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ASX ANNOUNCEMENT (ASX: BRU)

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Independent Resource Assessment Laurel Wet Gas Accumulation, Canning Superbasin

Buru Energy Limited is pleased to announce that RISC, an Australian based, internationally recognised independent petroleum advisory evaluation and valuation group, has completed an assessment of the prospective resources of the Basin Centred Gas System (“BCGS”) in the Laurel Formation in the whole of Buru’s permit areas in the Canning Superbasin. This independent and detailed assessment, which was undertaken for Buru, is the first to evaluate the accumulation in its entirety, and incorporates all of the data gained from the recent Buru/Mitsubishi drilling program, integrated with the large quantity of existing data. The data set is based on good quality, carefully analysed and interpreted regional well and geological data, comprising in part 22 petroleum wells, five of which have been drilled to date by the Buru/Mitsubishi joint venture.

The evaluation has confirmed the potential identified in previous in-house and independent analyses, and provides a comprehensive review which will be integrated into the Company’s forward evaluation planning. Most importantly, the RISC review has confirmed that the BCGS in the Laurel Formation of the Canning Superbasin has the potential to hold a very large accumulation of high quality gas and hydrocarbon liquids.

Highlights

RISC has concluded the following:

- the gross area containing the Laurel accumulation BCGS on Buru’s permits is some 17,373 square kilometres (4.3 million acres).
- the Best Estimate (P50) of the Laurel Formation tight gas accumulation, is that it contains, **net to Buru**, an unrisked gross recoverable volume of 47 TCF of gas and 1,177 million barrels of condensate (not including hydrocarbon liquids (LPG), and the gas contained in the normally pressured part of the system which may be very significant).

In addition:

- RISC has only considered the reservoirs in the overpressured part of the Laurel Formation in their analysis. Additional work is required to quantify the resources in the extensive overlying gas accumulation in the normally pressured section, generally above 2,500 meters depth.
- RISC has also confirmed that in their view the Laurel Formation in the Canning Superbasin has the characteristics of a Basin Centred Gas System.
- importantly RISC is also of the view that the existing analysis has identified reservoirs that are a combination of ‘conventional’, that is the reservoirs will flow gas unaided, and a proportion of ‘unconventional’ reservoirs, very likely to require stimulation. However, the proportions are not yet defined and will be a focus for the ongoing evaluation program.

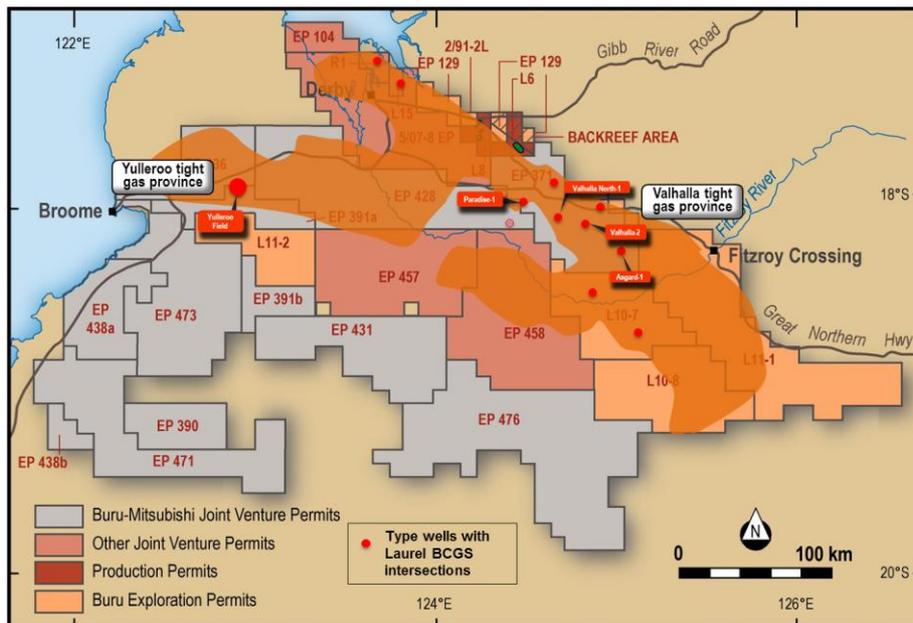
Resource Assessment

The gross estimated recoverable volumes of prospective resources¹ **net to Buru** for the Laurel accumulation on Buru’s permits, as determined by RISC, are summarised in the following table.

Product	Prospective Resources (net to Buru)		
	Low Case (MMbbl/TCF)	Best Estimate Case (MMbbl/TCF)	High Case (MMbbl/TCF)
Condensate	226	1,177	4,717
Natural Gas	12	47	150
Values have been rounded to the nearest TCF and MMbbl			

RISC has also specifically undertaken an analysis of the prospective resources in the Yulleroo area and estimate that the Yulleroo “regional area” has Best Estimate prospective resources net to Buru of 6.6 TCF. The contingent resources in the Yulleroo area will be reviewed at the conclusion of the currently drilling Yulleroo 4 well.

The following map shows the interpretation of the extent of the Laurel Formation accumulation based on current well data.



¹ The Society of Petroleum Engineers – Petroleum Resource Management System defines Prospective Resources as those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity. This definition is used in this release.

Background and geological analysis

The Laurel Formation accumulation is located within the Canning Superbasin in the southwest Kimberley region of Western Australia in an area of extensive plains of dry tropical grasslands, approximately 2,300 kilometres north of Perth. Buru has equity interests of between 50% and 100% in permits or applications that cover the majority of the prospective areas of the accumulation. These permits have been systematically acquired by Buru and its predecessor since late 2006.

The Buru/Mitsubishi joint venture has also recently entered into an agreement with the State Government that gives security of title to the core permits in the accumulation, and recognises the potential for delivery of domestic gas into the southwest of Western Australia that would provide secure and price competitive gas supply to Western Australian consumers.

The joint venture will have drilled six new wells on the play once the currently drilling Yulleroo 4 well has been completed, and from this drilling program has acquired an extensive suite of logs and sidewall core samples and conducted comprehensive tight rock analysis which supports the interpretation of the presence of a continuous gas accumulation, or BCGS, within the Laurel Formation in the Fitzroy Trough.

In addition, Buru has carried out extensive analysis of existing seismic, well and core data in the basin to provide a modern, coherent data set for the analysis of this very high potential play.

The data used by RISC for its assessment included all of the data acquired by Buru, and also included digital well logs for other relevant wells in the Fitzroy Trough, core analysis, tight rock analysis, well test information, geochemical and pressure analysis and digital time and depth surfaces for the main seismic horizons.

Forward Plan for evaluation of the resource

To convert the identified prospective resources to reserves will require additional data to be acquired, and drilling to be carried out, including vertical and horizontal wells, together with extended production tests to prove commercial flow rates. The presence of conventional reservoirs that will enhance productivity and recoveries is also being carefully analysed both in the existing wells and in the broader Fitzroy Trough of the Canning Superbasin, where a comprehensive technical review is currently underway with the assistance of ISIS.

These analyses will assist in determining the most cost effective way to bring the project to commerciality in the shortest time.

Buru's Executive Director, Mr Eric Streitberg, commented on the results of the RISC review report:

"The RISC report is a very positive step forward for Buru and the project. It gives us confidence that we have a substantial wet gas accumulation, and that our investment in the basin is bearing fruit.

The Superbasin continues to surprise and delight us – the Laurel Formation in its totality could rival the Northwest Shelf in size, the Ungani trend has huge conventional oil potential, and we are now turning our attention to the Goldwyer Shale where the results of the Cyrene 1 well have already confirmed our interpretation that our very extensive acreage holdings contain some of the most prospective Goldwyer Shale section in the basin."

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Competent Persons Statement

Information on the Resources in this release is based on an independent evaluation conducted by RISC Operations Pty Ltd (RISC), a leading independent petroleum advisory firm. The evaluation was carried out by Mr Nick Eustance, Principal Geoscience Advisor employed by RISC under the supervision of Mr Geoffrey J Barker, Partner, in accordance with the SPE-PRMS guidelines. Mr Eustance has a BSc (Hons) Geology, Imperial College, University of London and a BSc (Hons) PhD, University of Newcastle upon Tyne, and more than 32 years of experience in the oil and gas industry. Mr Barker's qualifications include a Master of Engineering Science (Petroleum Engineering) from Sydney University and more than 25 years of relevant experience. Mr Eustance and Mr Barker consent to the inclusion of this information in this report.

About RISC

RISC is an independent advisory firm that works in partnership with companies to support their interests in the oil and gas industry. RISC offers the highest level of technical, commercial and strategic advice to clients around the world. RISC services include the preparation of independent reports for listed companies in accordance with regulatory requirements. RISC is independent with respect to Buru in accordance with the Valmin Code, ASX listing rules and ASIC requirements.