

## First Well in 2010 Drilling Campaign

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May 2010



## Fairwell-1 to be the first well drilled in 2010

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The Fairway Rig has been mobilised to the Canning Basin to commence the 2010 drilling campaign:

- Fairwell-1 has been finalised as the first well to be drilled in Buru's 2010 drilling campaign
- Fairwell-1 is targeting two horizons with the potential to hold 4.8 million barrels of recoverable oil on a P50 basis if hydrocarbons are present
- The Fairway Rig is expected to arrive in the Canning Basin on 13 May 2010
- Drilling operations will commence around 17 May 2010, subject to operational requirements
- Fairwell-1 is expected to take approximately 20 days to drill

## Mobilisation of the Fairway Rig



Fairway Rig prior to mobilisation from Geraldton

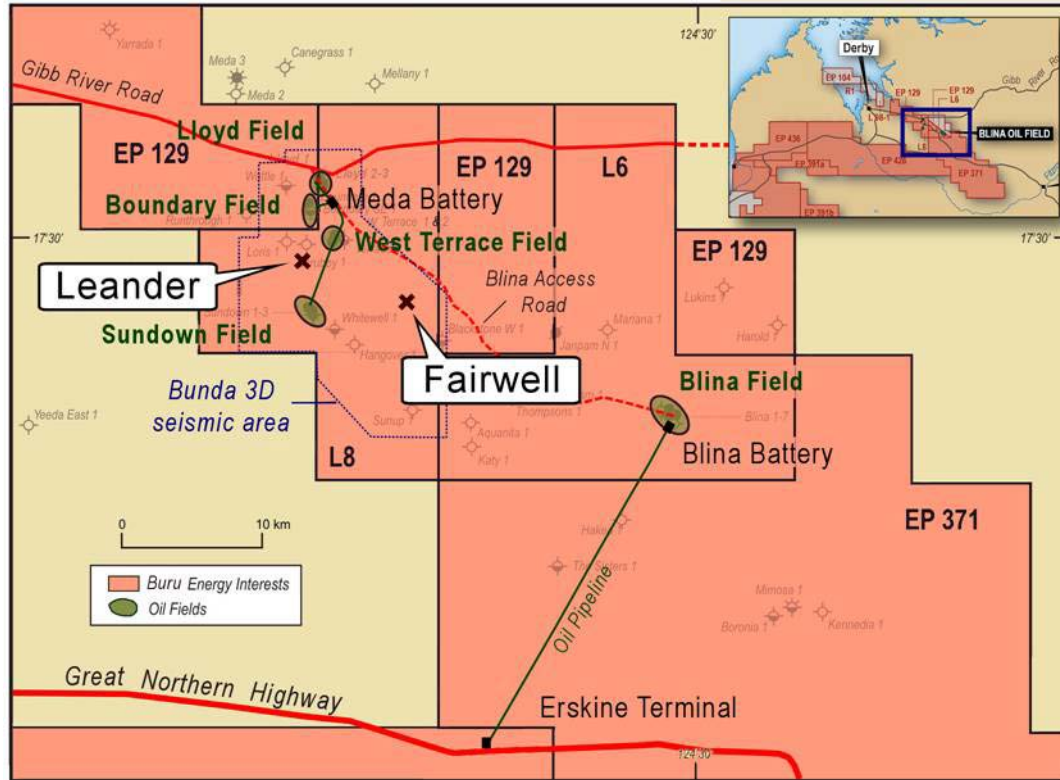


Western Australia, showing key mobilisation points

### The Fairway Rig has been refurbished and mobilised to the Canning Basin

- Buru has undertaken a comprehensive refurbishment of the Fairway Rig to enable it to drill all of the committed and proposed wells in the 2010 drilling campaign
- The refurbishment is now complete and has been certified by an independent third party inspector
- The Fairway Rig has been mobilised to the Canning Basin. It is being mobilised via road north from Geraldton to Derby and then east to the Fairwell-1 well site
- Completion of mobilisation of all equipment to the Fairwell-1 well site is expected by 13 May 2010
- Drilling will commence 3 – 4 days following completion of mobilisation of the Fairway Rig to the Fairwell-1 well site
- The commencement date for drilling Fairwell-1 is currently expected to be around 17 May 2010, subject to operational requirements

## Location of Fairwell-1



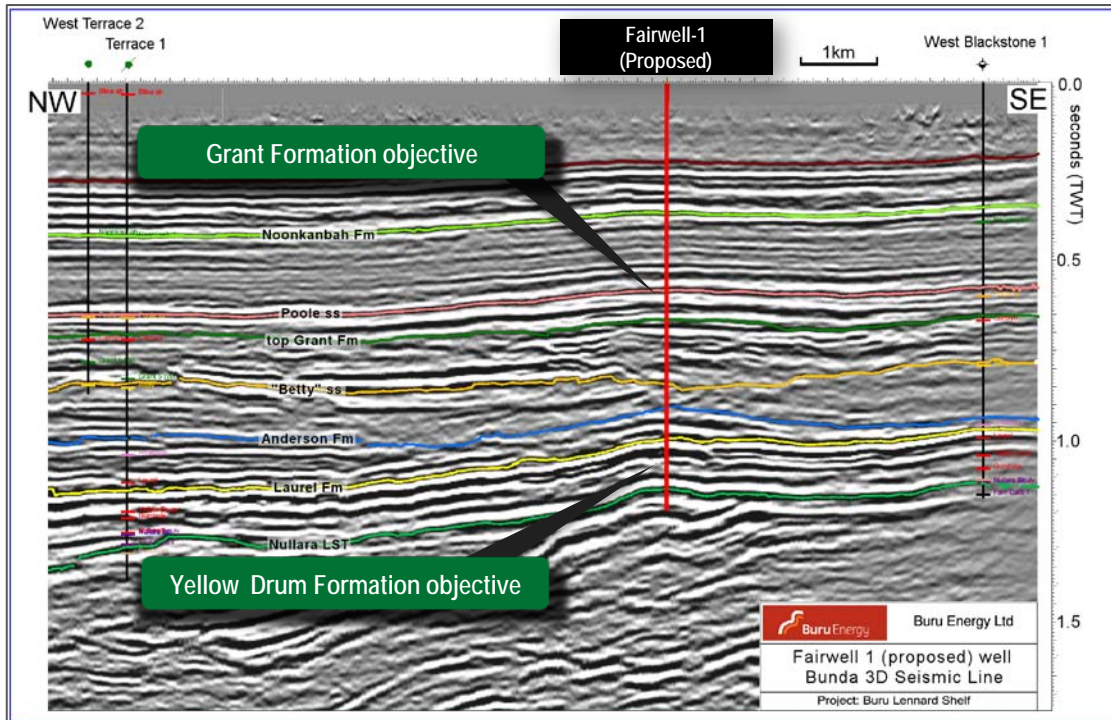
Fairwell-1 location

**Located close to existing infrastructure allowing quick and cost effective commercialisation of any discovery**

- Fairwell-1 is located in Production Licence L8, approximately:
  - 8 km from the Sundown oil field and 14 km from the associated Meda production facilities
  - 21 km from the Blina oil field and adjacent Blina production facilities
  - 80 km from Derby and 230 km from Broome
- Buru has a 100% interest in the L8 permit
- Fairwell-1 is located within the area covered by the 2009 Bunda 3D seismic survey
- In the event of a discovery Fairwell-1 could be quickly brought into production through a tie back to the existing Meda production and storage facility with oil being trucked to Perth
- A more material discovery could be produced over the longer term through the Meda and Blina facilities with oil being trucked to Broome for shipping to Perth or Singapore



# Geological Overview of Fairwell-1



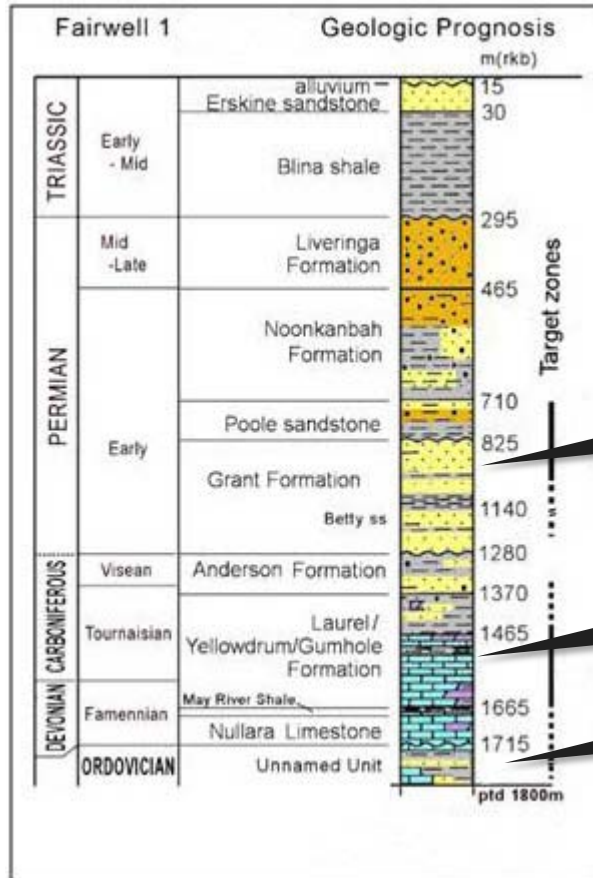
Fairwell-1 seismic line showing the two horizons to be tested

## Two horizons with the potential for 4.8 million barrels of recoverable oil on a P50 basis if hydrocarbons are present

- The well is targeting oil in two horizons:
  - in the upper Grant Formation sands on a large regional high; and
  - in the Yellow Drum Formation draped over a prominent basement high
- Fairwell-1 is targeting a total of 4.8 million barrels of recoverable oil on a P50 basis :
  - the Grant Formation sands have the potential to hold 3.8 million barrels on a P50 basis; and
  - the Yellow Drum Formation has the potential to hold a further 1.0 million barrels on a P50 basis
- These targets are geologically independent and both horizons have been productive in nearby oil fields:
  - the Grant Formation sands are the principal producing intervals in the Sundown oil field
  - the Yellow Drum Formation is a major producing interval at the Blina oil field

# Fairwell-1 Well Program

**A relatively shallow well, expected to take 18 days to reach the second objective**



Grant Formation objective

Yellow Drum Formation objective

Ordovician section

Fairwell-1 geological prognosis showing the Upper and Lower Horizons

- Fairwell-1 will be drilled by the Fairway Rig
- Total time taken to drill the well on a dry hole basis is expected to be 20 days:
  - the Grant Formation objective is expected to be reached in 12 days
  - the Yellow Drum Formation is expected to be reached in a further 6 days, 18 days from the commencement of drilling
- The well is also targeted to penetrate the Ordovician section at total depth. This section is also potentially prospective in this area
- During drilling a drilling progress report will be issued each Thursday afternoon and as required on the occurrence of a material event during drilling operations
- In the event that hydrocarbons are present in Fairwell-1, drill stem tests will be carried out when the horizons are penetrated and the well will be cased for completion and options for flow testing the well in the near term will be evaluated
- At the completion of the well the Fairway Rig will be released and mobilised to the Leander-1 well site

# Indicative Forward Drilling Program

	May	June	July	August	September	October	November	December
<b>Fairwell-1</b>	Confirmed Well	Confirmed Well						
<b>Leander-1</b>		Confirmed Well	Confirmed Well					
<b>Paradise-1</b>				Confirmed Well	Confirmed Well			
<b>Proposed Well-1</b>					Proposed Well	Proposed Well		
<b>Proposed Well-2</b>							Proposed Well	
<b>Proposed Well-3</b>								Proposed Well

Confirmed Well

Proposed Well

Rig Move

These are indicative drilling dates only. Commencement and timing of drilling operations is subject to weather and operational requirements.



Drilling operations on the Fairway Rig

## Fairwell-1 is the first of a proposed six well program

- Fairwell-1 is to be followed by Leander-1 and Paradise-1
- Up to three additional wells are currently under review for drilling in 2010, subject to regulatory, Traditional Owner and JV approvals and operational and weather constraints
- Further details of confirmed wells will be provided prior to the commencement of drilling operations
- Further details of proposed wells will be provided as they are confirmed



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