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## **ASX ANNOUNCEMENT (ASX: BRU)      6 October 2011**

### **WEEKLY DRILLING PROGRESS REPORT UNGANI-1ST1**

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Buru Energy Limited (“**Buru**” or “**Company**”) provides the following weekly update on drilling operations at the Ungani-1ST1 well as at 06:00hrs, 6 October 2011 (AWST).

The 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 well has been drilled in 8½” hole in the sidetrack to a measured depth of 2,324 metres. Severe mud losses were encountered in dolomites of the Laurel Formation in the equivalent section from 2,160 metres to 2,210 metres in the original wellbore. Good gas and oil shows similar to those seen in the original wellbore were also observed in this section from mudlogs and cuttings samples. Wireline logs over this section were unable to be obtained due to hole problems and at 06:00hrs this morning, the hole was being logged with LWD logs on drill pipe.

The forward plan is to run 7” casing to 2,321 metres, then deepen the well to the original planned total depth of 2,750 metres in 6” hole and then undertake a testing program of the Upper Laurel dolomite section.

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further drilling progress report on 13 October 2011, subject to any material events occurring in the meantime.

Further information on the Company is available at: [www.buruenergy.com](http://www.buruenergy.com)

**For inquiries please contact:**

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## UNGANI-1ST1

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| <b>PERMIT</b>                                | The Ungani-1ST1 well is located in exploration permit EP 391. A map showing the location of the well is set out below.   |
| <b>WELL LOCATION</b>                         | Latitude: 17° 59' 25.6"S      Northing: 8010864m<br>Longitude: 123° 09' 50.8"E      Easting: 517375m   |
| <b>BURU'S INTEREST</b>                       | Buru Energy Limited holds a 50% interest in the well.  |
| <b>DATE OF PROGRESS REPORT</b>               | 06:00hrs, 6 October 2011 (AWST)  |
| <b>PROPOSED SIDETRACK TOTAL DEPTH</b>        | 2,750m   |
| <b>CURRENT SIDETRACK DEPTH</b>               | 2,324m MD  |
| <b>SPUD DATE</b>                             | 13 August 2011   |
| <b>DAYS SINCE SPUD</b>                       | 54 days  |
| <b>CURRENT TARGET FORMATION</b>              | Laurel Formation   |
| <b>OPERATIONS SINCE LAST PROGRESS REPORT</b> | Since the last progress report, the well has been drilled in 8½" hole in the sidetrack to a measured depth of 2,324 metres. Severe mud losses were encountered in dolomites of the Laurel Formation in the equivalent section from 2,160 metres to 2,210 metres in the original wellbore.                        |
| <b>HYDROCARBON INDICATIONS</b>               | Good gas and oil shows similar to those seen in the original wellbore were also observed in this section from mudlogs and cuttings samples. Wireline logs over this section were unable to be obtained due to hole problems and at 06:00hrs this morning, the hole was being logged with LWD logs on drill pipe. |
| <b>FORWARD OPERATIONS</b>                    | The forward plan is to run 7" casing to 2,321 metres, then deepen the well to the original planned total depth of 2,750 metres in 6" hole and then undertake a testing program of the Upper Laurel dolomite section.   |

### LOCATION MAP – UNGANI-1

