fees, consulting

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

None

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

None

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	1,100, relating to expenditure on upcoming well announced on 25 March 2014.
4.2	Development	-
4.3	Production	-
4.4	Administration	200
	Total	1,300

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	1,249	1,246
5.2	Deposits at call	1,187	1,373

5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,436	2,619

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	-			

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 <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	420,889,133	420,889,133		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 *Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

7.7	Options (<i>description and conversion factor</i>)	18,000,000	Employee	Exercise price 8 cents	Expiry date 5 Dec 2015
7.8	Issued during quarter	4,000,000	Employee	Exercise price 3 cents	Expiry date 1 Dec 2016
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (<i>totals only</i>)				
7.12	Unsecured notes (<i>totals only</i>)				

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 notes 4 & 5).
- 2 This statement does *give* a true and fair view of the matters disclosed.

Sign here: Date: 30 April, 2014

(Company Secretary)

Print name: ALEXANDER SUNDICH.....

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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