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## **ASX ANNOUNCEMENT (ASX: BRU)      2 November 2011**

### **COMMENCEMENT OF DRILLING OPERATIONS UNGANI-2**

Buru Energy Limited (“**Buru**” or “**Company**”) advises that drilling operations at the Ungani-2 well commenced at 07:00hrs, 2 November 2011 (AWST).

The Ungani-2 well is the fourth well in the Buru – Mitsubishi Corporation (“**MC**”) 2011 Joint Exploration Program. Buru and MC each have a 50% working and paying interest in this well and in EP 391.

The Ungani-2 well is being drilled from the same drilling pad as Ungani-1ST1 to a bottom hole location some 520 metres to the northeast of the bottom hole location of the Ungani-1ST1 well.

The well has the following objectives:

- to confirm the extent of the oil accumulation and the reservoir quality in the dolomitic carbonate reservoir which produced oil in Ungani1ST1; and
- to confirm the location of the oil/water contact in the accumulation.

The well is prognosed to be drilled to a total depth of 2,465 metres (TVDRT 2,380 metres) and is expected to take 37 days to drill on a dry hole basis.<sup>1</sup> The well is being drilled by Ensign Rig #32.

The first drilling progress report for the well is attached. During the course of drilling operations, drilling progress reports will be provided to the ASX each Thursday and as required upon the occurrence of any material event. The Company expects to issue the next drilling progress report on 10 November 2011, unless a material event occurs in the interim.

Commenting on the spud of Ungani-2, Buru’s Executive Director, Eric Streitberg, said:

*“This well is an important verification of the size and potential of the Ungani Field. Given the size of the structure and the good flow rates achieved during the initial clean up flow in the first well, there is good potential for this accumulation to be of significant size. The Ungani-2 well is an important test of that potential.”*

Further information on the Company is available at: [www.buruenergy.com](http://www.buruenergy.com)

#### **For inquiries please contact:**

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<sup>1</sup> Drilling dates and times in this ASX release are indicative only. The timing of drilling operations is subject to weather and operational factors.

## UNGANI-2

<b>PERMIT</b>	The Ungani-2 well is located in exploration permit EP 391. A map showing the location of the well is set out below.
<b>WELL LOCATION</b>	<p>Surface Location:</p> <p>Latitude: 17° 59' 25.8"S      Northing: 8010859m</p> <p>Longitude: 123° 09' 50.6"E      Easting: 517367m</p> <p>Target bottom hole location:</p> <p>Latitude: 17° 59' 11.5"S      Northing: 8011298m</p> <p>Longitude: 123° 09' 59.4"E      Easting: 517627m</p>
<b>BURU'S INTEREST</b>	Buru Energy Limited holds a 50% interest in the well.
<b>DATE OF PROGRESS REPORT</b>	07:00hrs, 2 November 2011 (AWST)
<b>PROPOSED TOTAL DEPTH</b>	2,465 metres (2,380 metres TVDRT)
<b>CURRENT DEPTH</b>	25 metres
<b>PROGNOSED TIME TO TOTAL DEPTH</b>	37 days
<b>SPUD DATE</b>	2 November 2011
<b>DAYS SINCE SPUD</b>	Drilling operations commenced at 07:00hrs, 2 November 2011 (AWST).
<b>CURRENT TARGET FORMATION</b>	Drilling ahead to the first casing point.
<b>OPERATIONS SINCE LAST PROGRESS REPORT</b>	Drilling operations commenced at 07:00hrs, 2 November 2011 (AWST).
<b>HYDROCARBON INDICATIONS</b>	None. None predicted.
<b>FORWARD OPERATIONS</b>	The well is currently drilling ahead to the first casing point expected to be at 626 metres.

### LOCATION MAP – UNGANI-2

