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## **ASX ANNOUNCEMENT (ASX: BRU)      24 May 2012**

### **Weekly Drilling Progress Report Paradise-1 Deepening**

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Buru Energy Limited (“**Buru**” or “**Company**”) provides the following weekly update on the deepening operations at the Paradise-1 well as at 06:00hrs, 24 May 2012 (AWST).

The Paradise-1 deepening operation is the second well in the Buru – Mitsubishi Corporation (“**MC**”) 2012 Joint Exploration Program. The Paradise-1 well is located in exploration permit EP 428 on the boundary with EP 371, some 200 kms southeast of Derby. Buru and MC each have a 50% interest in this well and in EP 428, with MC contributing 80% of the cost of the well under the terms of its farm-in agreement with Buru.

Since the last progress report, a cement squeeze job has been undertaken around the casing shoe prior to conducting a formation integrity test, and the well has now been drilled ahead in 6” hole to a measured depth of 1,876 metres in sandstones of the Anderson Formation. The well is currently drilling ahead to the first objective in the Upper Laurel Formation.

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further drilling progress report on 31 May 2012, subject to any material events occurring in the meantime.

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

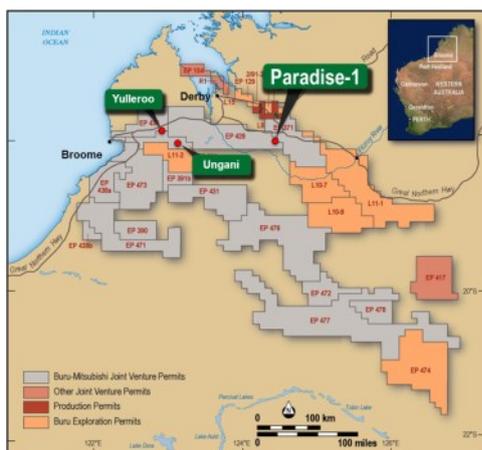
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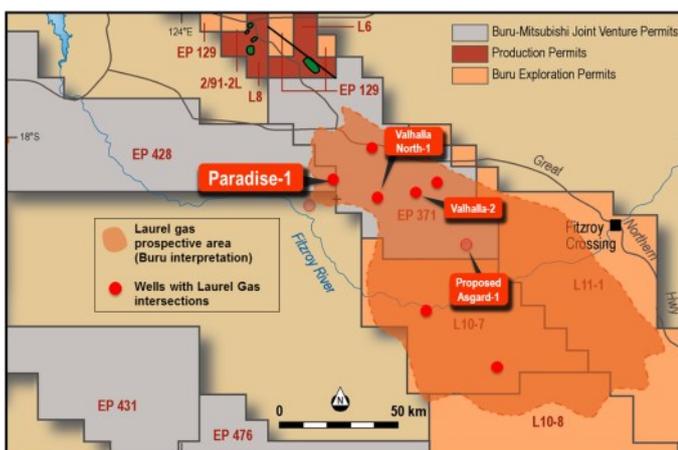
## PARADISE-1 DEEPENING

<b>PERMIT</b>	The Paradise-1 well is located in exploration permit EP 428 on the boundary with EP 371. Maps showing the location of the well are set out below.
<b>WELL LOCATION</b>	Latitude: 17° 59' 59.6" S      Easting: 666913m Longitude: 124° 34' 35.5" E      Northing: 8009115m
<b>BURU'S INTEREST</b>	Buru Energy Limited holds a 50% interest in the well
<b>DATE OF PROGRESS REPORT</b>	06:00hrs, 24 May 2012 (AWST)
<b>PROPOSED TOTAL DEPTH</b>	3,200m
<b>CURRENT DEPTH</b>	1,876m
<b>PROGNOSED TIME TO COMPLETION</b>	20 days
<b>SPUD DATE</b>	20 May 2012
<b>DAYS SINCE SPUD</b>	4 days
<b>CURRENT TARGET FORMATION</b>	The Paradise-1 well is targeting the Upper and Lower Laurel reservoirs
<b>OPERATIONS SINCE LAST PROGRESS REPORT</b>	A cement squeeze job has been undertaken around the casing shoe prior to conducting a formation integrity test, and the well has now been drilled ahead in 6" hole to a measured depth of 1,876 metres in sandstones of the Anderson Formation.
<b>HYDROCARBON INDICATIONS</b>	None. None expected.
<b>FORWARD OPERATIONS</b>	The well is currently drilling ahead to the first objective in the Upper Laurel Formation.

## LOCATION MAPS



Paradise-1 Regional location map



Paradise-1 Interpreted Valhalla Laurel Formation Accumulation