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## ASX ANNOUNCEMENT (ASX: BRU) 30 June 2010

### Commencement of Second Well in 2010 Drilling Campaign

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Buru Energy Limited (“**Buru**” or “**Company**”) is pleased to announce that the Company’s Fairway Rig is currently completing rig-up at the Leander-1 well site in preparation for the commencement of drilling operations. Further details are set out in the attached presentation.

In summary:

- the Company’s Fairway Rig has been mobilised from the Fairwell-1 well site to the Leander-1 well site;
- Leander-1 is the second well to be drilled in the Company’s proposed six well 2010 drilling campaign and is located in Production Licence L8 in an area covered by the Bunda 3D seismic survey, approximately 70km east of Derby;
- Buru holds a 100% interest in Production Licence L8 and the Leander-1 well. The well does not form part of the recently announced farm-out to Mitsubishi Corporation (“**Mitsubishi**”);<sup>1</sup>
- the primary objective of Leander-1 is the sands of the Anderson Formation in a structure with the potential to hold approximately 1 million barrels of oil on a P50 basis if hydrocarbons are present;
- the Anderson Formation currently produces oil in the nearby Lloyd Oilfield and holds previously identified potentially commercial oil accumulations in the existing Boundary and Sundown wells;
- secondary objectives in the well include carbonates of the Yellow Drum Formation and the Nullara Limestone; and
- drilling is expected to commence in the week of 5 July 2010, with the well taking approximately 20 days to reach the primary objective and a total of 35 days to drill on a dry hole basis.<sup>2</sup>

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<sup>1</sup> Mitsubishi has an option to acquire a 50% interest in each of Buru’s 100% owned L6, L8 and EP129 permits at a price to be determined by an independent valuer based on 2P reserves.

<sup>2</sup> All drilling dates in this ASX release are indicative only. Commencement and timing of drilling operations is subject to weather and operational requirements.

Buru will advise the ASX when drilling operations have commenced on the Leander-1 well. During the course of drilling operations, drilling progress reports will be provided to the ASX each Thursday afternoon and as required on the occurrence of any material event during drilling operations.

**Executive Director's Comments**

Commenting on the Leander-1 well, Eric Streitberg, the Company's Executive Director said:

*“Leander-1 is an exciting well for Buru. Although the P50 target is a relatively modest 1 million barrels, the well is located in the heart of our existing fields, and in the middle of the Bunda 3D seismic survey. This makes the well, in exploration terms, relatively low risk. Significantly for Buru, a discovery of as little as 200,000 barrels would be able to be immediately commercialised using our existing field facilities and would significantly enhance our understanding and the prospectivity of our existing fields. Importantly, Leander-1 is geologically distinct from Fairwell-1 so, although we were disappointed by the results of Fairwell-1, it has not diminished the prospectivity of Leander-1.*

*The well is operationally straight forward and we will be using the Fairway Rig to drill it. The very successful operational performance of the Fairway Rig on Fairwell-1 gives us confidence that Leander-1 will be able to be drilled on schedule and on budget. Leander-1 is an integral part of our strategy of building incremental production from low cost and relatively low risk wells to provide cash flow to fund an ongoing exploration campaign targeting bigger prospects over a number of years.”*

Further information on the company is available on the Buru website at:

[www.buruenergy.com](http://www.buruenergy.com)

**For inquiries please contact:**

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Yours faithfully



**ERIC STREITBERG**  
Executive Director

**Leander-1 - Second Well in 2010 Drilling Campaign**

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June 2010

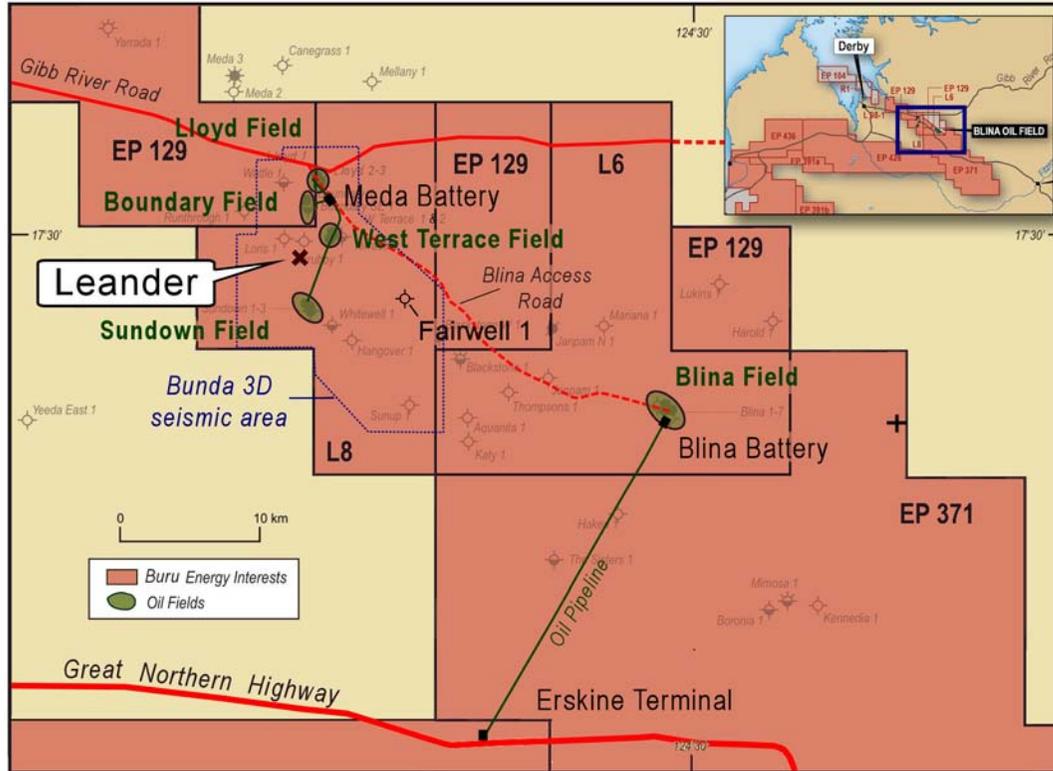


## Leander-1 to commence drilling shortly

The Fairway Rig is currently being rigged-up at the Leander-1 well site:

- Leander-1 is the second well to be drilled in Buru's 2010 drilling campaign
- The primary objective of Leander-1 is the sands of the Anderson Formation in a structure with the potential to hold approximately 1 million barrels of recoverable oil on a P50 basis, if hydrocarbons are present
- Drilling is expected to commence in the week of 5 July 2010, subject to operational requirements
- Leander-1 is expected to take approximately 20 days to reach the primary objective and a total of approximately 35 days to drill

## Location of Leander-1

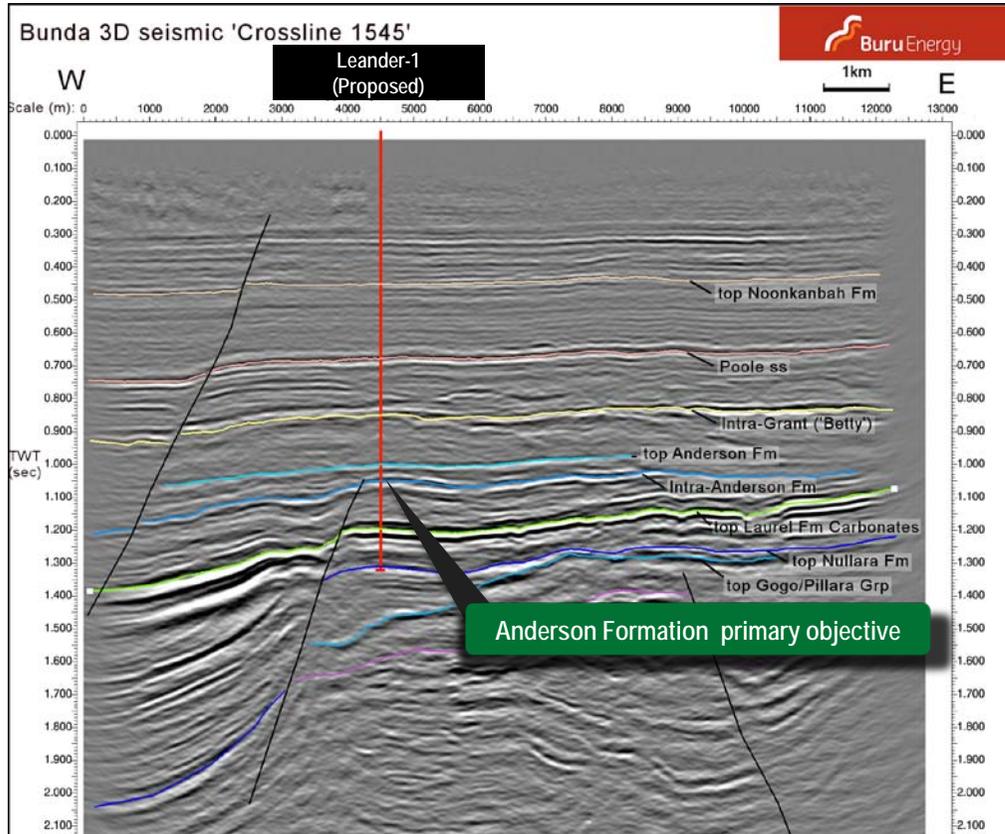


Leander-1 location

**Located close to existing infrastructure allowing quick and cost effective commercialisation of any discovery**

- Leander-1 is located in Production Licence L8, approximately:
  - 4 km from the Sundown oil field and 8 km from the associated Meda production facilities
  - 30 km from the Blina oil field and adjacent Blina production facilities
  - 70 km from Derby and 222 km from Broome
- Buru has a 100% interest in the L8 permit
- Leander-1 is located within the area covered by the 2009 Bunda 3D seismic survey
- In the event of a discovery Leander-1 could be quickly brought into production through a tie back to the existing Meda production and storage facility with oil being trucked to Perth
- A more material discovery could be produced over the longer term through the Meda and Blina facilities with oil being trucked to Broome for shipping to Perth or Singapore

# Geological Overview of Leander-1

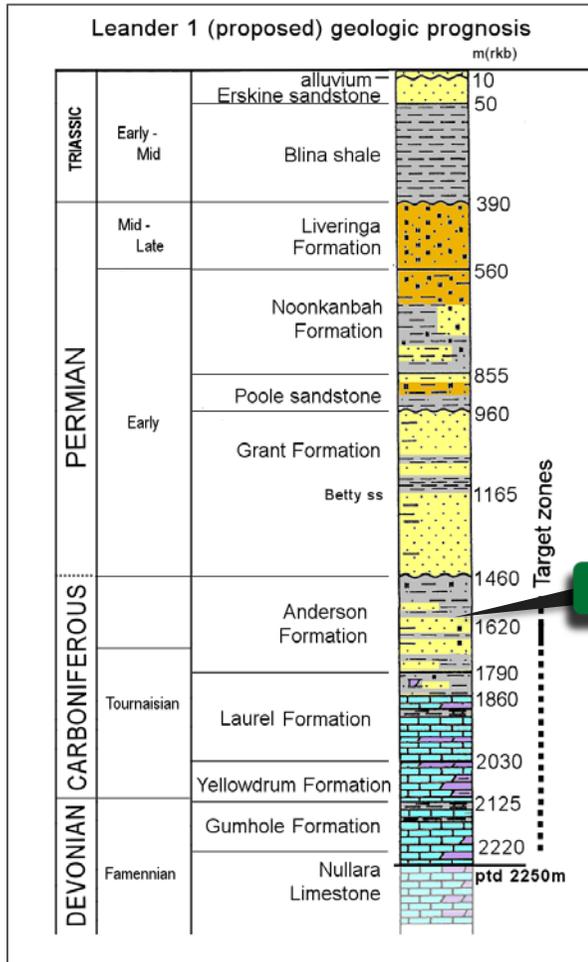


Leander-1 seismic line showing structure to be tested

**Testing a structure with the potential for approximately 1 million barrels of recoverable oil on a P50 basis if hydrocarbons are present**

- The Leander-1 well is testing a structure identified by the 2009 Bunda 3D seismic survey
- The structure has the potential to hold approximately 1 million barrels of recoverable oil on a P50 basis
- The primary objective of the well is oil in the Anderson Formation sands
- The Anderson Formation sands are productive in the nearby Lloyd Oilfield and hold previously identified potentially commercial oil accumulations in the existing Boundary and Sundown wells
- Secondary objectives are also present in the Yellow Drum Formation and the Nullara Limestone
- Despite their proximity, Fairwell-1 and Leander-1 are geologically independent of each other. The recent disappointing result at Fairwell-1 has no impact on the prospectivity of Leander-1

# Leander-1 Well Program



Leander-1 geological prognosis

## A deeper well with total drilling time of 35 days expected

- The Leander-1 well will be drilled by the Fairway Rig
- The primary objective is expected to be reached in approximately 20 days
- The total time taken to drill the well on a dry hole basis is expected to be 35 days. This takes into account the penetration rates experienced during the drilling of the Fairwell-1 well
- In the event that hydrocarbons are present in Fairwell-1, drill stem tests will be carried out when the objective section is penetrated, the well will be cased for completion and options for flow testing the well in the near term will be evaluated
- The use of Buru's existing production infrastructure for a discovery at Leander-1 means that the minimum economic field size on a full cycle basis is less than 200,000 barrels and the minimum well production rate to justify a completion is some 50 barrels of oil per day (at current oil prices)
- Following completion of the Leander-1 well the Fairway Rig will be released and mobilised to the Paradise-1 well site

# Indicative Forward Drilling Program

	May	June	July	August	September	October	November	December
Fairwell-1	Completed Well	Completed Well						
Leander-1			Confirmed Well	Confirmed Well				
Paradise-1				Confirmed Well	Confirmed Well			
Proposed Well-1						Proposed Well		
Proposed Well-2							Proposed Well	
Proposed Well-3								Proposed Well

-  Completed Well
-  Confirmed Well
-  Proposed Well
-  Rig Move

These are indicative drilling dates only. Commencement and timing of drilling operations is subject to weather and operational requirements.



Drilling operations on the Fairway Rig

## Leander-1 is the second well in a proposed six well program during 2010

- The Leander-1 well will be followed by the Paradise-1 well
- Buru is working with its joint venture partner, Mitsubishi, to finalise the remaining wells to be drilled during 2010
- Up to three additional wells are currently under review for drilling in 2010, subject to regulatory, Traditional Owner and JV approvals and operational and weather constraints
- Further details of the remaining wells to be drilled will be provided as the program is finalised with Mitsubishi

## Leander-1 to commence drilling shortly

The Fairway Rig is currently being rigged-up at the Leander-1 well site:

- Leander-1 is the second well to be drilled in Buru's 2010 drilling campaign
- The primary objective of Leander-1 is the sands of the Anderson Formation in a structure with the potential to hold approximately 1 million barrels of recoverable oil on a P50 basis, if hydrocarbons are present
- Drilling is expected to commence in the week of 5 July 2010, subject to operational requirements
- Leander-1 is expected to take approximately 20 days to reach the primary objective and a total of approximately 35 days to drill