

## ASX ANNOUNCEMENT (ASX: BRU)

23 November 2011

### UNGANI-2 – OPERATIONS UPDATE

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Buru Energy Limited (“**Buru**” or “**Company**”) provides the following update on operations at the Ungani-2 well.

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. The Ungani-2 well is being drilled from the same drilling pad as Ungani-1ST1 to a bottom hole location some 520m to the northeast of the bottom hole location of the Ungani-1ST1 well.

Since the last progress report, the well has been directionally drilled ahead in 12¼” hole to the intermediate casing point at a measured depth of 2,440m.

The top of the oil bearing Ungani Dolomite was encountered at a measured depth of 2,230m, some 27 metres high to prognosis and close to the elevation of the intersection of the dolomite in Ungani-1ST1. Similar oil shows were observed in Ungani-2 to those encountered at the top of the reservoir in Ungani-1ST1.

The planned forward program from this point is as follows:

- Run 9 5/8 inch casing to current total depth.
- Core through the reservoir section.
- Obtain wireline logs and fluid and pressure samples in the reservoir.
- Run a 7 inch barefoot completion.
- Flow test the well.

It is anticipated that these operations will take up to 18 days to complete and will provide a full evaluation of the reservoir parameters including porosity and permeability, fluid contacts, and flow potential.

Consideration may also be given to the deepening of the well, if hole and drilling conditions permit, prior to the running of the completion and the flow test, to evaluate the deeper hydrocarbon shows encountered in the Ungani-1 well.

Commenting on these results, Buru’s Executive Director, Eric Streitberg, said:

*“We are obviously very encouraged by the fact we have encountered the dolomite section high to prognosis and with oil shows, and are looking forward to fully evaluating the reservoir and establishing the position of the oil water contact, which we were unable to do in the first well due to hole conditions and well bore configuration. This data will go a long way to confirming the potential size of the reserves.”*

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further drilling progress report on 24 November 2011, subject to any material events occurring in the meantime.

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

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