

Corporate Cost Reductions and Ungani Production Continuation

Buru Energy has quickly responded to the current unprecedented global situation by taking appropriate steps to preserve its current balance sheet and to ensure that it is well positioned for the future.

- Corporate personnel costs reduced by more than 50%
- All discretionary expenditure deferred
- Ungani Oilfield production continuing with next lifting mid-May
- Strong balance sheet and no material commitments provides confidence in the future

Corporate costs

As an initial step, the Company's corporate staff will reduce their salaries by between 20% and 75% across a range of management and operational positions, and unfortunately the reductions will also include a number of redundancies across the business. Individual salary reductions have been determined by the requirements for employees to be available to ensure the safe and environmentally compliant operating capability of the Company.

The Executive Chairman will initially reduce his salary by 55%, and Non-Executive Directors will reduce their fees by 40%.

These measures will result in an overall reduction of the Company's personnel costs (excluding Ungani production) of more than 50%. The reductions are effective as of 1 April and will be reviewed on a quarterly basis or as required. All other non-personnel overheads are also being reduced to the full extent practicable.

Capital expenditure

In relation to capital and exploration expenditures, the Company has no material permit obligations and has deferred all discretionary expenditure including non-essential capital expenditure on the Ungani Oilfield.

Ungani Production

Production from the Ungani Oilfield is continuing with the next lifting scheduled for mid-May, with the received price under the current lifting contract being based on the average Brent price over the month of May. Field operating costs are also being reduced and the current global crude market environment is being closely monitored by the joint venture in regard to the continuation of production. The COVID-19 management protocols have had no material effect on the Company's operational capability in line with the Company's operations being staffed locally with no FIFO staff, and not in the proximity of any Kimberley remote Aboriginal communities.

Farmout process

The farmout process for the Company's Canning Basin exploration areas is continuing, with interest shown from a number of parties. Technical due diligence material will be available to parties in the coming weeks as the data base compilation is completed and the virtual data room becomes operational.

This ASX announcement has been authorised for release by the Board of Buru Energy.

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