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**ASX ANNOUNCEMENT (ASX: BRU)**

**11 December 2012**

## **Update Drilling Report – Ungani North 1 Deepening**

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Buru Energy Limited (“**Buru**” or “**Company**”) provides the following update on the deepening operations at the Ungani North 1 well.

Since the last weekly update report on 6 December wireline logging operations have been completed over the Nullara section in which strong gas and some oil shows were seen below the Ungani Dolomite. These operations took longer than planned due to the necessity for an additional wiper trip to improve hole conditions.

The logging program has identified a section of limestones and shales which have not been previously penetrated in the basin, other than in the Ungani 1 well. These limestones contain a number of zones where fractures, and potentially vugs, are interpreted to be developed providing the potential for conventional porosity. This includes the section where strong gas shows were recorded at a measured depth of some 3,540 metres. The data to hand does not allow a definitive determination of the producibility of these zones with a flow test being required to determine their commercial potential.

The well is currently being completed with 7 inch casing to total depth after which the rig will be released. A testing program for the well, including for the Ungani Dolomite zone, will be prepared and subject to approvals and equipment availability is likely to be undertaken after the completion of the wet season.

Commenting on the results to date, Eric Streitberg Buru’s Executive Director said:

*“The interpretation of the logging data over the deeper Nullara section is that there are fractures and some vugular porosity developed in zones with good gas shows. Hydrocarbons with some porosity is just what we are looking for, so this is a very pleasing result indeed. If those zones were to flow gas at commercial rates during a testing program we could have a conventional gas play in a structure that has considerable size to it. A conventional gas accumulation would be a game changer for the gas development program just like Ungani was for the oil. We have also acquired further data over the primary dolomite oil zone and these will be incorporated into the planning for the testing of the well.”*

In accordance with its policy of releasing weekly drilling progress reports, the Company also expects to issue a further weekly drilling progress report on 13 December 2012.

Further information on the Company is available at: [www.buruenergy.com](http://www.buruenergy.com)

**For inquiries please contact:**

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