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**ASX ANNOUNCEMENT (ASX: BRU)**

**12 November 2012**

## **Drilling Progress Report – Ungani North 1 Deepening**

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Buru Energy Limited provides the following update on the deepening operations at the Ungani North 1 well.

Since the last progress report, the well has been drilled ahead to the planned 9 $\frac{5}{8}$ " casing point at a measured depth of 2,550 metres. Wireline logging operations have been completed and the current operation is preparing to run casing.

Results from the drilling to date confirm that the shale that forms the seal at the Ungani Oilfield is also present in the Ungani North 1 well. After drilling through this sealing shale, the formation encountered at the casing depth was a limestone with oil fluorescence noted in cuttings samples. A significant increase in mud gas was also noted.

These results to date are encouraging, and indicate the presence of an active, oil prone, petroleum system, which appears to be similar to that encountered at the Ungani Oilfield. However, a full penetration of the section followed by an extensive wireline logging program is required to determine the significance of the results to date.

In accordance with the operational well plan, the casing is being set above the main reservoir formation seen in the Ungani Oilfield, which is interpreted to lie below the current drill depth. After setting the 9 $\frac{5}{8}$ " casing, the well will be drilled ahead with lower mud weights. This program was specifically designed to ensure appropriate drilling parameters could be maintained during the penetration of the interpreted reservoir section.

Subject to operational matters, it is anticipated that recommencement of drilling operations will be on or about 15 November.

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](http://www.buruenergy.com)

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