



27 December 2017

Ungani 5 – Weekly Drilling Report

Buru Energy Limited (Buru Energy) provides the following weekly update on drilling operations at the Ungani 5 appraisal well as at 06:00 hours Wednesday 27 December 2017.

Since the last report 7 inch (178mm) casing has been run to 2,121.5 metres. The well was then drilled ahead in 6 inch (152mm) hole to a total measured depth of 2,239.5 metres. The current operation is completing wireline logs.

The top of the Ungani Dolomite was encountered as prognosed at 2,122.4 metres. The overlying Ungani Shale section was a similar thickness to other wells in the field in contrast to its anomalously thin section in Ungani 3, and the Ungani Shale section has been cased off in Ungani 5. The Ungani Dolomite was present from 2,122.4 metres to the well total depth of 2,239.5 metres.

Good to excellent oil shows were noted in cuttings samples from 2,122.4 metres to 2,215 metres measured depth with total mud gas peaks up to 6.27%. Oil in the mud was noted coincident with a number of the gas peaks.

Drilling parameters, including instantaneous rate of penetration (ROP) and torque, suggest that the Ungani Dolomite has similar characteristics to the other highly productive wells in the Ungani Field, particularly in the upper section which was cased off in the adjacent Ungani 3 well, but this needs to be confirmed by wireline logs. A further update will be provided once these logs are completed and interpreted.

The forward program is to complete the wireline logging and interpretation program and run the open hole completion utilising swellable packers for zonal isolation and production. The rig will then be moved to complete the Ungani 4 well.

The well is being drilled by the DDGT1 rig and is located some 1,140 metres to the east of Ungani 1 on a separate drilling pad and is designed to appraise the oil pool discovered by the Ungani 3 well.

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

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Qualified Petroleum Resources Evaluator 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.

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PERMIT	The Ungani 5 well is located in Production License L20 in the Canning Basin of northwestern Australia, 97 kms east of Broome. It is located some 1,140 metres east of the Ungani 1ST1 well.
WELL LOCATION	Latitude: 17° 59' 20.0010"S Easting:518505.106 Longitude: 123° 10' 29.2741"E Northing:8011035.04
BURU ENERGY'S INTEREST	Buru Energy Limited holds 100% interest in the well and the PL
DATE OF PROGRESS REPORT	06:00 hours, 27 December 2017 (AWST)
CURRENT DEPTH (TOTAL DEPTH)	2,239.5 metres
PROGNOSED TIME TO COMPLETION	6 days
COMMENCEMENT DATE	1 December 2017
DAYS SINCE COMMENCEMENT	26 days
CURRENT TARGET FORMATION	The objective of the well is the conventional Ungani Dolomite reservoir section of the Ungani Oilfield.
OPERATIONS SINCE LAST PROGRESS REPORT	Since the last report 7 inch (178mm) casing has been run to 2,121.5 metres. The well was then drilled ahead in 6 inch (152mm) hole to a total measured depth of 2,239.5 metres.
HYDROCARBON INDICATIONS	<p>The top of the Ungani Dolomite was encountered as prognosed at 2,122.4 metres. The overlying Ungani Shale section was a similar thickness to other wells in the field in contrast to its anomalously thin section in Ungani 3, and the Ungani Shale section has been cased off in Ungani 5. The Ungani Dolomite was present from 2,122.4 metres to the well total depth of 2,239.5 metres. Good to excellent oil shows were noted in cuttings samples from 2,122.4 metres to 2,215 metres measured depth with total mud gas peaks up to 6.27%. Oil in the mud was noted coincident with a number of the gas peaks.</p> <p>Drilling parameters, including instantaneous rate of penetration (ROP) and torque, suggest that the Ungani Dolomite has similar characteristics to the other highly productive wells in the Ungani Field, particularly in the upper section which was cased off in the adjacent Ungani 3 well, but this needs to be confirmed by wireline logs.</p>
FORWARD OPERATIONS	The forward program is to complete the wireline logging and interpretation program and run the open hole completion utilising swellable packers for zonal isolation and production. The rig will then be moved to complete the Ungani 4 well as planned.



DDGT1 Rig on Ungani 5 well location



Buru Exploration Manager with oil from shakers