

Buru assumes 100% equity in three key Canning Basin exploration permits

Buru Energy Limited (Buru) is pleased to announce that it has reached agreement with Roc Oil (Canning) Pty Limited (Roc) for Roc to withdraw from its current 50% interest in Canning Basin exploration permits EP 428, EP 436 and EP 391 (the Farm-in Permits). The withdrawal is covered by the terms of the 2018 Farm-in Agreement between Buru and Roc whereby Roc was to earn a 50% interest in the Farm-in Permits by carrying Buru through an agreed exploration program by 30 June 2020, or it could withdraw at that time.

It has now been agreed that Roc will withdraw from the Farm-in Permits effective 31 December 2019. Consistent with the withdrawal terms of the Farm-in Agreement, Roc will not be required to provide any shortfall funding as at the date of withdrawal, and its re-assignment of the Farm-in Permits to Buru is for nominal consideration only. Further details of the agreed earlier withdrawal by Roc are set out in Attachment 1.

Roc will retain its 50% interest in the producing conventional Ungani Oilfield, and Buru as operator will continue to work closely and co-operatively with Roc in our aligned Ungani Joint Venture with a view to maximising value for all stakeholders.

Upon customary statutory approvals and registration of the transfers, Buru will therefore resume 100% ownership of these three key permits in the Canning Basin. The permits are central to both the Ungani Dolomite trend and the emerging Reeves clastics play and contain several world class prospects including Rafael, which Buru plans to drill in its next exploration campaign.

Executive Chairman Eric Streitberg commented:

"Together with its existing 100% and majority owned permits, Buru now controls a gross 22,000 sq kms of highly prospective contiguous acreage in the Canning Basin. The Canning Basin is one of the least explored onshore basins in Australia with already producing conventional oil resources and large scale wet gas resources. This is a unique situation that will be highly attractive to companies seeking both scale and running room, and it is intended to commence a wide ranging farmout process early in 2020 once a prospect and regional scale technical review is completed. The Basin requires further focused exploration to realise its potential and we are confident this combination of commercial, geological and operational components will allow us to successfully drive this forward."

Authority for this announcement

Name of body authorised to make this announcement:	Buru Energy Ltd Board
Contact person for this announcement:	Eric Streitberg, Executive Chairman
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Attachment 1

Details of the transactions in accordance with ASX Guidance Note 8

A. Parties to the agreements are:

Buru Energy Limited (Buru)
Roc Oil (Canning) Pty Limited (Roc)

B. The assets the subject of the transactions with before and after holdings:

Permit	Registered Holder before Transaction	Permit Type	Registered Holder after Transaction
Exploration Permits			
EP391	Buru 50% and Roc 50%	Exploration Permit	Buru 100%
EP428	Buru 50% and Roc 50%	Exploration Permit	Buru 100%
EP436	Buru 50% and Roc 50%	Exploration Permit	Buru 100%

C. Summary of key contractual matters

Sale and Purchase Agreement (SPA) – Exploration Permits EP391, EP428 and EP436

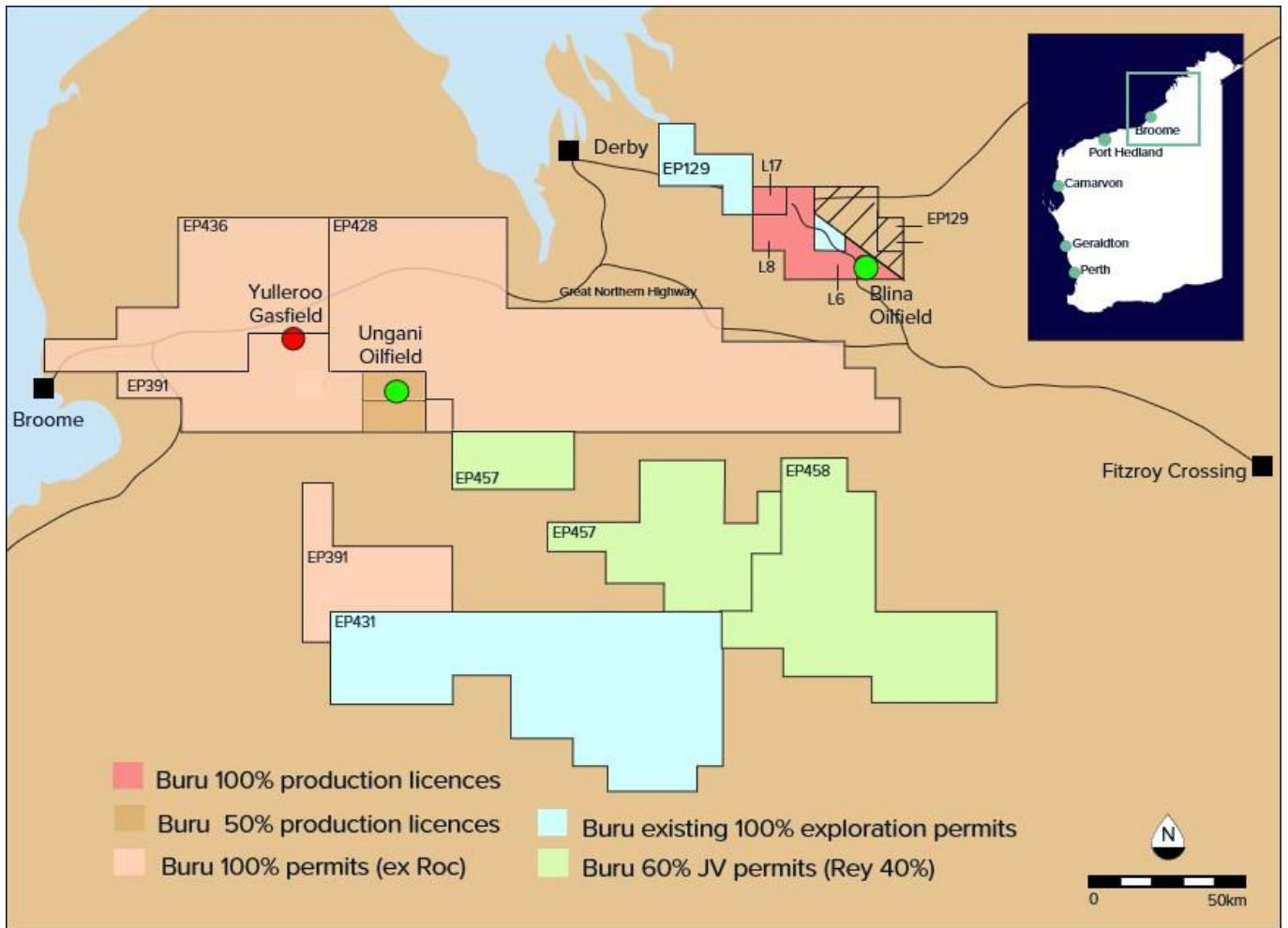
1. Buru and Roc have agreed to terminate the Farm-in Agreement entered into in 2018 (FA) and for Roc to assign its 50% interests in exploration permits EP391, EP428 and EP436 to Buru with an Effective Date of 31 December 2019.
2. Buru has agreed to release Roc from all its obligations under the FA and the permits, and the consideration for the assignment is a nominal payment by Buru of \$1.
3. As further consideration of Roc's early withdrawal from these permits, Buru has granted Roc a back-in right over a maximum 3-year period to the Adoxa-1 well to the extent that a production licence is granted upon confirmation of a hydrocarbon discovery after flow testing this well. This back-in right is for a 50% interest in any such production licence and, if exercised by Roc, would require its reimbursement of costs and payment of standard sole risk well premiums to Buru. The back-in right will automatically terminate if Buru decides at its discretion to abandon the Adoxa-1 well prior to any flow test.
4. The transfers and assignments of the exploration permit interests are subject to standard regulatory approvals.

D. Commercial implications

Buru will now be responsible for 100% of all costs and liabilities in relation to the Farm-in Permits.

E. Other matters

The transactions do not involve the issue of securities or changes to the Board or management of Buru.



Location map of permits

Qualified Petroleum Resources Evaluator Statement

Except where otherwise noted, information in this release related to exploration and production results and petroleum resources is based on information compiled by Eric Streitberg who is the Executive Chairman 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.