

ASX Announcement

23 December 2013

Buru acquires additional interest in EP 438

Buru Energy Limited (Buru) is pleased to announce that it has entered into an agreement with Gulliver Productions Pty Ltd (Gulliver), a wholly owned subsidiary of Key Petroleum Limited and Indigo Oil Pty Ltd (Indigo). The agreement will result in:

- Buru acquiring an additional 25% interest in exploration permit EP 438, which will increase Buru's interest in the permit to 62.5%; and
- Buru transferring its interests in L15 and R1 to Gulliver and Indigo.

Once this transaction is completed, Buru and Mitsubishi Corporation intend to transfer a 50% interest in EP 438 to a wholly owned subsidiary of Apache Energy Limited as part of the transaction announced on 4 November 2013. The holdings in the permit at the completion of this transaction and the transfer to Apache will be:

- Buru Energy: 25%
- Mitsubishi Corporation: 25%
- Apache Energy: 50%

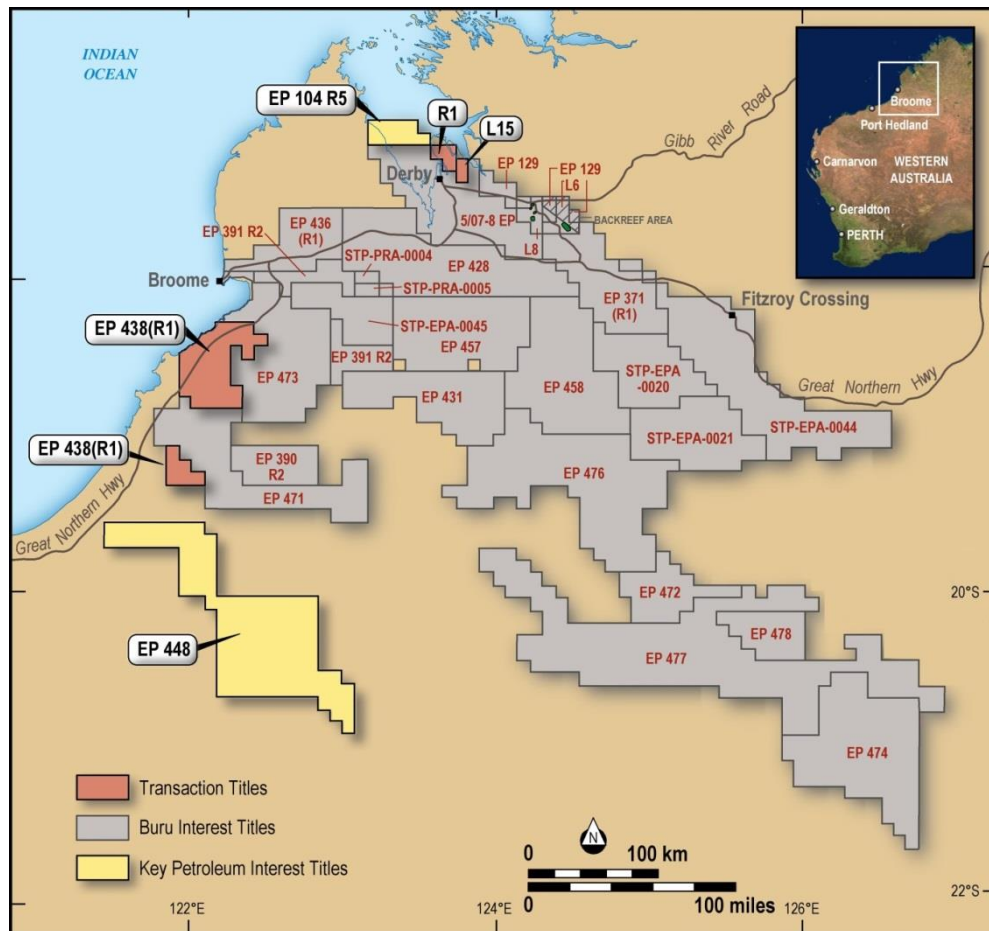
Buru currently holds a 15.5% interest in L15 and a 43.28% interest in R1. The transfer of these permits forms part of Buru's ongoing acreage rationalisation program.

Full details of the transaction are set out in the attachment.

This release and further information on the Company is available at: www.buruenergy.com

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Location of EP 438, R1 and L15

About Buru

Buru Energy Limited (ASX Code BRU, ASX 200) is a Western Australian oil and gas exploration and production company. The Company’s petroleum assets and tenements are located onshore in the Canning Basin in the southwest Kimberley region of Western Australia. In joint venture with its international partner, Mitsubishi Corporation, the Company explores for, develops and produces oil and gas. Its assets include the flagship high quality conventional Ungani Oilfield project which is currently under development, and potentially world class unconventional gas and oil resources.

The Company is headquartered in Perth with an operational office in Broome. Its 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.

Attachment – Details of the Agreement

Buru and Mitsubishi Corporation each hold a 37.5% interest in EP 438 following the drilling of Cyrene 1 earlier this year. Gulliver currently holds a 20% interest and Indigo a 5% interest in EP 438.

Buru holds a 15.50% interest in L15 and a 43.28% interest in R1. Gulliver and Indigo respectively hold a 49% and 11.50% interest in L15 and a 30.61% and 6.11% interest in R1.

Under the agreement:

- Gulliver and Indigo have agreed to sell their entire interests in EP 438 to Buru;
- Buru has agreed to sell its entire interests in L15 and R1 to Gulliver (80% of Buru's interest in each title) and Indigo (20% of Buru's interest in each title); and
- Buru has agreed to pay Gulliver \$400,000 and Indigo \$100,000 for remedial work required to be performed in connection with L15 and R1.

The transactions are due to be completed in the first quarter of 2014 and are subject to certain conditions precedent including regulatory approvals.

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- Buru Energy: 25%
- Mitsubishi Corporation: 25%
- Apache Energy: 50%