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ASX ANNOUNCEMENT (ASX: BRU) 23 June 2011

**WEEKLY DRILLING PROGRESS REPORT
VALHALLA-2**

Buru Energy Limited (“**Buru**” or “**Company**”) provides the following weekly update on drilling operations at the Valhalla-2 well as at 06:00hrs, 23 June 2011 (AWST).

The Valhalla-2 well is the first well in the Buru – Mitsubishi Corporation (“**MC**”) 2011 Joint Exploration Program. Buru and MC each have a 50% interest in this 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.

Since the last progress report, the Valhalla-2 well was drilled ahead to a measured depth of 1,696m (1,679.6m TVDRT). The secondary objective Anderson Sands and the first primary objective in the Upper Laurel gas sands are expected to be encountered during the next week. An open hole on bottom drill stem test (“**DST**”) is planned over the Upper Laurel sands to identify the flow potential of this zone. Following the DST, the well will be drilled ahead to a suitable casing seat at approximately 2,400m, and 9⁵/₈” casing will be run. The well will then be drilled ahead in 8¹/₂” hole to the prognosed TD of 3,400m.

Valhalla-2 is being drilled by Ensign Rig #32.

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further weekly drilling progress report on 30 June 2011 unless other material events occur.

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

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VALHALLA-2

PERMIT	The Valhalla-2 well is located in exploration permit EP 371. A map showing the location of the well is set out on the following page.
WELL LOCATION	18° 04' 04.13"S 8001416mS 124° 46' 04.2"E 687100mE
BURU'S INTEREST	Buru Energy Limited holds a 50% interest in the well.
DATE OF PROGRESS REPORT	06:00hrs, 23 June 2011 (AWST)
PROPOSED TOTAL DEPTH	3,400m
CURRENT DEPTH	1,696m MD, (1,679.6m TVDRT)
PROGNOSED TIME TO TOTAL DEPTH	35 days
SPUD DATE	6 June 2011
DAYS SINCE SPUD	17 days
CURRENT TARGET FORMATION	The Valhalla-2 well has two conventional targets: <ul style="list-style-type: none"> • the Upper and Lower Laurel gas reservoirs; and • the Anderson oil play. Valhalla-2 is also targeting the Lower Laurel unconventional gas reservoirs.
OPERATIONS SINCE LAST PROGRESS REPORT	Drilled ahead from 862m to 1,696m MD.
HYDROCARBON INDICATIONS	No significant shows (none expected).
FORWARD OPERATIONS	The secondary objective Anderson Sands and the first primary objective in the Upper Laurel gas sands are expected to be encountered during the next week. An open hole on bottom drill stem test (" DST ") is planned over the Upper Laurel sands to identify the flow potential of this zone. Following the DST, the well will be drilled ahead to a suitable casing seat at approximately 2,400m, and 9 ⁵ / ₈ " casing will be run. The well will then be drilled ahead in 8 ¹ / ₂ " hole to the prognosed TD of 3,400m.

