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## **ASX ANNOUNCEMENT (ASX: BRU)      6 December 2010** **DRILLING PROGRESS REPORT - PARADISE-1**

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Buru Energy Limited ("Buru" or "Company") provides the following update on drilling operations at the Paradise-1 well as at 06:00 hrs, 6 December 2010 (AWST).

Paradise-1 is the third exploration well to be drilled in Buru's 2010 Canning Superbasin drilling program, and the first in the Joint Exploration Program with Mitsubishi Corporation ("MC"). The well is located in exploration permit EP 428, on the boundary with EP 371. Following MC's decision to participate in Buru's 2011 exploration program, each of Buru and Mitsubishi hold a 50% interest in the well and in EP 428 and EP 371.

Since the last report on 2 December four attempts have been made to run an open hole, off bottom drill stem test ("DST"), to identify the formation fluids and flow potential of the interpreted oil pay zone.

All of these attempts have failed due to a loss of packer seal, although on each attempt, the tools were fully or partially coated with oil when they were recovered. The current operation is reviewing the mechanical integrity of the DST tools and conducting a BOP test, prior to a decision to attempt another DST, or to take fluid and pressure samples with a Formation Evaluation Tool ("FET"), or to undertake a test with inflate packers, the equipment for which is currently being mobilised to site.

Forward operations at the well will be to complete the DST and/or FET and then run and cement 7 inch casing and suspend the well, due to the imminent onset of the wet season.

This release and further information on the company is available at: [www.buruenergy.com](http://www.buruenergy.com)

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## PARADISE-1

<b>PERMIT</b>	The Paradise-1 well is located in exploration permit EP 428, on the boundary with EP 371. A map showing the location of the well is set out below.
<b>WELL LOCATION</b>	17° 59' 59.6" S 124° 34' 35.5" E
<b>JOINT VENTURE INTEREST</b>	Buru and MC each hold a 50% interest in the well and in EP 428 and EP 371.
<b>DATE OF PROGRESS REPORT</b>	06:00 hrs, 6 December 2010 (AWST)
<b>CURRENT DEPTH (06:00 hours)</b>	1,700 metres
<b>PROGNOSSED TIME TO TOTAL DEPTH</b>	38 days
<b>SPUD DATE</b>	18 October 2010
<b>DAYS SINCE SPUD</b>	49 days
<b>OPERATIONS SINCE LAST PROGRESS REPORT</b>	Since the last report on 2 December four attempts have been made to run an open hole, off bottom drill stem test ("DST"), to identify the formation fluids and flow potential of the interpreted oil pay zone. All of these attempts have failed due to a loss of packer seal, although on each attempt, the tools were fully or partially coated with oil when they were recovered. The current operation is reviewing the mechanical integrity of the DST tools and conducting a BOP test, prior to a decision to attempt another DST, or to take fluid and pressure samples with a Formation Evaluation Tool ("FET"), or to undertake a test with inflate packers, the equipment for which is currently being mobilised to site.
<b>HYDROCARBON INDICATIONS</b>	DST tools fully or partially coated with oil
<b>FORWARD OPERATIONS</b>	Forward operations at the well will be to complete the DST and/or FET and then run and cement 7 inch casing and suspend the well, due to the imminent onset of the wet season.

### PARADISE-1 LOCATION MAP

