

Buru Energy spuds Senagi 1 conventional exploration well on the highly prospective Ungani trend

Buru Energy Limited (ASX: BRU) is pleased to advise that its 2015 exploration program on the Ungani trend in WA's Canning Basin continues with the spudding of the Senagi 1 exploration well located in exploration permit EP 458, 240 kms southeast of Broome and 144 kms southeast of Buru Energy's Ungani Oilfield.

Senagi 1 is being drilled with the DDH1 Rig#31 and has a programmed maximum total depth of 1,200 metres. It is expected to take some 28 days to drill.

The well is targeting conventional oil and gas in the Lower Laurel (Ungani Dolomite) and Devonian aged (Nullara) carbonates. The Senagi prospect is a structural closure defined by 1980's vintage 2D seismic and Buru Energy's 2014 regional aerogravity surveys. It is interpreted to have some 100 metres of vertical relief at the initial target depth of around 800 metres drill depth.

The well is located some 1.1 kms to the northwest and immediately updip from the mineral exploration well Camelgooda 1, drilled by Placer Exploration in 1989. The objective of Camelgooda 1 was interpreted carbonate hosted lead-zinc mineralization, but instead it encountered vuggy carbonate reservoirs in the Laurel Formation and Nullara equivalent sections with strong oil shows in drill cores.

Senagi 1 is targeting the updip extension of these high quality oil stained reservoirs.

Equity and contributing interests in the well are as follows:

Company	Equity Interest	Contributing Interest
Buru Energy	37.5%	41.67%
Mitsubishi Corporation	37.5%	41.67%
Rey Resources	25.0%	16.67%

Buru Energy's Executive Chairman, Eric Streitberg said:

"The drilling of Senagi 1 will extend Buru Energy's exploration of the oil prone Ungani trend reservoirs a further 60 kms to the southeast from the currently drilling Victory 1 well, and represents another high quality test of this exciting and underexplored part of the basin. If successful, Senagi has the potential to be a substantial oilfield and it will also open up further drilling opportunities in a number of similar structures. We are very much looking forward to the results of this well."

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

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About Buru Energy

Buru Energy Limited (ASX: BRU) 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 tight gas resources.

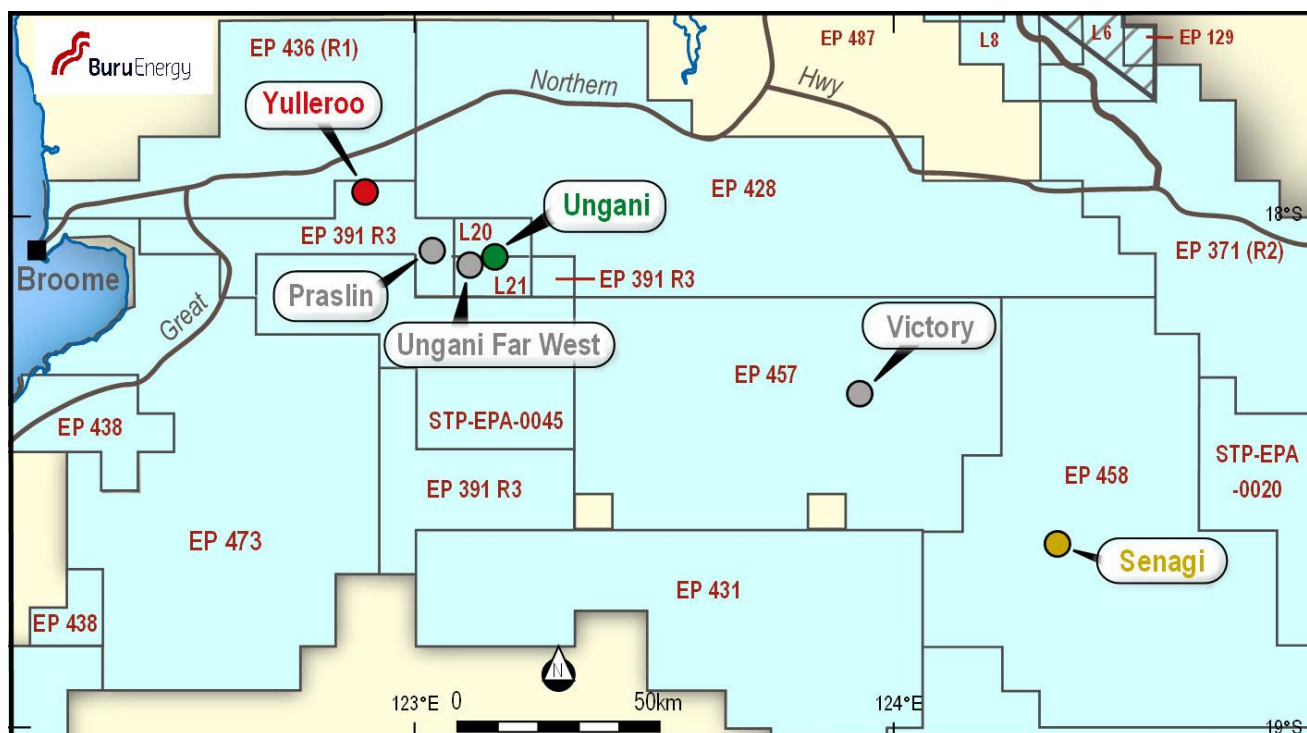
The Company's goal is to deliver material benefits to its shareholders, the State of Western Australia, the Traditional Owners of the areas in which it operates, and the Kimberley community, by successfully exploring for and developing the petroleum resources of the Canning Basin in an environmentally and culturally sensitive manner.

Competent Persons 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.

Senagi 1

PERMIT	The Senagi 1 well is located in exploration permit EP 458, 240 kilometres to the southeast of Broome and 144 kilometres southeast of the Ungani Oilfield.
WELL LOCATION	Latitude: 18° 35' 23.2" S Easting: 644,817 m Longitude: 124° 22' 21.0" E Northing: 7,944,010 m
BURU ENERGY'S INTEREST	Buru Energy Limited holds a 37.5% interest in the well
DATE OF PROGRESS REPORT	08:35 hours, 15 October 2015 (AWST)
PROPOSED TOTAL DEPTH	Maximum 1,200 metres
CURRENT DEPTH	9 metres
PROGNOSED TIME TO COMPLETION	28 days
SPUD DATE	15 October 2015
DAYS SINCE SPUD	0 days
CURRENT TARGET FORMATION	The primary well objectives are conventional hydrocarbons in the Laurel lower (Ungani Dolomite); and Upper Devonian (Nullara) carbonates.
OPERATIONS SINCE LAST PROGRESS REPORT	Drilling operations commenced at 08:35 hours on 15 October 2015 (AWST) using DDH1 Rig #31.
HYDROCARBON INDICATIONS	None - None expected.
FORWARD OPERATIONS	Set conductor at 36m, drill ahead to first casing point.

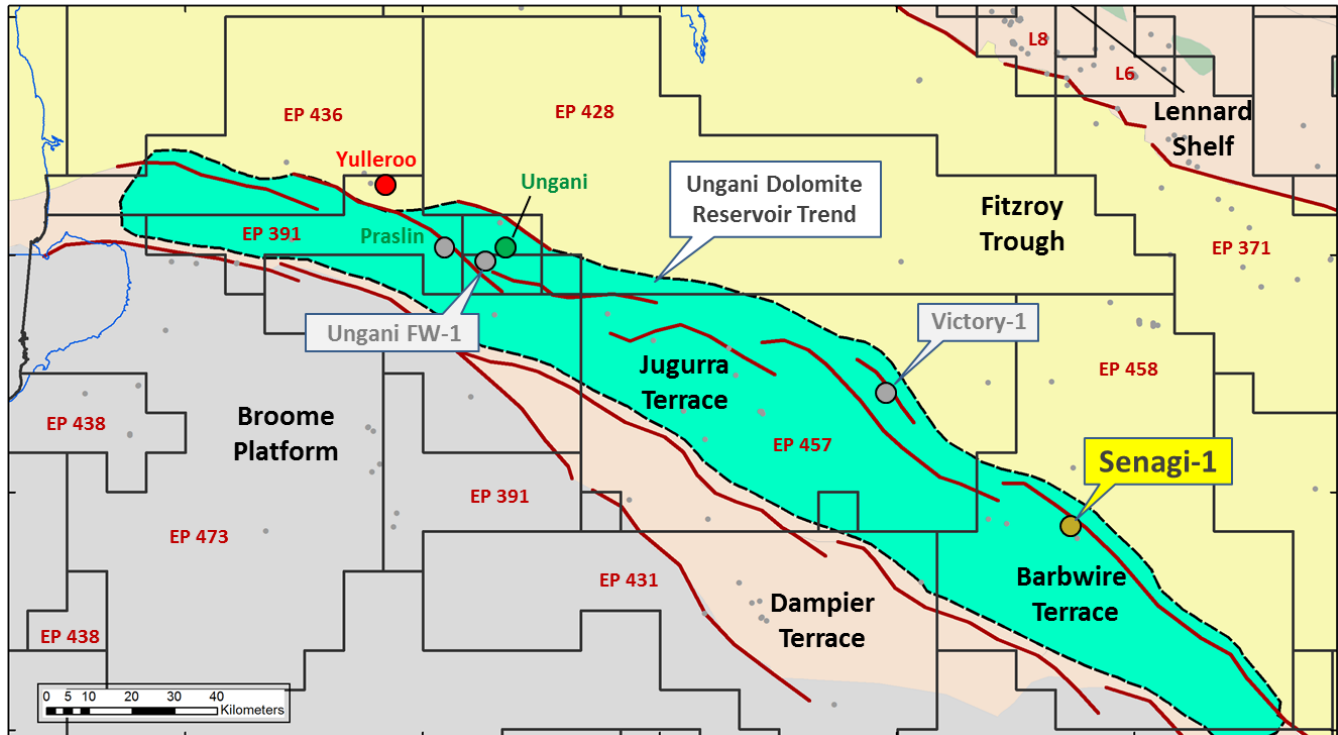


Senagi 1 Location Map

Senagi 1 Prospect Summary

Prospect Description

Senagi is located on the Barbwire Terrace, along the southern flank of the Fitzroy Trough. It is 60 kms to the southeast of the Victory 1 well location and 144 kms southeast of the Ungani Oilfield. Senagi lies on the regional Ungani Dolomite exploration trend and is adjacent to where both reservoir and oil shows were encountered in adjacent mineral wells.

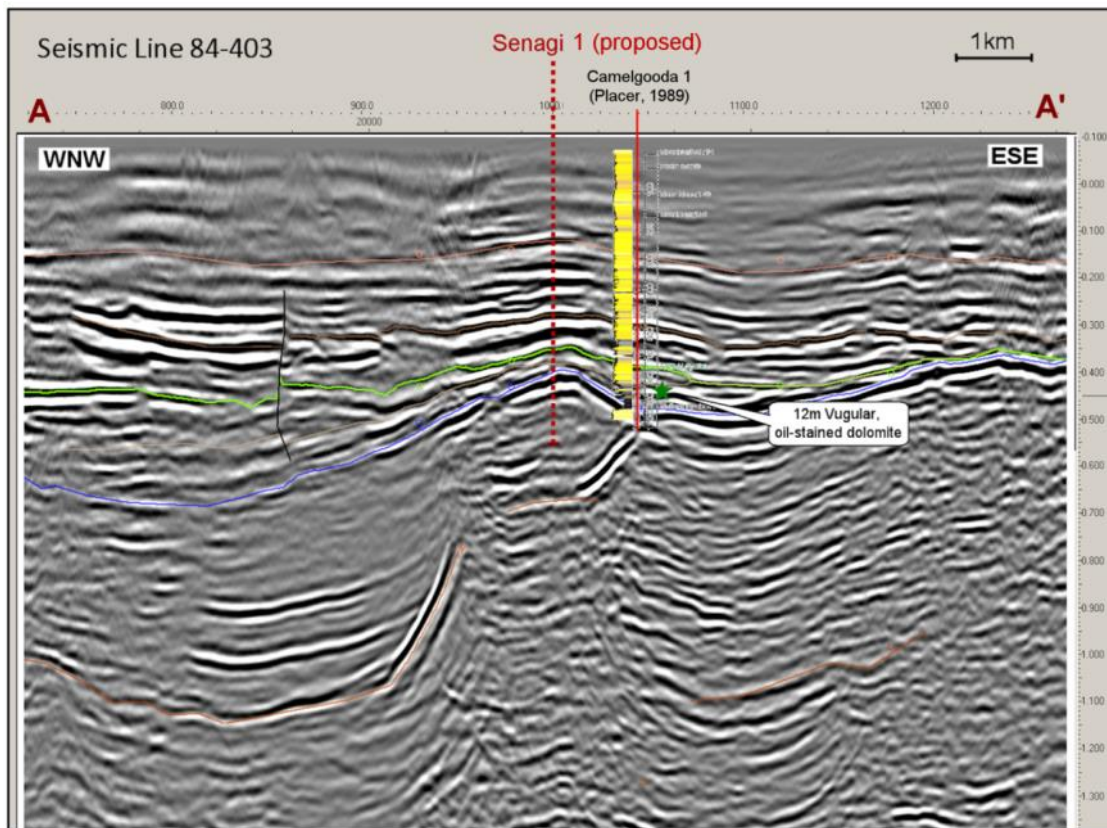


Geological Structural Setting of the Ungani Dolomite Reservoir Trend

The Senagi prospect is controlled by a 1.5 kms spaced 2D seismic data grid acquired in the 1980s. It is mapped as a four way dip structural closure at the Laurel Lower carbonate (Ungani Dolomite) and Devonian aged (Nullara) carbonates levels with an area of closure of some eight sq kms. The structural form of the prospect has been confirmed by the Buru operated Airborne Gravity Gradiometer data acquired in 2014.

The Senagi 1 well location is immediately updip and some 1.1 kms northwest of the mineral exploration well Camelgooda 1, drilled by Placer Exploration in 1989. The objective of Camelgooda 1 was interpreted carbonate hosted lead-zinc mineralisation, but instead it encountered vuggy and cavernous carbonate reservoirs in the Laurel Formation and Nullara equivalent section. The well was fully cored through the reservoir equivalents and the cores have strong oil shows.

The Camelgooda 1 well is mapped as being just outside the interpreted Senagi prospect structural closure which is mapped as having some 100 metres of vertical relief at the initial target depth of around 800 metres drill depth.



Seismic section 84-403 over Senagi

Prospective Resources

Buru Energy has a 37.5% beneficial interest in the Prospective Recoverable Resources (unrisked) of the Senagi prospect. Buru Energy’s estimate of the gross prospect total illustrative probabilistic volumetric estimates (million barrels of oil recoverable) of the Senagi prospect are as follows:

Best Estimate:	22
Low:	3
High:	53

Prospective resources are the estimated quantities of petroleum that may be potentially recovered by the application of a future development project and relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Operational

Senagi 1 is being drilled with the DDH1 Rig#31 operated by DDH1 Drilling and has a programmed maximum total depth of 1,200 metres. It is expected to take some 28 days to drill. The well will be drilled under similar contractual conditions to the recent Olympic 1 well with the drilling component of the well cost under a fixed price to fixed depth contract. The reservoir section will be cored using a wireline retrievable coring system. Formation evaluation will be carried out with conventional wireline logging tools including, if required, formation pressure measurements of any potential hydrocarbon zones. Testing of potential hydrocarbon zones will then be carried out with a separate Buru Energy testing crew as soon as practicable after the rig is released.



DDH1 Rig #31 (shown here at the Buru operated Olympic 1 well, in May 2015)