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ASX ANNOUNCEMENT (ASX: BRU)

1 December 2011

Mitsubishi Commits to Canning Superbasin 2012 Unconventional Exploration Program

Buru Energy Limited (“**Buru**”) is pleased to announce that Mitsubishi Corporation (“**MC**”) has exercised its option to participate in Buru’s 2012 Unconventional Exploration Program in the Canning Superbasin. By exercising this option MC has confirmed its commitment to fund A\$40 million of the first A\$50 million spent on unconventional exploration by the joint venture in 2012. In return, MC will earn a 50% interest in the unconventional resources in Buru’s exploration permits. A copy of the release made by MC in Japan today is attached.

The 2012 Unconventional Exploration Program is still subject to review and confirmation by Buru and MC, but will focus on the delineation and appraisal of the Valhalla and Yulleroo accumulations. Further details of the program will be released as they are agreed by the joint venture.

Buru’s Executive Director, Mr Eric Streitberg, welcomed MC’s ongoing commitment to the Canning Superbasin, saying:

“Our partnership with Mitsubishi continues to be transformational for both Buru and the prospectivity of the Canning Superbasin. The 2011 joint exploration program has seen the Superbasin start to show its true potential with the identification of a potentially multi TCF tight gas accumulation by the Valhalla-2 well and a significant oil discovery at Ungani-1.

MC’s ongoing commitment to the Superbasin provides us with the financial strength and long term partnership that we need to unlock the vast potential of our shared acreage. While we have not yet finalised the work program for next year, 2012 is shaping up to be just as exciting as 2011, and we look forward to continuing to work with Mitsubishi in what is proving to be the most prospective onshore basin in Australia.”

For inquiries please contact:

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Yours faithfully



ERIC STREITBERG
Executive Director

December 1, 2011

Acquisition of Unconventional Natural Gas and Crude Oil Interests in the Onshore Kimberley Region of Western Australia

Mitsubishi Corporation (“MC”) announces that it has exercised its option to acquire a 50% interest in the unconventional resources in the onshore natural gas and crude oil exploration permits in the Kimberley region of Western Australia from Buru Energy Limited (“Buru”), Head Office: Perth, Western Australia; an oil and gas exploration and production (E&P) company.

In June 2010, MC acquired a 50% interest* in thirteen conventional oil and gas exploration permits owned by Buru in the Canning Superbasin located in the Kimberley region, including the discovered gas accumulation at Yulleroo. Since acquiring this interest MC and Buru have undertaken an exploration program. In 2011 the Joint Venture made a new oil discovery (Ungani) as well as a further gas discovery (Valhalla).

Further to these conventional resource rights, MC has also acquired a 50% interest* in the rights to all unconventional resources (shale gas, tight gas and shale oil, etc.) from Buru in these exploration permits by committing to fund 80% (A\$40 million) of the cost of the exploration and appraisal program (up to A\$50 million), for unconventional resources which will be implemented in 2012 onward.

The development of unconventional oil and gas resources in Australia is at an early phase compared with North America and other regions. However, in recent years, several major energy agencies and leading energy consultants have advised that the Canning Superbasin is one of the world’s most prospective basins for unconventional resources and is considered to contain the largest unconventional resources of all of Australia’s prospective basins. This year has seen the entry of major E&P companies into the region focusing on these unconventional resources.

The Joint Venture will consider development options for any significant gas

reserves identified including the supply of gas to the domestic gas market in Western Australia and supplying feed gas to existing or new LNG projects.

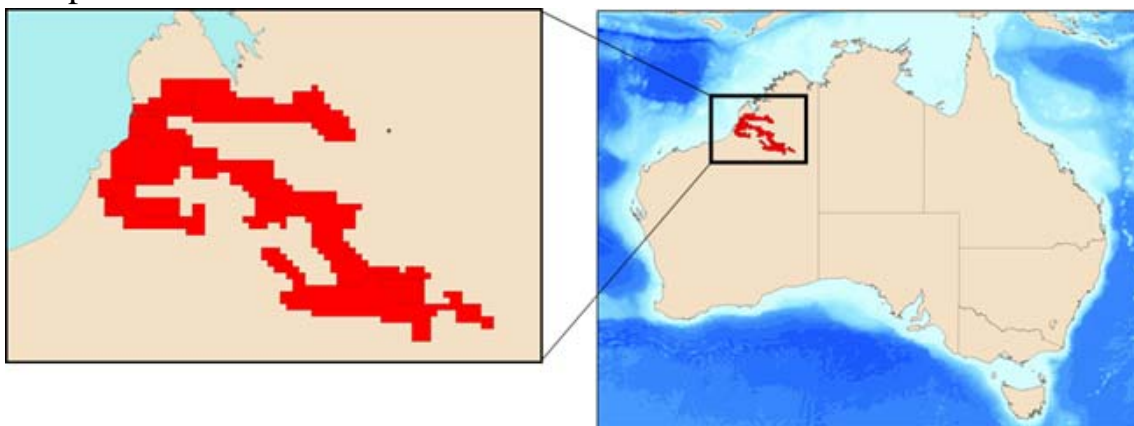
MC plans to invest a total of more than A\$100 million (portion borne by MC) in this endeavour, including current activities and those planned for the future. In the near term, MC aims to progress appraisal and commercialization of the gas and oil accumulations already discovered. In parallel, MC will continue with its long-term exploration and appraisal program for unconventional resources in the basin, with the objective of maximizing value through the development region's energy resources.

Note: MC's respective interest in 13 owned exploration permits varies between 37.5%~50%.

<Unconventional resources>

While conventional resources are trapped in permeable reservoir and can be extracted readily and easily once drilled, unconventional resources are trapped in low-permeability sandstone (tight sand gas) or shale, a layer of solidified sediment referred to as source rock (shale gas or shale oil). Since these resources are found trapped in sediments of extremely low permeability, it is difficult to extract and has not been commercially developed until recently. Recent advances in technology have enabled to the large scale development of unconventional resources as a viable energy resource.

<Exploration zone chart>



2011年12月1日

西豪州陸上キンバリー地域での非在来型天然ガス・原油権益の取得

三菱商事は、今般、石油・ガス探鉱生産(E&P)会社であるブル・エナジー社(Buru Energy Limited、本社:西豪州パース、以下:ブル社)より、西豪州キンバリー地域における非在来型天然ガス・原油(以下、「非在来型資源」)の陸上探鉱事業の50%権益を取得しました。

当社は2010年6月に、ブル社が保有していたキンバリー地域における在来型天然ガス・石油(以下、「在来型資源」)の50%権益^{*注}を取得し、以来ブル社と共同で陸上探鉱事業を推進して参りましたが、これらの保有鉱区(現在13鉱区)では、天然ガス・原油の既発見構造が含まれており、更に本年に入ってから探鉱により新たな天然ガス・原油の発見に至るなど、その有望性を確認して参りました。

今般、これら在来型資源に加え、非在来型資源(シェールガス、タイトサンドガス、シェールオイルなど)の権益も50%取得^{*注}することとなります。取得に際して当社は、2012年以降に実施される非在来型資源の評価作業に要する費用について、最大5,000万豪ドルを上限として、その80%(4,000万豪ドル、約32億円)を負担することが条件となっております。

豪州での非在来型資源開発は、北米などに比べ初期的段階にあります。当該鉱区が位置するカニング堆積盆地は、近年、複数の第三者調査機関などが世界有数の非在来型資源の存在を公表しており、豪州最大の埋蔵が期待される地域との評価を受けております。既に本年に入ってから大手E&P会社による参入が始まるなど、地域内の動きも活発化して参りました。

本事業では、既発見の在来型天然ガス構造、また今回取得する非在来型資源から天然ガスが確保できた場合、その開発案として、西豪州国内ガス市場向けへの販売が検討できる他、豪州内での新規天然ガス液化事業へのガス供給や天然ガス液化事業化も検討できる可能性があります。また、本年発見した原油構造については、現在、早期商業化のための評価作業を進めております。

当社は、現在実行中及び今後計画分のを合わせ、本事業で合計1億豪ドル(約80億円、当社負担分)超を投じ、短中期的には既発見の在来型資源を中心とした評価作業を進展させて早期の開発実現を目指します。併せて、長期的視野で当該地域の非在来型資源の評価作業を実施し、事業としての価値最大化、及びエネルギー資源の安定確保を進めて参ります。

注:保有全 13 鉱区の内、2 鉱区については、今後の作業条件により当社権益が 37.5%~50%となる可能性あり。

<非在来型天然ガス・原油>

砂岩などに天然ガスや原油が集積し、井戸を掘ると地層内の圧力で自噴する在来型の資源とは異なり、浸透率の低い砂岩に封じ込められているもの(タイトサンドガス)や、根源岩と呼ばれる泥土が堆積して固まったシェール(頁岩)層に閉じ込められている天然ガス(シェールガス)や原油(シェールオイル)などの総称を指す。これらの資源は、浸透性が極めて低い地層に貯留されているため、採掘が難しくこれまで開発が進んでいなかったが、近年の技術革新によって回収が可能となり、開発が注目されるようになった。

<当社保有鉱区>

