

## **ASX ANNOUNCEMENT (ASX: BRU)      2 December 2010**

### **WEEKLY DRILLING PROGRESS REPORT - PARADISE-1**

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Buru Energy Limited (“**Buru**” or “**Company**”) provides the following update on drilling operations at the Paradise-1 well as at 06:00 hrs, 2 December 2010 (AWST).

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 25 November drilling has continued to a depth of 1,700 metres, the planned setting depth for the intermediate 7 inch casing string. Wireline logging and acquisition of side wall cores has now been undertaken. Although the wireline logs are not definitive indicators of the presence of hydrocarbons due to the presence of low salinity formation water in the section and the use of low salinity drilling fluids, an anomalous zone with indications of hydrocarbons from sidewall cores was identified at approximately 904 to 914 metres with the section from 904 to 909 metres displaying the best reservoir characteristics. This zone coincides with the depth where the first indications of oil at surface during drilling operations were noted, and is below the lost circulation zone which is clearly evident on logs.

The current operations are preparing to run an open hole off bottom drill stem test (“**DST**”) to identify the formation fluids and flow potential of this zone. The results of this test are expected to be available on Friday, 3 December.

The Anderson Shale section that was expected to be encountered at this location at a depth of approximately 1500 metres was absent, probably due to an erosional unconformity.

Forward operations at the well will be to complete the DST and then run and cement 7 inch casing and suspend the well, due to the imminent onset of the wet season.

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

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## PARADISE-1

<b>PERMIT</b>	The Paradise-1 well is located in exploration permit EP 428, on the boundary with EP 371. A map showing the location of the well is set out below.
<b>WELL LOCATION</b>	17° 59' 59.6" S 124° 34' 35.5" E
<b>JOINT VENTURE INTEREST</b>	Buru and MC each hold a 50% interest in the well and in EP 428 and EP 371.
<b>DATE OF PROGRESS REPORT</b>	06:00 hrs, 2 December 2010 (AWST)
<b>PROPOSED TOTAL DEPTH</b>	2,500 metres
<b>CURRENT DEPTH (06:00 hours)</b>	1,700 metres
<b>PROGNOSED TIME TO TOTAL DEPTH</b>	38 days
<b>SPUD DATE</b>	18 October 2010
<b>DAYS SINCE SPUD</b>	45 days
<b>OPERATIONS SINCE LAST PROGRESS REPORT</b>	Since the last report on 25 November drilling has continued to a depth of 1,700 metres, the planned setting depth for the intermediate 7 inch casing string. Wireline logging and acquisition of side wall cores has now been undertaken.
<b>HYDROCARBON INDICATIONS</b>	Although the wireline logs are not definitive indicators of the presence of hydrocarbons due to the presence of low salinity formation water in the section and the use of low salinity drilling fluids,, an anomalous zone with indications of hydrocarbons from sidewall cores was identified at approximately 904 to 914 metres with the section from 904 to 909 metres displaying the best reservoir characteristics. This zone coincides with the depth where the first indications of oil at surface during drilling operations were noted, and is below the lost circulation zone which is clearly evident on logs.
<b>FORWARD OPERATIONS</b>	Run an open hole off bottom drill stem test ("DST") to identify the formation fluids and flow potential of this zone.

### PARADISE-1 LOCATION MAP

