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ASX ANNOUNCEMENT (ASX: BRU) 22 December 2011

WEEKLY DRILLING PROGRESS REPORT UNGANI-2

Buru Energy Limited (“**Buru**” or “**Company**”) provides the following weekly update on drilling operations at the Ungani-2 well as at 06:00hrs, 22 December 2011 (AWST).

The Ungani-2 well is the fourth well in the Buru – Mitsubishi Corporation (“**MC**”) 2011 Joint Exploration Program. Buru and MC each have a 50% working and paying interest in this well and in EP 391.

Since the last progress report, the well has been plugged back to 2,278m measured depth in preparation for being completed for production. As at 06:00hrs today the well was being prepared for running the 7 inch production casing. Following the 7 inch casing run, the well will be completed and will be placed on cleanup flow. Due to minor operational and equipment issues the cleanup flow is now expected to occur around 30 December 2011.

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further drilling progress report on 29 December 2011, 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-2

PERMIT	The Ungani-2 well is located in exploration permit EP 391. A map showing the location of the well is set out below.
WELL LOCATION	<p>Surface Location:</p> <p>Latitude: 17° 59' 25.8"S Northing: 8010859m</p> <p>Longitude: 123° 09' 50.6"E Easting: 517367m</p> <p>Target bottom hole location:</p> <p>Latitude: 17° 59' 11.5"S Northing: 8011298m</p> <p>Longitude: 123° 09' 59.4"E Easting: 517627m</p>
BURU'S INTEREST	Buru Energy Limited holds a 50% interest in the well.
DATE OF PROGRESS REPORT	06:00hrs, 22 December 2011 (AWST)
CURRENT DEPTH	2,278 metres (2,205 metres TVDRT) (plug back depth)
SPUD DATE	2 November 2011
DAYS SINCE SPUD	50
OPERATIONS SINCE LAST PROGRESS REPORT	Since the last progress report, the well has been plugged back to 2,278m measured depth in preparation for being completed for production.
FORWARD OPERATIONS	Following the 7 inch casing run, the well will be completed and will be placed on cleanup flow. Due to minor operational and equipment issues the cleanup flow is now expected to occur around 30 December 2011.

LOCATION MAP – UNGANI-2

