



**Buru Energy Limited**  
ABN 71 130 651 437  
Level 2, 97 William Street  
Perth, Western Australia 6000  
PO Box 7794, Perth  
Cloisters Square WA 6850  
Ph: 61-8 9215 1800  
Fax: 61-8 9215 1899  
www.buruenergy.com

## **ASX ANNOUNCEMENT (ASX: BRU)**

**5 June 2012**

### **BURU FORWARD OPERATIONS UPDATE**

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Buru Energy Limited provides the following update on the Company's forward operations for the Canning Superbasin.

#### **Background and Summary**

During the current 2012 drilling program Buru has successfully completed the drilling of the Valhalla North-1 well, commenced drilling operations at the Yulleroo-3 well and commenced the deepening operation of the Paradise-1 well.

Valhalla North-1 successfully demonstrated that the Valhalla unconventional wet gas accumulation is most likely a regional basin centred gas accumulation ("BCGA"). The Paradise-1 deepening operation is designed to evaluate both the extent of the BCGA and the structural and stratigraphic potential of the Paradise structure, and gas shows in the Upper Laurel section drilled to date appear similar to those seen in Valhalla North-1 and Valhalla-2. The Yulleroo-3 well is an important appraisal of the extent and upside of the Yulleroo wet gas accumulation and will assist in determining whether it also has the characteristics of a BCGA.

These wells have been primarily aimed at quantifying and extending the size of accumulations identified by previous wells. Buru is now pleased to confirm that, subject to final joint venture approval, the next well to be drilled in the 2012 drilling program by Century Rig#7 will be the Ungani North-1 exploration well. This well will be drilled following completion of the deepening operations at Paradise-1 by Century Rig#7.<sup>1</sup>

#### **Ungani North-1**

Ungani North-1 is testing a large structural closure within the greater Ungani structural complex approximately six kilometres to the north of the Ungani Field.

The reservoir objective for Ungani North is the same Ungani Dolomite section that is oil bearing in the Ungani Field. The well will also test the deeper Nullara Formation which had good oil and gas shows, but poor reservoir development, in the Ungani Field wells.

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<sup>1</sup> All operations and their timing noted in this ASX release are indicative only. All operations are subject to weather and operational requirements and receipt of all necessary regulatory, joint venture and traditional owner approvals.

Buru estimates that the Ungani North structure has the potential to hold a mean recoverable volume of 30 million barrels of oil, if hydrocarbons are present. It is important to note that the Ungani North-1 well is located on an independent closure to the Ungani Field, and the success or otherwise of this well has no impact on the size or reserves of the Ungani Field. The well has a planned total depth of 3,000m and is expected to take 30 days to drill.

The Ungani North-1 well is located in exploration permit EP391. Buru and MC each currently hold a 50% interest in EP391.

### **Forward Program**

Buru is currently evaluating additional wells to be drilled in 2012 on completion of the Yulleroo-3 well with Ensign Rig #32, and the Paradise-1 and Ungani North-1 wells with Century Rig #7. The wells to be drilled will depend on the outcome of the currently planned wells, the interpretation of seismic planned to be acquired during 2012, and the timing and receipt of all relevant approvals.

Current candidates for further drilling (subject to joint venture and all other relevant approvals), include Asgard-1 to confirm the southeasterly extension of the Valhalla accumulation, Yulleroo-4 to further evaluate the Yulleroo Field, the Yakka Munga-1 and Jackaroo-1 exploration wells in the Ungani Oil Trend, Cyrene-1 to test a conventional shallow oil play and the Goldwyer Shale in the oil window, Emmanuel-1 to test the Gogo Shale unconventional oil and gas play, and Corner-1 to test both a conventional Grant/Anderson target and a potential hydrothermal dolomite anomaly on the Lennard Shelf. Two appraisal/production wells on the Ungani Field are also planned on completion of the Ungani 3D seismic survey. In addition, operational flexibility will be retained to enable drilling of immediate appraisal wells on any new discoveries made during 2012.

Having regard to weather constraints and operational lead times, it is now considered unlikely that the Acacia exploration wells will be drilled in 2012, but the forward planning and road construction operations for those wells will be commenced this year to allow them to be drilled early in the 2013 field season.

Commenting on the forward program, Buru's Executive Director, Eric Streitberg, said:

*"The drilling program so far in 2012 has been focussed on proving up our unconventional plays. We have been very successful in doing so, but it is now exciting to be pursuing a highly prospective conventional target. Ungani North has the potential to be a substantial oil field if we find oil there, and in the context of wildcat exploration you would have to consider this well to be relatively low risk. In addition, a discovery at Ungani North would be able to be developed in parallel with the development of the Ungani Field making it very attractive commercially. We are also progressing the planning for the forward program and have the potential to be drilling some very exciting wells to test a number of new plays later in 2012.*

*Our recent inclusion in the ASX 200 has been a great recognition of the value that has been added for shareholders, and together with the startup of oil production from Ungani, this is about as exciting as it gets in an oil and gas company."*

Further information on the Company is available at: [www.buruenergy.com](http://www.buruenergy.com)

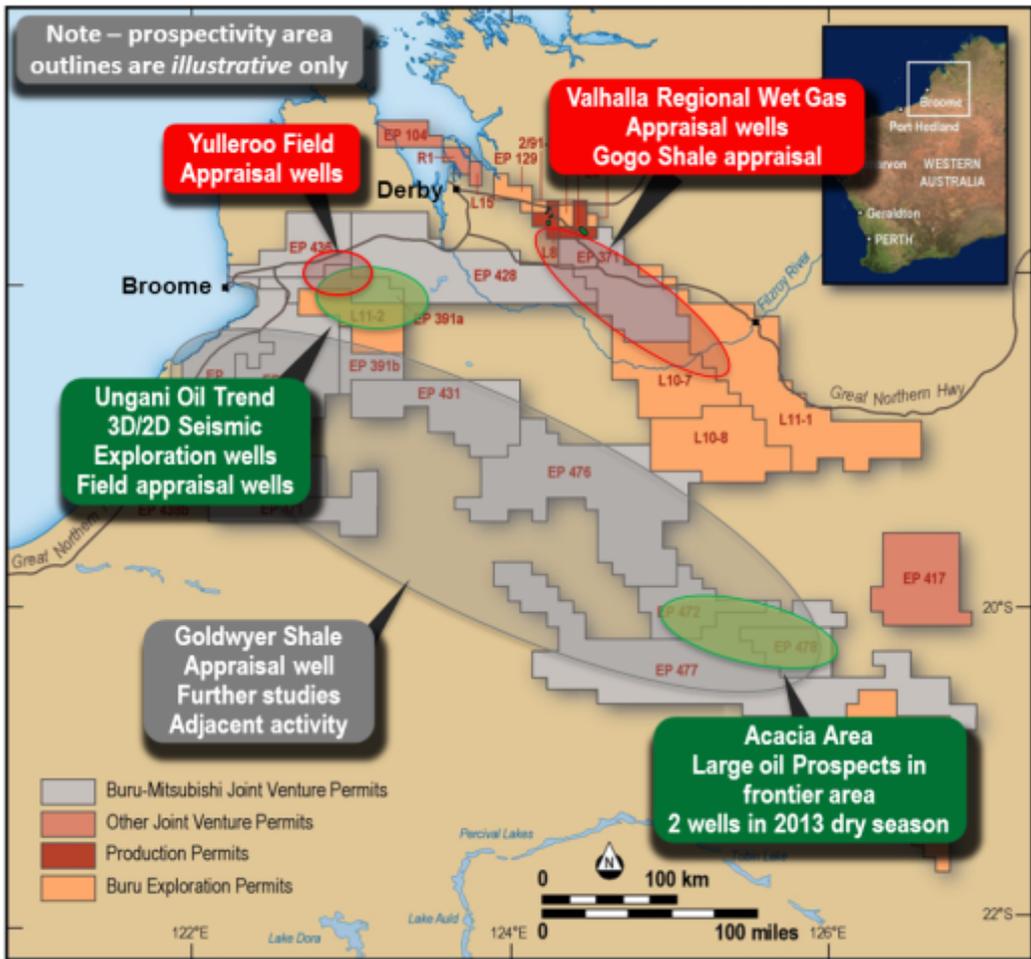
For inquiries please contact:

**Eric Streitberg Executive Director**

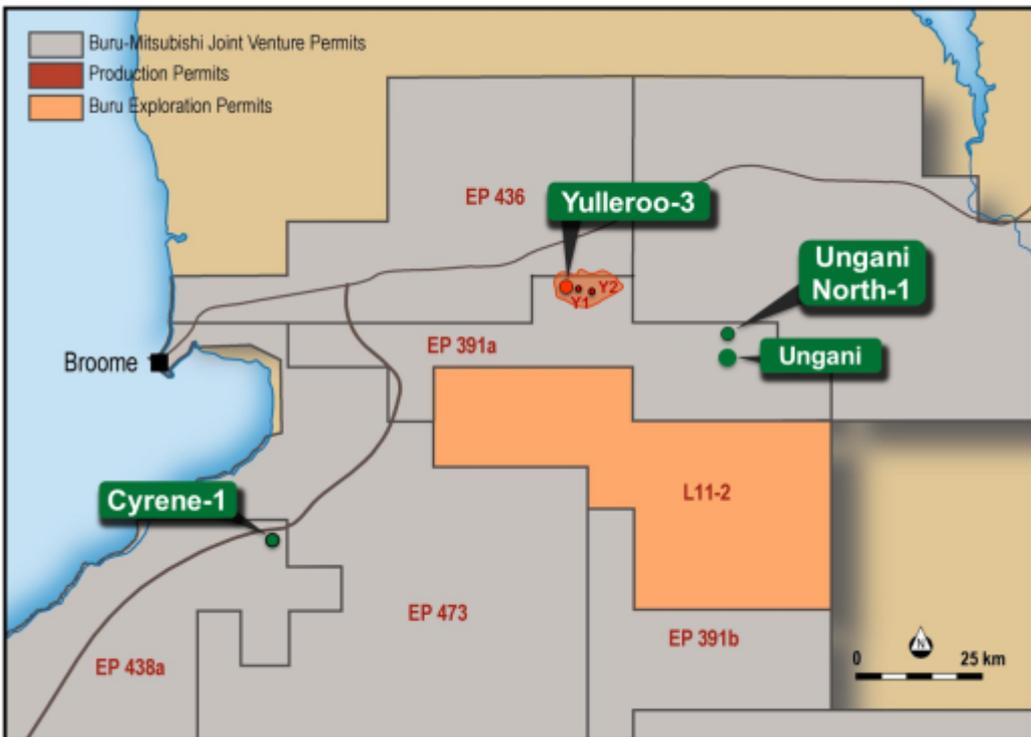
**Telephone: +61 8 9215 1800**

**Freecall: 1800 337 330**

**Email: [ericstreitberg@buruenergy.com](mailto:ericstreitberg@buruenergy.com)**



Canning Superbasin location of forward program operations



Canning Superbasin – Yulleroo/Ungani area