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## Sunbeam 1 Exploration Well Spuds

Buru Energy Limited (Buru Energy) advises that drilling operations on the Sunbeam 1 well commenced at 19:30 hours on 25 January 2015 (AWST) using DDH1 Rig 31.

The Sunbeam 1 well is located in exploration permit EP 129, and completion of the well will satisfy the Year 4 work commitment on that permit.

Buru Energy has a 100% equity interest in the well and in EP 129. The well is located some 85 kilometres south east of Derby and some 18 kilometres south of the Gibb River Road.

The well has a maximum programmed total depth of 1,200 metres and is expected to take some 16 days to drill.

The Sunbeam 1 well primary objective is conventional oil reservoirs in the early Permian aged Grant Formation which is anticipated to be comprised of channel sand reservoir intervals enclosed by argillaceous siltstones.

Buru Energy's Executive Chairman, Eric Streitberg, commented on the commencement of drilling operations:

*"Sunbeam 1 is the second well we will be drilling with the DDH31 rig. The previous well we drilled with the rig, Commodore 1, was completed on budget with no significant issues. We are very confident that the Sunbeam well will confirm that we have made a major step change to cost effective exploration drilling in the wider Canning Basin."*

*The Sunbeam well is located in an area of the basin that has seen little recent exploration, but it is where all the initial oil discoveries in the basin were made, including the nearby Blina and Sundown conventional oilfields. The prospect has excellent upside and could be easily developed given the existing infrastructure in the area."*

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, 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.

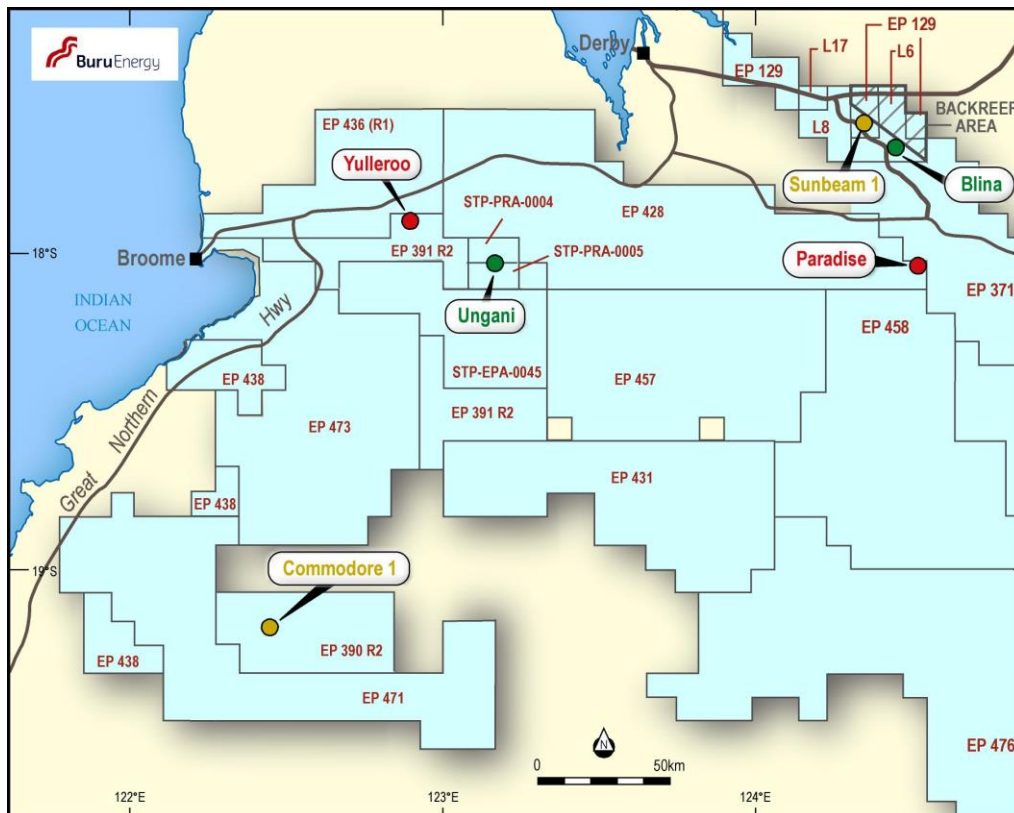
The company's goal is to deliver material benefits to its shareholders, the State of Western Australia, the Traditional Owners of the areas in which it operates, and the Kimberley community, by successfully exploring for and developing the petroleum resources of the Canning Basin in an environmentally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

## Sunbeam 1

<b>PERMIT</b>	The Sunbeam 1 well is located in exploration permit EP 129 some 85 kilometres south east of Derby and some 18 kilometres south of the Gibb River Road.		
<b>WELL LOCATION</b>	Latitude: 17° 32' 26.5" S	Easting: 645252m	Longitude: 124° 22' 6.5" E
<b>BURU ENERGY'S INTEREST</b>	Buru Energy Limited holds a 100% interest in the well		
<b>DATE OF PROGRESS REPORT</b>	06:00 hours, 27 January 2015 (AWST)		
<b>PROPOSED TOTAL DEPTH</b>	1,200 metres		
<b>CURRENT DEPTH</b>	250 metres		
<b>PROGNOSED TIME TO COMPLETION</b>	16 days		
<b>SPUD DATE</b>	25 January 2015		
<b>DAYS SINCE SPUD</b>	2		
<b>CURRENT TARGET FORMATION</b>	The Sunbeam 1 well primary objective is conventional oil reservoirs in the early Permian aged Grant Formation.		
<b>OPERATIONS SINCE LAST PROGRESS REPORT</b>	Drilling operations commenced at 19:30 hours on 25 January 2015 (AWST) using DDH1 Rig 31. As at 06:00hrs today, the well was drilling ahead at 250 metres.		
<b>HYDROCARBON INDICATIONS</b>	None - None expected.		
<b>FORWARD OPERATIONS</b>	Drill ahead to first casing point.		



Location Map for Sunbeam 1 well

## Prospect Summary

### Prospect Description

The Sunbeam 1 well will test the conventional oil potential of channel sand reservoir intervals in the early Permian aged Grant Formation.

The Grant clastic section is the main productive interval in the fields surrounding the Sundown prospect, however, the Sunbeam prospect also has geological similarities to the Paradise oil trend.

The presence of reservoir sands, and oil migration into this part of the geological section has been proven in the surrounding wells. The principal risks for the prospect are trap integrity. The trap is interpreted to be essentially stratigraphic with well developed channel sands enclosed by siltstones.

### Prospective Resources

Preliminary and illustrative probabilistic volumetric estimates of the Prospective Resources for the Sunbeam Grant Formation prospect are as follows. Buru has a 100% beneficial interest in the Prospective Recoverable Resources (unrisked) of the Sunbeam prospect.

Grant Formation Prospective Recoverable Resources (million barrels of oil):

Best Estimate: 14.7, Low: 2.6, High: 35.8

*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

The well is being drilled with DDH1 Rig 31 which recently completed the Commodore 1 well. The drilling component of the well is under a fixed price contract with additional ancillary services contracted by Buru.

Formation evaluation will be carried out with conventional geophysical logging tools.