



3 September 2018

Operations Update

Ungani operations

Ungani 4

The sidetrack operations on the Ungani 4 well have commenced with the removal of the beam pump and preparations for the installation of the DDGT rig over the well.

The sidetrack operation is expected to take some 14 days to drill to the new bottom hole location which is some 60 metres to the southwest of the current bottom hole location, and some 20 days to complete the operation.

The sidetrack is being drilled with the objective of improving the productivity of the well which has been below expectations. The most likely explanation for the performance of the original well is the complex and sub-optimal completion that was run to attempt to isolate the overlying unstable Laurel Shale section. However, there remains the possibility that the well performance has been affected by the Ungani Dolomite reservoir being less well developed at this location, as the reservoir quality was unable to be determined from the restricted suite of logs obtained from the well. In the event the Ungani Dolomite reservoir is not well developed in the new reservoir intersection, there is provision for the well to be sidetracked again to the north towards the currently producing wells.

Ungani West 1

Following the completion of the Ungani 4 sidetrack the rig will be moved to drill the Ungani West 1 exploration well where site preparations are close to complete.

Ungani Far West 1

Operations have also commenced for the production test of the Ungani Far West 1 well. The well is producing at high fluid rates (up to 1,000 bfpd) at approximately 50% oil cut. Current operations are continuing with the initial production test and clean up flows to determine the productive capacity of the well prior to running the artificial lift system (beam pump).

Farmin transaction

On 21 May, Buru announced it had entered into two transactions with Roc Oil (Canning) Pty Limited (Roc Oil) in relation to its Canning Basin oil production and exploration assets. The Farmin transaction was for Roc Oil to acquire a 50% interest in exploration permits EP391, EP428 and EP436 by paying \$20 million of the next \$25 million of exploration expenditure on the permits. This transaction was conditional on the termination, by an Act of the Parliament of Western Australia, of the State Agreement dated 7 November 2012. This Act was approved by the Western Australian Legislative Assembly (Lower House) in July and was

approved by the Western Australian Legislative Council (Upper House) on 15 August. The Act has now received royal assent and is an Act of Parliament as of 21 August 2018 and consequently the farmin agreement is now unconditional.

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

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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.