



Buru Energy Limited
ABN 71 130 651 437
Level 2, 97 William Street
Perth, Western Australia 6000
PO Box 7794, Perth
Cloisters Square WA 6850
Ph: 61-8 9215 1800
Fax: 61-8 9215 1899
www.buruenergy.com

ASX ANNOUNCEMENT (ASX: BRU)

19 November 2012

Drilling Progress Report – Ungani North 1 Deepening

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 a current measured depth of 2,779 metres as at 0600 hours AWST.

The top of the dolomitic reservoir section was encountered at approximately 2,553 metres, with associated oil shows and indications of vuggy porosity from cuttings samples and in the variable drilling rates controlled by the presence of vugs. The base of the dolomite section has not yet been encountered. Oil shows in cuttings samples and increased mud gas readings were noted from the top of the dolomite section to a depth of approximately 2,625 metres.

Similar shows were noted in the Ungani 1 and 2 wells, both above and below the producible oil column. The extent of the producible oil column at the Ungani Oilfield was only able to be determined once wireline logs and pressure data were obtained. The extent, if any, of the oil column at Ungani North 1 will need to be determined by similar methods. If hole conditions are suitable, the well will be drilled to total depth and the wireline logs will be obtained at that time. However, if hole conditions are of concern, intermediate wireline logging operation over the next two to three days may be warranted. Depending on the results of wireline logging, further testing of the well, including a clean-up flow test, may be undertaken once the well is completed.

Commenting on these results Buru's Executive Director, Eric Streitberg, said:

"The extent of the dolomite section and the oil and gas shows we have seen while drilling are very encouraging results indeed. Of course, we still have to do the detailed evaluation to see whether this encouragement translates into producible oil. Having said that, the fact that the petroleum system looks very similar to the Ungani Oilfield, with a thick, well developed vugular dolomite reservoir, and with the added benefit of thicker overlying sealing shales, is just a great result.

The Ungani discovery was the first conventional oil discovery in the Canning Superbasin in over 30 years, and to have a situation where the first follow-up exploration well encounters a similar conventional petroleum system is just a great result. It validates our exploration concepts and our view of the conventional oil prospectivity of the Ungani Trend, and bodes very well for other prospects we see on the Ungani trend which we hope to be drilling next year."

For inquiries please contact:

Eric Streitberg	Executive Director
Telephone	+61 8 9215 1800
Freecall	1800 337 330
Email	ericstreitberg@buruenergy.com