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ASX ANNOUNCEMENT (ASX: BRU)

16 August 2012

Weekly Drilling Progress Report – Ungani North-1

Buru Energy Limited (“**Buru**” or “**Company**”) provides the following weekly update on the drilling operations at the Ungani North-1 well as at 06:00hrs, 16 August 2012 (AWST).

Ungani North-1 is 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 from a measured depth of 2,090 metres to a measured depth at 06:00 hours today of 2,266 metres.

During the week there has been continuing slow progress due to continued minor rig problems and slow drilling through hard sections of the Lower Anderson Formation similar to that encountered in the Yulleroo area. Poor oil shows have continued to be noted in sands of the Anderson Formation above the primary objective. While encouraging, the significance of these shows will be evaluated by wireline logs once section total depth is reached.

The formation tops in the well appear to be significantly deeper than prognosed, most probably due to higher than anticipated seismic velocities in the Anderson section which means the anticipated depth to the reservoir will be increased, however, this will not affect the overall structural closure.

The forward operation is to drill ahead to the intermediate casing point once the Laurel Formation has been encountered.

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further drilling progress report on 23 August 2012, subject to any material events occurring in the meantime.

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

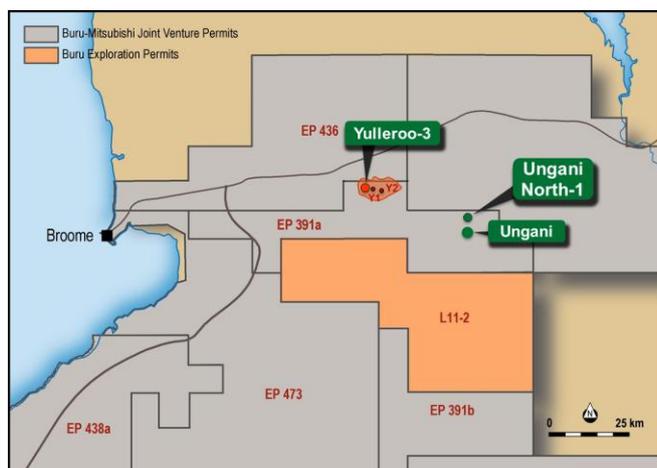
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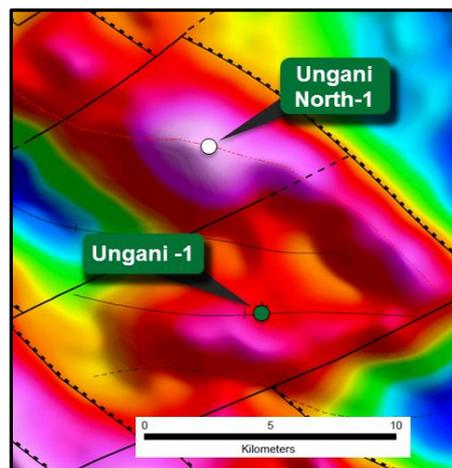
UNGANI NORTH-1

PERMIT	The Ungani North-1 well is located in exploration permit EP 391 some 100 kilometres east of Broome. Maps showing the location of the well are set out below.
WELL LOCATION	Latitude: 17° 55' 58.5" S Easting: 517415m Longitude: 123° 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, 16 August 2012 (AWST)
PROPOSED TOTAL DEPTH	3,000 metres
CURRENT DEPTH	2,266 metres
PROGNOSED TIME TO COMPLETION	32 days (original prognosis)
SPUD DATE	5 July 2012
DAYS SINCE SPUD	42 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 at 06:00 hours today of 2,266 metres.
HYDROCARBON INDICATIONS	Poor oil shows have continued to be noted in sands of the Anderson Formation above the primary objective. While encouraging, the significance of these shows will be evaluated by wireline logs once section total depth is reached.
FORWARD OPERATIONS	The formation tops in the well appear to be significantly deeper than prognosed, most probably due to higher than anticipated seismic velocities in the Anderson section which means the anticipated depth to the reservoir will be increased, however, this will not affect the overall structural closure. The forward operation is to drill ahead to the intermediate casing point once the Laurel Formation has been encountered.

LOCATION MAPS



Ungani North-1 Regional location map



Ungani North-1 Interpreted gravity gradient map