



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

26 October 2011

SEPTEMBER 2011 QUARTERLY REPORT

Board of Directors

Richard Anthon (Chairman)

Kevin Nichol (Executive Director)

Peter Avery (Non-executive Director)

Chief Executive Officer

Matt Bull

Company Secretary

Melanie Leydin

Quarterly Share Price Activity

Low \$0.155

High \$0.20

Close \$0.16

Securities on Issue:

BAC: 49,796,009 ordinary shares

Market Capitalisation as at 30 Sept 2011:

\$7,967,361

Highlights

The following highlights occurred during the September 2011 quarter:

- On 23 August 2011, the Company appointed Mr Matt Bull Chief Executive Officer of the Company.
- A detailed exploration plan covering the West Galilee project area was developed during the quarter. The first phase of drilling is expected to start in early 2012 when all required approvals have been received.
- A number of additional coal project areas were reviewed for potential joint venture or acquisition.
- On 22 September the Company was listed on the Australian Stock Exchange (ASX) following the successful raising of \$5,939,200 through the issue of 29,696,000 fully paid ordinary shares.

Details on Mr Matt Bull (CEO)

On 23 August 2011, the Company appointed Mr Matt Bull as Chief Executive Officer (CEO).

After completing an honours thesis on the Olympic Dam copper gold province in South Australia Mr Bull worked for Sons of Gwalia at its Wodgina Tantalum Mine as a mine geologist. He then worked on the Rio Tinto Iron Ore Expansion Projects where he was involved in extensive resource definition drilling programmes at the Hope Downs and Brockman 4 Iron deposits, which are both now operating mines. Over the last 5 years he has been a senior geologist at Golden West Resources where he was involved in exploration and development of shear zone hosted gold deposits and advancing the company's flagship Iron ore project from a greenfield exploration target to an advanced Iron ore project in the Mid West Region of Western Australia.

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.

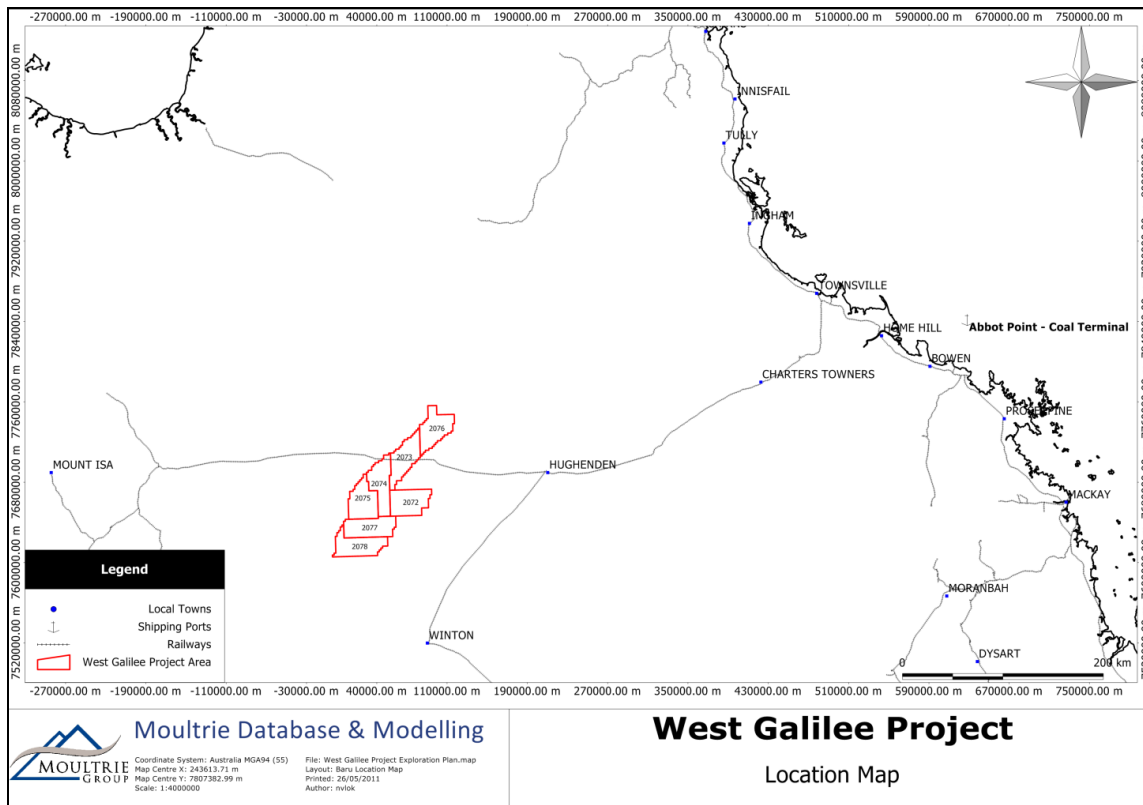


Figure 1 - : Location of the West Galilee Project

West Galilee Project

The West Galilee Project is comprised of 6 contiguous, granted Exploration Coal Permits (EPC's) and 1 Application Exploration Coal Permit (EPCA) covering an area of 6,732.4km², see Table 1. The project area is 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 2**.)

All three basins are prospective for coal and will be the subject of a targeted drilling program to define the more prospective areas. All of the tenements within the project area are relatively unexplored for shallow coal deposits, however all three basins are considered prospective for coal.

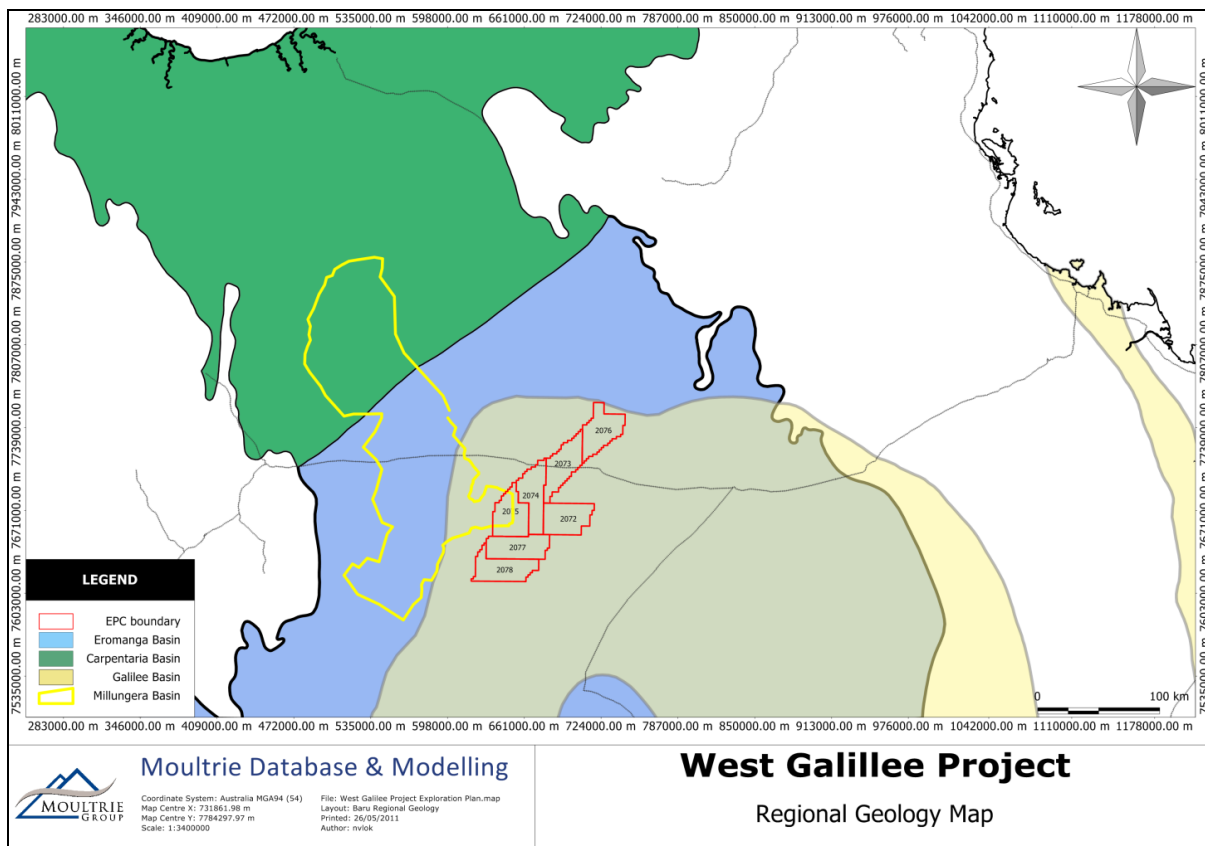


Figure 2 - Regional Geology: Sedimentary Basins Relevant to the West Galilee Project Area

There has been limited historic exploration for shallow coal deposits within the project area and a majority of the historic drilling in the surrounding areas was either targeted at petroleum or stratigraphic (geological) holes (refer to **Figure 2**).

The most advanced program adjacent to the project area was conducted during 1980-1982 by Carpentaria Exploration Company Pty Ltd on EPC289 (ATP289, 1980). The program consisted of 16 percussion holes and 6 NQ diamond holes. This program identified a cumulative coal thickness of around 4m of coal within the Blantyre Sandstones, confirming the prospectivity of the area.

Historical drilling in the surrounding area, within the Betts Creek Beds, exposed on the margin of the Galilee basin, recorded up to 4m of thermal quality coal.

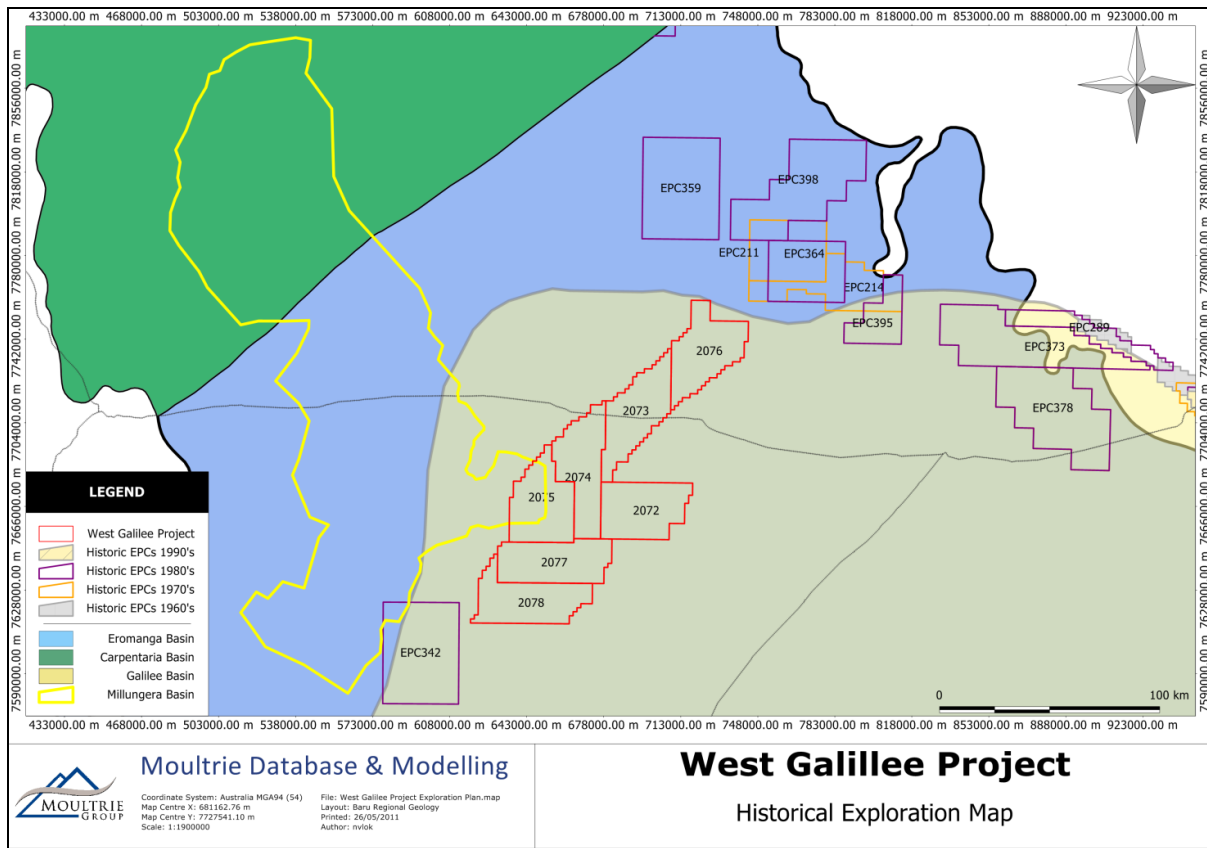


Figure 3 - Regional Geology: Sedimentary Basins and historical Tenements Relevant to the West Galilee Project Area

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			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.*

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.