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Operational Update – Current Drilling Program

Buru Energy advises that it has recently undertaken an assessment of its operational and risk management plans for the current drilling season.

After careful consideration of the timing and logistics of drilling the Paradise 1 well, it has been reluctantly agreed that the well will be deferred until the next drilling season commencing in April/May 2009.

This deferment has been necessitated by rig related delays in commencing the Lanagan 1 well, in completing repairs prior to spudding the Lawford 1 well, and in upgrading the rig to allow it to reach the deeper objectives at the Paradise 1 well.

After careful analysis of weather patterns and of the location of the Paradise 1 well site, which is close to a large seasonal creek, it has been concluded that there is now a high probability of the rig being isolated by the wet season rains during the drilling of the well. This would be unacceptable from the point of view of both the drilling and ancillary contractors being forced to leave their equipment on site and from potential safety and operational considerations arising from the possible forced suspension of the well.

Consequently, Buru Energy has now agreed with Australian Drilling Services (ADS) not to use the ADS Rig 6 to drill the Paradise 1 well in this drilling season.

The drilling deferment means that the program next year will be able to be undertaken with either the ADS Rig 6, subject to its suitability and availability, or another rig with suitable depth capability.

The Company has a particularly exciting drilling program planned for next year and is keen to ensure it commences as early as possible in the 2009 dry season with the right drilling and ancillary contracts in place to ensure a successful drilling season.

Blina oil production

As previously reported the successful workover program at the Blina field complex has resulted in an increase in production at the field from some 30 barrels a day to a current average of some 200 barrels a day. This is an excellent result and indicates the potential for additional reserves once production trends are established.

Stokes Bay testing

The mobilisation of testing equipment and the imminent testing of this well provides the potential for a definitive answer as to the hydrocarbon potential of this well prior to the coming wet season.

2009 drilling program

Buru Energy's technical group is continuing to develop drilling targets in the company's permits that are expected to result in an exciting drilling program in 2009 (calendar year) that is expected to include the Paradise 1 well together with one or more wells in the Pictor and Blina areas.

Further information on the company is available on the Buru website at: www.buruenergy.com

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Yours faithfully,



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