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## **ASX ANNOUNCEMENT (ASX: BRU)      11 July 2011**

### **PROGRESS REPORT VALHALLA-2 OPERATIONS**

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Buru Energy Limited (“**Buru**” or “**Company**”) provides the following update on drilling operations at the Valhalla-2 well as at 06:00hrs, 11 July 2011 (AWST).

Since the last progress report, an open hole, on bottom drill stem test (“**DST**”) has been undertaken to ascertain the flow potential of the Upper Laurel gas sands. The test was conducted over the open hole interval from 2,002m (9<sup>5</sup>/<sub>8</sub>” casing shoe) to the current hole depth of 2,200m, with the packer set inside the 9<sup>5</sup>/<sub>8</sub>” casing at 1,987m.

The test was mechanically successful, but the reservoir proved to be tight and no significant gas flow was obtained. The data obtained, together with the electric log and pressure data to be obtained at the end of the well, will form part of the evaluation of the suitability of these sands for future hydraulic stimulation.

The well is now being drilled ahead to the next primary objective of the Lower Laurel gas sands, and the interbedded shale sections, which were interpreted as being gas saturated in the original Valhalla-1ST1 well, and these sections will be evaluated for their conventional and unconventional potential.

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 drilling progress report on 14 July 2011.

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

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