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ASX ANNOUNCEMENT (ASX: BRU) 19 August 2010

WEEKLY DRILLING PROGRESS REPORT LEANDER-1

Buru Energy Limited (“**Buru**” or “**Company**”) provides the following update on drilling operations at the Leander-1 well as at 06:00hrs, 19 August 2010 (AWST). Buru holds a 100% interest in this well.¹

Since the last progress report the Leander-1 well has remained suspended.

During the week rig repairs were completed and it was then ascertained that the drill pipe had become stuck in the hole during the repair period. After working to free the stuck pipe without success, it was decided to cut the drill pipe above the drill bit and pull out of the hole in preparation for a sidetrack round the stuck pipe. This operation is currently underway and it is expected that drilling will recommence over the weekend.

It is then expected that the several Anderson Sandstone objectives will be encountered during the course of drilling over the next week.

Mr Eric Streitberg, Buru’s Executive Director, commented:

“This has been a very frustrating period for us as we have worked hard to keep the drilling program on schedule, despite these difficulties. We are now looking forward and hope to be back drilling ahead in the next few days. The delay this unfortunate incident has caused is not expected to result in any substantial changes to the forward program and we expect to be able to release a detailed operational update next week once we are back drilling and can provide a firmer estimate of program times.”

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further drilling progress report on 26 August 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-1

PERMIT	The Leander-1 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, 19 August 2010 (AWST)
PROPOSED TOTAL DEPTH	2,250m
CURRENT DEPTH	1,668m (prior to plug back and sidetrack)
PROGNOSED TOTAL DRILLING TIME	54 days
SPUD DATE	8 July 2010
DAYS SINCE SPUD	42 days
CURRENT TARGET FORMATION	The Leander-1 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	Completed rig repairs and attempted to pull out of the hole. Worked to free stuck pipe, unable to jar free, cut pipe above bit and pull out of the hole. RIH to clean out. Prepare to set sidetrack plug.
HYDROCARBON INDICATIONS	Not applicable.
FORWARD OPERATIONS	Sidetrack round BHA fish, drill ahead to the first target formation.

LOCATION MAP LEANDER-1

