

**ASX ANNOUNCEMENT (ASX: BRU) 16 February 2012**

**WEEKLY DRILLING PROGRESS REPORT  
VALHALLA NORTH-1**

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Buru Energy Limited (“**Buru**” or “**Company**”) provides the following weekly update on drilling operations at the Valhalla North-1 well as at 06:00hrs, 16 February 2012 (AWST).

The Valhalla North-1 well is the fifth well in the Buru – Mitsubishi Corporation (“**MC**”) Joint Exploration Program in the Canning Superbasin that commenced in June 2011. Buru and MC each have a 50% interest in the Valhalla North-1 well and in EP 371, with MC contributing 80% of the cost of the well under the terms of its farm-in agreement with Buru. The Valhalla North-1 well is being drilled by Ensign Rig #32 to a planned total depth of 3,400 metres. It is expected to take 38 days to drill on a cased and completed basis.<sup>1</sup>

Since the last progress report, Valhalla North-1 has been drilled ahead in 8½” hole to a measured depth at 06:00hrs of 2,953 metres.

After drilling out the 9⅝” casing shoe at 2,035 metres measured depth, background gas increased to some 10 units with peaks up to 500 units through the Upper Laurel Clastic section. The Upper Laurel Carbonate section was encountered at approximately 2,585 metres measured depth with continued high background gas and gas peaks. Below 2,829 metres background gas has increased to over 400 units with gas peaks in excess of 4,000 units. The mud weight has now been increased in response to these gas influxes.

These gas indications are similar to those encountered in the Valhalla-2 well.

The well will now be drilled ahead to the proposed total depth of 3,400m through the Lower Laurel Clastic objective section. A full suite of wireline logs will then be run to evaluate the 8½” hole section.

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further drilling progress report on 23 February 2012, subject to any material events occurring in the meantime.

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

**For inquiries please contact:**  
**Eric Streitberg Executive Director**  
**Telephone: +61 8 9215 1800**  
**Freecall: 1800 337 330**  
**Email: [ericstreitberg@buruenergy.com](mailto:ericstreitberg@buruenergy.com)**

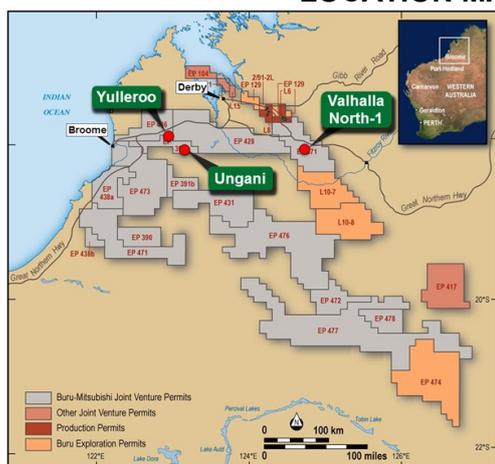
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<sup>1</sup> Drilling dates and times in this ASX release are indicative only. The timing of drilling operations is subject to weather and operational factors.

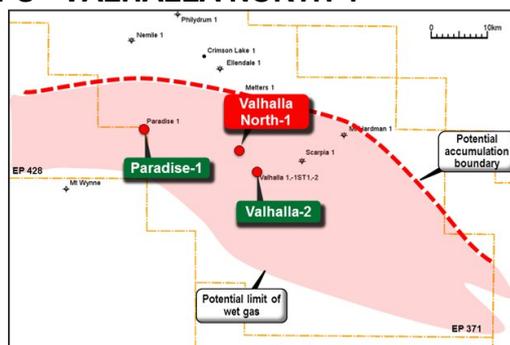
## VALHALLA NORTH-1

<b>PERMIT</b>	The Valhalla North-1 well is located in exploration permit EP 371. Maps showing the location of the well are set out below.	
<b>WELL LOCATION</b>	18° 01' 32.8"S 124° 43' 47.1"E	8006107mS 683112mE
<b>BURU'S INTEREST</b>	Buru Energy Limited holds a 50% interest in the well	
<b>DATE OF PROGRESS REPORT</b>	06:00hrs, 16 February 2012 (AWST)	
<b>PROPOSED TOTAL DEPTH</b>	3,400m	
<b>CURRENT DEPTH</b>	2,953 metres	
<b>PROGNOSED TOTAL DAYS TO DRILL</b>	38 days	
<b>SPUD DATE</b>	17 January 2012	
<b>DAYS SINCE SPUD</b>	30 days	
<b>TARGET FORMATION</b>	The Valhalla North-1 well is targeting the Upper and Lower Laurel gas reservoirs	
<b>OPERATIONS SINCE LAST PROGRESS REPORT</b>	Since the last progress report, Valhalla North-1 has been drilled ahead in 8½" hole to a measured depth at 06:00hrs today of 2,953m.	
<b>HYDROCARBON INDICATIONS</b>	After drilling out the 9½" casing shoe at 2,035 metres measured depth, background gas increased to some 10 units with peaks up to 500 units through the Upper Laurel Clastic section. The Upper Laurel Carbonate section was encountered at approximately 2,585 metres measured depth with continued high background gas and gas peaks. Below 2,829 metres background gas has increased to over 400 units with gas peaks in excess of 4,000 units. The mud weight has now been increased in response to these gas influxes.	
<b>FORWARD OPERATIONS</b>	The well will now be drilled ahead to the proposed total depth of 3,400m through the Lower Laurel Clastic objective section. A full suite of wireline logs will then be run to evaluate the 8½" hole section.	

### LOCATION MAPS - VALHALLA NORTH-1



Valhalla North-1 regional location map



Valhalla Accumulation well locations