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ASX ANNOUNCEMENT (ASX: BRU)

26 November 2012

Update on operations – Ungani North 1 Deepening

Buru Energy Limited provides the following update on the deepening operations at the Ungani North 1 well as at 06:00hrs, 26 November 2012 (AWST).

Since the weekly update report on 22 November, a preliminary evaluation program of the oil shows and reservoir development identified while drilling has been undertaken. This has involved a wireline logging and pressure testing program, and the acquisition of rotary sidewall cores.

In summary, the results to date of this preliminary evaluation program indicate an oil column of up to 44 metres is potentially present in the top of the Ungani Dolomite section. There is also evidence of the development of vugular porosity in an extensive (+280 metre) section of the Ungani Dolomite.

Based on the preliminary evaluation program it appears the highly developed vugular porosity at Ungani is less well developed in this location. Further testing will be required to confirm this, and its impact on the flow rates that could be achieved from the interpreted oil column.

Following completion of the first phase of the preliminary evaluation program, a bit trip was undertaken to clean out the hole and to condition the mud to reduce fluid losses to the formation. The current operation is completing wireline pressure sampling. Once this is completed, the forward plan is to run in the hole and drill ahead to a planned total depth of 3,500 metres to test the underlying Nullara section in which good oil shows were encountered during the drilling of Ungani 1.

Mr Eric Streitberg, Buru's Executive Director, commented on the results of the Ungani North 1 well and the preliminary evaluation program:

"These results are very encouraging for both the Ungani North structure itself, and perhaps more importantly, for the regional prospectivity of the Ungani trend. The Ungani North structure is large, and is interpreted from results to date to have an oil charged reservoir section, and we have also encountered a thicker sealing shale section and a much thicker dolomitised reservoir section than at Ungani. These factors are again very encouraging for the regional prospectivity, and the many other prospects we see on the Ungani trend."

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further weekly drilling progress report on 29 November 2012.

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

For inquiries please contact:

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