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ASX ANNOUNCEMENT (ASX: BRU)

8 November 2012

Weekly Drilling Progress Report – Ungani North 1 Deepening

Buru Energy Limited (“**Buru**” or “**Company**”) provides the following weekly update on the deepening operations at the Ungani North 1 well as at 06:00hrs, 8 November 2012 (AWST).

At the time of its suspension in late August, the Ungani North 1 well was the fourth well to be drilled by the Buru – Mitsubishi Corporation (“**MC**”) Joint Venture in 2012. The well is located in exploration permit EP 391 some 100 kilometres to the east of Broome, and lies some six kilometres north of the Ungani Production Facility. Buru and MC each have a 50% interest in this well and in EP 391, with MC and Buru each contributing 50% of the cost of the well.

Since the last progress report, the well has been drilled ahead in 12¼” hole to a measured depth of 2,491 metres and the current operation is tripping for a new bit. The well has not yet reached the prognosed casing depth above the predicted Ungani Dolomite reservoir due to slow drilling rates, and delays due to minor mechanical issues. To date the well has penetrated a similar geological section to the Ungani wells, and it is expected to take up to another 3 days to reach the prognosed casing setting depth.

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further drilling progress report on 15 November 2012, subject to any material events occurring in the meantime.

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

For inquiries please contact:

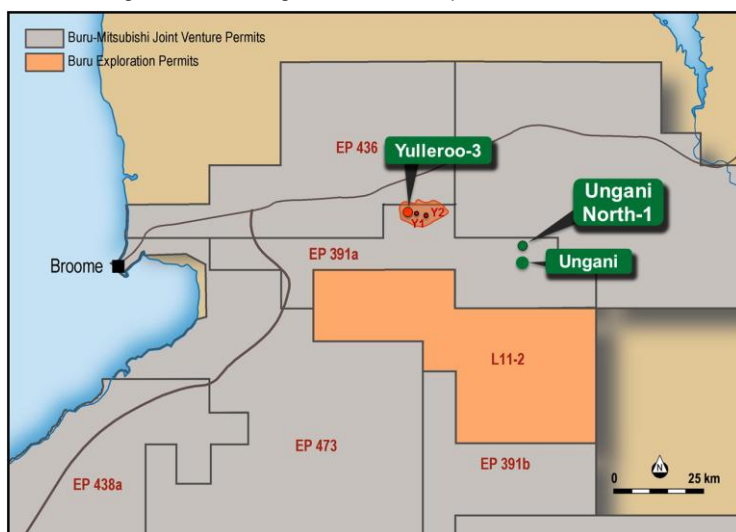
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Ungani North 1 Deepening

PERMIT	The Ungani North 1 well is located in exploration permit EP 391 some 100 kilometres east of Broome.
WELL LOCATION	Latitude: 17 ⁰ 55' 58.5" S Easting: 517415m Longitude: 123 ⁰ 09' 52.0" E Northing: 8017229m
BURU'S INTEREST	Buru Energy Limited holds a 50% interest in the well
DATE OF PROGRESS REPORT	06:00hrs, 8 November 2012 (AWST)
PROPOSED TOTAL DEPTH	3,500 metres
CURRENT DEPTH	2,491 metres
PROGNOSED TIME TO COMPLETION	32 days
DRILLING COMMENCEMENT DATE	27 October 2012
DAYS SINCE COMMENCEMENT	12 days
CURRENT TARGET FORMATION	The Ungani North 1 well is targeting the Ungani Dolomite as seen in the Ungani Field together with the underlying Nullara section which had good oil and gas shows in the Ungani 1 well.
OPERATIONS SINCE LAST PROGRESS REPORT	Since the last progress report, the well has been drilled ahead in 12¼" hole to a measured depth of 2,491 metres and the current operation is tripping for a new bit. The well has not yet reached the prognosed casing depth above the predicted Ungani Dolomite reservoir due to slow drilling rates, and delays due to minor mechanical issues. To date the well has penetrated a similar geological section to the Ungani wells, and it is expected to take up to another 3 days to reach the prognosed casing setting depth.
HYDROCARBON INDICATIONS	Mud log gas shows similar to those encountered in Ungani 1 have been observed in the sealing shale unit overlying the predicted reservoir section.
FORWARD OPERATIONS	The well will continue to be drilled ahead to the prognosed casing point and 9½" casing will be run and cemented prior to drilling through the predicted reservoir.

LOCATION MAPS

Ungani North-1 Regional location map



Ungani North-1 Interpreted gravity gradient map

