



Buru Energy Limited
ABN 71 130 651 437
Level 2, 97 William Street
Perth, Western Australia 6000
PO Box 7794, Perth
Cloisters Square WA 6850
Ph: 61-8 9215 1800
Fax: 61-8 9215 1899
www.buruenergy.com

ASX ANNOUNCEMENT (ASX: BRU) 5 July 2012

Weekly Drilling Progress Report - Yulleroo-3

Buru Energy Limited (“**Buru**” or “**Company**”) provides the following weekly update on the drilling operations at the Yulleroo-3 well as at 06:00hrs, 5 July 2012 (AWST).

Yulleroo-3 is the third well in the Buru – Mitsubishi Corporation (“**MC**”) 2012 Joint Exploration Program. The well is located in exploration permit EP 391 some 80 kilometres to the east of Broome. Buru and MC each have a 50% interest in this well and in EP 391, 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 well has been drilled ahead in 8½” hole to a measured depth of 3,290 metres which is interpreted to be close to the top of one of the principal gas sands in the well. Continued strong gas shows and gas influx into the well bore have been observed while drilling. Core 1 has now been cut from 3290.0 metres to 3308.3 metres (18.3 metres) with 91.8% recovery. The core consisted of siltstone and fine sandstones. Gas was noted bleeding from the core at surface and significant gas influx was noted during coring operations. The current operation as at 06:00 hours is cutting Core 2 at a depth of 3,314 metres.

The significance of the continuing gas shows encountered to date and their relationship to the previous wells will be determined once drilling and logging has been completed.

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further drilling progress report on 12 July 2012, subject to any material events occurring in the meantime.

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

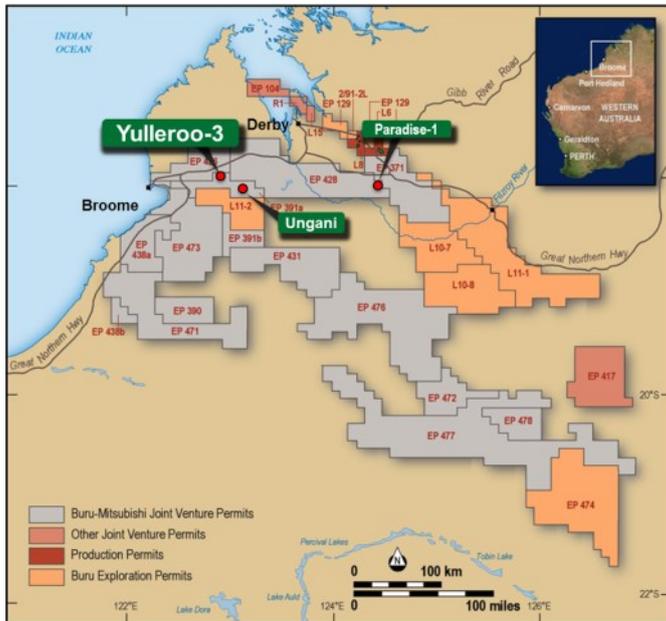
For inquiries please contact:

Eric Streitberg	Executive Director
Telephone	+61 8 9215 1800
Freecall	1800 337 330
Email	ericstreitberg@buruenergy.com

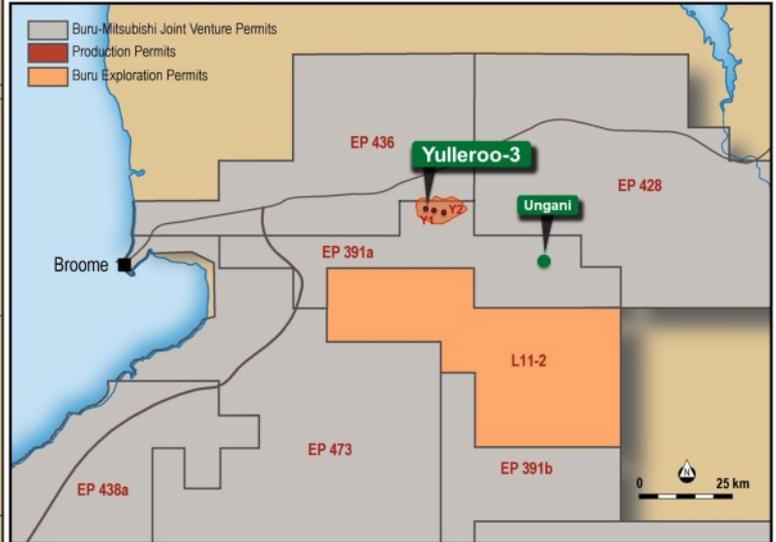
YULLEROO-3

PERMIT	The Yulleroo-3 well is located in exploration permit EP 391 some 80 kms east of Broome. Maps showing the location of the well are set out on the following page.
WELL LOCATION	Latitude: 17 ⁰ 50' 59.39" S Easting: 488510m Longitude: 122 ⁰ 53' 20.59" E Northing: 8026425m
BURU'S INTEREST	Buru Energy Limited holds a 50% interest in the well
DATE OF PROGRESS REPORT	06:00hrs, 5 July 2012 (AWST)
PROPOSED TOTAL DEPTH	3,600 metres
CURRENT DEPTH	3,314 metres
PROGNOSED TIME TO COMPLETION	58 days
SPUD DATE	25 May 2012
DAYS SINCE SPUD	41 days
CURRENT TARGET FORMATION	The Yulleroo-3 well is targeting the Upper and Lower Laurel gas sands encountered in the Yulleroo-1 and 2 wells.
OPERATIONS SINCE LAST PROGRESS REPORT	Since the last progress report, the well has been drilled ahead in 8½" hole to a measured depth of 3,290 metres which is interpreted to be close to the top of one of the principal gas sands in the well. Continued strong gas shows and gas influx into the well bore have been observed. Core 1 has been cut from 3290.0 metres to 3308.3 metres (18.3 metres) with 91.8% recovery. The core consisted of siltstone and fine sandstones. The current operation as at 06:00 hours is cutting Core 2 at a depth of 3,314m.
HYDROCARBON INDICATIONS	Continued strong gas shows together with gas influx into the well bore have been observed while drilling and coring, and gas was noted bleeding from the core at surface. The significance of the shows encountered to date and their relationship to the previous wells will be determined once drilling and logging has been completed.
FORWARD OPERATIONS	Cut 36 metre conventional core (Core 2).

LOCATION MAPS



Yulleroo-3 Regional location map



Yulleroo-3 Detailed Location map