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ASX ANNOUNCEMENT (ASX: BRU) 23 September 2011

OPERATIONS UPDATE UNGANI-1

Buru Energy Limited ("**Buru**" or "**Company**") provides the following update on drilling operations at the Ungani-1 well as at 06:00hrs, 23 September 2011 (AWST).

The Ungani-1 well is the third well in the Buru – Mitsubishi Corporation ("**MC**") 2011 Joint Exploration Program. Buru and MC each have a 50% interest in this well and in EP 391, with MC contributing 80% of the cost of the well under the terms of its farm-in agreement with Buru.

Since the last progress report, the joint venture has approved a forward program involving a sidetrack of the well to a sidetrack depth of 2,750 metres to enable a full evaluation to be undertaken of the hydrocarbon indications observed in the well, in particular the gas peaks and good oil shows observed in the dolomites of the Laurel Formation from 2,160 metres to 2,210 metres and at 2,580 metres and 2,700 metres.

Sidetrack operations have now commenced with the setting of a kick off cement plug and are expected to take up to 14 days to complete.

Ungani-1 is being drilled by Ensign Rig #32.

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further drilling progress report on 29 September 2011, 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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