



Buru Energy Limited
ABN 71 130 651 437
Level 2, 97 William Street
Perth, Western Australia 6000
PO Box 7794, Perth
Cloisters Square WA 6850
Ph: 61-8 9215 1800
Fax: 61-8 9215 1899
www.buruenergy.com

ASX ANNOUNCEMENT (ASX: BRU) 25 August 2011

WEEKLY DRILLING PROGRESS REPORT PICTOR EAST-1

Buru Energy Limited (“**Buru**” or “**Company**”) provides the following weekly update on drilling operations at the Pictor East-1 well as at 06:00hrs, 25 August 2011 (AWST).

The Pictor East-1 well is the second well in the Buru – Mitsubishi Corporation (“**MC**”) 2011 Joint Exploration Program. Buru and MC each have a 50% interest in this well and in EP 431, with MC contributing 80% of the cost of the well under the terms of its farm-in agreement with Buru.

Since the last progress report, the Pictor East-1 well was drilled ahead in 8½” hole to a depth of 899m. At that point, a conventional core was cut over the 18 metre interval from 899m to 917m with 100% recovery. The well was then drilled ahead in 8½” hole to a depth of 1,075m and an intermediate wireline logging run was completed to this depth.

The Nita Formation was encountered on prognosis some 17 metres high to the intersection in the Pictor-1 well. Mudlog hydrocarbon shows, similar to those encountered in Pictor-1, were seen over a 65 metre Nita Formation interval. The Nita Formation successfully tested oil and gas in the Pictor-1 well.

Neither the core nor the logs have been fully analysed at this time so the significance of the hydrocarbon shows has yet to be determined. However, preliminary analysis indicates that reservoir quality is likely to be similar to that encountered in previous wells with locally developed porosity.

As at 06:00hrs today the well was preparing to be drilled ahead in 8½” hole to the Acacia Formation, the second target formation, which is considered prospective for oil.

Pictor East-1 is being drilled by Century Rig #7. It is expected to take 21 days to drill on a dry hole basis.¹

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further drilling progress report on 1 September 2011, subject to any material events occurring in the meantime.

Further information on the Company is available at: www.buruenergy.com

For inquiries please contact:

Eric Streitberg Executive Director
Telephone: +61 8 9215 1800
Freecall: 1800 337 330
Email: ericstreitberg@buruenergy.com

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

PICTOR EAST-1

PERMIT	The Pictor East-1 well is located in exploration permit EP 431. A map showing the location of the well is set out below.
WELL LOCATION	Latitude: 18° 46' 14.3"S Northing: 7924394m Longitude: 123° 43' 33.3"E Easting: 576509m
BURU'S INTEREST	Buru Energy Limited holds a 50% interest in the well.
DATE OF PROGRESS REPORT	06:00 hrs, 25 August 2011 (AWST)
PROPOSED TOTAL DEPTH	1,700m
CURRENT DEPTH	1,075m
PROGNOSED TIME TO TOTAL DEPTH	21 days
SPUD DATE	9 August 2011
DAYS SINCE SPUD	16 days
CURRENT TARGET FORMATION	Wireline logs have successfully been acquired over the first target formation being the Nita Formation reservoir which successfully tested oil and gas in the Pictor-1 well.
OPERATIONS SINCE LAST PROGRESS REPORT	Drilled ahead in 8½" hole to a depth of 899m. At that point, a conventional 18m core was acquired to 917m. The well has then been drilled ahead in 8½" hole to a depth of 1,075m and an intermediate wireline logging run was completed to this depth.
HYDROCARBON INDICATIONS	Mudlog hydrocarbon shows, similar to those seen in Pictor-1, were seen over a 65 metre Nita Formation interval. The significance of the hydrocarbon shows has yet to be determined, pending analysis of cores and logs. Preliminary analysis indicates that reservoir quality is likely to be similar to that encountered in previous wells with locally developed porosity.
FORWARD OPERATIONS	The well will now be drilled ahead in 8½" hole to the Acacia Formation reservoir, the second target formation, which is considered prospective for oil.

LOCATION MAP – PICTOR EAST-1

