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Buru Energy Operations Update

Buru Energy Limited (Buru Energy) is pleased to provide the following update on the Company's operations.

Summary

- Yulleroo 2 update
- Forward drilling program (includes Sunbeam 1 well due to spud this week)
- Ungani test program extended
- Environmental program at Yulleroo and other sites in progress
- Administration and Corporate update

Yulleroo 2 valve replacement

Work has commenced on the replacement of the damaged valve on the Yulleroo 2 well head with the mobilisation of Buru staff, specialist contractors and Department of Mines and Petroleum (DMP) inspectors to site. It is expected that this work will be completed in the next two days. Once removed, the damaged valve will be taken into the custody of the DMP safety branch and will be inspected by a specialist valve service company.

Forward drilling program

The DDH1 Drilling rig has been mobilised to the Sunbeam 1 drilling location and it is expected to spud the well later this week, dependent on weather. Further details of the well will be made available at the time of spud.

It is currently anticipated that the rig will be stacked at the conclusion of the Sunbeam 1 well and the drilling program will resume in the next quarter once the dry season commences.

Ungani test program

The DMP has approved the continuation of the test program at Ungani for a maximum of three months subject to a number of conditions in regard to the format of the testing program. Wireline work to retrieve pressure gauges has been undertaken, and as part of the continuing test program further work will be undertaken to investigate the cause of an apparent tubing blockage in the Ungani 1 well which is currently producing up the annulus.

The field is currently shut-in due to recent heavy rains affecting the access road.

Environmental program

Buru continues to implement its forward-looking environmental program that includes both monitoring and rehabilitation of active work sites and legacy sites.

Yulleroo

The environmental monitoring and rehabilitation program for the Yulleroo area is ongoing and includes monitoring of flora and fauna, including a very active and innovative Bilby monitoring program in association with Murdoch University. The long term ground water and surface water surveys have shown no evidence of any influence from petroleum activities in the area. The water retention ponds used in the drilling of the wells will also be rehabilitated, including the burying and capping of the inert drill cuttings from the exploration drilling process, in accordance with the DMP approved environment plan.

In light of the recent unauthorised access to the Yulleroo sites, the security of the area will also be strengthened to appropriate levels.

Blina/Sundown site (Buru 100%)

The other area of focus for the Company's rehabilitation programs is the legacy site known as the Blina/Sundown area.

Buru Energy is continuing its remediation of this area which has been under the previous ownership of seven different companies since the discovery of oil in the area in 1981. The Company took the decision to cease production from the area in 2013 in order to address the legacy issues, including the rehabilitation of interceptor and evaporation ponds. The Company has worked with DMP to prepare and implement an Environment Plan to address these legacy issues, and during 2014 continued the remediation work across the sites. An ongoing comprehensive water monitoring program has not detected any evidence of groundwater contamination in the area.

The full remediation program is expected to take up to two years to complete and the field remediation operations will be recommenced as soon as practicable in the dry season in the second quarter of this year.

The Company has made adequate provision for the costs of this work.

Administration and Corporate

The Company has continued its program of internal re-organisation and review of programs and budgets to ensure they are appropriate for the current global oil price and share market conditions. The Company is very cognisant of the requirement to restore and continue to add value during these current difficult times and looks forward to an active and cost efficient exploration program during 2015, the details of which will be released once alignment is reached with joint venture partners.

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, S&P/ASX300) 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.