



Buru Energy Limited
ABN 71 130 651 437
Level 1, 418 Murray 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) 27 May 2010

DRILLING PROGRESS REPORT FAIRWELL-1

Buru Energy Ltd (“**Buru**” or “**Company**”) provides the following update on drilling operations at the Fairwell-1 well as at 06:00 hrs, 27 May 2010 (AWST). Buru holds a 100% interest in this well.

Since the last progress report the Fairwell-1 well was drilled ahead from a depth of 403m to a depth of 514m. At that point 244mm (9⁵/₈”) casing was run to 509m. The well was then drilled ahead to the coring point at 650m in 216mm (8¹/₂”) hole. A core was taken over the interval 650m to 659m in the Noonkanbah Shale. 100% of the core was recovered. On completion of coring operations the well was drilled ahead and, as at the time of this report, is at a depth of 716 m in the Noonkanbah Shale Formation.

No significant hydrocarbons were prognosed or have been encountered in the well to date.

The Company’s Fairway Rig is performing in line with expectations. Further details of the drilling operations are attached.

The well will now be drilled ahead to the top of the Grant Formation and from there to 1,250m to penetrate the complete Grant Formation objective section.

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further drilling progress report on 3 June 2010, 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

FAIRWELL-1

PERMIT	The Fairwell-1 well is located in production licence L8. A map showing the location of the well is set out below.
WELL LOCATION	17° 32' 38.71"S 8059770.025N 124° 18' 58.24"E 639697.826E
BURU'S INTEREST	Buru Energy Limited holds a 100% interest in the well.
DATE OF PROGRESS REPORT	0600 hrs, 27 May 2010 (AWST)
PROPOSED TOTAL DEPTH	1,800m
CURRENT DEPTH	716 m
PROGNOSED TIME TO TOTAL DEPTH	18 days
SPUD DATE	18 May 2010
DAYS SINCE SPUD	10 days
TARGET FORMATIONS	The Fairwell-1 well is targeting two principal horizons with the potential to collectively hold 4.8 million barrels of oil on a P50 basis: <ul style="list-style-type: none"> multiple sands of the Grant Formation at 1,250m; and dolomitic limestones of the Yellow Drum Formation at 1,800m.
OPERATIONS SINCE LAST PROGRESS REPORT	<ul style="list-style-type: none"> The well was drilled ahead from 403m to 514m. 9⁵/₈" casing was run to 509m. The well was drilled ahead from 514m to 650m in 8¹/₂" hole. A 9m core was taken between 650m and 659m in the Noonkanbah Shale. The well was drilled ahead from 659m to 716m.
HYDROCARBON INDICATIONS	No significant shows.
FORWARD OPERATIONS	The well will now be drilled ahead to the top of the Grant Formation and from there to 1,250m to penetrate the complete Grant Formation objective section.

LOCATION MAP - FAIRWELL-1

