

23 July 2018

Operations Update

Ungani Oilfield

Production optimisation activity continued during the past week with well operations progressing at Ungani 4 and Ungani 5.

The beam pump was successfully installed at Ungani 4 and the well is now producing at the currently configured pump capacity of some 440 barrels of fluid per day with oil production of some 310 bopd, which is line with expectations. As the well was previously unable to flow naturally this is a very positive result. Production from the Ungani 4 well will be monitored as part of the planning for forward production operations at the field which may include a sidetrack of Ungani 4 or a new horizontal well.



The Ungani 5 well was put back on production as of 21 July and is currently being flow rate tested.

Total field production with all wells on stable production is expected to be up to 1,800 bopd.

Ungani North 1 operations

Some 60 barrels of oil were recovered from the Ungani North 1 well before perforation operations commenced. Initial swabbing operations after perforation were suspended while the well was reconfigured and the equipment was redeployed on Ungani 5 to complete that operation. Operations on the well recommenced late on 22 July and are expected to take several more days.

Ungani Far West 1

The applications for regulatory approval for the start of production from the Ungani Far West 1 well were submitted to the appropriate authorities. Subject to approvals being received it is expected test production from this well will commence in approximately six weeks.

Roc Oil Transaction Update

In May 2018, the Company entered into a transaction to sell 50% of the Ungani Field to Roc Oil (Canning) Pty Limited. Under the terms of the agreement Buru received \$13 million of the purchase price immediately with the remaining \$51 million of the purchase

price payable upon the Department of Mines, Industry Regulation and Safety (DMIRS) approval and registration of the Ungani production licence transfers. This registration process is the responsibility of Roc and is being progressed as expeditiously as possible. The Company had some \$20 million in cash as of 30 June 2018 prior to receipt of the remaining funds from Roc.

Forward Operations

The 2018 rig operations program is planned to commence in late August. Ungani field operations will include the installation of a downhole pump in Ungani 5 and either optimisation work on Ungani 4 or potentially a new horizontal well. The rig program will also include two exploration/appraisal wells, Ungani West and Kurrajong, and a contingent well at Yakka Munga dependent on weather conditions.

Work is continuing on preparation of the the DDGT1 rig for this program and on the sourcing of long lead drilling items, all of which are proceeding on schedule.

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.