



Baru Resources Limited

ACN 147 324 847 ABN 50 147 324 847
Suite 304, 22 St Kilda Road, St Kilda, VIC 3182

Phone: (03) 9692 7222

Fax: (03) 9529 8057

Email : generaladmin@baru.com.au

Website: www.baru.com.au

15 November 2011
ASX Announcement

COMPANY UPDATE

Board of Directors

Richard Anthon (Chairman)

Kevin Nichol (Executive Director)

Peter Avery (Non-executive Director)

Chief Executive Officer

Matt Bull

Company Secretary

Melanie Leydin

Securities on Issue:

BAC: 49,796,009 ordinary shares

Market Capitalisation as at 10 Nov 2011:

\$7,469,401 (\$0.15)

Baru Resources Ltd (Baru), the Company, is pleased to announce that work has commenced at their north Queensland Project.

- Preparations are now well advanced for the first round of Drilling at the West Galilee Project located near Richmond in Central Queensland.
- Negotiations regarding compensation agreements with the local farmers are progressing and a field crew has been mobilised to site to confirm the final drill-hole locations on the ground.
- Drilling is expected to start at the end of the wet season in early 2012 when all required approvals have been received.
- Four (4) additional Exploration Licences have been pegged east of the town of Longreach targeting the Winton Formation which is prospective for thermal quality coal.

West Galilee Project

The West Galilee Project is comprised of 6 contiguous, granted Exploration Coal Permits and 1 application Exploration coal permit covering an area of 6,732.4 km². The project area is some 375 km east of Mt Isa and 16km west of the town of Richmond, close to the northern margin of the Eromanga basin, which overlies the Galilee Basin and in part the newly defined Millungera Basin (refer to *Figure 1.*)

All three basins are prospective for coal and will be the subject of a targeted drilling program to define the more prospective areas.

Historically there had been very little exploration for coal deposits within and around the project area and a majority of the drilling in the surrounding areas were either targeted at petroleum or stratigraphic (geological) holes (refer to **Figure 2**). However there has been increasing interest in the northern portion of the Galilee basin over the last 12 months and on the 25th of October 2011 the first JORC compliant resource for the area was released to the ASX by Guildford Coal. This comprised an Inferred resource of 925.8 Mt. This resource was subsequently upgraded that to 1.036Bt on the 8th of November. The resource occurs with the Permian aged Betts Creek Group and is approximately 110km to the east of EPC2076 as shown in Figure 1.

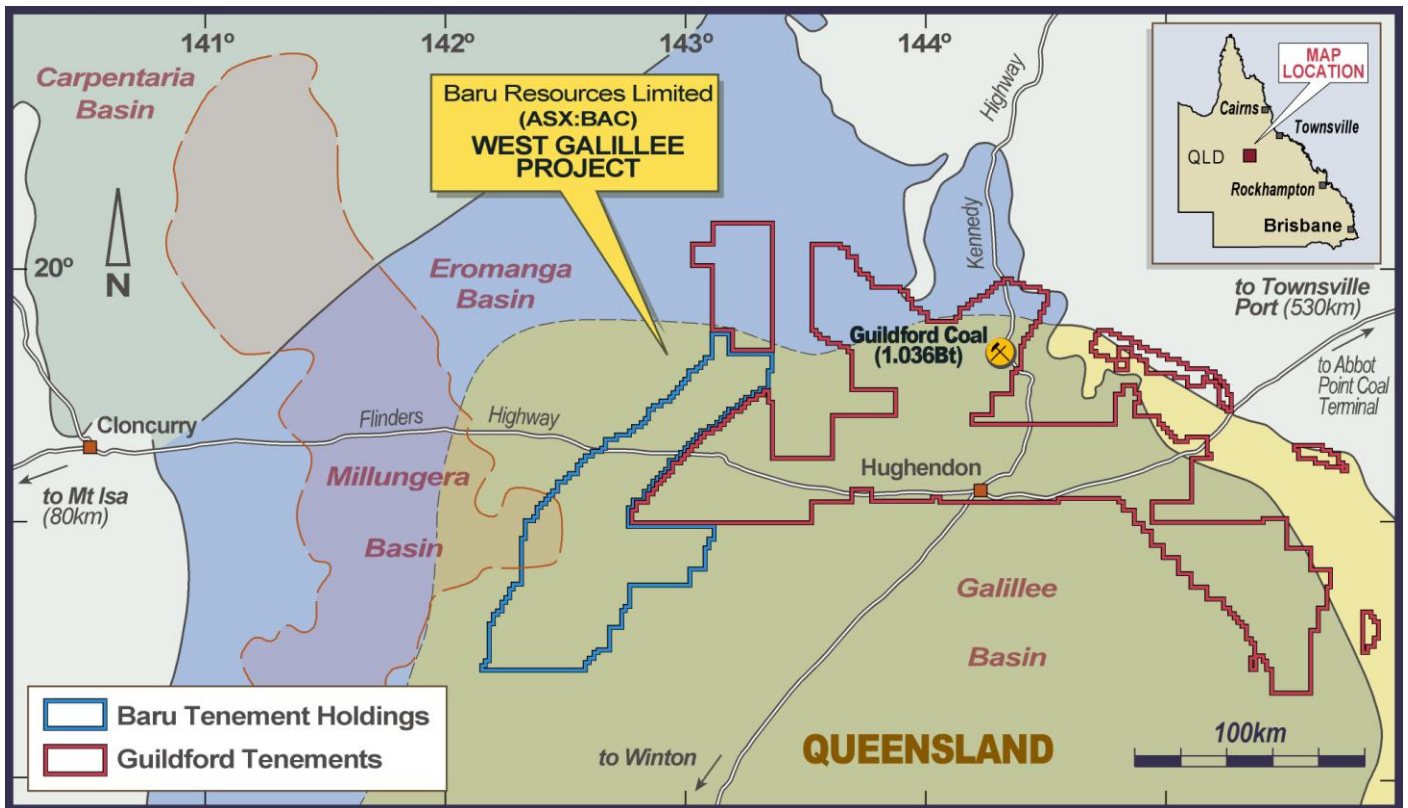


Figure 1 - Regional Geology: Sedimentary Basins and Guildford Coals Surrounding Tenements and Deposit Location

Proposed Drilling Program

It is intended to conduct a first pass drilling program consisting of 7 drill holes which has been designed to test the distribution and thickness of coal in two of the three potentially coal bearing basins that occur in the West Galilee Project Area. The location of the drill holes are shown in figure 2 below.

A second drilling program of 3 drill holes targeting coking coal in the Millungera Basin will be conducted once EPCA2075 is granted, see Figure 2.

Drilling will target the Winton formation within the Eromanga Basin. The Winton formation outcrops in the southern end of the project and is known to contain thermal quality coal in surrounding areas.

The Galilee Basin sub-crops to the north and west of the project area, drilling will test those areas where the coal units are believed to be shallowest within EPC2078 and EPC2076.

Providing the drilling intercepts economic units of coal additional drilling programs will be designed sufficient to define a JORC compliant resource in 2012.

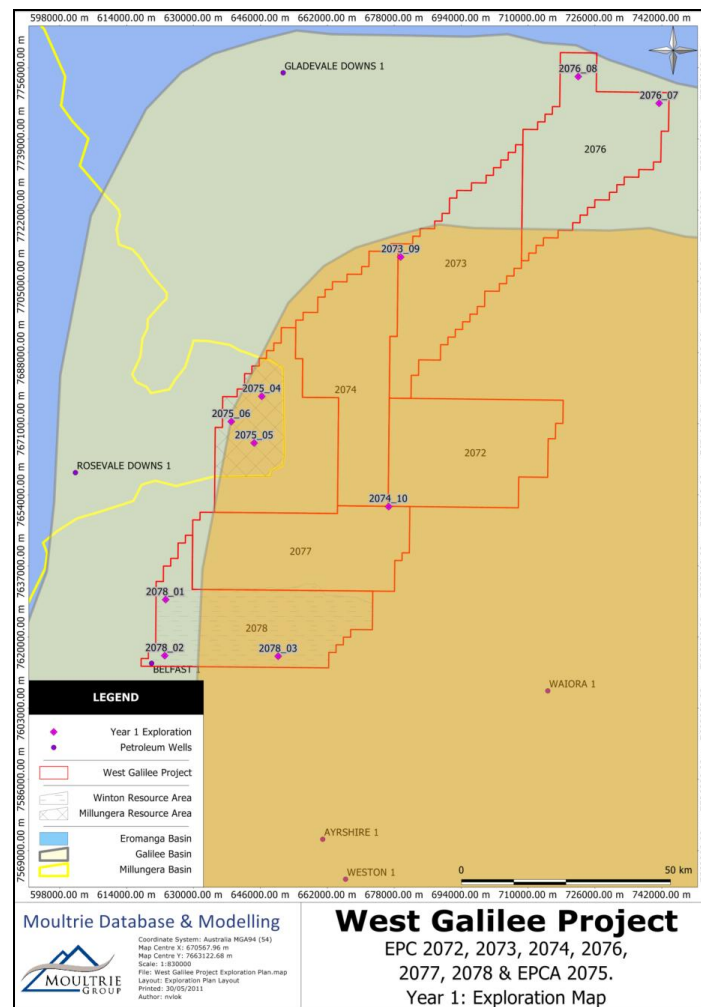


Figure 2 – Planned drill-hole Locations West Galilee Project Area.

Longreach Project

Four additional EPC's, 3202.8km² in area, have been pegged; these lie within the Winton Formation. The Winton Formation within the applications is both outcropping and sub-cropping across the entire project area. These tenements are prospective for thermal quality coal.

Details of the Galilee West and Longreach project tenements are detailed within Tables 1 and 2.

Table 1 - West Galilee Exploration Pty Ltd Tenement Details

Tenure	Status	Date Lodged	Date Granted	Date Expires	Principal Holder	No. of Sub blocks
EPC2072*	Granted	04-Mar-10	29-Mar-11	28-Mar-13	West Galilee Exploration Pty Ltd	300
EPC2073*	Granted	04-Mar-10	29-Mar-11	28-Mar-13	West Galilee Exploration Pty Ltd	300
EPC2074*	Granted	04-Mar-10	29-Mar-11	28-Mar-13	West Galilee Exploration Pty Ltd	300
EPCA2075*	Application	04-Mar-10	TBA	TBA	West Galilee Exploration Pty Ltd	300
EPC2076*	Granted	04-Mar-10	29-Mar-11	28-Mar-13	West Galilee Exploration Pty Ltd	300
EPC2077*	Granted	04-Mar-10	29-Mar-11	28-Mar-13	West Galilee Exploration Pty Ltd	300
EPC2078*	Granted	04-Mar-10	29-Mar-11	28-Mar-13	West Galilee Exploration Pty Ltd	300

**Baru Resources earning 80% of Coal rights and 20% of UCG deposits with in these tenements under a JV agreement with West Galilee Exploration Pty Ltd.*

Table 2 – Longreach Project Tenement Details

Tenure	Status	Date Lodged	Date Granted	Date Expires	Principal Holder	No. of Sub blocks
EPCA2837	Application	10-Oct-11	TBA	TBA	Baru Resources Pty Ltd	300
EPCA2838	Application	10-Oct-11	TBA	TBA	Baru Resources Pty Ltd	231
EPCA2839	Application	10-Oct-11	TBA	TBA	Baru Resources Pty Ltd	300
EPCA2840	Application	10-Oct-11	TBA	TBA	Baru Resources Pty Ltd	182

The Longreach project is 100% owned by Baru Resources.

About Baru Resources Limited

Baru Resources Limited ("The Company") is an Australian public company that is focused on the identification and development of export hard coking coal and export thermal coal projects.

The Company's West Galilee Project is located in northern Queensland, within 200 km of Hughenden and 375 km from Mount Isa in Queensland. The Project intersects the main railway line that runs to the Port of Townsville, see Figure 1.

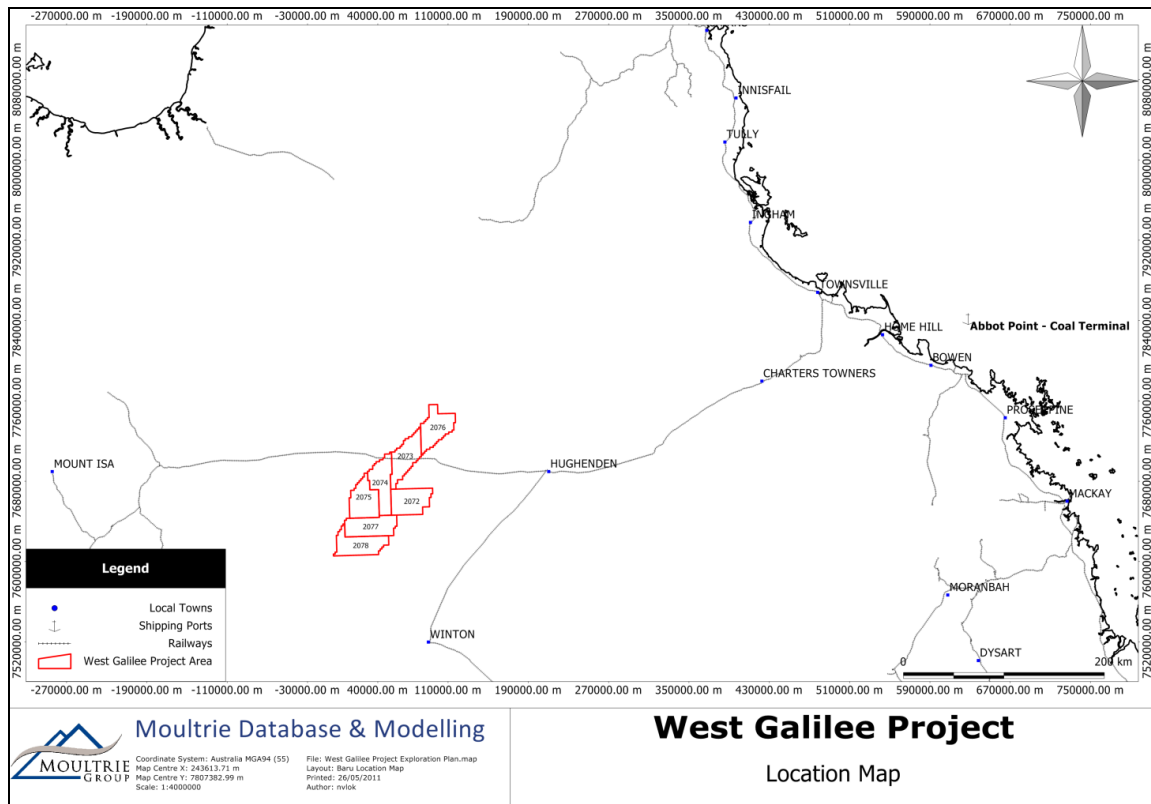


Figure 3 - : Location of the West Galilee Project

For further information:

Kevin Nichol
Executive Director

Competent Person's Statement

The information in this release relating to exploration is based on information compiled by Ms M. Kelly who is a member of the Australian Institute of Geoscientists (AIG). Ms M. Kelly is an Independent Geological Consultant to Baru Resources Ltd and consents to the inclusion in this type of report of the information presented. Ms M. Kelly has over thirty years of geological experience and has sufficient experience relevant to the style of mineralisation and to the type of activity described to qualify as a competent person as defined in the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.