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ASX ANNOUNCEMENT (ASX: BRU) 29 November 2010

**DRILLING PROGRESS REPORT
NANGU-1**

Buru Energy Limited (“**Buru**” or “**Company**”) provides the following update on drilling operations at the Nangu-1 well as at 09:00 hrs, 29 November 2010 (AWST).

The Nangu-1 well is the fourth well in Buru’s 2010 drilling program and the second in the Joint Exploration Program with Mitsubishi Corporation (“**MC**”). Paradise-1, the first well in the program is currently being drilled with Buru’s Fairway Rig. Subject to the terms of the farm-in agreement between Buru and MC, MC is obliged to fund 80% of the costs of Paradise-1 and Nangu-1 as part of an expenditure commitment of \$22.4 million in 2010 to earn an initial 40% interest in the majority of Buru’s permits.

The primary objective of Nangu-1 is wet gas in the sands of the Grant Formation with P50 potential resources of 1 million barrels of condensate and 15 Bcf of gas if hydrocarbons are present. The Nangu-1 well is being drilled on a well defined structure updip from the Willara-1 stratigraphic well drilled in 1965 that encountered excellent wet gas shows in the target section of Nangu-1.

The well was spudded at midday on 28 November and has been drilled ahead to 310 metres.

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further drilling progress report on 2 December 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:

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Yours faithfully

A handwritten signature in black ink, appearing to read "Eric Streitberg", written over a printed name and title.

ERIC STREITBERG
Executive Director

NANGU-1

PERMIT	Nangu-1 is located in exploration permit EP 471, some 200 kms south of Broome. A map showing the location of the well is set out below.
WELL LOCATION	19° 10' 30.2" S 122° 03' 50.8" E
JOINT VENTURE INTEREST	Buru holds a 60% interest in the well and in EP 471, with MC holding the remaining 40% interest under the terms of the farmin agreement between Buru and MC.
DATE OF PROGRESS REPORT	09:00 hrs, 29 November 2010 (AWST)
PROPOSED TOTAL DEPTH	1,000 metres
CURRENT DEPTH	310 metres
PROGNOSSED DURATION	13 days
SPUD DATE	28 November 2010
DAYS SINCE SPUD	1 day
CURRENT TARGET FORMATION	The Nangu-1 well is targeting sands of the Grant Formations.
OPERATIONS SINCE LAST PROGRESS REPORT	Spudded well at 12.00 pm on 28 November, drilled ahead to 310 metres.
HYDROCARBON INDICATIONS	None. None predicted.
FORWARD OPERATIONS	The well is currently drilling ahead to the first target formation.

NANGU-1 LOCATION MAP

