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ASX ANNOUNCEMENT (ASX: BRU) 7 September 2010

FINAL 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 09:00hrs, 7 September 2010 (AWST). Buru holds a 100% interest in this well.¹

The well has now been drilled ahead to a total depth of 2,280 metres and wireline logs have been run. No hydrocarbon zones warranting further testing were noted on the logs, and the well will now be suspended and the rig released.

The rig will then have a short period of preventative maintenance before running the frac packer and tubing string into the Yulleroo-2 well, and then spudding the Paradise-1 well.

The Leander-1st1 well is being suspended for possible re-entry and sidetrack to test an interpreted hydrothermal dolomite anomaly some 500m to the west of the current well location. This operation would require the larger rig that Buru currently intends to mobilise into the Canning Superbasin for the 2011 drilling program.

Buru’s Executive Director Eric Streitberg commented:

“Whilst we are disappointed with the results of this well, it is one of a series we will be drilling this year and does not have any impact on the prospectivity of the next wells in the program. We are looking forward in the near term to both the frac and test of Yulleroo-2, and the spud of Paradise-1.”

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 124° 14' 19.9"E	8062957.857N 631512.556E
BURU'S INTEREST	Buru Energy Limited holds a 100% interest in the well.	
DATE OF PROGRESS REPORT	09:00hrs, 7 September 2010 (AWST)	
CURRENT DEPTH	2,280m	
SPUD DATE	8 July 2010	
DAYS SINCE SPUD	61 days	
OPERATIONS SINCE LAST PROGRESS REPORT	Drilled ahead to total depth of 2,280m. No reservoir development was noted in the secondary objective of the Nullara Formation carbonates. Ran wireline logs and prepared to run cement plugs to suspend the well.	
HYDROCARBON INDICATIONS	Wireline logs indicated no zones that required further testing.	
FORWARD OPERATIONS	Suspend well and release rig.	

LEANDER-1st1 LOCATION MAP

