

ASX ANNOUNCEMENT (ASX: BRU) 21 October 2008

UPDATE ON THE TESTING PROGRAMME FOR THE STOKES BAY-1 WELL IN EP 104/R1, CANNING BASIN, WESTERN AUSTRALIA

Buru is pleased to announce that the Stokes Bay-1 Testing Programme equipment and specialised well workover and stimulation personnel are currently on the Stokes Bay-1 wellsite, in the EP 104/R1 Permits located in the Canning Basin, near the town of Derby, Western Australia.

The workover and testing crew have completed the set up and preparation activities and commenced initial fresh water circulation and swabbing. These activities will continue until the arrival of the nitrogen unit and other nitrogen test equipment at the wellsite.

Final technical work on the Stokes Bay-1 testing programme concluded that nitrogen is the most suitable fluid for circulation of the heavy drilling fluids above the Nullara Formation carbonate reservoir in the wellbore to reduce the pressure on the formation. This test programme is designed to induce flow of formation fluids from the cavernous Nullara Formation.

The Stokes Bay-1 testing to date has not provided any formation fluids from the Nullara Formation and this test programme is designed to determine the presence of hydrocarbons and the extent of the reservoir parameters.

Buru and the EP 104/R1 Joint Venture parties look forward to providing the results of this testing programme and the future programmes dependent on these test results.

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