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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, 9 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 commencement of drilling operations on 6 June, Valhalla-2 has been drilled ahead to a depth of 604m in the Noonkanbah Formation. The well will now be drilled ahead to the first casing point at 900m.

Oil shows have been encountered in various zones of the Noonkanbah Formation between 120m and 490m. These shows are consistent with the shows encountered in Valhalla-1 when it was drilled by ARC Energy in 2007. ARC Energy was unable to test these shows at that time due to mechanical problems.

While the oil shows seen so far are encouraging, the Valhalla-2 well has not been designed to evaluate these zones. The significance of these shows will be further evaluated by the joint venture and may be considered for testing at a later time.

Valhalla-2 is being drilled by Ensign Rig #32. It is expected to take 35 days to drill on a dry hole basis.¹

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further drilling progress report on 16 June 2011, subject to any material events occurring in the meantime.

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

For inquiries please contact:

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¹ *Drilling dates and times in this ASX release are indicative only. The timing of drilling operations is subject to weather and operational factors.*

