

Inside Briefing Interview

Buru Energy Limited (“Buru Energy” or “Company”) provides the attached Inside Briefing interview with Buru Energy’s Executive Chairman, Eric Streitberg.

Visit www.buruenergy.com for information on Buru Energy’s current and future activities.

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About Buru Energy

Buru Energy Limited (ASX: BRU, S&P/ASX300) is a Western Australian oil and gas exploration and production company headquartered in Perth with an operational office in Broome. The Company’s petroleum assets and tenements are located onshore in the Canning Basin in the southwest Kimberley region of Western Australia. Its flagship high quality conventional Ungani Oilfield project is owned in 50/50 joint venture with Mitsubishi Corporation. As well as Ungani, the Company’s portfolio includes potentially world class tight gas resources.

The company’s goal is to deliver material benefits to its shareholders, the State of Western Australia, the Traditional Owners of the areas in which it operates, and the Kimberley community, by successfully exploring for and developing the petroleum resources of the Canning Basin in an environmentally and culturally sensitive manner.

The Company Announcements Officer
Australian Securities Exchange Ltd
via electronic lodgement

The following is an *Inside Briefing* interview with Buru Energy Limited Executive Chairman, Mr Eric Streitberg

In this interview, Eric Streitberg provides an update on Australian oil and gas exploration and production company Buru Energy Limited (ASX: BRU) (market capitalisation: ~\$140 million; 336 million shares on issue). Buru's petroleum assets and tenements are located onshore in the Canning Basin in the southwest Kimberley region of Western Australia. Its flagship high quality conventional Ungani Oilfield project is owned in 50/50 joint venture with Mitsubishi Corporation. As well as Ungani, the Company's portfolio includes potentially world class tight gas resources.

Inside Briefing: *Your operations seem to be getting some momentum after a year without much activity - can you comment on your recent work program?*

Eric Streitberg : We have had a quite extraordinary few months and the team has really achieved a huge amount. We acquired nearly 1,000 kms of 2D seismic data and a 240 sq km 3D seismic survey both targeting high quality conventional oil prospects, and they were both completed on budget and with no operational or environmental incidents. It's also worth noting that we had very good co-operation and participation on all the surveys from all the Traditional Owners whose country we were working on.

In addition to the seismic we completed the Phase 1 Tight Gas Exploration Program on two of our wells, Asgard and Valhalla North, and this work was also done with the full co-operation and participation of the Traditional Owners.

We have also started our drilling program with the DDH1 rig which has given us a pathway to what we hope will be more cost effective exploration for conventional targets in the basin.

We also started the production test on Ungani North, and continued running the Ungani production test.

It has been a very busy period, at peak activity we had over 100 people on ground, and of course benefits from this have flowed through to the local communities from jobs and the services they have provided.

Inside Briefing: *How is the new drilling rig contracted through DDH1 working for you? Are you able to comment on the status of the drilling program?*

Eric Streitberg: My focus when I resumed an executive position in the Company earlier this year was to reduce costs, especially exploration costs. This now has an even closer focus given the events of the last couple of months with the oil price and energy markets turning down so sharply.

Using a different approach to exploration drilling seemed a logical place to try to drive better value for shareholders, and the arrangement with DDH1 includes a fixed price component, which we hope will deliver well costs of about half of what we have been seeing with conventional rigs. There have of course been some initial teething problems as we both adjust to each other's way of working, but the performance on the workover at Ungani North and on the Commodore well so far appears pretty encouraging, and we expect further efficiencies over time.

Inside Briefing: *Following completion of the Commodore well, you were planning to drill another Apache funded well, Olympic 1, is this still the plan with the wet season starting?*

Eric Streitberg: The second well (Olympic) is part of the Apache farmin agreement and will be funded entirely by Apache. We are currently reviewing the logistics and timing of this well with the Joint Venture. Given the onset of the wet season, it would make more sense to drill the Sunbeam well (Emanuel location) next as that is a location that is generally accessible during the wet season. We can then drill Olympic once things dry out early next year. Once we have this agreed, which I hope will be very shortly, we will let the market know.

Inside Briefing: *You mentioned the seismic surveys, how is the data looking, has it lived up to expectations?*

Eric Streitberg: Given that we have only just acquired the data we have only seen field stacks, which really only give you enough information to see general structure and data quality. However, from what we can see the data quality is excellent on both the 2D and the 3D. The structures we saw on both the old 2D data and the new airborne gravity look to definitely be there, although it is too early to confirm any drillable prospects. So I would say so far so good at this early stage.

Inside Briefing: *You have reported that the Ungani Field production test is going well and some initial results for Ungani North, can you comment on that.*

Eric Streitberg: The Ungani production test is going well, we have been producing consistently at about 1,200 bopd which is our most efficient rate for the current transportation system, and gives us the most data from the test. For the next phase of the EPT we are planning a series of reservoir and production tests. Given we are seeing the wells behaving much better than any of our models predicted, we are very keen to both keep the wells producing at a steady state, and also carry out our other tests to gather as much data as possible for our forward development planning.

With Ungani North, we are currently analysing the data we gathered in the first phase of the test, and what we are seeing is that we have only recovered drilling fluid that we lost when we originally drilled the well. But from the fluid recovery it is clear that the reservoir has connected porosity, which is very encouraging. We will probably need to put a pump in the well to get it fully producing and we are set up to do that in the New Year.

Inside Briefing: *Are you able to provide an update on the results of stage 1 of the Tight Gas Exploration Program?*

Eric Streitberg: We are very pleased with the way this has gone. The actual field operations went very well and we had a terrific engagement with the Traditional Owners. We have only seen the preliminary technical results so far but the cement bond logs look very good and the DFIT's or "mini fracs" have given us some excellent data, so we are very pleased with this "pathfinder" process for future full frac programs.

Inside Briefing: *It is clear from the way the seismic surveys and the Phase 1 TGS work was conducted that you have good support from the Traditional Owners for those activities, are you able to provide any further updates on Traditional Owner negotiations for the Ungani Production Licences?*

Eric Streitberg: We are very pleased with the way the Ungani negotiations have now progressed. All the parties to the negotiations have put in a huge effort over the last couple of months and we have made very substantial and positive progress. There is still some process left to go, but we are hopeful we will be able to get things finalised in the first quarter next year.

Inside Briefing: The slump in the oil price has had a very serious effect on the market and your share price. How has that affected Buru and what effects will it have on your operations?

Eric Streitberg: Unfortunately Buru has been treated very similarly to the rest of the small oil and gas sector as far as share price declines, and in fact even the larger companies have seen their prices under very significant pressure in the last three months.

Buru's Board and management have been through these periods before, and are very conscious of the necessity to live within our means, but also to be able to add value as we go forward. We are strategically reviewing all our expenditure, both committed and discretionary, to ensure we remain fully funded, while still setting ourselves up for the inevitable turn around in oil price and markets.

As part of this review we are also looking very carefully at our operating expenditure. With our higher cost structure for this test phase of the Ungani Field, and these low oil prices, we are not currently making a lot of money at Ungani.

However, we are confident that with our recent capital raising, together with strict expenditure controls, we will be able to control our funding position and continue to pursue development opportunities, ensuring short and long term value for our shareholders.

Inside Briefing: Thank you, Eric.

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Information in this release related to exploration and production results and petroleum resources is based on information compiled by Eric Streitberg who is an employee of Buru Energy Limited. Mr Streitberg is a Fellow of the Australian Institute of Mining and Metallurgy and the Australian Institute of Company Directors, and a member and Certified Petroleum Geologist of the American Association of Petroleum Geologists. He has over 40 years of relevant experience. Mr Streitberg consents to the inclusion of the information in this document.