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ASX ANNOUNCEMENT (ASX: BRU) 20 October 2011

WEEKLY DRILLING PROGRESS REPORT UNGANI-1ST1

Buru Energy Limited (“**Buru**” or “**Company**”) provides the following weekly update on drilling operations at the Ungani-1ST1 well as at 06:00hrs, 20 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 yesterday’s operations update, the well has been shut-in in preparation for the release of Rig #32 from Ungani-1ST1. Rig #32 will now be used to drill the Ungani-2 appraisal well from the same location. It is expected that drilling operations will commence at Ungani-2 within the next two weeks.

This is the last drilling report for Ungani-1ST1.

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

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UNGANI-1ST1

PERMIT	The Ungani-1ST1 well is located in exploration permit EP 391. A map showing the location of the well is set out below.
WELL LOCATION	Latitude: 17° 59' 25.6"S Northing: 8010864m Longitude: 123° 09' 50.8"E Easting: 517375m
BURU'S INTEREST	Buru Energy Limited holds a 50% interest in the well.
DATE OF PROGRESS REPORT	06:00hrs, 20 October 2011 (AWST)
PROPOSED SIDETRACK TOTAL DEPTH	2,750m
CURRENT SIDETRACK DEPTH	2,324m MD
SPUD DATE	13 August 2011
DAYS SINCE SPUD	68 days
CURRENT TARGET FORMATION	Laurel Formation
OPERATIONS SINCE LAST PROGRESS REPORT	Since yesterday's operations update the well has now been shut-in in preparation for the release of Rig #32 from Ungani-1ST1.
HYDROCARBON INDICATIONS	Not relevant to current operations.
FORWARD OPERATIONS	Rig #32 will now be used to drill the Ungani-2 appraisal well from the same location. It is expected that drilling operations will commence at Ungani-2 within the next two weeks.

LOCATION MAP – UNGANI-1

