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ASX ANNOUNCEMENT (ASX: BRU) 27 September 2012

Weekly Drilling Progress Report – Asgard-1

Buru Energy Limited (“**Buru**” or “**Company**”) provides the following weekly update on the drilling operations at the Asgard-1 well as at 06:00hrs, 27 September 2012 (AWST).

Asgard-1 is the fifth well to be drilled by the Buru – Mitsubishi Corporation (“**MC**”) Joint Venture in 2012. The well is located in Exploration Permit EP 371 some 180 kilometres to the southeast of Derby and 30km northeast of Noonkanbah Station. Buru and MC each have a 50% interest in this well and in EP 371.

Since the last progress report, and as disclosed in the Operations Update released to the ASX on 25 September 2012, the well has been drilled ahead in 8½” hole to a measured depth of 3,524 metres. The well was deepened to this revised total depth as strong gas shows in discrete sand units were still being encountered close to the original prognosed total depth of 3,400 metres. As at 06:00hrs today, the well was being prepared for wireline logging operations.

A full suite of wireline logs are programmed to evaluate the thick Laurel Formation section and the gas shows that have been encountered in this well. Final interpretation of the results of the well will require analysis of these logs.

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further drilling progress report on 4 October September 2012, 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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ASGARD-1

PERMIT	The Asgard-1 well is located in Exploration Permit EP 371 some 30km northeast of Noonkanbah Station.
WELL LOCATION	Latitude: 18° 14' 49.2" S Easting: 714724m Longitude: 125° 01' 51.0" E Northing: 7981295m
BURU'S INTEREST	Buru Energy Limited holds a 50% interest in the well
DATE OF PROGRESS REPORT	06:00hrs, 27 September 2012 (AWST)
PROPOSED TOTAL DEPTH	3,524 metres (revised from 3,400 metres)
CURRENT DEPTH	3,524 metres
PROGNOSED TIME TO COMPLETION	45 days
SPUD DATE	28 August 2012
DAYS SINCE SPUD	30 days
CURRENT TARGET FORMATION	The Asgard-1 well is targeting the Upper and Lower Laurel gas reservoirs.
OPERATIONS SINCE LAST PROGRESS REPORT	Since the last progress report, and as disclosed in the Operations Update released to the ASX on 25 September 2012, the well has been drilled ahead in 8½" hole to a measured depth of 3,524 metres. The well was deepened to this revised total depth as strong gas shows in discrete sand units were still being encountered close to the original prognosed total depth of 3,400 metres. As at 06:00hrs today, the well was being prepared for wireline logging operations.
HYDROCARBON INDICATIONS	No change from the last drilling progress report for this well.
FORWARD OPERATIONS	A full suite of wireline logs are programmed to evaluate the thick Laurel Formation section and the gas shows that have been encountered in this well. Final interpretation of the results of the well will require analysis of these logs.

LOCATION MAP

