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ASX ANNOUNCEMENT (ASX: BRU) 15 December 2011

WEEKLY DRILLING PROGRESS REPORT UNGANI-2

Buru Energy Limited (“**Buru**” or “**Company**”) provides the following weekly update on drilling operations at the Ungani-2 well as at 06:00hrs, 15 December 2011 (AWST).

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 a deviated well being drilled from the same drilling pad as Ungani-1ST1, with the top of the reservoir in Ungani-2 being encountered some 425 metres to the northeast of the Ungani-1ST1 reservoir intersection.

Since the last Ungani-2 update on 12 December, the well has been drilled ahead to a total depth of 2,800 metres measured depth (2,714m TVDRT) and wireline logs have been run over the newly drilled section. The deepening of the well was primarily to investigate shows seen below the reservoir section in the Ungani-1 well, and to obtain information on the geology and stratigraphy of the deeper structure.

Wireline logs have now been obtained over the deeper section and these have indicated that this deeper section below the main producing reservoir has no significant hydrocarbons, and the well will now be plugged back to the dolomite reservoir zone as planned. 7 inch production casing will then be run to the planned 2,275m measured depth and the well will be placed on cleanup flow. As previously indicated, this is expected to occur around 24 December.

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further drilling progress report on 22 December 2011, subject to any material events occurring in the meantime.

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

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UNGANI-2

PERMIT	The Ungani-2 well is located in exploration permit EP 391. A map showing the location of the well is set out below.
WELL LOCATION	<p>Surface Location:</p> <p>Latitude: 17° 59' 25.8"S Northing: 8010859m</p> <p>Longitude: 123° 09' 50.6"E Easting: 517367m</p> <p>Target bottom hole location:</p> <p>Latitude: 17° 59' 11.5"S Northing: 8011298m</p> <p>Longitude: 123° 09' 59.4"E Easting: 517627m</p>
BURU'S INTEREST	Buru Energy Limited holds a 50% interest in the well.
DATE OF PROGRESS REPORT	06:00hrs, 15 December 2011 (AWST)
PROPOSED TOTAL DEPTH	2,465 metres (2,380 metres TVDRT)
CURRENT DEPTH	2,800 metres (2,714m TVDRT)
PROGNOSED TIME TO TOTAL DEPTH	Total depth has been reached
SPUD DATE	2 November 2011
DAYS SINCE SPUD	43
CURRENT TARGET FORMATION	Ungani Dolomite
OPERATIONS SINCE LAST PROGRESS REPORT	The well has now been drilled ahead to its total depth of 2,800 metres measured depth (2,714m TVDRT) and wireline logs have been run over the newly drilled section.
HYDROCARBON INDICATIONS	No significant hydrocarbons in the newly drilled section
FORWARD OPERATIONS	The well will now be plugged back to the dolomite reservoir zone as planned. 7 inch production casing will then be run to the planned 2,275m measured depth and the well will be placed on cleanup flow. As previously indicated, this is expected to occur around 24 December.

LOCATION MAP – UNGANI-2

