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Progress report 2 Yulleroo-2 Stimulation Program

Buru Energy Limited (“**Buru**” or “**Company**”) is pleased to announce that the initial stimulation program for the Yulleroo-2 well was successfully completed on 6 November with the completion of the third stage stimulation of the “2850 Zone”.

Perforation and stimulation of the three Zones at 3100 metres, 2980 metres and 2850 metres was completed with no material operational problems or HSE incidents. It is expected the BJ Services crew that conducted the stimulation program will be released from the wellsite today.

At the completion of the stimulation operation the coiled tubing unit was used to clean out the sand pads in the well following which the well started flowing without further intervention.

The well was allowed to flow continuously for approximately 16 hours and has now been shut-in to allow wireline logs to be run to obtain an accurate measure of the level of sand and water being returned to the well bore following the stimulation process. This is a standard practice in the clean up stage of large stimulation programs and, once it is completed, the well will be allowed to flow again. This process may be repeated a number of times until a stable flow rate can be determined. Once a stable flow is determined the well will be shut-in before being prepared for a production test program which will include flowing the well at a constant rate to determine a sustainable flow rate and to establish the composition and liquids content of the produced gas.

During the approximately seven day shut-in period of the production test the coiled tubing unit will be mobilised to the Stokes Bay-1 well site to undertake a nitrogen lift of that well.

Given the early stage of the operation no reliable estimate of the flow rate and no measurement of the composition of the gas is possible. However, the well flowed strongly without intervention and the flare colour indicates that the gas stream contains significant quantities of condensate.

The Yulleroo-2 stimulation and test is part of Buru’s 2010 Canning Superbasin exploration program and is a major component of the Joint Exploration Program with Mitsubishi Corporation (“**MC**”). Subject to the terms of the farm-in agreement between Buru and MC, MC is obliged to fund 80% of the costs of the Yulleroo-2 program as part of an expenditure commitment of \$22.4 million in 2010 to earn an initial 40% interest in the majority of Buru’s permits.

Yulleroo-2 is located in exploration permit EP 391 some 80 kilometres from Broome in northwest Western Australia. The Yulleroo-1 and Yulleroo-2 wells have defined a large gas and condensate accumulation with a combination of conventional gas, tight gas and shale gas reservoirs. The Yulleroo-2 stimulation and flow test is designed to determine if commercial rates of gas production can be obtained from the identified reservoirs.

During the course of the test program, progress reports will be provided to the ASX each Thursday, and also as required on the occurrence of material events during the operation.

Commenting on the results to date Buru's Executive Director, Eric Streitberg said:

"Although it is early days and the well is still cleaning up, the fact that it kicked itself off and has been flowing strongly while cleaning up are very encouraging signs. We are looking forward to getting some rate, pressure, and gas composition data over the next few days."

This release and further information on the company is available on the Buru website at: www.buruenergy.com

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Yours faithfully


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Yulleroo 2 initial cleanup flare

