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ASX ANNOUNCEMENT (ASX: BRU) 21 October 2010

WEEKLY DRILLING PROGRESS REPORT PARADISE-1

Buru Energy Limited (“**Buru**” or “**Company**”) provides the following update on drilling operations at the Paradise-1 well as at 13:00hrs, 21 October 2010 (AWST).

Paradise-1 is the third exploration well to be drilled in Buru’s 2010 Canning Superbasin drilling program, and the first in the Joint Exploration Program with Mitsubishi Corporation (“**MC**”). The well is located in exploration permit EP 428, on the boundary with EP 371. Buru holds a 60% interest in the well and in EP 428 and EP 371, with MC holding the remaining 40% interest under the terms of the farmin agreement between Buru and MC.

The well was spudded on 18 October and has been drilled ahead to 248 metres. Progress since spud has been less than anticipated due to minor mechanical issues with the mud pump. These issues have now been rectified.

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further drilling progress report on 28 October 2010, subject to any material events occurring in the meantime.

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

For inquiries please contact:

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Yours faithfully


ERIC STREITBERG
Executive Director

PARADISE-1

PERMIT	The Paradise-1 well is located in exploration permit EP 428, on the boundary with EP 371. A map showing the location of the well is set out below.
WELL LOCATION	17 ⁰ 59' 59.6" S 124 ⁰ 34' 35.5" E
JOINT VENTURE INTEREST	Buru holds a 60% interest in the well and in EP 428 and EP 371, with MC holding the remaining 40% interest under the terms of the farmin agreement between Buru and MC.
DATE OF PROGRESS REPORT	13:00hrs, 21 October 2010 (AWST)
PROPOSED TOTAL DEPTH	2,500 metres
CURRENT DEPTH	248 metres
PROGNOSED TIME TO TOTAL DEPTH	38 days
SPUD DATE	18 October 2010
DAYS SINCE SPUD	3 days
CURRENT TARGET FORMATION	The Paradise-1 well is targeting sands of the Anderson and Laurel Formations.
OPERATIONS SINCE LAST PROGRESS REPORT	Drilled ahead to 248 metres. Repaired mud pump control system.
HYDROCARBON INDICATIONS	None. None predicted.
FORWARD OPERATIONS	The well is currently drilling ahead to the first casing depth.

PARADISE-1 LOCATION MAP

