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ASX ANNOUNCEMENT (ASX: BRU)

4 October 2012

Acquisition of 90% interest in EP457 and EP458 finalised

Buru Energy Limited ("**Buru**") refers to its announcement of 26 September 2012 regarding the proposed acquisition of an indirect 90% interest in each of EP457 and EP458 by acquiring all of the shares in Gujarat NRE Oil Limited ("**GNOL**") from its parent company, NRE Resources Pty Ltd, for a total consideration of \$36 million cash.

Buru is pleased to advise that it has now received the proceeds of the institutional placement undertaken last week and the acquisition of GNOL has now been completed.

Separately, Buru has received correspondence sent on behalf of Rey Resources Limited (ASX: REY; "**Rey Resources**") asserting that, in Rey Resources' opinion, and as a result of Buru's acquisition of all of the shares in GNOL, Gujarat NRE Mineral Resources Limited, which is a party to the joint venture agreements that relate to EP 457 and EP 458, is in breach of certain provisions of those joint venture agreements relating to parent company guarantees. Buru considers these assertions to be wholly without foundation and in any event to have no effect on the transaction. Buru is considering its response to this correspondence.

This release and further information on Buru is available at: www.buruenergy.com

For inquiries please contact:

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Yours faithfully

A handwritten signature in blue ink that reads "Eric Streitberg".

ERIC STREITBERG
Executive Director