

ASX ANNOUNCEMENT (ASX: BRU) 23 February 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, 23 February 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, Valhalla North-1 has been drilled ahead in 8½” hole to a measured depth of 3,356 metres, and the current operation is pulling out of the hole to inspect the bit due to slow drill rate.

The top of the Lower Laurel Clastics section is interpreted to have been encountered at approximately 2,830 metres measured depth, where a significant increase in background gas occurred. Continued high levels of background gas have been observed over the whole of the Lower Laurel Clastics section with gas peaks up to 1,300 units in sand prone sections.

The section drilled to date has established that the gas shows in the Valhalla North-1 well are consistent with those observed in Valhalla-2, and extend over a similar interval of some 1,300 metres to the current depth and were continuing at that point. Consequently it has been agreed that the current depth will be the total depth of the well, and a full suite of wireline logs will now be run to evaluate the 8½” hole section.

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further drilling progress report on 1 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:

Eric Streitberg Executive Director

Telephone: +61 8 9215 1800

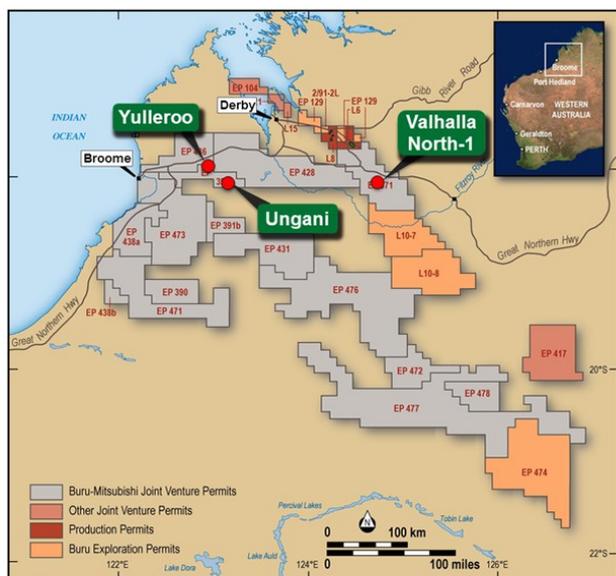
Freecall: 1800 337 330

Email: ericstreitberg@buruenergy.com

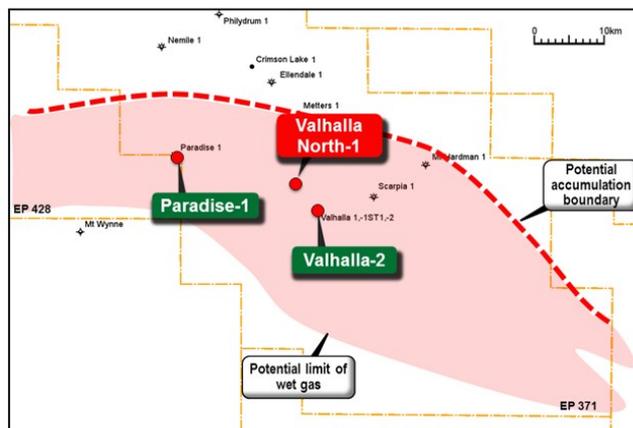
VALHALLA NORTH-1

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, 23 February 2012 (AWST)	
PROPOSED TOTAL DEPTH	3,400 metres	
CURRENT DEPTH	3,356 metres	
SPUD DATE	17 January 2012	
DAYS SINCE SPUD	37 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, Valhalla North-1 has been drilled ahead in 8½" hole to a measured depth at 06:00hrs today of 3,356 metres.	
HYDROCARBON INDICATIONS	The top of the Lower Laurel Clastics section is interpreted to have been encountered at approximately 2,830 metres measured depth, where a significant increase in background gas occurred. Continued high levels of background gas have been observed over the whole of the Lower Laurel Clastics section with gas peaks up to 1,300 units in sand prone sections.	
FORWARD OPERATIONS	A full suite of wireline logs will now be run to evaluate the 8½" hole section.	

LOCATION MAPS - VALHALLA NORTH-1



Valhalla North-1 regional location map



Valhalla Accumulation well locations