

Buru Energy spuds Praslin-1 conventional oil exploration well on the highly prospective Ungani trend

Buru Energy (ASX: BRU) is pleased to advise that its 2015 exploration program on the Ungani trend in WA's Canning Basin has commenced with the spudding of the Praslin 1 conventional well.

Praslin 1 is located 90kms east of Broome and 15kms west of Buru's Energy's producing Ungani Oilfield.

The well, which is being drilled with Atlas Rig 2, has a programmed total depth of 2,600 metres and is expected to take some 33 days to drill.

Praslin 1 is targeting conventional oil and gas in the Ungani Dolomite and Laurel clastic reservoirs and potentially also in Devonian aged carbonates. The Praslin prospect has strong similarities to Ungani and has been defined by the Jackaroo 3D seismic survey and regional aerogravity surveys. Praslin is part of a large complex of structures including Jackaroo and Praslin North. These structures provide both potential follow-up locations and additional stand-alone prospectivity to Praslin.

Buru Energy and Mitsubishi Corporation (Mitsubishi) each have a 50% equity interest in the Praslin 1 well and in EP391R3.

Buru Energy's Executive Chairman, Eric Streitberg said:

"We are delighted to be kicking off our 2015 exploration campaign on the Ungani trend with the Praslin 1 well. Praslin 1 is the first of at least four wells planned to be drilled in the Ungani trend targeting conventional hydrocarbons and we are very much looking forward to success in this program."

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

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About Buru Energy

Buru Energy Limited (ASX: BRU, S&P/ASX300) is a Western Australian oil and gas exploration and production company headquartered in Perth with an operational office in Broome. The Company's petroleum assets and tenements are located onshore in the Canning Basin in the southwest Kimberley region of Western Australia. Its flagship high quality conventional Ungani Oilfield project is owned in 50/50 joint venture with Mitsubishi Corporation. As well as Ungani, the Company's portfolio includes potentially world class tight gas resources.

The company's goal is to deliver material benefits to its shareholders, the State of Western Australia, the Traditional Owners of the areas in which it operates, and the Kimberley community, by successfully exploring for and developing the petroleum resources of the Canning Basin in an environmentally and culturally sensitive manner.

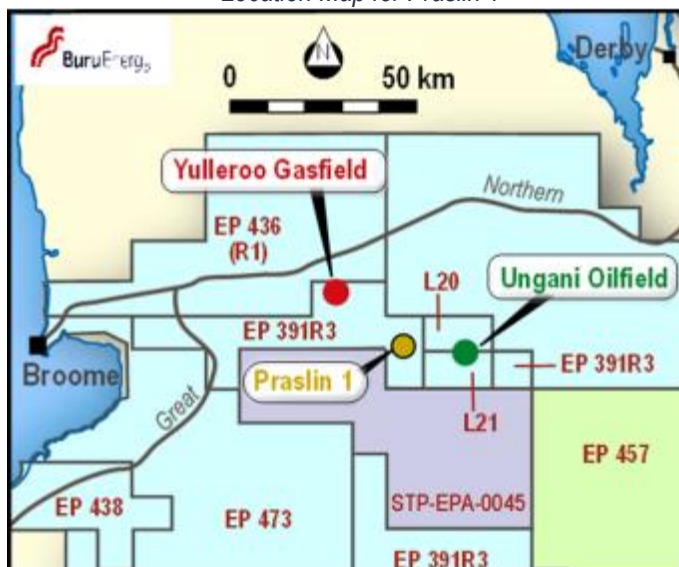
Competent Persons Statement

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.

Praslin 1

PERMIT	The Praslin 1 well is located in exploration permit EP 391R3, 90 kilometres to the east of Broome and 15 kilometres west of the Ungani Oil field.
WELL LOCATION	Latitude: 17° 59' 04.37" S Easting: 502,164m Longitude: 123° 01' 13.58" E Northing: 8,011,524m
BURU ENERGY'S INTEREST	Buru Energy Limited holds a 50% interest in the well
DATE OF PROGRESS REPORT	06:00 hours, 17 July 2015 (AWST)
PROPOSED TOTAL DEPTH	2,600 metres
CURRENT DEPTH	6 metres
PROGNOSED TIME TO COMPLETION	33 days
SPUD DATE	17 July 2015
DAYS SINCE SPUD	0 days
CURRENT TARGET FORMATION	The primary objectives are conventional hydrocarbons in the Laurel lower carbonate (Ungani Dolomite).
OPERATIONS SINCE LAST PROGRESS REPORT	Drilling operations commenced at 05:50 hours on 17 July 2015 (AWST) using Atlas Rig 2. As at 06:00 hours today, the well was drilling surface conductor section at 6 metres.
HYDROCARBON INDICATIONS	None - None expected.
FORWARD OPERATIONS	Set conductor at 40m, drill ahead to first casing point.

Location Map for Praslin 1



Atlas Rig 2



Praslin 1 Prospect Summary

Prospect Description

The Praslin prospect is mapped as a robust four way structural closure at the top of the Lower Laurel carbonate (Ungani Dolomite) on the Jackaroo 3D seismic data which was acquired late last year. The Praslin prospect complex is at the easterly end of what is mapped as a string of undrilled structures stretching for 80 kilometres westwards along a structural feature known as the Jurgurra Terrace. The Ungani trend also continues to the east across the Ungani oilfield to the planned Victory and Senagi locations, across a total length of over 200 kilometres.

The nearest exploration well to Praslin is Cow Bore 1 some 31 kilometres to the west. This well was drilled by Gulf Oil in 1985 and does not appear to have been drilled on a structural closure. The well encountered a section similar to Ungani with a thick dolomitised reservoir with oil shows. This well also had a thick sealing shale unit overlying the Lower Laurel Carbonates similar to that encountered at Ungani.

Prospective Resources

Illustrative probabilistic volumetric estimates of the Praslin prospect are as follows. Buru Energy has a 50% beneficial interest in the Prospective Recoverable Resources (unrisked) of the Praslin prospect.

Buru Energy's estimate of the Ungani Dolomite objective unrisked Prospective Recoverable Resources (million barrels of oil) are as follows:

Best Estimate:	6.1
Low:	3.4
High:	9.8

Prospective resources are the estimated quantities of petroleum that may be potentially recovered by the application of a future development project and relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Operational

The well is being drilled with Atlas Rig 2 operated by Atlas Drilling, a subsidiary of Titan Energy Services. The well will be drilled under similar contractual conditions to the recent Olympic 1 well drilled by DDH1's Rig 31, with the drilling component of the well cost under a fixed price to fixed depth contract.

Formation evaluation will be carried out with conventional wireline logging tools including formation pressure measurements of any potential hydrocarbon zones. Testing of potential hydrocarbon zones will then be carried out with a separate Buru Energy testing crew as soon as practicable after the rig is released.

