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ASX ANNOUNCEMENT (ASX: BRU) 30 June 2011

WEEKLY DRILLING PROGRESS REPORT VALHALLA-2

Buru Energy Limited (“**Buru**” or “**Company**”) provides the following weekly update on drilling operations at the Valhalla-2 well as at 06:00hrs, 30 June 2011 (AWST).

The Valhalla-2 well is the first well in the Buru – Mitsubishi Corporation (“**MC**”) 2011 Joint Exploration Program. Buru and MC each have a 50% interest in this well and in EP 371, with MC contributing 80% of the cost of the well under the terms of its farm-in agreement with Buru.

Since the last progress report, the Valhalla-2 well was drilled ahead to a measured depth of 2,008m (1,990m TVDRT). This is the revised section TD above the next objective of the Upper Laurel gas sands. Wireline logs and pressure and formation fluid samples were then obtained, primarily to identify the potential of the oil shows encountered in the Anderson Sands. These shows are similar to those seen in the nearby Valhalla-1ST1 well and are not the primary objective of this well.

Preliminary analysis suggests that the oil shows are residual. However, further analysis of the wireline logging results and pressure and sampling results is currently being undertaken to ascertain whether any moveable oil is contained in the zone.

As at 06:00hrs today, 244mm (9 $\frac{5}{8}$ ”) casing was being run in the hole to 2,003m. On completion of the casing run the well will be drilled ahead in 8 $\frac{1}{2}$ ” hole to the primary objective, the Upper Laurel gas sands, at approximately 2,145m TVDRT. An open hole on bottom drill stem test (“**DST**”) will then be undertaken to ascertain the flow potential of these sands. Following the DST, the well will be drilled ahead in 8 $\frac{1}{2}$ ” hole to the next objective, the Lower Laurel gas sands.

Valhalla-2 is being drilled by Ensign Rig #32.

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further drilling progress report on 7 July 2011, subject to any material events occurring in the meantime.

Further information on the Company is available at: www.buruenergy.com

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VALHALLA-2

PERMIT	The Valhalla-2 well is located in exploration permit EP 371. A map showing the location of the well is set out on the following page.
WELL LOCATION	18° 04' 04.13"S 8001416mS 124° 46' 04.2"E 687100mE
BURU'S INTEREST	Buru Energy Limited holds a 50% interest in the well.
DATE OF PROGRESS REPORT	06:00hrs, 30 June 2011 (AWST)
PROPOSED TOTAL DEPTH	3,400m
CURRENT DEPTH	2,008m MD, (1,990m TVDRT)
PROGNOSED TIME TO TOTAL DEPTH	35 days
SPUD DATE	6 June 2011
DAYS SINCE SPUD	24 days
CURRENT TARGET FORMATION	The Valhalla-2 well has two conventional targets: <ul style="list-style-type: none"> • the Upper and Lower Laurel gas reservoirs; and • the Anderson oil play. Valhalla-2 is also targeting the Lower Laurel unconventional gas reservoirs.
OPERATIONS SINCE LAST PROGRESS REPORT	Drilled ahead from 1,696m to 2,008m MD at section TD. Ran wireline logs and obtained pressure and formation fluid samples. Set 244m (9 $\frac{5}{8}$ ") casing to 2,003m.
HYDROCARBON INDICATIONS	Approximately 12 meters TVD of fair to poor oil shows were observed in cuttings samples in the Anderson Sands. These shows are similar to those seen in the Valhalla-1ST1. Preliminary analysis suggests that the oil shows are residual. However, further analysis of the wireline logging results and pressure and sampling results is currently being undertaken to ascertain whether any moveable oil is contained in the zone.
FORWARD OPERATIONS	Once the casing run is completed the well will be drilled ahead in 8 $\frac{1}{2}$ " hole to the primary objective Upper Laurel gas sands at approximately 2,145m TVDRT and an open hole on bottom drill stem test (" DST ") will be undertaken to ascertain the flow potential of these sands. Following the DST, the well will be drilled ahead in 8 $\frac{1}{2}$ " hole to the prognosed TD of 3,400m.

LOCATION MAP - VALHALLA-2

