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ASX ANNOUNCEMENT (ASX: BRU) 1 March 2012

WEEKLY DRILLING PROGRESS REPORT VALHALLA NORTH-1

Buru Energy Limited (“**Buru**” or “**Company**”) provides the following weekly update on drilling operations at the Valhalla North-1 well as at 06:00hrs, 1 March 2012 (AWST).

The Valhalla North-1 well is the fifth well in the Buru – Mitsubishi Corporation (“**MC**”) Joint Exploration Program in the Canning Superbasin that commenced in June 2011. Buru and MC each have a 50% interest in the Valhalla North-1 well and in EP 371, with MC contributing 80% of the cost of the well under the terms of its farm-in agreement with Buru. The Valhalla North-1 well is being drilled by Ensign Rig #32.

Since the last progress report, the well has been conditioned for logging, including a wiper trip and progressive increases in mud weight to control gas influxes and control hole instability due to overpressure and cavings. Initial electric logs have then been obtained to a depth of 3033 metres. The hole from this depth to total depth will be logged using LWD tools on drill pipe due to unstable hole conditions. Preliminary analysis of logs obtained to date indicate similar gas bearing reservoir to Valhalla-2.

The forward program is to finalise acquisition of pressure data and fluid samples and then to log the remainder of the hole.

At the conclusion of the logging and evaluation program 7” casing will be run and the well suspended for evaluation as part of the ongoing program of delineation and evaluation of the Valhalla accumulation.

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further drilling progress report on 8 March 2012, subject to any material events occurring in the meantime.

Further information on the Company is available at: www.buruenergy.com

For inquiries please contact:

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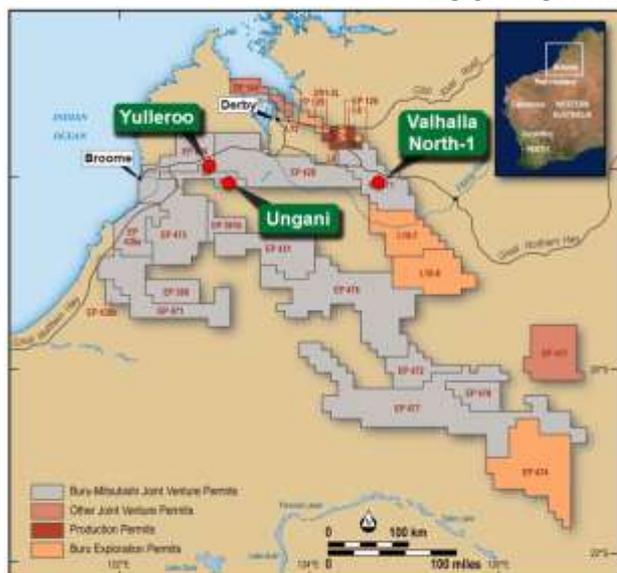
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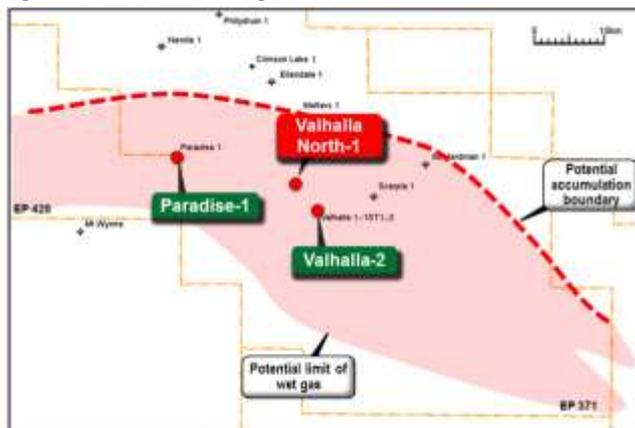
VALHALLA NORTH-1

PERMIT	The Valhalla North-1 well is located in exploration permit EP 371. Maps showing the location of the well are set out below.	
WELL LOCATION	18° 01' 32.8"S 124° 43' 47.1"E	8006107mS 683112mE
BURU'S INTEREST	Buru Energy Limited holds a 50% interest in the well	
DATE OF PROGRESS REPORT	06:00hrs, 1 March 2012 (AWST)	
PROPOSED TOTAL DEPTH	3,400 metres	
CURRENT DEPTH	3,356 metres	
SPUD DATE	17 January 2012	
DAYS SINCE SPUD	43 days	
TARGET FORMATION	The Valhalla North-1 well is targeting the Upper and Lower Laurel gas reservoirs.	
OPERATIONS SINCE LAST PROGRESS REPORT	Since the last progress report, the well has been conditioned for logging, including a wiper trip and progressive increases in mud weight to control gas influxes and increase hole stability due to overpressure and cavings. Initial electric logs have then been obtained to a depth of 3033 metres. The hole from this depth to total depth will be logged using LWD tools on drill pipe due to unstable hole conditions.	
HYDROCARBON INDICATIONS	Preliminary analysis of logs obtained to date indicate similar reservoir and gas saturations to Valhalla-2.	
FORWARD OPERATIONS	At the conclusion of the logging and evaluation program 7" casing will be run and the well suspended.	

LOCATION MAPS - VALHALLA NORTH-1



Valhalla North-1 regional location map



Valhalla Accumulation well locations