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ASX ANNOUNCEMENT (ASX: BRU) 3 JANUARY 2012

UNGANI-2 – CLEAN UP FLOW UNDERWAY

Buru Energy Limited provides the following update on operations at the Ungani-2 well.

Since the last progress report, the clean up flow of the well has been commenced.

The well has been swabbed, and natural flow has now been established. The swabbing operations recovered significant amounts of the drilling fluid that was lost to the formation during completion operations.

The well is still cleaning up with fluid rates, oil volumes and well head pressures increasing, and once a stable flow rate is obtained, a short multi rate test will be carried out and the well will then be suspended pending the commencement of the extended production test.

The operations to date have been within expected parameters and a further announcement will be made once the stabilised rates and pressures have been established. This is expected to be in the next 24 to 48 hours.

Further information on the Company is available at: <u>www.buruenergy.com</u>

For inquiries please contact:

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