

Testing Operations Update - Ungani Far West 1

Buru Energy Limited (Buru Energy) provides the following update on the testing operations on the Ungani Far West 1 well.

The well has been configured to allow testing of three zones, the uppermost zone which is interpreted from logs to be oil saturated with significant vugular porosity development, a middle zone which has calculated oil saturations from wireline logs, and the lower zone which has well developed vugular porosity in cores but ambiguous calculated oil saturations. Further detailed inspection of the cores from the Ungani Dolomite has also identified numerous zones of very well developed vugular porosity which were not evident from logs (attached).

The test over the upper zone has commenced with the well being swabbed to establish flow, with immediate fluid influx indicating very good permeability. The well is now starting to flow back with 40 to 50% oil with the remainder being drilling fluid lost to the formation. This is typical behavior for wells with vugular porosity which have had significant drilling fluid losses as were encountered in Ungani Far West 1.

The forward operation is to continue flowing and swabbing the well as necessary as it cleans up.

It is expected the testing program will continue for at least another week and further information will be made available as it comes to hand.

The well is located on an all weather drilling pad approximately one kilometer off the Ungani access road within Production License L21, 97 kms east of Broome and 3.3 kms southwest of Buru Energy's Ungani Oilfield in the Canning Basin of northwestern Australia.

The well was drilled under the terms of the Ungani Development Funding agreement with Diamond Resources (Fitzroy) Pty Ltd. Equity and contributing interest for the well are as follows:

Company	Equity Interest	Contributing Interest
Buru Energy	50%	0%
Diamond Resources (Fitzroy)	50%	100%

Visit www.buruenergy.com for information on Buru Energy's current and future activities.

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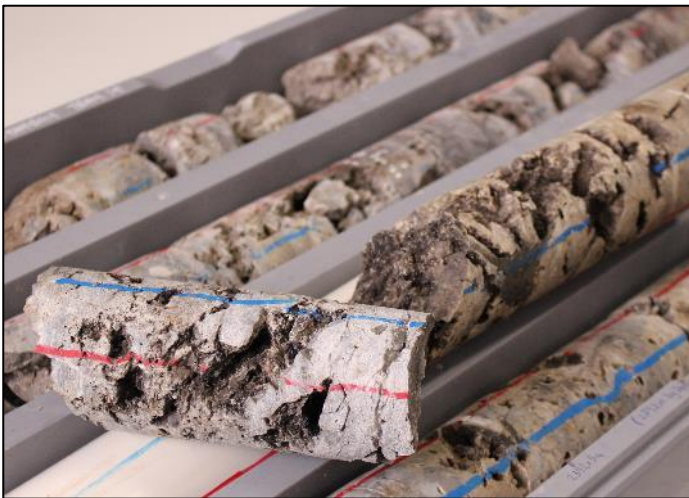
About Buru Energy

Buru Energy Limited (ASX: BRU) is a Western Australian oil and gas exploration and production company headquartered in Perth with an operational office in Broome. The Company's petroleum assets and tenements are located onshore in the Canning Basin in the southwest Kimberley region of Western Australia. Its flagship high quality conventional Ungani Oilfield project is owned in 50/50 joint venture with Diamond Resources (Fitzroy) Pty Ltd. As well as Ungani, the Company's portfolio includes potentially world class tight gas resources.

The company's goal is to deliver material benefits to its shareholders, the State of Western Australia, the Traditional Owners of the areas in which it operates, and the Kimberley community, by successfully exploring for and developing the petroleum resources of the Canning Basin in an environmentally and culturally sensitive manner.

Competent Persons Statement

Information in this release related to exploration and production results and petroleum resources is based on information compiled by Eric Streitberg who is an employee of Buru Energy Limited. Mr Streitberg is a Fellow of the Australian Institute of Mining and Metallurgy and the Australian Institute of Company Directors, and a member and Certified Petroleum Geologist of the American Association of Petroleum Geologists. He has over 40 years of relevant experience. Mr Streitberg consents to the inclusion of the information in this document.



Well developed vugular porosity in the Ungani Dolomite in the Ungani Far West 1 well