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ASX ANNOUNCEMENT (ASX: BRU) 1 December 2011

WEEKLY DRILLING PROGRESS REPORT UNGANI-2

Buru Energy Limited (“**Buru**” or “**Company**”) provides the following weekly update on drilling operations at the Ungani-2 well as at 06:00hrs, 1 December 2011 (AWST).

The Ungani-2 well is the fourth well in the Buru – Mitsubishi Corporation (“**MC**”) 2011 Joint Exploration Program. Buru and MC each have a 50% working and paying interest in this well and in EP 391.

The Ungani-2 well is a deviated well being drilled from the same drilling pad as Ungani-1ST1, with the top of the reservoir in Ungani-2 being encountered some 425 metres to the northeast of the Ungani-1ST1 reservoir intersection.

Since the last progress report, a conventional core was cut over the 63 metre interval from 2,242m to 2,305m measured depth with 5.1 metres of core being recovered from the cored interval. Oil shows consistent with those encountered in Ungani-1ST1 were observed in cuttings while coring, and live oil was observed bleeding from vugs and fractures in the recovered core section.

The well has now been drilled ahead to 2,327 metres measured depth and the current operation is running in the hole in preparation for cutting core 2.

In accordance with its policy of releasing weekly drilling progress reports, the Company expects to issue a further drilling progress report on 8 December 2011, 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-2

PERMIT	The Ungani-2 well is located in exploration permit EP 391. A map showing the location of the well is set out below.
WELL LOCATION	<p>Surface Location:</p> <p>Latitude: 17° 59' 25.8"S Northing: 8010859m</p> <p>Longitude: 123° 09' 50.6"E Easting: 517367m</p> <p>Target bottom hole location:</p> <p>Latitude: 17° 59' 11.5"S Northing: 8011298m</p> <p>Longitude: 123° 09' 59.4"E Easting: 517627m</p>
BURU'S INTEREST	Buru Energy Limited holds a 50% interest in the well.
DATE OF PROGRESS REPORT	06:00hrs, 1 December 2011 (AWST)
PROPOSED TOTAL DEPTH	2,465 metres (2,380 metres TVDRT)
CURRENT DEPTH	2,327 metres
PROGNOSED TIME TO TOTAL DEPTH	5 days
SPUD DATE	2 November 2011
DAYS SINCE SPUD	29
CURRENT TARGET FORMATION	Ungani Dolomite
OPERATIONS SINCE LAST PROGRESS REPORT	A conventional core was cut over the 63 metre interval from 2,242m to 2,305m measured depth with 5.1 metres of core being recovered from the cored interval.
HYDROCARBON INDICATIONS	Oil shows consistent with those encountered in Ungani-1ST1 were observed in cuttings while coring, and live oil was observed bleeding from vugs and fractures in the recovered core section.
FORWARD OPERATIONS	The well has now been drilled ahead to 2,327 metres measured depth and the current operation is running in the hole in preparation for cutting core 2.

LOCATION MAP – UNGANI-2

