

Olympic 1 Exploration Well Spuds

Buru Energy (ASX: BRU) is pleased to advise that its extensive 2015 exploration drilling program has commenced with the spudding of the Olympic 1 conventional oil well located southeast of Broome in Western Australia.

The well, which is being drilled with DDH1 Rig 31, has a programmed total depth of 1,450m and is expected to take some 30 days to drill.

Olympic 1 is the second well to be drilled as part of the Apache Onshore Holdings Pty Ltd (Apache) farm out announced in November 2013. The cost of the well will be fully funded by Apache under the terms of the farmout which includes a commitment by Apache to fund a \$25 million exploration program on EP 390, 438, 471 and 473.

The Olympic 1 well is located in exploration permit EP 473 and the drilling of the well will satisfy the Year 4 work commitment on that permit.

Buru Energy and Mitsubishi Corporation (Mitsubishi) both have a 25% equity interest in the well and in EP 473 with Apache having the remaining 50% equity interest. The well is located approximately 60 kilometres to the southeast of Broome and some 22 kilometres inland from the Great Northern Highway.

The primary objective of the Olympic 1 well is conventional oil reservoirs in the Willara Formation with secondary objectives in the underlying Nambheet Formation. A prospect review for the well is attached.

Buru Energy's Executive Chairman, Eric Streitberg said:

"We are delighted to be starting our 2015 exploration campaign with the Olympic 1 well using a rig which has already been proven to substantially reduce our exploration costs. This is the second well in the Coastal Permits farmout funded by Apache and will test a well defined prospect on the Broome Shelf. This style of prospect has seen few valid tests and will provide very valuable data on the further prospectivity of the area. The second well in the exploration program for this year will be drilled by Atlas Rig 2 and will test a prospect on the Ungani trend. This second well is planned to be spudded at about the same time as the Olympic 1 well is completed. The Olympic 1 well is the first of a continuous drilling program for the remainder of the 2015 dry season and we are very excited to be back in the field with such a great program in front of us."

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 oil field 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.

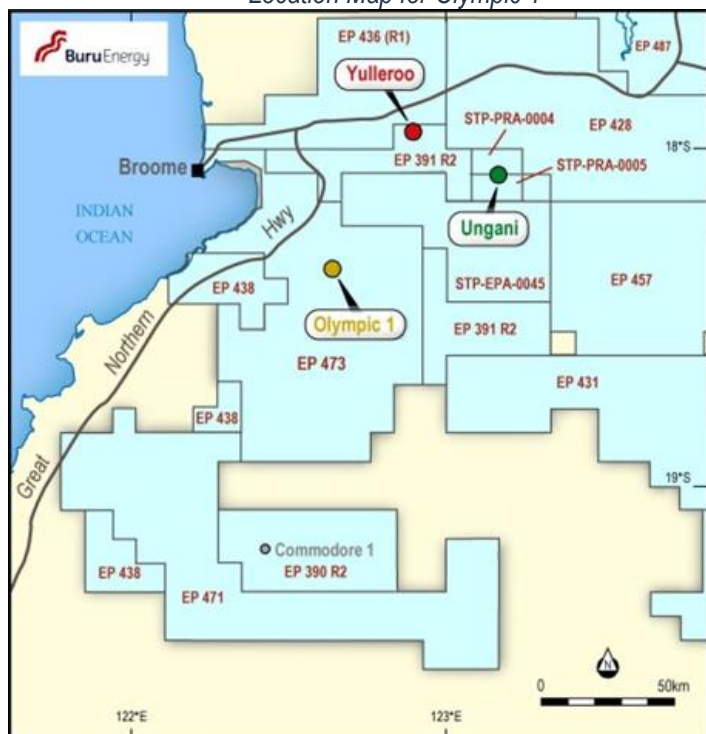
Competent Persons Statement

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.

Olympic 1

PERMIT	The Olympic 1 well is located in exploration permit EP 473 some 60 kilometres to the southeast of Broome and some 22 kilometres inland from the Great Northern Highway. A location map for the well is set out below.
WELL LOCATION	Latitude: 18° 17' 57.6" S Easting: 461,935m Longitude: 122° 38' 23.4" E Northing: 7,976,660m
BURU ENERGY'S INTEREST	Buru Energy Limited holds a 25% interest in the well
DATE OF PROGRESS REPORT	09:30 hours, 22 May 2015 (AWST)
PROPOSED TOTAL DEPTH	~1,450 metres
CURRENT DEPTH	Drilling operations commenced at 09:30 hours
PROGNOSED TIME TO COMPLETION	30 days
SPUD DATE	22 May 2015
DAYS SINCE SPUD	Drilling operations commenced at 09:30 hours
CURRENT TARGET FORMATION	The primary objective is the conventional oil potential of the Willara Formation with secondary objectives in the Nambeet Formation sandstones.
OPERATIONS SINCE LAST PROGRESS REPORT	Drilling operations commenced at 09:30 hours on 22 May 2015 (AWST) using DDH1 Rig 31.
HYDROCARBON INDICATIONS	None - None expected.
FORWARD OPERATIONS	Drill ahead to first casing point.

Location Map for Olympic 1



DDH1 Rig 31



Prospect Summary

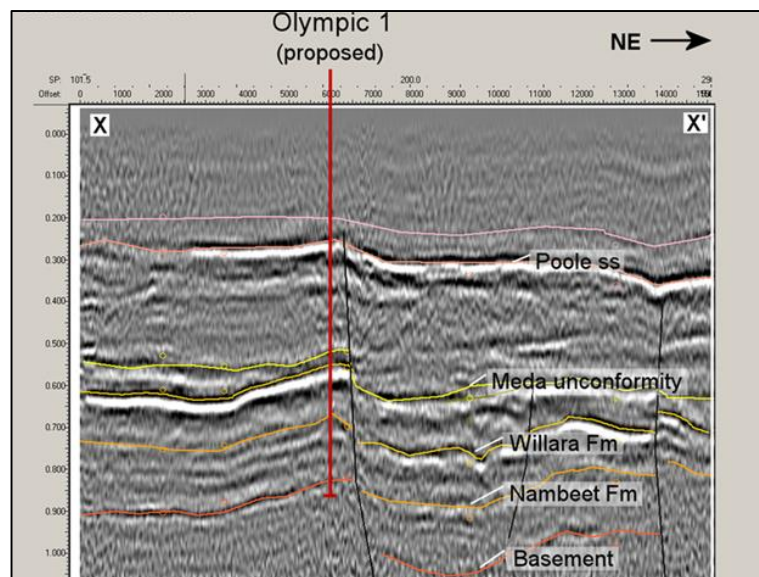
Prospect Description

The Olympic 1 well will test the conventional oil potential of a large fault-bounded structural closure on the Western Thangoo High of the Broome Platform in EP 473 of the Canning Basin, Western Australia. The primary objective is the dolomitised and potentially karstified limestones of the Ordovician aged Willara Formation. Potential reservoir units within the Nambheet Formation, chiefly in the basal sands that overlie granitic basement rocks, are a secondary objective.

The structure is well defined by good quality 2D seismic and has numerous potential follow-ups if it is successful.

The Lower Goldwyer Formation shales are interpreted to be good to excellent oil-prone source rocks in this part of the basin, with adjacent troughs interpreted to have significant thicknesses of mature oil prone Goldwyer Shale.

The primary objective Willara Formation reservoir development has been intersected in other wells in the area, generally in the form of karstified limestones and intercalated clastic units. Seal for the Willara Formation is interpreted to be provided by the lower Goldwyer Formation marine shales.



Olympic 1 location seismic line

Prospective Resources

Illustrative probabilistic volumetric estimates of the Olympic prospect Prospective Resources are as follows. Buru Energy has a 25% beneficial interest in the Prospective Recoverable Resources (unrisked) of the Olympic prospect.

Willara Formation unrisked Prospective Recoverable Resources (million barrels of oil)

Best Estimate:	20.7
Low:	2.3
High:	54.6

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 DDH1 Drilling Pty Ltd's Rig 31. This rig successfully completed the drilling of the Commodore 1 and Sunbeam 1 exploration wells in December 2014 and February 2015 respectively, with the former being of a similar design and depth to the planned Olympic 1 well. Both wells were drilled on budget with the drilling component of the well cost under a fixed price to fixed depth contract. Olympic 1 will be drilled under similar contractual conditions.

Formation evaluation will be carried out with conventional wireline logging tools. Any potential hydrocarbon zones will be investigated with wireline formation pressure sampling tools but will not be immediately flow tested.