

## Operations Update

### **Ungani Production:**

- Oil lifting from Wyndham completed on 11 August 2019 for 75,413 barrels (gross)
- Ungani Oilfield production continues to average ~960 to 1,000 bopd (gross)
- Facility upgrade works to accommodate anticipated production from new wells close to completion

### **Production Drilling Operations:**

- Ungani 7H well to be drilled immediately after Adoxa 1
- Ungani 6H liner setting preparations advanced with equipment in transit
- Coil tubing operations planned to commence on U6H and U7H in October following completion of U7

### **Exploration and Appraisal:**

- Adoxa 1 potential oil zone identified and cased hole testing to follow
- Rafael 1 sole risk notice issued for potential Buru 100% drilling program
- Miani 1 (Hotdog) heritage clearances received and site preparations well advanced
- Other operations at Ungani North, Blina and Yulleroo on track

### **Ungani Production:**

The latest lifting of oil from the Wyndham storage tank (the first with the Joint Venture's new offtake partner Petro-Diamond Singapore Pte Ltd) was completed on 11 August by the MT Ribe Maersk. The lifting was for 75,413bbls (gross) at a provisional FOB price of ~A\$80/bbl. Buru's 50% revenue share from this lifting totalled US\$2.06M or A\$3.03M.

The provisional price reflects the recent declines in the Brent crude price, partly offset by the decline in the Australian dollar.

Oil production from the Ungani Oilfield continues to average from 960 to 1,000 barrels per day (gross) with ongoing minor well interventions and maintenance being carried out.

Work to upgrade the fluid handling capacity of the production facility for the anticipated production from Ungani 6H and Ungani 7H is close to completion and is on time and on budget.

### **Production drilling operations:**

#### **Ungani 7H**

In light of the issues encountered in Ungani 6H, the drilling program for Ungani 7H has been modified. These modifications include larger casing sizes to provide more flexibility if similar losses and shale instability problems to those seen in Ungani 6H are encountered. The NGD 405 rig mechanical and crew performance has also been substantially enhanced since the problems encountered on Ungani 6H, with excellent rig performance on the Adoxa 1 well.

Consequently, the Joint Venture has now agreed to drill Ungani 7H immediately after Adoxa 1. This will allow the coil tubing operations on both wells to be carried out consecutively as originally planned and will provide significant cost savings and operational flexibility.

Initial operations for the NGD 405 rig move from the Adoxa location to the Ungani 7H location have commenced.

### ***Ungani 6H liner operations***

The operation to install the liner required to case off the shale section in the lower part of the well is scheduled to commence in mid-September. This operation will be cost effectively undertaken by the Buru Jacking Platform system and is expected to be completed at approximately the same time as the Ungani 7H well.

## **Exploration and Appraisal:**

### **Adoxa 1**

The Adoxa 1 exploration well was drilled to a total depth of 2,300 metres and an extensive suite of wireline logs and pressure measurements were then acquired. These identified a zone from 1,891 to 1,902 metres measured depth ("1900 zone") in the Upper Anderson section that is interpreted from logs and pressure data to have the potential to flow oil. All of the other zones where oil shows were noted in the well were interpreted to be either tight (poor reservoir) or water wet.

In order to provide a definitive test of the 1900 zone a 4½ inch (114mm) casing string is being run into the well with the NGD 405 rig which will then be demobilised from the site and mobilised to the Ungani 7 location. Adoxa 1 will be completed with a production tubing string with the Buru Energy Jacking Platform prior to undertaking a cased hole production test to determine the reservoir flow characteristics and the composition of the reservoir fluids.

### **Rafael 1 and Miani 1**

As set out above, the Ungani 7H well will be drilled immediately following the Adoxa 1 well. Both the Rafael and Miani wells are ready for drilling after the Ungani 7H well.

Roc Oil are a 50/50 Joint Venture partner with Buru Energy in EP428 where the Rafael prospect is located and have recently formally declined to participate in that well. Buru has now issued a sole risk notice to Roc that would allow Buru to drill the well on a 100% basis during a 180 day period from the date of the notice.

Miani 1 is located in the 100% Buru owned L8 on the Lennard Shelf where operations also continued in preparation for the perforation and test of the Blina Field Yellowdrum section.

Visit [www.buruenergy.com](http://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.