

ASX Announcement

15 January 2014

UNGANI 3 APPRAISAL WELL SPUDS

Buru Energy Limited advises that drilling operations on the Ungani 3 well commenced at 17:30hrs on 14 January 2014 (AWST) using the Advanced Energy Services Crusader 405 drilling rig. As at 06:00hrs on 15 January 2014 (AWST) the well was drilling ahead at 103 metres.

Ungani 3 is the first well in the Buru – Mitsubishi Corporation (“**MC**”) 2014 drilling program. Buru and MC each have a 50% equity and contributing interest in the well and the Ungani Field.

The Ungani 3 well is located in production application STP-PRA-0004 in exploration permit EP 391 some 100 kilometres to the east of Broome. The well location is some fifty kilometres from the Great Northern Highway along the Ungani access road.

The well has a programmed total depth of 2,340 metres and is expected to take some 35 days to drill and suspend.

The well is located in the Ungani Field area on a separate pad to the Ungani Production Facilities (“**UPF**”) and is some 1,000 metres to the east of the Ungani 1 and 2 wells. The planned production from the well will be transferred to the UPF via a pipeline from the Ungani 3 pad.

The primary objective of the well is the oil producing Ungani Dolomite reservoir of the Ungani Field, the well also has a secondary target in the overlying Grant Formation in which oil shows were encountered in the Ungani 1 well, and where a potentially significant structural closure has been identified on the Ungani 3D seismic data.



Further information on the Company is available at: www.buruenergy.com

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About Buru

Buru Energy Limited (ASX Code BRU, ASX 200) 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 Oilfield project is owned in 50/50 joint venture with Mitsubishi Corporation. As well as Ungani, the Company's portfolio includes potentially world class unconventional gas and oil 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.

Drilling Progress Report - Ungani 3

PERMIT	The Ungani 3 appraisal well is located in production application STP-PRA-0004 in exploration permit EP 391 some 100 kilometres to the east of Broome.
WELL LOCATION	Latitude: 17 ⁰ 59' 20.0" S Easting: 518470m Longitude: 123 ⁰ 10' 28.0" E Northing: 8011035m
BURU'S INTEREST	Buru Energy Limited holds a 50% interest in the well
DATE OF PROGRESS REPORT	06:00hrs, 15 January 2014 (AWST)
PROPOSED TOTAL DEPTH	2,340 metres
CURRENT DEPTH	103 metres
PROGNOSED TIME TO COMPLETION	35 days
SPUD DATE	14 January, 2014
DAYS SINCE SPUD	1 day
CURRENT TARGET FORMATION	The Ungani 3 well is targeting the Ungani Dolomite reservoir of the Ungani Field with a secondary objective in the overlying Grant Formation.
OPERATIONS SINCE LAST PROGRESS REPORT	Drilling operations commenced at 17:30hrs 14 January 2014. (AWST). The well has now been drilled ahead to a measured depth of 103 metres.
HYDROCARBON INDICATIONS	None - None expected.
FORWARD OPERATIONS	Drill ahead to first casing point.