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ASX ANNOUNCEMENT (ASX: BRU) 18 August 2011

WEEKLY DRILLING PROGRESS REPORT PICTOR EAST-1

Buru Energy Limited (“**Buru**” or “**Company**”) provides the following weekly update on drilling operations at the Pictor East-1 well as at 06:00hrs, 18 August 2011 (AWST).

The Pictor East-1 well is the second well in the Buru – Mitsubishi Corporation (“**MC**”) 2011 Joint Exploration Program. Buru and MC each have a 50% interest in this well and in EP 431, with MC contributing 80% of the cost of the well under the terms of its farm-in agreement with Buru.

Since the commencement of drilling operations on 9 August, Pictor East-1 was drilled ahead in 12¼” hole to a depth of 456m. At that point 9⅝” casing was run to 453m. The well has then been drilled ahead in 8½” hole to a depth of 709m.

The well is currently being drilled ahead to the first target formation, being the Nita Formation reservoir which successfully tested oil and gas in the Pictor-1 well.

Pictor East-1 is being drilled by Century Rig #7. It is expected to take 21 days to drill on a dry hole basis.¹

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further drilling progress report on 25 August 2011, 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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¹ *Drilling dates and times in this ASX release are indicative only. The timing of drilling operations is subject to weather and operational factors.*

PICTOR EAST-1

PERMIT	The Pictor East-1 well is located in exploration permit EP 431. A map showing the location of the well is set out below.
WELL LOCATION	Latitude: 18° 46' 14.3"S Northing: 7924394m Longitude: 123° 43' 33.3"E Easting: 576509m
BURU'S INTEREST	Buru Energy Limited holds a 50% interest in the well.
DATE OF PROGRESS REPORT	06:00 hrs, 18 August 2011 (AWST)
PROPOSED TOTAL DEPTH	1,700m
CURRENT DEPTH	709m
PROGNOSED TIME TO TOTAL DEPTH	21 days
SPUD DATE	9 August 2011
DAYS SINCE SPUD	9 days
CURRENT TARGET FORMATION	The first target formation is the Nita Formation reservoir which successfully tested oil and gas in the Pictor-1 well.
OPERATIONS SINCE LAST PROGRESS REPORT	Drilled ahead in 12¼" hole to a depth of 456m. At that point 9½" casing was run to 453m. The well has then been drilled ahead in 8½" hole to a depth of 709m.
HYDROCARBON INDICATIONS	None. None predicted.
FORWARD OPERATIONS	The well is currently being drilled ahead to the first target formation, being the Nita Formation reservoir.

LOCATION MAP – PICTOR EAST-1

