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## **ASX ANNOUNCEMENT (ASX: BRU)      15 November 2010**

### **Progress report 5 Yulleroo-2 Stimulation – Results to Date and Forward Program**

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Buru Energy Limited (“**Buru**” or “**Company**”) provides the following update on the progress of the stimulation and testing program for the Yulleroo-2 well.

Since the last progress report on 11 November the forward program set out in that report has been substantially completed.

The various pressure, temperature and flow measurement logging runs in the well have been completed and the results of these will be interpreted in the coming week.

During these operations a stabilised flow rate was not able to be obtained, but the rate of pressure buildup when the well is shut in has been steadily increasing, indicating the well is continuing to clean up. The well has also been flowed through a separator to obtain samples to determine the liquids ratio in the gas, and the results of this should be available in the next few days. Field gas sample analysis indicates the gas is “sweet” with very low CO<sub>2</sub> content and nil H<sub>2</sub>S content.

The various flow tests have also indicated that the well is experiencing water influx, most probably from the top perforated zone, and this is contributing to the inability to establish a stable flow rate. This influx could have a variety of causes, including the proximity of a fault, but further analysis is required to confirm which zone is contributing the water. This is not an unusual result in these circumstances and can be dealt with by a variety of techniques including a reconfiguration of the downhole completion.

The very large amount of data that has been generated by the stimulation program and the flow tests must now be carefully analysed to determine the future course of action to determine the ultimate potential of the well.

Commenting on the Yulleroo-2 program, Buru’s Executive Director, Eric Streitberg said:

*“The results of the Yulleroo-2 program to date have been highly encouraging. We have demonstrated that we are able to efficiently and effectively carry out a large and complex stimulation program in a remote environment. We have confirmed that we have a very significant gas column that will flow gas at potentially commercial rates with the right stimulation program and well configuration. We have also gathered the data we need to continue on an optimised path to commercialisation.”*

*Our experience on previous projects such as these tells us that it can take several attempts to get the combination of the stimulation program and the well configurations right, but that the first steps are proving that the resource is there, that the reservoir can be stimulated effectively, and that the operations can be carried out safely and cost effectively. We believe we have successfully taken these first steps and look forward to learning from the data and getting the project further along the path to commercialisation.”*

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

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Yours faithfully



**ERIC STREITBERG**  
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