



9 January 2018

Operations Update

Highlights

- Ungani 4 completion underway with MWD logs indicating a 74 metre oil column
- Well testing program on track for late January
- Ungani production recommenced after cyclone event with next lifting of Ungani crude expected on 10 January
- Forward production and trucking plan being finalised

Ungani 4

The Ungani 4 completion program is on track with the drill in liner due to be run over the next couple of days. A basic suite of measuring while drilling (MWD) logs has been acquired and these logs indicate an Ungani Dolomite section of some 74 metres above the field oil/water contact. The productivity of the various zones in the well will be established once the planned production tests are undertaken.

Testing program

Ungani 5 has a swellable packer completion and a similar system will be run in Ungani 4. As the packers require time to swell set, the test programs on both wells will be undertaken in mid to late January. The purpose of the testing program is to establish the deliverability of the various zones in the wells to help optimise the future production program and to provide additional data for resource estimation.

Ungani Production and Facilities

The recent monsoonal low from Tropical Cyclone Hilda delivered some 260 mm of rain on the Ungani operations area. This was almost half of the average annual rainfall for the area falling in a three-day period. Although this amount of rain caused only minor interruptions to rig activity it closed the Ungani access road to heavy vehicle traffic. Consequently, Ungani production was shut in on 28 December and recommenced on 6 January, when the crude haulage trucks were able to access the road.

The Ungani 1ST1 and Ungani 2 wells have continued to perform in line with expectations at up to 1,500 barrels per day, but were shut-in when the field storage tanks were full while trucking was restricted.

The next lifting from the Wyndham tank is scheduled for 10 January and it is expected the lifting will comprise some 50,000 barrels.

Forward production Plan

Subject to the results of the planned production testing of the Ungani 4 and Ungani 5 wells, the forward plan is to continue to build production and transport capacity to the target rate of 3,000 barrels of oil per day by early April.

Key components of this plan include installation of flowlines for Ungani 4 and Ungani 5 and bringing additional trucks into service to match the increases in production capacity as the wells are connected into the central processing facility.

The Ungani 4 flowline is substantially complete and will be tied in to the well once the production test is completed. This well is expected to be able to be brought into production at the end of January. Planning for the Ungani 5 flowline is well advanced and it is expected to be completed in mid-March.

The forward production plan for the field is being prepared now that the preliminary results of Ungani 4 and 5 are to hand. This plan will be finalised once the results of the production tests and consequent well deliverabilities are available.



Ungani Field Facility December 2017

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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 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.