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Operations Update

Buru Energy Limited (“**Buru**” or “**Company**”) provides the following update on its upcoming exploration program in the Canning Superbasin and the ongoing testing of the Yulleroo-2 well.

2011 Exploration Program

Buru is currently finalising its drilling program for 2011 and expects to shortly agree the first two wells in the program with Mitsubishi Corporation.

On ground preparations for drilling have been somewhat delayed by higher than average rainfall in the Kimberley (as shown in the map in Attachment A). The restricted access has caused delays in obtaining heritage clearances from Traditional Owners and in the construction of site pads and access roads in preparation for drilling. However, all necessary preparatory work for on ground operations has now been completed and, as weather conditions improve, the on ground operations will progressively commence.

Buru is awaiting confirmation of a mobilisation date to the Canning Superbasin for Ensign Rig #32, which is contracted to drill up to six wells for Buru during 2011. The timing of mobilisation will depend on weather and on completion of the current operator’s drilling program for Rig #32.

Taking these factors into account a realistic indicative spud date for the first well in the program is mid-May, subject to the receipt of all necessary approvals, weather conditions and operational requirements.

The Company is well advanced in its discussions with a number of rig contractors for the mobilisation of a second drilling rig to the Canning Superbasin for use in conjunction with Rig #32 during 2011. The use of the second drilling rig will provide Buru with the operational flexibility and required number of rig slots to complete its 2011 exploration program, notwithstanding the current short delay in commencement of drilling.

Yulleroo-2 Well

After a continued flow test period the Yulleroo-2 well has now been shut-in. Sufficient data has now been gathered from the well test to plan the next stage of the well testing program.

During the most recent stage of the flow test the well was opened to allow flow back and then shut-in to allow pressure build up on a regular basis. During the flow back period the

well continued to flow gas and condensate at low rates together with high salinity fluid. Analysis of the results of the flow back test by the Company's consultants is consistent with Buru's interpretation that the high salinity fluid is stimulation flow back fluid, and that no formation water is present. This is an encouraging outcome.

A third party review of the flow test data suggests that, as originally planned, further clean-up of the well will require a different completion string to the original 4½ inch stimulation string. Accordingly, it is proposed, subject to joint venture approval, to install a 2¾ inch tubing string which will increase lift efficiency and assist in the clean-up of the well. The completion will also be configured for both plunger lift and nitrogen lift. The workover can be efficiently accomplished using the Fairway Rig which is expected to be available to undertake the work in May once weather conditions improve sufficiently.

For inquiries please contact:

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Attachment 1

Map showing rainfall received during March 2011 in Western Australia
(source: Australian Bureau of Meteorology)

Western Australian Rainfall (mm) 1st to 29th March 2011
Product of the National Climate Centre

