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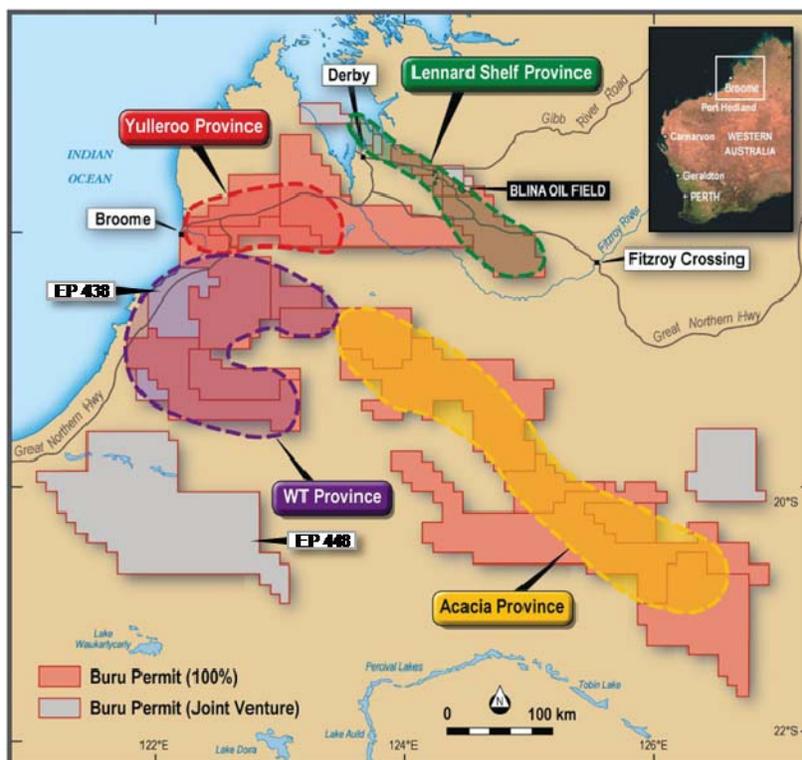
Buru's Canning Basin portfolio management strategy continues with consolidation of the WT Province acreage position

Summary

Buru Energy Limited ("**Buru**") is pleased to announce that it has entered into agreements with Gulliver Productions Pty Ltd ("**Gulliver**", a wholly owned subsidiary of Empire Oil and Gas NL (ASX:EGO)) and Indigo Oil Pty Ltd ("**Indigo**") in respect of EP 438 and Gulliver, Indigo and United Orogen Limited ("**UOG**") in respect of EP 448. These agreements will result in Buru:

- relinquishing its existing 5% interest in EP 448 together with the associated \$3 million farm-in commitment; and
- having a right to earn a further 70% interest in EP 438 through spending \$3 million on further exploration in the permit, which is expected to include the drilling of one well in the permit, taking Buru's interest in EP 438 to 75%.

The following map shows the location of EP 438 and EP 448 in the context of Buru's holdings in the greater Canning Basin. The EP 438 permit lies in the WT Province, a discrete geological province within the Canning Basin that is interpreted to be prospective for both mid to large oil and gas discoveries.



This transaction represents a further important step in Buru's well advanced process of rationalising its acreage and joint venture commitments to ensure that its exploration spend is focused on the most highly prospective areas in the Canning Basin.

Technical and operational background

The EP 438 permit lies within Buru's interpretation of the WT Province. EP 448 lies outside Buru's interpretation of the WT Province.

Previous wells in the WT Province have encountered significant oil and gas shows. The Hedonia-1 well drilled by Gulf Oil in 1984 had good oil and gas shows together with well developed karstic porosity in Ordovician Willara limestones at a depth of some 1,050 metres. However, the well was not successfully tested at the time. The Willara-1 well drilled by WAPET in 1964 is interpreted by Buru to have encountered a gas accumulation which, although potentially modest in size, has a number of potential follow-ups in similar structures in the area. This is also the case for the Hedonia structure and is a key criteria for all the prospects that are being evaluated for the 2010 drilling program.

The WT Province is located relatively close to the Great Northern Highway, allowing easier access to well sites and offering the potential to extend the drilling season into the early stages of the wet season. In addition, the WT Province is located comparatively closer to port facilities, potentially providing an additional cost effective transport option for any liquids. Furthermore, the WT Province is approximately 250km from the nearest gas pipeline, providing a cheaper path to gas commercialisation and therefore more robust economics for any gas discoveries compared to other more remote areas in the eastern Canning Basin.

Although technical work is ongoing, it is Buru's current intention to commence on-ground exploration in the WT Province as part of the 2010 Canning Basin dry season exploration program.

Commercial terms

On completion of the transaction, and subject to Buru spending its full \$3 million exploration work commitment in EP 438, the interests in EP 438 and EP 448 will be as follows:

	Party	Current Interest	Change	New Interest
EP 448	Buru	5.0%	-5.0%	0%
	Gulliver	70.0%	+3.5%	73.5%
	Indigo	20.0%	+1.0%	21.0%
	UOG	5.0%	+0.5%	5.5%
EP 438	Buru	5.0%	+70.0%	75.0%
	Gulliver	76.0%	-56.0%	20.0%
	Indigo	19.0%	-14.0%	5.0%

Commenting on these transactions and Buru's permit rationalisation process generally, Buru's Executive Director, Eric Streitberg said:

"We are very pleased to have taken this most recent step in the ongoing process of high grading Buru's portfolio and ensuring that we spend Buru's exploration dollars in the most effective way. This transaction, together with the transaction with New Standard completed in 2009, have together collectively resulted in a reduction of Buru's future farm-in commitments by between \$20 million and \$30 million. At the same time, we have been working with the Department of Mines and Petroleum to rationalise our acreage portfolio and the associated government work commitments. This process has resulted in Buru almost halving its acreage portfolio and has significantly reduced the Company's future work commitments to a level sustainable from its current financial resources.

The process of permit rationalisation has also materially enhanced Buru's exposure to the most prospective areas in the Canning Basin. The transaction with New Standard gave us a dominant position in the Acacia Province, and this current transaction places us in a similar position across the WT Province, enhancing Buru's leverage to success as we prepare for the 2010 drilling season."

Further information on the company is available on the Buru website at:
www.buruenergy.com

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Yours faithfully



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