

Testing Operations Update - Ungani Far West 1

Buru Energy Limited (Buru Energy) provides the following update on the testing operations on 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.

The test over the upper zone has continued with the well flowing at rates of up to 1,680 barrels of fluid per day with 50% to 70% high quality 41.6 degree API oil. The well is flowing strongly with increasing surface pressures. Given the high flow rates and limited onsite oil and water storage it has been decided to shut the well in for a 24 hour pressure buildup and a static gradient pressure survey which should provide information about the size of the oil column and the source of the water influx.

The forward operation is to review the data from the shut in period and subject to this review, either continue with the test of the upper zone or move to test the middle zone.

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.