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ASX ANNOUNCEMENT (ASX: BRU)

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MITSUBISHI AND REY RESOURCES TO PARTICIPATE IN EP 457 AND EP 458 IN CANNING SUPERBASIN FOR CASH CONSIDERATION TO BURU OF ~\$21 MILLION

HIGHLIGHTS

- Buru, Mitsubishi Corporation* (**MC**) and Rey Resources Limited (**Rey**) have entered into a transaction pursuant to which Buru will sell interests in exploration permits EP 457 and EP 458 (**Fitzroy Blocks**) in the Canning Superbasin to MC and Rey for a total cash payment to Buru of \$21.058 million.
- Buru currently holds a 90% interest in the Fitzroy Blocks and Rey has a 10% carried interest. At the conclusion of this transaction the interests in the Fitzroy Blocks will be:
 - Buru 37.5% (operator)
 - MC 37.5%
 - Rey 25%
- The cash paid to Buru by MC and Rey to acquire these interests is on the same pro-rata basis as Buru paid to originally acquire its interests in the Fitzroy Blocks in October 2012.
- As part of the transaction, the parties have entered into a deed of termination and release under which the existing joint venture arrangements for the Fitzroy Blocks have been terminated and the parties are released from all claims and liabilities arising from those arrangements. The parties have entered into a new joint venture agreement on substantially the same terms as the existing Buru-MC joint ventures, streamlining joint venture management across the Canning Superbasin.

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

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

"We are delighted to have been able to rationalise the interests in the Fitzroy Blocks in way that is a win for all parties.

The receipt by Buru of some \$21 million in cash, together with our existing cash on hand, will provide funding for our planned expenditure program for 2013, and removes the need for any capital raisings in the near term. The transaction also confirms Buru's focus on capital management and adding value for shareholders.

Equally importantly, the transaction allows us to proceed with exploration of these highly prospective areas with aligned partners, under joint venture arrangements that are consistent with the rest of our acreage in the Canning Superbasin.

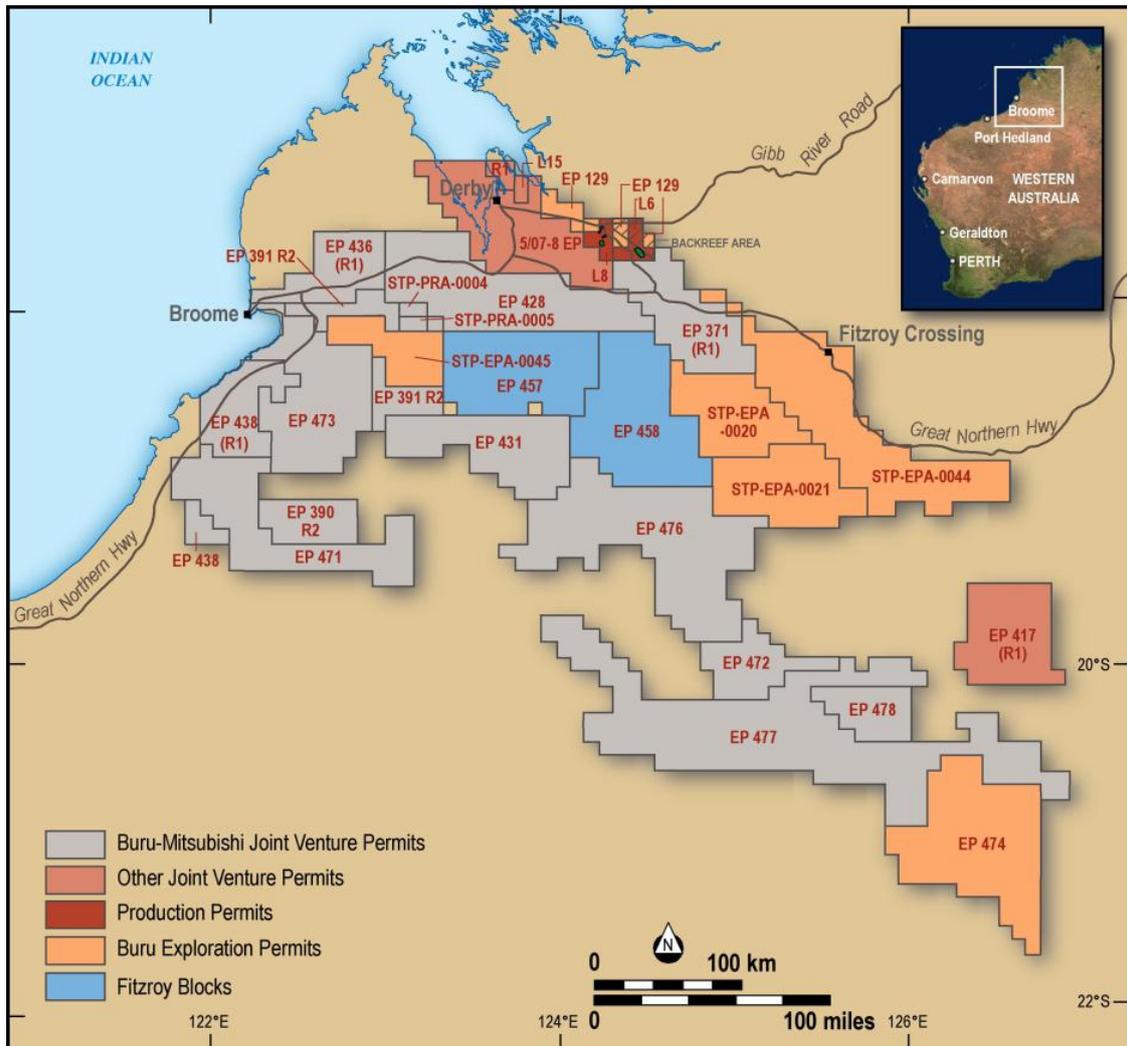
Buru's portfolio contains world class resources of both conventional and unconventional oil and gas, and this transaction will facilitate and fund the continuation of our structured and carefully targeted exploration and appraisal program designed to continue to add very material value for shareholders."

(* MC holds its interest through its wholly owned subsidiary - Diamond Resources Fitzroy)

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

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Location of the Fitzroy Blocks

Attachment

Details of the Transaction

1. Background

As previously announced on 3 October 2012, Buru Energy Limited (“**Buru**”) acquired the shares in Gujarat NRE Oil Limited (now Buru Fitzroy Limited (“**Buru Fitzroy**”)) from Gujarat NRE Mineral Resources Limited (“**Gujarat**”). Buru Fitzroy holds a 90% interest in each of exploration permits EP457 and EP458 (“**Permits**”). Rey Resources Limited (“**Rey**”) holds a 10% interest in the Permits in joint venture with Buru Fitzroy.

Rey, Buru Fitzroy and Mitsubishi Corporation (**MC**) have now reached agreement on a transaction to rationalise the equity in the Permits. Under this agreement, Buru will sell interests in the Permits to Rey and to MC of 15% and 37.5% respectively, on the same terms that it acquired the Buru Fitzroy interest.

2. Key Contractual Terms

On completion of the above transactions, the equity interests in each Permit will be:

Buru	37.5% (operator)
MC	37.5%
Rey	25%

Under the existing Joint Venture Operating Agreement, Rey has a free carry in relation to its 10% interest in the Permits through to the grant of a production licence, with its share of costs then repayable from production. With effect from completion of the above transactions, Buru Fitzroy, Rey and MC will each be proportionately liable to fund Rey’s 10% free carry interest. Rey will also be required to pay for its share of expenditure for its remaining 15% interest.

Additionally, the joint venture participants have agreed to enter into a new Joint Operating Agreement in similar form to the existing Buru/Mitsubishi Joint Operating Agreement which applies to other permits in the Canning Superbasin.

Buru, Buru Fitzroy, Rey and Gujarat have also agreed to enter into a deed of termination and release under which the parties agree to terminate the existing joint venture arrangements, with the exception of a provision referring to pre-emptive rights in favour of Gujarat over Rey’s 10% interest in the Exploration Permits and certain of Rey’s coal tenements, which will continue. The parties also agree to release each other from all claims and liabilities arising under or in connection with the existing joint venture arrangements. Under the deed, Rey will also release Buru and Gujarat from all claims by Rey concerning the previous transaction.

The transactions are due to be completed in April and are subject to FIRB and other regulatory approvals.

3. Key Commercial Terms

Under the terms of the sale agreement, Rey and Mitsubishi will pay to Buru an equivalent amount to the Buru/Gujarat transaction as follows:

Rey	\$6,016,667
MC	\$15,041,667

For a total consideration paid to Buru of \$21,058,333.