

## ASX ANNOUNCEMENT (ASX: BRU) 13 April 2010

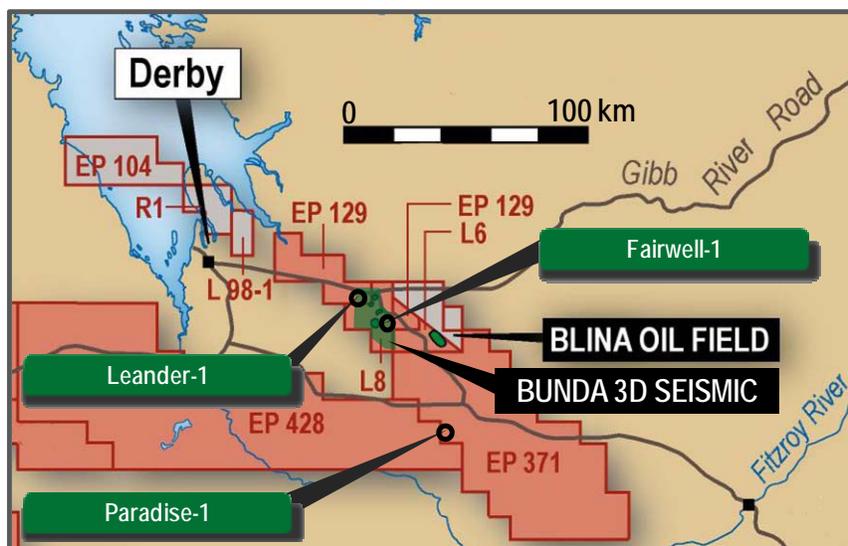
### Commencement of 2010 Canning Basin Exploration Program

Buru Energy Limited (“**Buru**” or “**Company**”) is pleased to announce that it expects to commence drilling the first well in its 2010 Canning Basin exploration drilling campaign in the week commencing 10 May 2010<sup>1</sup>. The Company is also pleased to announce that it has engaged Terrex Seismic to conduct the Yulleroo South and Pijalinga 2D seismic surveys in the second half of 2010.

#### Commencement of Drilling Campaign

The first three wells of the Company’s six well 2010 drilling campaign have now been confirmed after extensive technical review. The first two wells, Leander-1 and Fairwell-1 are located in the area covered by the 2009 Bunda 3D seismic survey. The third well, Paradise-1 has been confirmed by the 2009 Paradise 2D seismic survey.

Leander-1 and Fairwell-1 are targeting similar prospects to the producing fields in the Sundown / Blina oil field area. Paradise-1 is targeting a large structure with the potential to hold significant volumes of oil, gas and condensate. Paradise-1 will also provide significant information on the emerging shale and tight gas plays in the Canning Basin. The indicative location of these wells is shown in the map below.



<sup>1</sup> All drilling dates in this ASX release are indicative only. Commencement of drilling operations is subject to weather and operational requirements and receipt of final regulatory approvals.

The following table sets out further details of the first three confirmed wells for the 2010 drilling campaign.

	Leander-1	Fairwell-1	Paradise-1
<b>Location</b>	Production License L8. Close to the existing West Terrace oil field.	Production Licence L8.	Exploration Permit EP371, on the boundary with EP428. Located in the southern part of the Lennard Shelf Province.
<b>Buru Interest</b>	100%	100%	100%
<b>Total Depth</b>	2,250m	1,250m	2,500m
<b>Days to Drill*</b>	22	15	32
<b>Target Formation</b>	Anderson Formation sands. These sands are productive in the Lloyd oil field and hold potentially commercial oil accumulations in the existing Boundary and Sundown wells.	Upper Grant formation sands on a large regional high. Closure for this prospect was defined by the Bunda 3D seismic survey.	Anderson and Laurel Formations in a large regional structure with the potential to hold significant volumes of oil, gas and condensate in a series of stacked reservoirs. These sands contained numerous untested oil and gas zones in the Valhalla-1 well drilled by ARC Energy in 2007. It is also intended to core the shales of the Anderson and Laurel Formations to provide information on the potential for the shale gas and tight gas plays which have been identified in these formations on much of Buru's acreage.

*\*Approximate days to drill to the target depth and plug and abandon the well on a dry hole basis. Additional time will be required for well completions in the case of a discovery, rig-up, rig-down, moves between well locations and crew changeover.*

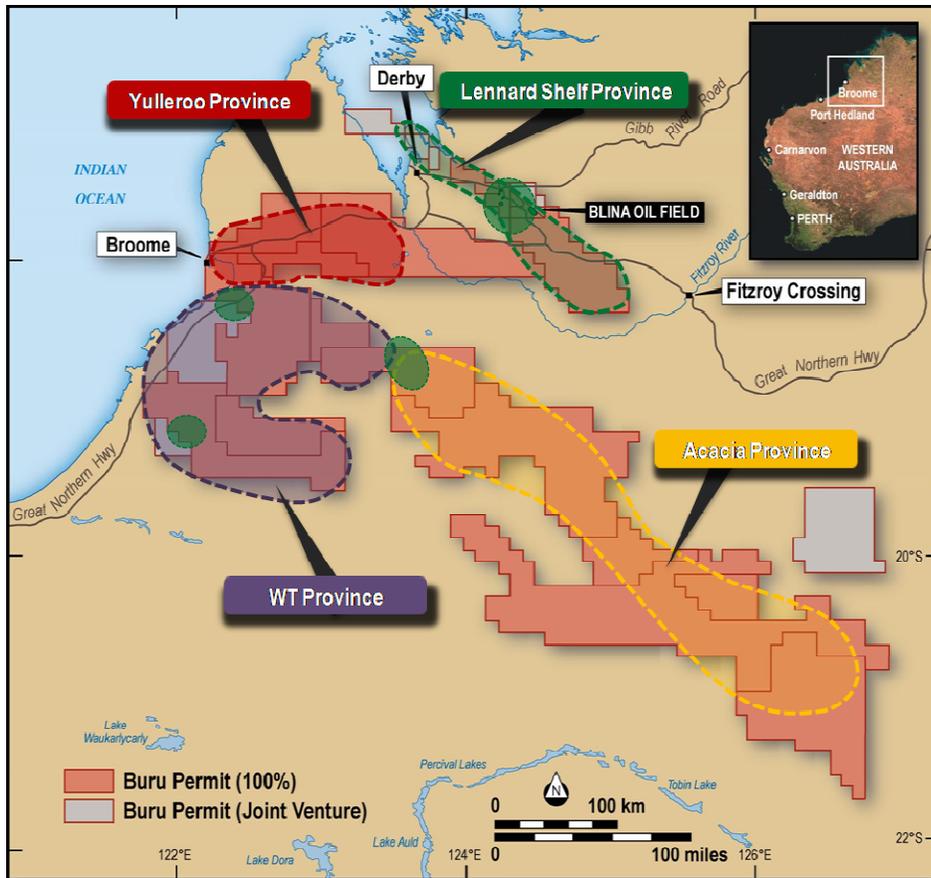
The first well to be drilled in the 2010 drilling campaign will be either Leander-1 or Fairwell-1, depending on the timing of construction of access roads and drill sites. A final decision on the order of the first two wells will be made in the coming weeks. Paradise-1 will be the third well drilled in this initial stage of the 2010 drilling campaign.

### **Additional Wells in 2010 Drilling Campaign**

The Company is at various stages of technical assessment and traditional owner, joint venture and regulatory approval for up to three additional wells for inclusion in the 2010 drilling campaign. To be included in Buru's 2010 drilling campaign a prospect must:

- have a proven hydrocarbon system;
- be technically robust;
- have the potential for early monetisation; and
- have identified follow-on wells in the event of a discovery.

Buru is focussing on identifying prospects in the WT Province and northern Acacia Province together with additional prospects in the Lennard Shelf Province (indicated in green in the map below) for drilling as part of the 2010 drilling campaign.



Details of the additional wells in the 2010 drilling campaign will be released as each well is confirmed for drilling. The number of wells and their timing will depend on completion of the technical assessment of prospects, receipt of the required regulatory and traditional owner approvals, the timing of the initial wells in the 2010 drilling campaign and the timing of the commencement of the 2010 wet season in the Canning Basin.

### **Mobilisation of the Fairway Rig**

Each of the wells in the 2010 drilling campaign will be drilled using the Company's Fairway Rig. The Company has undertaken a comprehensive refurbishment of the Fairway Rig to enable it to drill wells to a depth of 2,500m. This depth is sufficient for all committed and proposed wells in the 2010 drilling campaign. The refurbishment has been carried out under the supervision of the Company's Drilling Manager at the Geraldton premises of Geraldton Engineering. The refurbishment is now substantially complete and the Fairway Rig will be mobilised to the Canning Basin in the week commencing 3 May 2010. Drilling of the first well is planned to commence in the week of 10 May 2010.

## **2010 Seismic Campaign**

The Company is proposing to undertake two 2D seismic surveys during the 2010 field season:

- **Yulleroo South 2D Seismic Survey** - approximately 347 line kilometres to be acquired in the Yulleroo Province. This survey is designed to further delineate the extent of the Yulleroo Province and to identify the potential for follow-up wells to Yulleroo-1 and Yulleroo-2 for drilling in the 2011 drilling season.
- **Pijalinga 2D Seismic Survey** – approximately 408 line kilometres to be acquired in the southeastern part of the Acacia Province. This survey will be amongst the first modern seismic surveys conducted in the southeast part of the Acacia Province and will greatly enhance the geological understanding of the region and the prospect identification process. The results of this survey will be an important part of identifying prospects for drilling in the 2011 drilling campaign. The Pijalinga 2D Seismic Survey was previously known as the Pijalinga/Hope 2D Seismic Survey.

The Company has appointed Terrex Seismic to conduct its 2010 seismic surveys. Terrex Seismic successfully conducted the Paradise 2D and Bunda 3D Seismic Surveys during 2009 on time and on budget.

Subject to receipt of all necessary approvals, it is proposed to commence the Yulleroo 2D Seismic Survey in mid to late July with the Pijalinga 2D Seismic Survey to follow.

## **Executive Director's Comments**

Commenting on the 2010 exploration program, Eric Streitberg, the Company's Executive Director said:

*"The commencement of drilling is the culmination of an enormous amount of hard work by the Buru team over the last year. Corporately, we have put in place the internal structures and people to manage the complex job of drilling six wells with our own rig and simultaneously undertaking two extensive seismic acquisition campaigns in 2010, without losing focus on the need to maintain a small, cost effective organisation that can deliver projects safely and on budget. Operationally, we have rebuilt our own rig and built a highly experienced drilling operations team from scratch.*

*Most importantly, we have conducted a technical prospect review process of the highest standard. Each of the three committed wells is testing a technically robust prospect with the potential to provide material upside to the Company. Although the Leander-1 and Fairwell-1 prospects are targeting comparatively modest hydrocarbon accumulations, their proximity to the existing Blina/Sundown oilfield infrastructure means a discovery can be quickly, and very profitably, brought into production and will provide scope for numerous follow-up wells. The Paradise-1 well is targeting a very large structure which, if successful, will have a*

*transformational effect on the Company and the Canning Basin as a hydrocarbon province.*

*All drilling is risky, and Buru's 2010 drilling campaign is no different. However, we have done all the work we can to make it a success. In order to ensure our exploration programs make the most effective use of shareholders' funds we are continuing to evaluate mechanisms to preserve the Company's existing capital and enhance its exploration effectiveness. This includes considering alternative funding mechanisms and farm-in / farm-out opportunities.*

*This is a very exciting time for the Company as we embark on the next chapter of the Buru story."*

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**  
**Executive Director**