



Buru Energy Limited
ABN 71 130 651 437
Level 2, 97 William Street
Perth, Western Australia 6000
PO Box 7794, Perth
Cloisters Square WA 6850
Ph: 61-8 9215 1800
Fax: 61-8 9215 1899
www.buruenergy.com

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DRILLING PROGRESS REPORT LAWFORD-1 DEEPENING

Buru Energy Limited ("**Buru**" or "**Company**") provides the following weekly update on drilling operations at the Lawford-1 well as at 06:00hrs, 24 October 2011 (AWST).

The Lawford-1 well is located in EP 417. Buru has a 35% non-operating interest in this permit. New Standard Onshore Pty Ltd (a wholly owned subsidiary of New Standard Energy Ltd) ("**New Standard**") is operator of EP 417 and has the remaining 65% interest. Buru is the operator for the deepening of the well for the EP 417 joint venture under a delegation agreement with New Standard. Green Rock Energy Limited has a right to earn up to 20% from New Standard's interest.

Since the last progress report, the well has been drilled ahead in 6" hole to a measured depth of 2,690 metres. The well has been drilling in claystones and red beds of what is interpreted to be the Lower Anderson Formation. No distinctive geological or geophysical markers have been encountered, and the depth to the top of the Laurel Formation cannot be estimated with any certainty at this time.

The well has also encountered slow drilling due to very hard and abrasive formations, and this, combined with the geological uncertainty, the lack of significant hydrocarbon shows, and the encroaching wet season, has led the joint venture to the decision to agree that the total depth of the well will be the current depth of 2,690 metres, and drilling operations will now be completed. The well will now be logged and either suspended or plugged and abandoned, and the rig released to Buru. The rig will then be mobilized by Buru to undertake deepening operations at the Paradise-1 well.

Commenting on the results to date Buru's Executive Director, Mr Eric Streitberg, said:

"While it is disappointing that the joint venture has not been able to reach the Laurel Formation in this well, we have learnt valuable lessons about the regional geology. From Buru's perspective, this well sits considerably outside our core areas of interest and prospectivity. We are now looking forward to deepening the Paradise-1 well, which we consider has the potential for significant conventional and unconventional gas resources in the Laurel Formation that was gas bearing in the Valhalla-2 well we drilled earlier this year, some 22 kilometres away from the Paradise-1 well."

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