



**Buru Energy Limited**  
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## **ASX ANNOUNCEMENT (ASX: BRU) 1 September 2008**

### **Listing Completed – Operations Update**

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Buru Energy Limited (Buru) is delighted to announce that quotation of the company's shares on ASX commenced at 11 am WST today with the code BRU, after the Company was admitted to the official list of ASX on Thursday 27 August.

Buru is an oil and gas explorer whose focus is in the Canning Basin in Western Australia's Kimberley region. Buru means "a special place" in the language of the Traditional Owners of the area and we look forward to it being a special place for our investors, the community at large and the Traditional Owners on whose land we operate.

The company has already commenced its first exploration well, with the spud on Friday of the Lanagan 1 exploration well (operated by New Standard Energy Limited), which is testing a large oil prospect in the southern Canning Basin. Lanagan will be followed by a series of other very high potential value tests including, Lawford 1, Paradise 1 and Pictor East 1. Preparations are also underway, subject to joint venture approval, for the testing of the Stokes Bay 1 well.

Buru was formed by the demerger of the Canning Basin assets of ARC Energy from the ARC/Awe merger, and as part of that process, Buru has acquired some \$84 million in working capital. An amount of \$20 million of those funds has been escrowed under arrangements with Buru's gas customer, Alcoa of Australia, leaving Buru with free cash for exploration of \$64 million.

The Company has been pro-active in informing its shareholders of its activities and a presentation being made by the Chairman of the company to investors has been released separately. This provides investors with details of the Company's structure and activities.

Buru will also be presenting at the Good Oil conference in Fremantle on Wednesday and a copy of that presentation will also be made available to investors at that time.

Further information on the company is available on the Buru website at:

[www.buruenergy.com](http://www.buruenergy.com)

For inquiries please contact:

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Yours faithfully,

A handwritten signature in black ink, appearing to be "Adrian Cook", written in a cursive style.

**ADRIAN COOK**  
**Managing Director**

## **APPENDIX ONE: MATERIAL TERMS OF THE FARM-IN AGREEMENT**

The following is a summary of the material terms of the NSE and Buru Farm-in Agreement:

- (i) Buru will be assigned a 35% participating interest in EP 417 (Buru Interest) in return for committing to fund 35% of the costs of drilling Lanagan 1 and Lawford 1 exploration wells;
- (ii) Buru will pay to NSE the sum of \$75,000 which satisfies the previous expenditure on the Permit in relation to the Buru Interest; and
- (iii) pending approval and registration of the transfer of the Farmin Interest, NSE shall hold the Farmin Interest upon trust for Buru.

### **Option**

NSE grants to Buru an option to earn a further 15% participating interest in EP 417 as follows:

- (i) In the “dry hole” case Buru can increase its equity interest in EP417 from 35% to 50% by funding the cost of the next exploration well at a 60% level; and
- (ii) In the discovery case: Buru can increase its equity interest in EP417 from 35% to 50% by:
  - a. Paying to NSE 100% of the NSE costs of drilling each discovery well to a maximum of \$3.5 million per discovery well; and
  - b. Funding 75% of the next well on EP417; and
  - c. Paying NSE a one-off payment equal to 5% of the value of the first 5 million barrels of oil produced from the field with the payment falling due after 5 million barrels have been produced.

### **Option Exercise**

Buru may exercise the option above at any time up to the earlier of:

- a. 12 months after the completion of the Lanagan and Lawford wells; or
- b. the date the joint venture approves the commencement of a seismic survey or further well; or
- c. the date one of the parties agrees to sole risk a seismic survey or further well on the Permit.

**APPENDIX TWO: MAP OF LANIGAN 1 AND LAWFORD 1 WELL LOCATIONS**

