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ASX ANNOUNCEMENT (ASX: BRU) 31 May 2012

Weekly Drilling Progress Report Yulleroo-3

Buru Energy Limited (“**Buru**” or “**Company**”) provides the following weekly update on the drilling operations at the Yulleroo-3 well as at 06:00hrs, 31 May 2012 (AWST).

Yulleroo-3 is the third well in the Buru – Mitsubishi Corporation (“**MC**”) 2012 Joint Exploration Program. The well is located in exploration permit EP 391 some 80 kilometres to the east of Broome. Buru and MC each have a 50% interest in this well and in EP 391, with MC contributing 80% of the cost of the well under the terms of its farm-in agreement with Buru.

Since the last progress report, the well was drilled ahead in 17½” hole to a measured depth of 597 metres. As at 06:00hrs, 13⅜” surface casing was being run and cemented. On completion of the casing run, the well will be drilled ahead in 12¼” hole to the intermediate casing point expected to be at a measured depth of 2,200 metres.

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further drilling progress report on 7 June 2012, subject to any material events occurring in the meantime.

Further information on the Company is available at: www.buruenergy.com

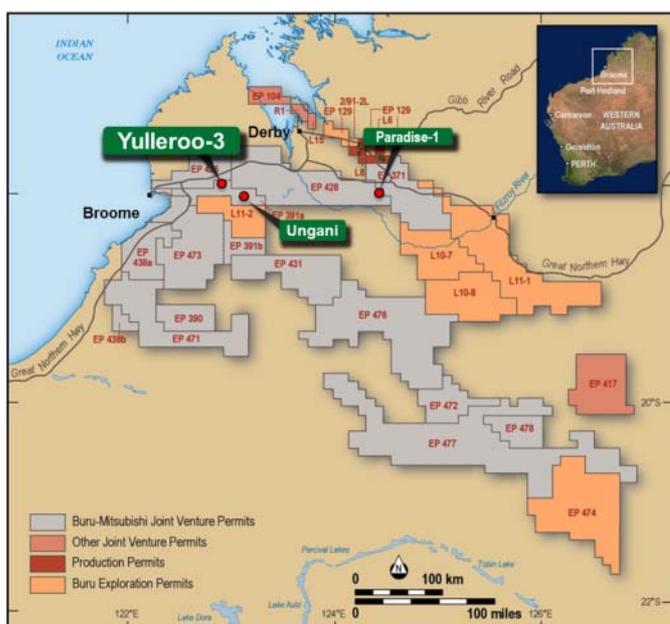
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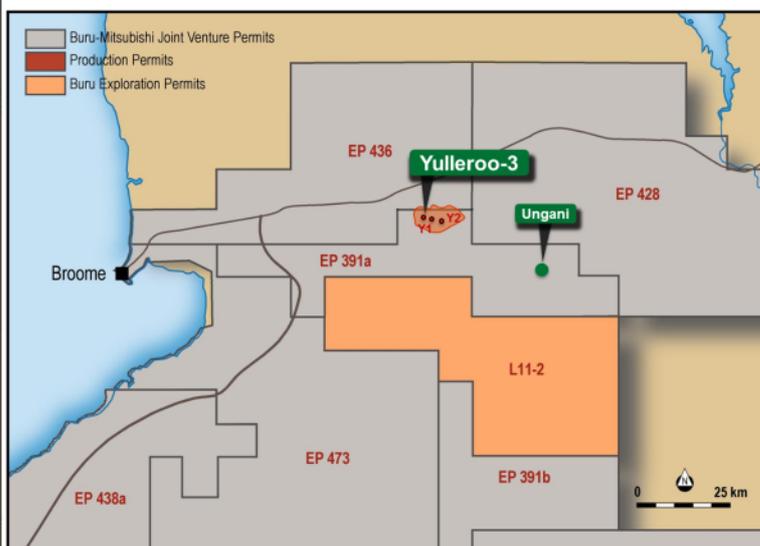
YULLEROO-3

PERMIT	The Yulleroo-3 well is located in exploration permit EP 391 some 80 kms east of Broome. Maps showing the location of the well are set out below.
WELL LOCATION	Latitude: 17° 50' 59.39" S Easting: 488510m Longitude: 122° 53' 20.59" E Northing: 8026425m
BURU'S INTEREST	Buru Energy Limited holds a 50% interest in the well
DATE OF PROGRESS REPORT	06:00hrs, 31 May 2012 (AWST)
PROPOSED TOTAL DEPTH	3,600 metres
CURRENT DEPTH	597 metres
PROGNOSED TIME TO COMPLETION	58 days
SPUD DATE	25 May 2012
DAYS SINCE SPUD	6 days
CURRENT TARGET FORMATION	The Yulleroo-3 well is targeting the Upper and Lower Laurel reservoirs
OPERATIONS SINCE LAST PROGRESS REPORT	Since the last progress report, the well was drilled ahead in 17½" hole to a measured depth of 597 metres. As at 06:00hrs, 13⅜" surface casing was being run and cemented.
HYDROCARBON INDICATIONS	None - None expected.
FORWARD OPERATIONS	On completion of the casing run, the well will be drilled ahead in 12¼" hole to the intermediate casing point expected to be at a measured depth of 2,200 metres.

LOCATION MAPS



Yulleroo-3 Regional location map



Yulleroo-3 Detailed Location map