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ASX ANNOUNCEMENT (ASX: BRU) 2 September 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, 2 September 2010 (AWST). Buru holds a 100% interest in this well.¹

During the week the well has been drilled ahead from 1,523.5 metres to 2,117 metres. Fair to good hydrocarbon shows were encountered in the carbonates of the Laurel section but there does not appear to be significant reservoir development associated with these shows. The well is currently drilling in the Yellowdrum Formation with minor hydrocarbon shows and will be drilled ahead to the secondary objective of the Nullara Formation carbonates which are the productive horizon at the Blina Field.

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further drilling progress report on 9 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, 2 September 2010 (AWST)
PROPOSED TOTAL DEPTH	2,250m
CURRENT DEPTH	2,117m
PROGNOSED TOTAL DRILLING TIME	60 days
SPUD DATE	8 July 2010
DAYS SINCE SPUD	56 days
CURRENT TARGET FORMATION	The secondary objective Nullara Formation.
OPERATIONS SINCE LAST PROGRESS REPORT	Drilled ahead to current depth. The well is currently drilling in the Yellowdrum Formation with minor hydrocarbon shows and will now be drilled ahead to the secondary objective of the Nullara Formation carbonates which are the productive horizon at the Blina Field.
HYDROCARBON INDICATIONS	Fair to good hydrocarbon shows were encountered in the carbonates of the Laurel section but there does not appear to be significant reservoir development associated with these shows. Minor oil shows have been encountered in the Yellowdrum Formation to date.
FORWARD OPERATIONS	Drill to TD, log.

LEANDER-1st1 LOCATION MAP

