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ASX ANNOUNCEMENT (ASX: BRU) 26 August 2010

WEEKLY DRILLING PROGRESS REPORT LEANDER-1st1

Buru Energy Limited (“**Buru**” or “**Company**”) provides the following update on drilling operations at the Leander-1st1 well as at 06:00hrs, 26 August 2010 (AWST). Buru holds a 100% interest in this well.¹

Note that the well has now been designated Leander-1st1 to reflect the drilling of the sidetrack

During the week the sidetrack operation was commenced with the setting of a cement plug above the fish. The first sidetrack attempt was unsuccessful due in part to contractor equipment malfunction. A second attempt at the sidetrack was then undertaken and this was successful, and the well has now been drilled ahead to 1523.5 metres using the sidetrack drilling assembly. The forward program is to change the bottom hole assembly and recommence drilling ahead to the several Anderson Sandstone objectives which are expected to be encountered during the course of drilling over the next week.

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further drilling progress report on 2 September 2010, 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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¹ *Mitsubishi Corporation has an option to acquire a 50% interest in each of Buru’s 100% owned L6, L8 and EP129 permits at a price to be determined by an independent valuer based on 2P reserves.*

LEANDER-1st1

PERMIT	The Leander-1st1 well is located in production licence L8. A map showing the location of the well is set out below.
WELL LOCATION	17° 30' 56.8"S 8062957.857N 124° 14' 19.9"E 631512.556E
BURU'S INTEREST	Buru Energy Limited holds a 100% interest in the well.
DATE OF PROGRESS REPORT	06:00hrs, 26 August 2010 (AWST)
PROPOSED TOTAL DEPTH	2,250m
CURRENT DEPTH	1,523.5m (in sidetrack)
PROGNOSED TOTAL DRILLING TIME	56 days
SPUD DATE	8 July 2010
DAYS SINCE SPUD	49 days
CURRENT TARGET FORMATION	The Leander-1st1 well is targeting the sands of Anderson Formation in a structure with the potential to hold approximately 1 million barrels of oil on a P50 basis.
OPERATIONS SINCE LAST PROGRESS REPORT	Set cement plug. Attempted sidetrack. Sidetrack attempt was unsuccessful due in part to contactor equipment malfunction. Set second cement plug. A second attempt at the sidetrack was then successfully undertaken and the well has been drilled to 1523.5 metres using the sidetrack drilling assembly. The forward program is to change the bottom hole assembly and recommence drilling ahead to the various Anderson Sand target formations.
HYDROCARBON INDICATIONS	Not applicable.
FORWARD OPERATIONS	Sidetrack round BHA fish, drill ahead to the first target formation.

LEANDER-1st1 LOCATION MAP

