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ASX ANNOUNCEMENT (ASX: BRU)

26 July 2012

Weekly Drilling Progress Report – Ungani North-1

Buru Energy Limited (“**Buru**” or “**Company**”) provides the following weekly update on the drilling operations at the Ungani North-1 well as at 06:00hrs, 26 July 2012 (AWST).

Ungani North-1 is the fourth well to be drilled by the Buru – Mitsubishi Corporation (“**MC**”) Joint Venture in 2012. The well is located in exploration permit EP 391 some 100 kilometres to the east of Broome, and lies some six kilometres north of the Ungani Production Facility. Buru and MC each have a 50% interest in this well and in EP 391, with MC and Buru each contributing 50% of the cost of the well.

Since the last progress report, the well has been drilled ahead in 12¼” hole to a measured depth at 06:00 hours today of 1,040 metres. During the week drilling operations have continued to be delayed by maintenance and repairs on the Century#7 drilling rig.

The forward operation is to drill ahead to the intermediate casing point at a prognosed measured depth of 2,260 metres.

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further drilling progress report on 2 August 2012, subject to any material events occurring in the meantime.

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

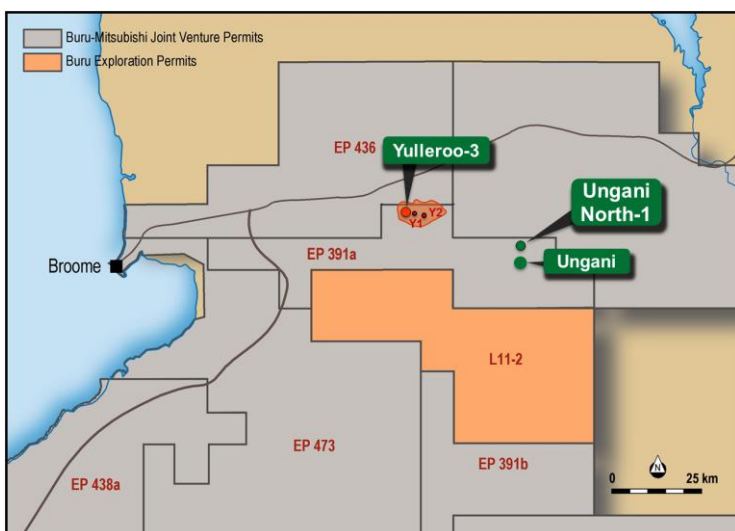
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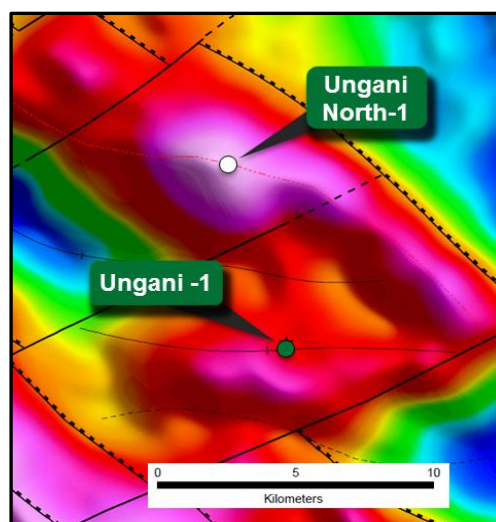
UNGANI NORTH-1

PERMIT	The Ungani North-1 well is located in exploration permit EP 391 some 100 kilometres east of Broome. Maps showing the location of the well are set out below.
WELL LOCATION	Latitude: 17° 55' 58.5" S Easting: 517415m Longitude: 123° 09' 52.0" E Northing: 8017229m
BURU'S INTEREST	Buru Energy Limited holds a 50% interest in the well
DATE OF PROGRESS REPORT	06:00hrs, 26 July 2012 (AWST)
PROPOSED TOTAL DEPTH	3,000 metres
CURRENT DEPTH	1,040 metres
PROGNOSED TIME TO COMPLETION	32 days
SPUD DATE	5 July 2012
DAYS SINCE SPUD	21 days
CURRENT TARGET FORMATION	The Ungani North-1 well is targeting the Ungani Dolomite as seen in the Ungani Field together with the underlying Nullara section which had good oil and gas shows in the Ungani-1 well.
OPERATIONS SINCE LAST PROGRESS REPORT	Since the last progress report, the well has been drilled ahead in 12¼" hole to a measured depth at 06:00 hours today of 1,040 metres. During the week drilling operations have continued to be delayed by maintenance and repairs on the Century#7 drilling rig.
HYDROCARBON INDICATIONS	None – None expected
FORWARD OPERATIONS	Drill ahead to the intermediate casing point at a prognosed measured depth of 2,260 metres.

LOCATION MAPS



Ungani North-1 Regional location map



Ungani North-1 Interpreted gravity gradient map