



15th May 2014

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

ASX Code: BUR

2 pages

Drill rig contract signed

The Board of Burlison Energy Limited (BUR) is pleased to advise that our Austin based technical team and operators, AKG, have received and signed the final negotiated and agreed version of the drill rig contract. AKG have also lodged a permitting application which is, for all intents and purposes, a formality that should be approved within the coming weeks.

The earliest available rig is currently scheduled to be on location early July, but we have requested the first available time slot and we will update the market as soon as we have firm dates from the drilling company.

Golla #1 well

The Golla #1 will be a vertical development well targeting the lowermost Wilcox Prairie Bell 01 reservoir sand in the Heintschel Field. The objective is to test a 135 acre anomaly at an anticipated depth of circa 11,000 feet.

The expected cost to completion for the well is USD\$2.2m including a 10% contingency and the joint venture parties to the well have fully committed to their respective funding commitments. BUR's working interest is 50% and the financial commitment of circa USD\$1.1M will be funded using the Company's existing funds on hand.

This anomaly was identified as a result of the successful drilling recently undertaken nearby that provided AKG (Burlison's technical team and the Operator) with analogs. These analogs were used to interpret an existing seismic anomaly within the Heintschel field that is already held by production, enabling us to propose a well quickly.

The 3 nearby analogous wells have been extremely productive with one particular well, Cannon 1 (which targeted a 60 acre anomaly) having produced over 1.3bcf (gas) and 63mbo (oil) since coming into production in September 2013.

If similar flows are achieved, the Golla well should be commercially very successful.

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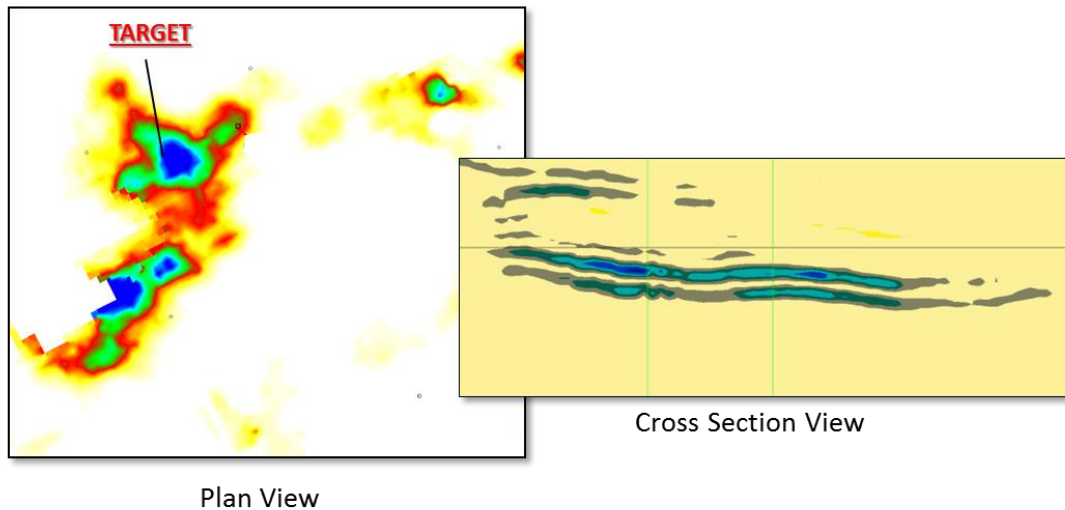
Australia

Heintschel “Sweet Spot”, updated production from analog wells

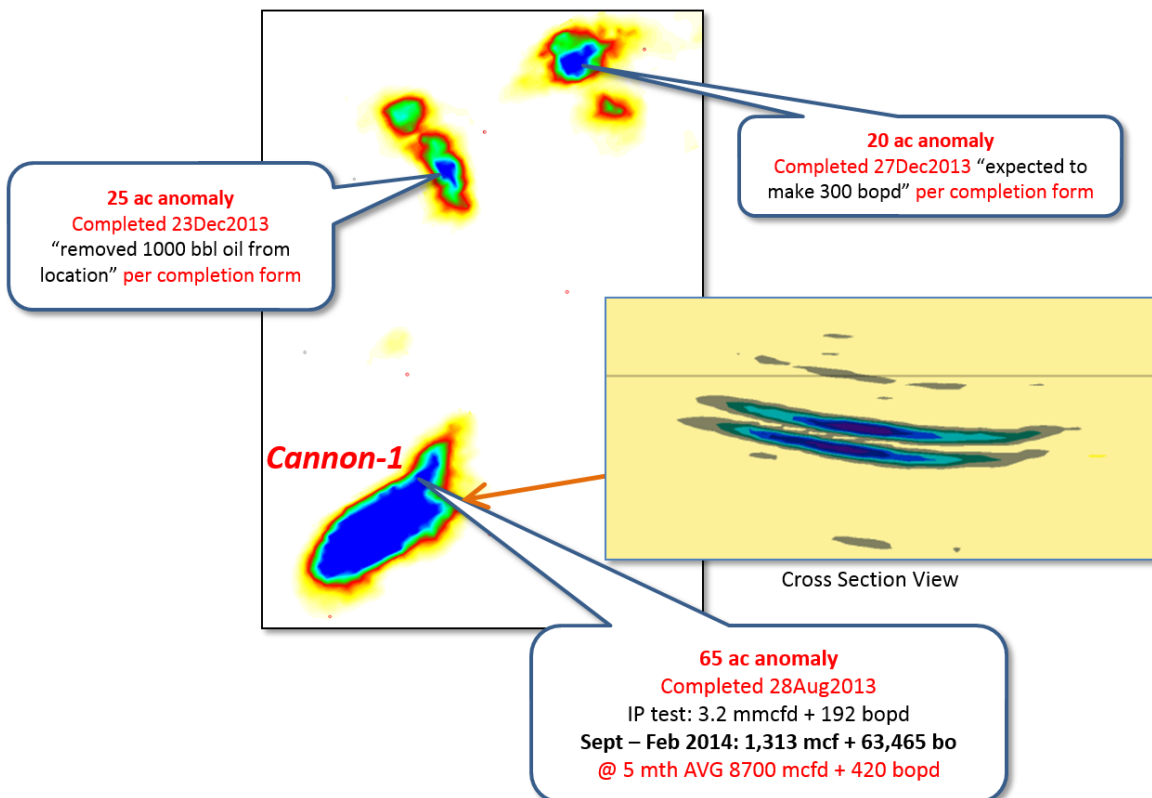
The following images show the sweet spot anomaly that is the target for Golla #1 and the analogs located 20 miles away that host producing wells.

Note that the Cannon-1 well has been on production since September 2013 and has produced a total of 1.313 bcf of gas and 63,465 bo. The daily averages for this well over the last 5 full months of production have been 8,700 mcf and 420 bopd.

135 ac “Sweet Spot” Anomaly within Heintschel Field



Analog Anomalies - Recent Discovery Wells



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