

Buru And Rey Increase Their Interests In EP 457 And 458 Permits In The Canning Basin

Highlights:

- Buru and Rey have agreed to purchase interests held by Diamond Resources (Barbwire) Pty Ltd in Petroleum Exploration Permits EP 457 and EP 458 in the Canning Basin. Full details of the transaction are set out below.
- At the conclusion of the transaction the working interests in the permits will be:
 - Buru 60% (operator)
 - Rey 40%

Transaction details

Pursuant to the transaction entered into with a wholly owned subsidiary of Mitsubishi Corporation (Diamond Resources (Barbwire) Pty Ltd (**DRB**)), Buru Energy Limited (via its wholly owned subsidiary Buru Fitzroy Pty Ltd (**Buru Fitzroy**)) will increase its current interests in each of the EP 457 and EP 458 permits from 37.5% to 60% for a total cash consideration of \$720,000. The transaction and settlement is subject to standard approvals and registration by the WA regulatory authority.

As part of this transaction, Rey Resources Limited (via its wholly owned subsidiary Rey Oil and Gas Pty Ltd (**Rey**)) has exercised its pre-emptive rights under the permit joint operating agreements and entered into a parallel agreement with DRB that will increase its interests in these permits from 25% to 40%.

Under an existing joint venture funding agreement, part of Rey's working interest is subject to a free carry loan funded by Buru Fitzroy and DRB through to the grant of a production licence, with that loan then fully repayable by Rey from production. With effect from completion of the above transaction, Buru Fitzroy will be liable to fund approx. 6.66% of joint venture costs on Rey's behalf as part of this funding agreement. Rey will be required to fund the remaining net share of expenditure applicable to its 40% interest.

The ownership structure of the EP 457 and EP 458 permits before and after settlement and completion under both transaction agreements is summarised below:

Interest Holder	Pre-transaction Permit Interests	Permit Interests After Completion	Funding Interest After Completion
Buru Fitzroy Pty Ltd (Operator)	37.50%	60.00%	66.664%
Diamond Resources (Barbwire) Pty Ltd	37.50%	Nil	Nil
Rey Oil and Gas Pty Ltd	25.00%	40.00%	33.336%

Commenting on the transaction, Buru's Executive Chairman Eric Streitberg said:

"We are delighted to have been able to increase our interest in these highly prospective permits. Although at an early stage of exploration they contain a number of high potential trends including the Ungani Dolomite, the Reeves Formation and the deeper carbonate sections including the Nullara and Pillara Formations. There is also evidence of salt tectonics along the Jurgurra Terrace which has the potential to open up a new exploration play.

The conventional oil prospectivity of the permits was demonstrated by the Victory 1 well drilled by the then joint venture in EP 457 in 2015 where Laurel sourced oil was recovered.

Once the transaction is completed Buru and Rey will review and agree the forward exploration program for the permits.

Buru's portfolio contains world class resources of both conventional and unconventional oil and gas, and this transaction will allow the continuation of our structured and carefully targeted exploration and appraisal program which has the potential to continue to add very material value for shareholders."

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

For investor inquiries please contact Buru Energy:

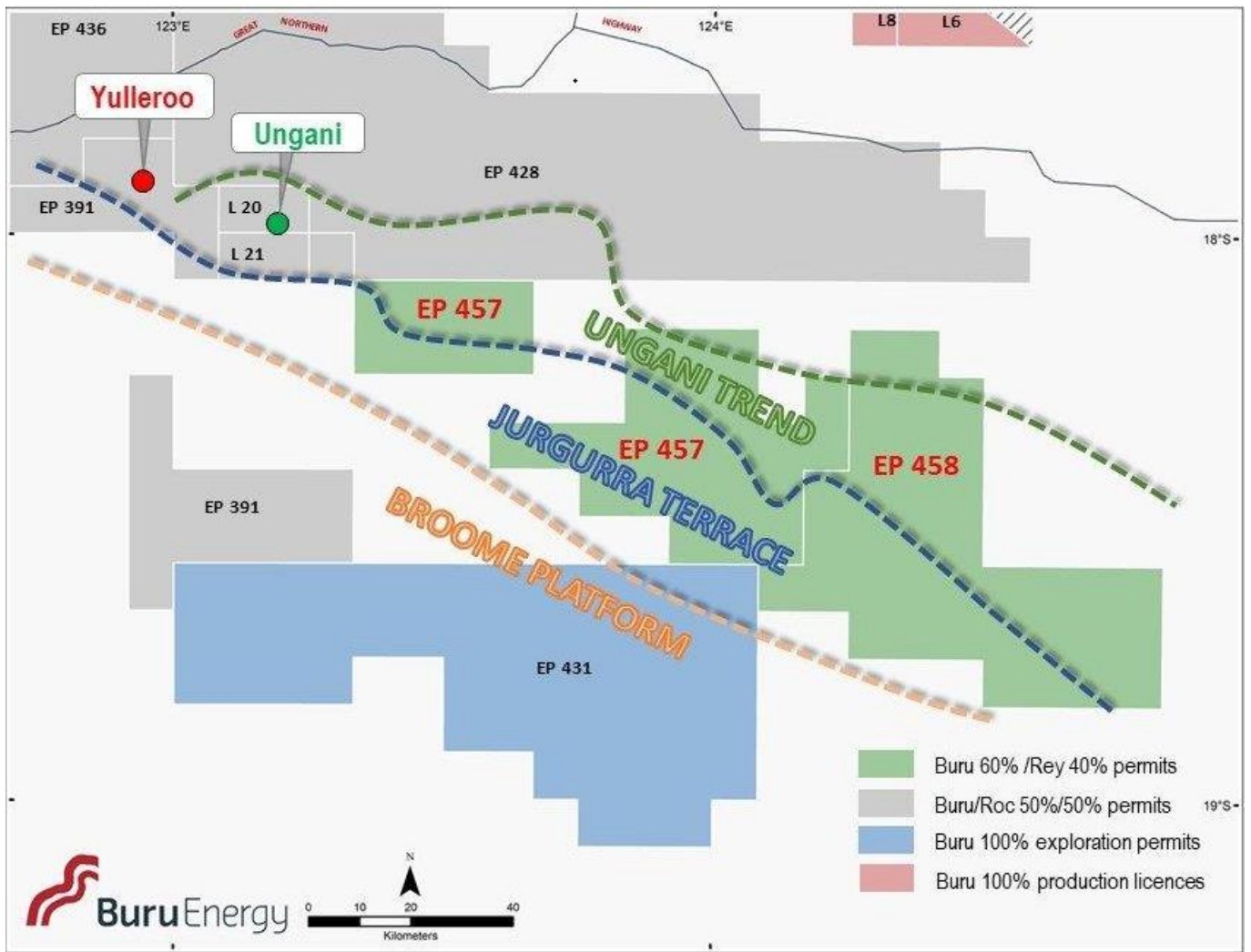
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Qualified Petroleum Resources Evaluator Statement

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.



Location of the transaction permits