

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

Buru Energy (ASX: BRU) is pleased to advise that its 2015 exploration program on the Ungani trend in WA's Canning Basin has continued with the spudding of the Victory 1 conventional well.

Victory 1 is located in exploration permit EP 457, 185 kms east of Broome and 85 kms southeast of Buru Energy's producing Ungani Oilfield.

The well, which is being drilled with Atlas Rig 2, has a programmed maximum total depth of 2,600 metres and is expected to take some 34 days to drill.

Victory 1 is targeting conventional oil and gas in the Ungani Dolomite and Laurel clastic reservoirs and potentially also in Devonian aged carbonates. The Victory prospect has similarities to Ungani although is potentially considerably larger, and has been defined by 2D seismic surveys and regional aerogravity surveys. Victory is one of series of structures along the structural terraces to the east of Ungani. These structures provide both potential follow-up locations and additional stand-alone prospectivity to Victory.

Equity and contributing interests in the well are as follows:

<b>Company</b>	<b>Equity Interest</b>	<b>Contributing Interest</b>
Buru Energy	37.5%	41.67%
Mitsubishi Corporation (Mitsubishi)	37.5%	41.67%
Rey Resources	25.0%	16.67%

Buru Energy's Executive Chairman, Eric Streitberg said:

*"Victory 1 is a very exciting follow-up to the recent success at Praslin 1 which provided strong encouragement for the prospectivity of the Ungani trend.*

*Victory has the potential to be large if it is successful and we are very much looking forward to the results."*

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

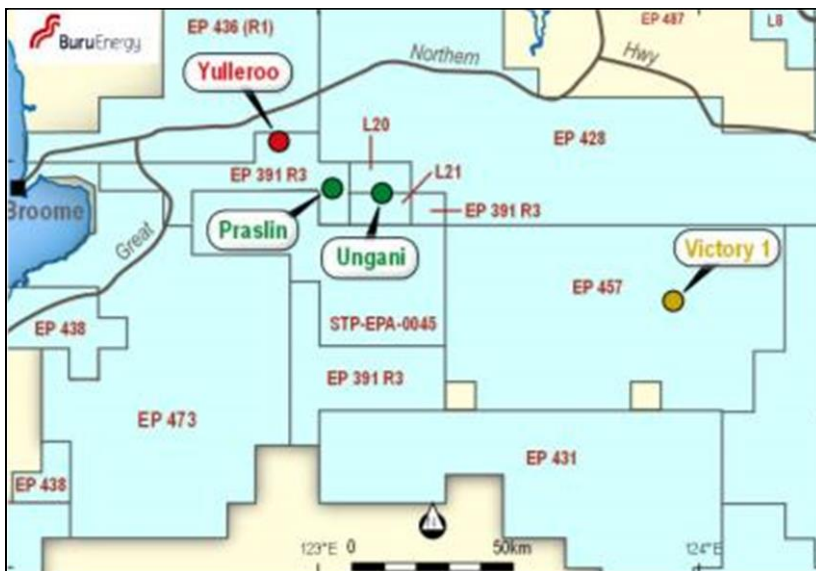
The company's goal is to deliver material benefits to its shareholders, the State of Western Australia, the Traditional Owners of the areas in which it operates, and the Kimberley community, by successfully exploring for and developing the petroleum resources of the Canning Basin in an environmentally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

## Victory 1

<b>PERMIT</b>	The Victory 1 well is located in exploration permit EP 457, 185 kilometres to the east of Broome and 85 kilometres southeast of the Ungani Oilfield.
<b>WELL LOCATION</b>	Latitude: 18° 15' 10.0" S      Easting: 597,994 m Longitude: 123° 55' 37.1" E      Northing: 7,981,599 m
<b>BURU ENERGY'S INTEREST</b>	Buru Energy Limited holds a 37.5% interest in the well
<b>DATE OF PROGRESS REPORT</b>	06:00 hours, 9 September 2015 (AWST)
<b>PROPOSED TOTAL DEPTH</b>	Maximum 2,600 metres
<b>CURRENT DEPTH</b>	81 metres
<b>PROGNOSED TIME TO COMPLETION</b>	34 days
<b>SPUD DATE</b>	9 September 2015
<b>DAYS SINCE SPUD</b>	0 days
<b>CURRENT TARGET FORMATION</b>	The primary well objectives are conventional hydrocarbons in the Laurel lower clastics and carbonate (Ungani Dolomite); and Upper Devonian (Nullara) carbonates.
<b>OPERATIONS SINCE LAST PROGRESS REPORT</b>	Drilling operations commenced at 01:00 hours on 9 September 2015 (AWST) using Atlas Rig 2. As at 06:00 hours today, the well was drilling ahead at 81m.
<b>HYDROCARBON INDICATIONS</b>	None - None expected.
<b>FORWARD OPERATIONS</b>	Drill ahead to first casing point.



Victory 1 Location Map



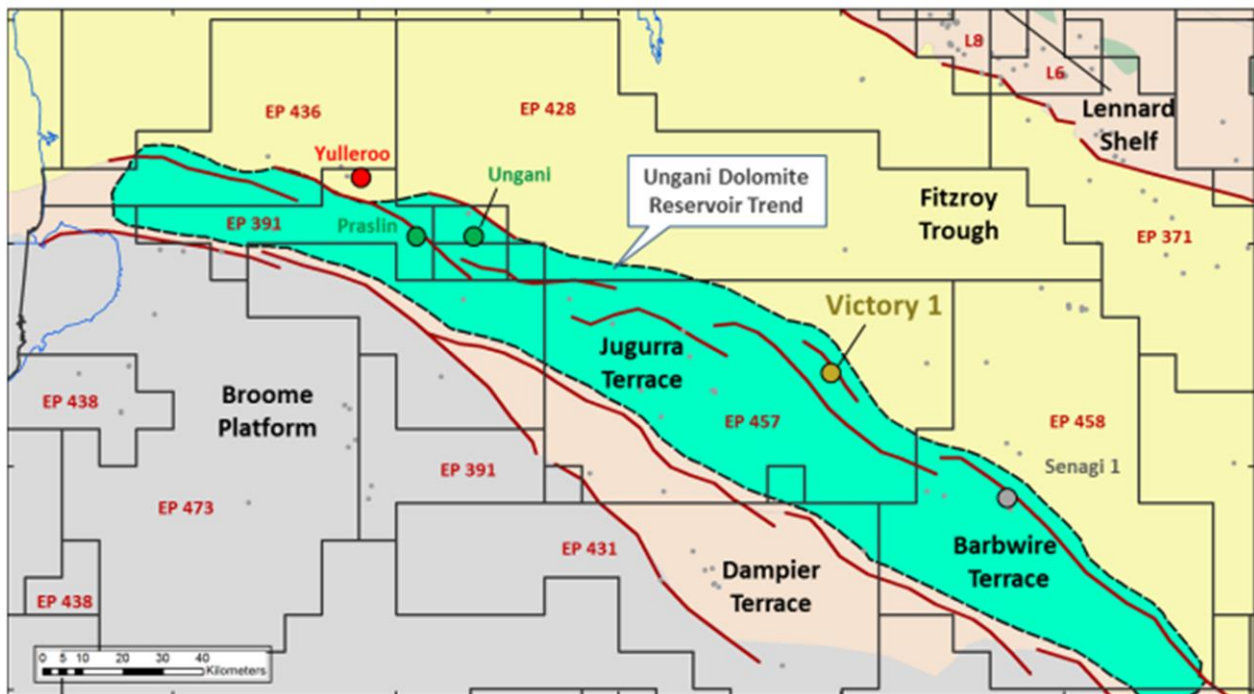
Atlas Rig #2

## Victory 1 Prospect Summary

### Prospect Description

The Victory prospect is mapped as a large four way structural closure at the Laurel Lower carbonate (Ungani Dolomite) level on a one kilometre 2D seismic data grid acquired both in the 1980s and more recently in 2013 as part of the Buru Energy operated Frome Rocks 2D seismic survey.

Victory shares a similar geological setting to the Ungani oil field located on a local structural high within the Fitzroy Trough immediately to the northeast of the Jugurra Terrace. The Ungani (Laurel Lower Carbonate) and the Nullara (Upper Devonian) dolomitised carbonate reservoirs are known to be established over a 200 km long trend along the Jugurra and Barbwire Terraces where oil was recently discovered in the Praslin 1 well and will be targeted later in 2015 by the Senagi well. Laurel clastic reservoirs similar to those containing gas at Yulleroo are also a potential target.



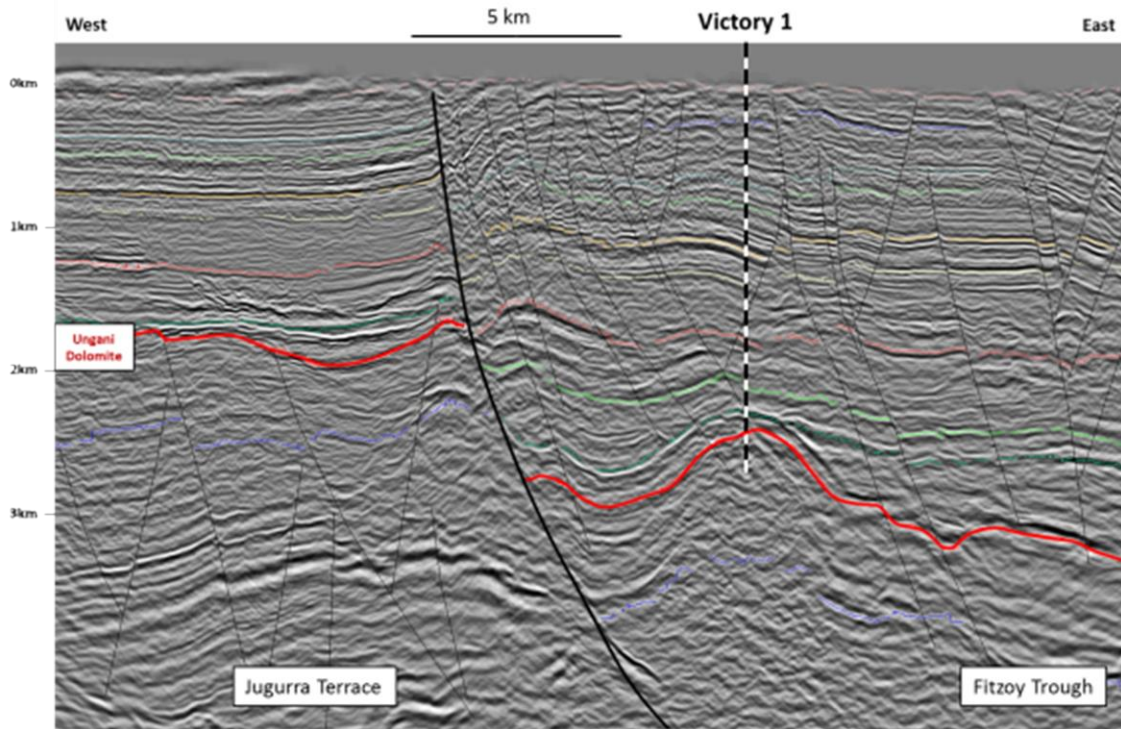
Geological Structural Setting of the Ungani Dolomite Reservoir Trend

### Prospective Resources

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

Best Estimate:	40
Low:	7
High:	98

*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.*



*2D Seismic section BFR13-37 over the Victory prospect*

## Operational

The well is being drilled with Atlas Rig 2 operated by Atlas Drilling, a subsidiary of Titan Energy Services. The well will be drilled under similar contractual conditions to the recent Praslin 1 well with the drilling component of the well cost under a fixed price to fixed depth contract. 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.



*Atlas Rig # 2 (shown here at the Buru operated Praslin 1 well)*