



7 May 2018

## Operations Update

### Ungani Oilfield production restart

The Ungani 1 and 2 wells have now been brought back on production with strong results. After a short initial period of free flow the pumps in both wells were restarted without incident and the wells are now producing a combined total of some 2,400 bopd with water cuts of ~10% to 12%. These water cuts are significantly lower than when the wells were shut-in in January because of the road closure.

The road transport system and the Wyndham offloading and storage systems are working smoothly with the Ungani access road in good condition with all remedial work substantially complete, and no issues encountered by the FTA road tankers.

### Well tests

Production testing operations have also been commenced on the Ungani 4 and Ungani 5 wells.

After a short swabbing operation, Ungani 5 has flow tested at initial rates of up to 1,226 barrels per day of essentially clean oil and is currently shut-in for pressure buildup. This result is generally in line with expectations and provides important confirmation of additional resources and production from the previously unaccessed Eastern Fault Block of the Ungani Oilfield. The construction of the Ungani 5 flow line to the Ungani central production facility is expected to be completed and commissioned in approximately 7 days' time after which the well will be produced into the Ungani production facility as part of long term production operations.

Testing operations at Ungani 4 commenced with swabbing operations which recovered drilling and completion fluid with increasing oil cut, but at lower than expected rates. Operations were temporarily suspended to allow connection and hydrotesting of the Ungani 4 flow line, and to undertake an analysis of results to date. Given the protracted operations on the Ungani 4 well when it was drilled and completed, there is the potential for reservoir damage or for mechanical issues to be significantly restricting flow from the well, and this is currently being investigated. Operations at Ungani 4 will resume shortly once the Ungani 5 testing operations are complete.

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**Qualified Petroleum Resources Evaluator Statement**

Except where otherwise noted, 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.



*Ungani 5 oil samples*



*Ungani 4 oil sample*