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UNGANI-1ST1 – OIL DISCOVERY FLOWS STRONGLY ON TEST

Buru Energy Limited (“**Buru**” or “**Company**”) provides the following update on operations at the Ungani-1ST1 well.

Since the last progress report, the cased hole test to determine the flow potential of the reservoir and the composition of the reservoir fluids has been successfully completed.

The well was swabbed initially after which natural flow was quickly established. The well has flowed light oil (API gravity of ~37 degrees), with no significant gas, together with varying minor amounts of completion fluid, filtrate and lost circulation material (“**LCM**”) from the approximately 3,000 barrels of mud and LCM that were lost to the formation during the drilling of the zone.

The well was flowed for a total of 8 hours at varying choke sizes with a peak rate of 1,647 bpd on a ½ inch choke with a flowing well head pressure of 18 psi. The well has now been shut-in and the well head pressure is stable at 430 psi.

The well will now be suspended, and subject to regulatory approvals, the rig will be skidded to drill an immediate appraisal well of the discovery from the same drilling pad, to a bottom hole location some 500 metres to the northeast of Ungani-1. Further details of that operation will be made available in due course.

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

“This is a stunning result and validates Buru’s faith in the prospectivity of the Canning Superbasin.

Although it is too early to say how large the accumulation is due to uncertainties in regard to the depth of the oil/water contact and the exact configuration of the structure, seismic mapping indicates that the overall Ungani feature is large and therefore has the potential to contain significant reserves. The drilling of an immediate appraisal well will help to define the overall size of the accumulation and assist with planning for further appraisal of the field.

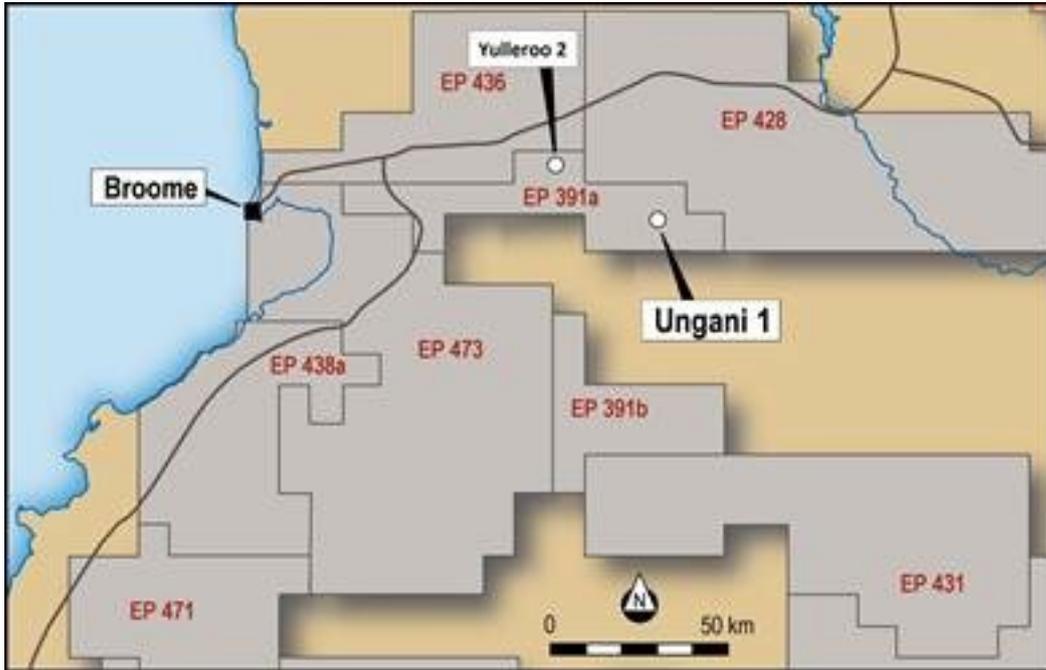
It is of note that the Ungani feature is geologically distinct from the previous oil discoveries in the Superbasin and is a new play type in the Fitzroy Graben province of the Superbasin. It is also of note that this is the first significant oil discovery in the Superbasin since the 1980’s. It is also the first significant oil discovery onshore in Western Australia since ARC Energy’s discovery of the Hovea Field in the Perth Basin which was announced exactly 10 years ago on 18 October 2001.”

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

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LOCATION MAP – UNGANI-1



Ensign Rig#32 at Ungani-1ST1



Buru field engineer with Ungani-1ST1 oil sample



Ungani-1ST1 well head christmas tree