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ASX Announcement

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Apache farms-in to Buru and Mitsubishi's coastal and eastern desert acreage in the Canning Basin

Buru Energy Limited is pleased to announce that it has entered into binding agreements with Mitsubishi Corporation ("MC") and Apache Energy Limited ("Apache") pursuant to which an Apache subsidiary will farm-in to a number of the joint venture's exploration permits in the Canning Basin. The permits principally cover the Goldwyer Shale areas of the joint venture's portfolio, and are prospective for shale oil and gas as well as for conventional sandstone reservoirs, particularly in the southern areas.

Under the agreements, subject to satisfaction of certain conditions:

- Apache will earn a 50% interest in exploration permits 390, 471 and 473 and up to a 50% interest in exploration permit 438 ("Coastal Permits") by agreeing to fund a A\$25 million exploration program to be conducted on the Coastal Permits during 2014.
- Apache will be granted an option to earn a 40% interest in exploration permits 472, 476 and 477, up to a 40% interest in exploration permit 478 and up to a 50% interest in exploration permit 474 ("Acacia Permits").
- Apache will pay Buru and MC a non-refundable option fee equal to the greater of (a) \$7.2 million and (b) 80% of the costs of the 20,000 sq km aerogravity survey currently being conducted by Buru and MC over the Acacia Permits (excluding exploration permit 474) and a 650km seismic survey planned to be conducted by Buru and MC on the Acacia Permits (excluding exploration permit 474) in 2014.
- If Apache exercises the option at the conclusion of the 2014 seismic program to acquire interests in the Acacia Permits, it will fund 80% of the costs of the first two exploration wells to be drilled in the Acacia Permits and, in the event of success in either or both of those wells, 80% of the first two appraisal wells. Apache will also reimburse Buru for the costs of the recently completed 5,000 sq km aerogravity survey and 400km seismic survey planned to be conducted by Buru on exploration permit 474 in 2014.

Buru will remain as the operator of the Coastal Permits and Acacia Permits but under the terms of the agreements, Apache will, subject to completion of the relevant work programs, have the right to assume operatorship following a transition period. In the event that Apache elects to assume operatorship, Buru will continue to be heavily involved in the community affairs and engagement programs.

Further details of the transactions are set out in the attachment.

Apache's entry into the Canning Basin provides a strong endorsement of Buru and MC's exploration and appraisal activities to date and their shared belief in the significance of the region as a potential major energy supplier to Western Australia.

Commenting on the transaction, Buru's Managing Director Dr Keiran Wulff said:

"Following on from the exploration success of the last few years, Buru has set out to ensure that the Company has the capability to fully explore and commercialise our extensive assets in the Canning Basin whilst also focusing the Company's efforts on delivering value from its Ungani trend and potential gas assets in its core areas. This farm in by Apache is an excellent result and we are delighted that Apache have agreed to join us in the Canning Basin. This farmout will provide a welcome refocus and impetus for the exploration of what is another major asset in our portfolio.

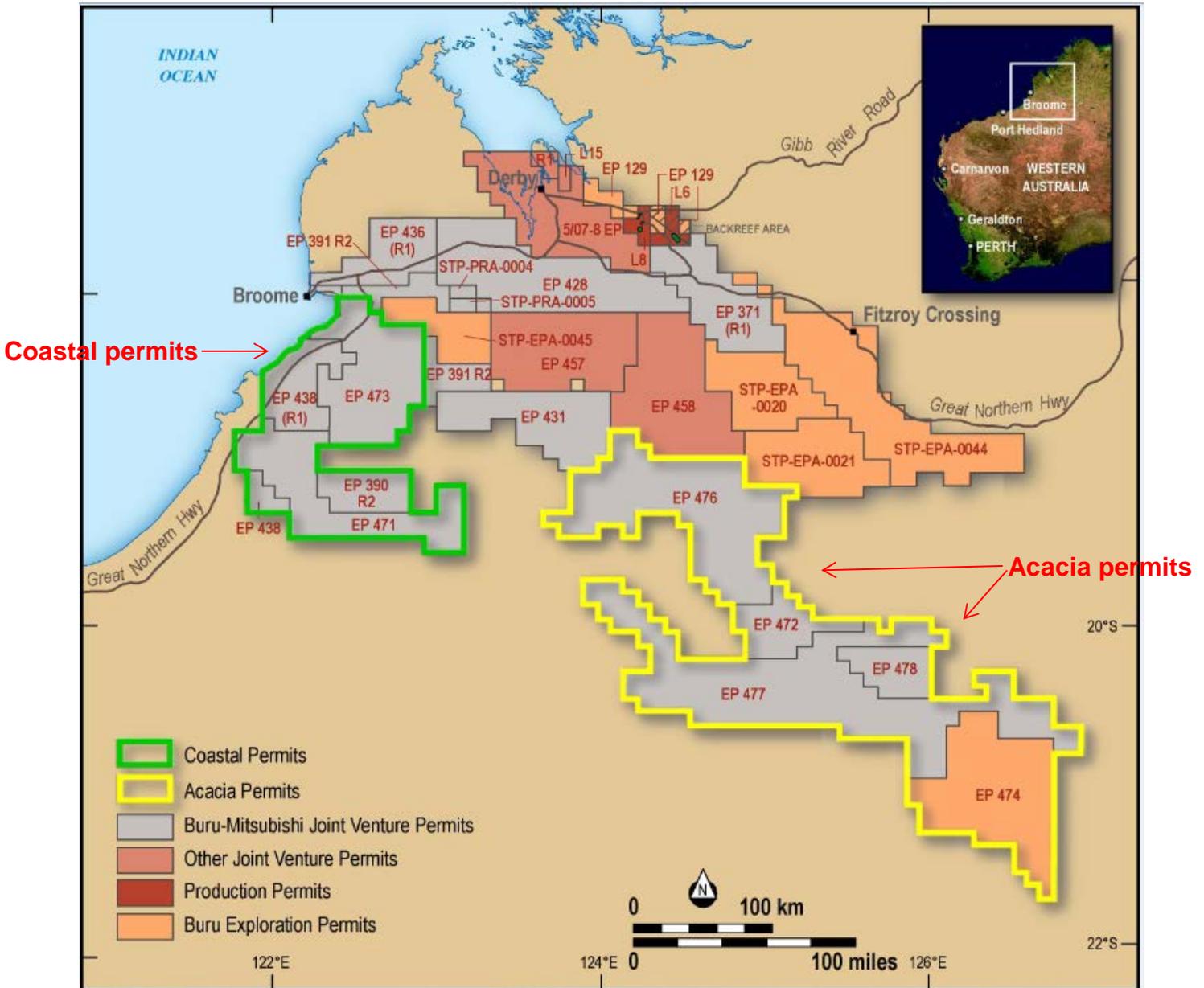
Apache are a world class and highly efficient operator of unconventional assets, and have also been extremely successful in developing low cost, highly profitable onshore oil and gas fields. Apache have been involved in highly successful developments in analogous areas in other parts of the world and they are therefore an ideal partner for our Canning Basin development activity. The combination of Apache's worldwide expertise and experience, and Buru's local knowledge and operating capability is an excellent combination. It is also very pleasing that Apache are enthusiastic and committed to the continuation of our strong focus on meaningful and respectful engagement with the Traditional Owners in our areas of operations and with the community more broadly. We believe that this transaction is a very strong demonstration of support for Buru and Mitsubishi's approach to community engagement.

We look forward to working with Apache and maximising the value of our extensive portfolio."

Further information on the Company is available at: www.buruenergy.com

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Location of Coastal and Acacia Permits

Attachment – Summary of transactions

Coastal Permits

Under the terms of this agreement, Apache will fund 100% of a A\$25 million exploration program to be conducted on the Coastal Permits in order to acquire a 50% interest in exploration permits 390, 471 and 473 and up to a 50% interest in exploration permit 438. The exploration program is planned to be conducted in 2014 and will include the drilling of two exploration wells and a 175km 2D seismic survey.

The transaction is due for completion in the first quarter of 2014 and is subject to FIRB and other regulatory approvals as well as certain third party documentation and, in the case of exploration permit 438, third party waivers. Buru and MC will each transfer a 25% interest in exploration permits 390, 471 and 473 and up to a 25% interest in exploration permit 438 to Apache on completion.

Acacia Permits

Under the terms of this agreement, Apache will be granted an option to earn a 40% interest in exploration permits 472, 476 and 477, up to a 40% interest in exploration permit 478¹ and up to a 50% interest in exploration permit 474.

In return for the grant of the option, Apache will pay a non-refundable option fee equal to the greater of \$7.2 million and 80% of the costs of the 20,000 sq km aerogravity survey currently being conducted by Buru and MC and a 650km seismic survey planned to be conducted by Buru and MC in 2014.

The option will be exercisable by Apache on or before 30 September 2014 or any later date agreed by the parties if the aerogravity and seismic surveys have not been completed before then.

If Apache exercises the option, it will be obliged to fund 80% of the costs of the first two exploration wells to be drilled in the Acacia Permits and, in the event of success in either or both of those wells, 80% of the first two appraisal wells.

Apache will also reimburse Buru for 100% of the costs of the recently completed 5,000 sq km aerogravity survey and 400km seismic survey planned to be conducted by Buru on exploration permit 474 in 2014.

MC will have a right to farm in to exploration permit 474 on equivalent terms as Apache if it exercises the option. If MC exercises this right, it will acquire a 30% interest in the permit and Apache will acquire a 40% interest (instead of 50%). In this case, Apache and MC will reimburse Buru the survey costs referred to above on a proportionate basis.

The transaction is also subject to FIRB and other regulatory approvals as well as certain third party documentation and in the case of exploration permit 478, a third party waiver.

¹ Subject to existing Trident farm-in right

About Apache

Apache Energy is the principal Australian subsidiary of Apache Corporation, one of the largest independent oil and gas exploration and production companies in the world. With a presence in Western Australia for more than 20 years, Apache Energy is now one of Australia's most significant producers of oil and gas, and the most active offshore explorer over the past 10 years.

Apache has interests in more than 31,000 square kilometres (7.8 million acres) of offshore acreage, including exploration permits and production licences, predominantly in the Exmouth and Carnarvon Basins offshore Western Australia.

Current Australian production operations include the Varanus Island, Devil Creek and Macedon domestic gas and condensate facilities, and the Van Gogh, Stag and Pyrenees oil production facilities.

New projects under development include the Coniston and Balnaves oil projects. Apache is also a joint venture partner in the Wheatstone Project – which will produce LNG, domestic gas and condensate using gas from the Apache-operated Julimar and Brunello gas fields.