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ASX ANNOUNCEMENT (ASX: BRU)

2 August 2012

Weekly Drilling Progress Report – Ungani North-1

Buru Energy Limited (“**Buru**” or “**Company**”) provides the following weekly update on the drilling operations at the Ungani North-1 well as at 06:00hrs, 2 August 2012 (AWST).

Ungani North-1 is the fourth well to be drilled by the Buru – Mitsubishi Corporation (“**MC**”) Joint Venture in 2012. The well is located in exploration permit EP 391 some 100 kilometres to the east of Broome, and lies some six kilometres north of the Ungani Production Facility. Buru and MC each have a 50% interest in this well and in EP 391, with MC and Buru each contributing 50% of the cost of the well.

Since the last progress report, the well has been drilled ahead in 12¼” hole from a measured depth of 1,040 metres to a measured depth at 06:00 hours today of 1,927 metres. During the week minor delays to drilling operations have continued to be encountered due to maintenance and repairs on the Century#7 drilling rig. Poor to fair oil shows and minor mud gas increases have been noted over a 15 metre interval interval in the Anderson Formation. The significance of these shows will be evaluated by wireline logs once section total depth is reached. It is anticipated that the primary objective Ungani Dolomite will be encountered in approximately 7 days once section total depth is reached and 9⅝” casing is run.

The forward operation is to drill ahead to the intermediate casing point at a prognosed measured depth of 2,260 metres.

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further drilling progress report on 9 August 2012, subject to any material events occurring in the meantime.

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

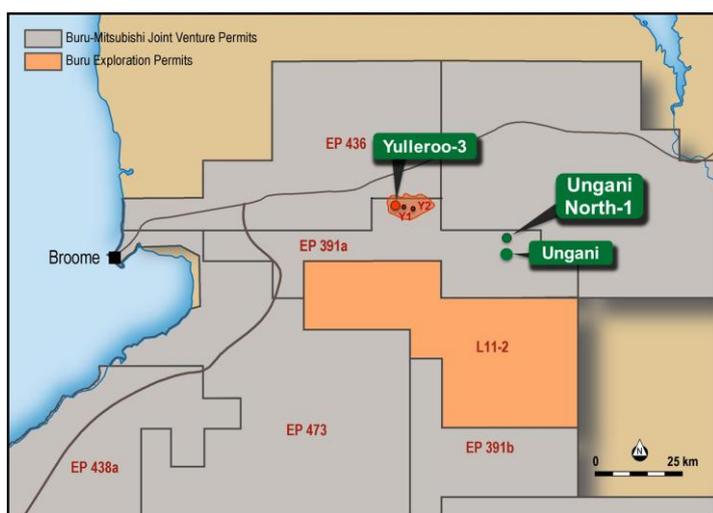
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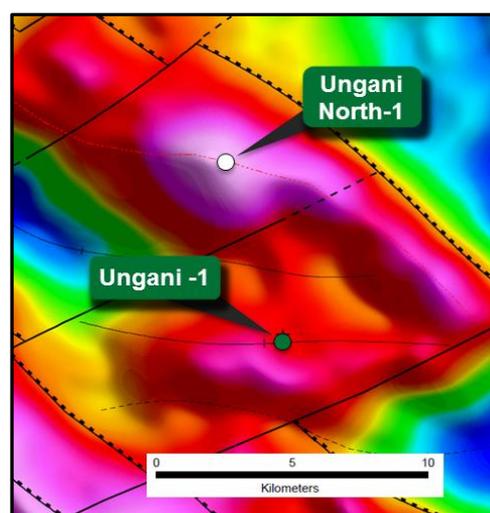
UNGANI NORTH-1

PERMIT	The Ungani North-1 well is located in exploration permit EP 391 some 100 kilometres east of Broome. Maps showing the location of the well are set out below.
WELL LOCATION	Latitude: 17 ⁰ 55' 58.5" S Easting: 517415m Longitude: 123 ⁰ 09' 52.0" E Northing: 8017229m
BURU'S INTEREST	Buru Energy Limited holds a 50% interest in the well
DATE OF PROGRESS REPORT	06:00hrs, 2 August 2012 (AWST)
PROPOSED TOTAL DEPTH	3,000 metres
CURRENT DEPTH	1,927 metres
PROGNOSED TIME TO COMPLETION	32 days
SPUD DATE	5 July 2012
DAYS SINCE SPUD	28 days
CURRENT TARGET FORMATION	The Ungani North-1 well is targeting the Ungani Dolomite as seen in the Ungani Field together with the underlying Nullara section which had good oil and gas shows in the Ungani-1 well.
OPERATIONS SINCE LAST PROGRESS REPORT	Since the last progress report, the well has been drilled ahead in 12¼" hole to a measured depth at 06:00 hours today of 1,927 metres.
HYDROCARBON INDICATIONS	Poor to fair oil shows and minor mud gas increases have been noted over a 15 metre interval interval in the Anderson Formation. The significance of these shows will be evaluated by wireline logs once section total depth is reached.
FORWARD OPERATIONS	Drill ahead to the intermediate casing point at a prognosed measured depth of 2,260 metres. It is anticipated that the primary objective Ungani Dolomite will be encountered in approximately 7 days once section total depth is reached and 9½" casing is run.

LOCATION MAPS



Ungani North-1 Regional location map



Ungani North-1 Interpreted gravity gradient map