

## **ASX ANNOUNCEMENT (ASX: BRU)      9 December 2010**

### **OPERATIONS PROGRESS REPORT - PARADISE-1 & YULLEROO-2**

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Buru Energy Limited (“Buru” or “Company”) provides the following update on operations as at 06:00 hrs, 9 December 2010 (AWST).

#### **Paradise-1**

Paradise-1 is the third exploration well to be drilled in Buru’s 2010 Canning Superbasin drilling program, and the first in the Joint Exploration Program with Mitsubishi Corporation (“MC”). The well is located in exploration permit EP 428, on the boundary with EP 371. Following MC’s decision to participate in Buru’s 2011 exploration program, each of Buru and MC hold a 50% interest in the well and in EP 428 and EP 371.

Since the last report on 6 December a Formation Evaluation Tool (“FET”) has been mobilised to site and has made a number of attempts to obtain formation fluid samples and pressure data points. None of these attempts have been successful due to an inability of the FET to seat properly against the interpreted oil reservoir. It has been concluded that unsuitable well bore conditions will prevent the successful application of this tool.

The forward operation will be to undertake an open hole drill stem test (“DST”) using an inflate straddle tool which is currently being mobilised to site. It is anticipated that this test will be conducted over the coming weekend.

At the completion of the DST, 7 inch casing will be run and the well suspended, due to the imminent onset of the wet season.

#### **Yulleroo-2**

The test crew has been remobilised to site and the well placed on clean up flow. Gas flows have been obtained together with a substantial flowback of frac fluid. The well will continue to be produced for a ten day period for frac fluid flowback and clean up.

Further results will be made available once the flowback period has been completed.

#### **2011 Drilling Program**

The Company has entered into a letter of intent with Ensign International Energy Services (“Ensign”) for the supply of Ensign Rig#32 to undertake the 2011 Joint Exploration program with MC.

This release and further information on the company is available at: [www.buruenergy.com](http://www.buruenergy.com)

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