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ASX ANNOUNCEMENT (ASX: BRU) 18 August 2011

WEEKLY DRILLING PROGRESS REPORT UNGANI-1

Buru Energy Limited (“**Buru**” or “**Company**”) provides the following weekly update on drilling operations at the Ungani-1 well as at 06:00hrs, 18 August 2011 (AWST).

The Ungani-1 well is the third well in the Buru – Mitsubishi Corporation (“**MC**”) 2011 Joint Exploration Program. Buru and MC each have a 50% interest in this well and in EP 391, with MC contributing 80% of the cost of the well under the terms of its farm-in agreement with Buru.

Since the commencement of drilling operations on 13 August, Ungani-1 has been drilled ahead in 17½” hole to a depth of 622m. As at 06:00hrs today, a wiper trip was being performed in preparation for running 13¾” casing. After the casing operations are completed, the well will be drilled ahead in 12¼” hole to the first target formation, being the Anderson Formation.

Ungani-1 is being drilled by Ensign Rig #32. It is expected to take 26 days to drill on a dry hole basis.¹

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further drilling progress report on 25 August 2011, subject to any material events occurring in the meantime.

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

For inquiries please contact:

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¹ *Drilling dates and times in this ASX release are indicative only. The timing of drilling operations is subject to weather and operational factors.*

UNGANI-1

PERMIT	The Ungani-1 well is located in exploration permit EP 391. A map showing the location of the well is set out below.
WELL LOCATION	Latitude: 17° 59' 25.6"S Northing: 8010864m Longitude: 123° 09' 50.8"E Easting: 517375m
BURU'S INTEREST	Buru Energy Limited holds a 50% interest in the well.
DATE OF PROGRESS REPORT	06:00 hrs, 18 August 2011 (AWST)
PROPOSED TOTAL DEPTH	3,200m
CURRENT DEPTH	622m
PROGNOSED TIME TO TOTAL DEPTH	26 days
SPUD DATE	13 August 2011
DAYS SINCE SPUD	5 days
CURRENT TARGET FORMATION	The first target formation is the Anderson Formation.
OPERATIONS SINCE LAST PROGRESS REPORT	Drilled ahead in 17½" hole to a depth of 622m. As at 06:00hrs today, a wiper trip was being performed in preparation for running 13½" casing.
HYDROCARBON INDICATIONS	Trace oil identified across the shakers at approximately 590m. This is not considered significant.
FORWARD OPERATIONS	After the casing operations are completed, the well will be drilled ahead in 12¼" hole to the first target formation, being the Anderson Formation.

LOCATION MAP – UNGANI-1

