



20 October 2017

Ungani 4 Development Well Spuds

Buru Energy Limited (Buru Energy) is pleased to advise that the Ungani 4 development well was spudded at 19:00 hours on Thursday 19 October.

The well is being drilled by the DDGT1 rig to a prognosed total depth of approximately 2,200 metres, and is expected to take 34 days to drill and complete.

The well is located some 500 metres to the southwest of Ungani 1 on a separate drilling pad and is designed to provide an additional drainage point in the Ungani Oilfield and to verify reservoir continuity. Further technical details of the well are set out in the attachments.

If the well is successful in these objectives it provides a pathway to the target production rate from the field of 3,000 bopd, and will also assist in the conversion of the current Ungani field resources into reserves.

Buru Energy's Executive Chairman, Eric Streitberg said:

"We are delighted to be commencing this well as it gives us a path to substantially increase the production rate and value of the Ungani Oilfield if it is successful.

The rig has performed exceptionally well during the recent installation of the ESP pumps in the Ungani 1 and Ungani 2 wells and we excited to now progress to the next phase of the Ungani development program.

The drilling of this well and the subsequent Ungani 5 well has been made possible by the strong support of our shareholders for our recent rights issue and we look forward to a successful outcome for both wells."

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

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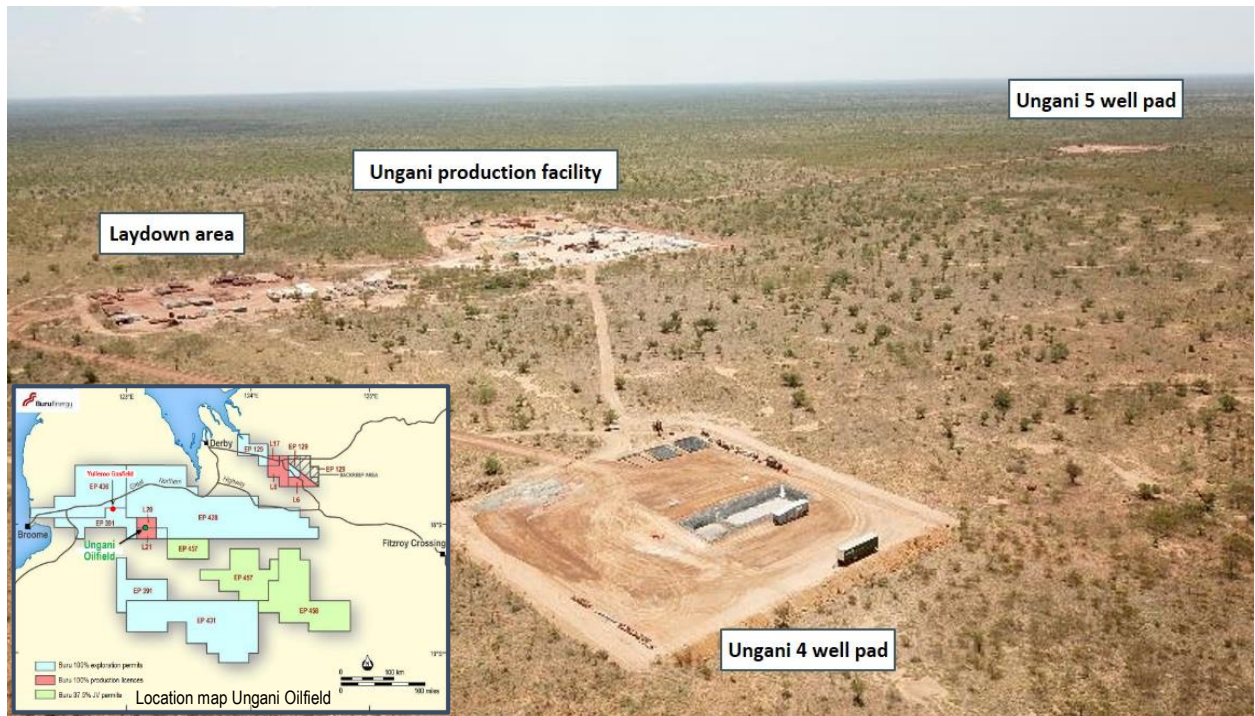
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Competent Persons Statement

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.

Well Operations Report – Ungani 4

PERMIT	The Ungani 4 well is located in Production License L20 in the Canning Basin of northwestern Australia, 97 kms east of Broome. It is located some 500 metres southwest of the Ungani 1ST1 well.
WELL LOCATION	Latitude: 17° 59' 39.0778"S Easting: 517,096mE Longitude: 123° 09' 41.3527"E Northing: 8,010,450mN
BURU ENERGY'S INTEREST	Buru Energy Limited holds 100% interest in the well and the PL
DATE OF PROGRESS REPORT	06:00 hours, 20 October 2017 (AWST)
PROPOSED TOTAL DEPTH	+/- 2,200 metres
CURRENT DEPTH	191 metres
PROGNOSED TIME TO COMPLETION	34 days
COMMENCEMENT DATE	19 October 2017
DAYS SINCE COMMENCEMENT	1 Day
OPERATIONS SINCE LAST PROGRESS REPORT	The well was spudded at 19:00 hours on 19 October 2017
FORWARD OPERATIONS	Drill ahead to 9-5/8 inch (244 mm) casing shoe at approximately 905 metres, run 9-5/8 inch casing.



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4 well location in relation to Ungani facilities

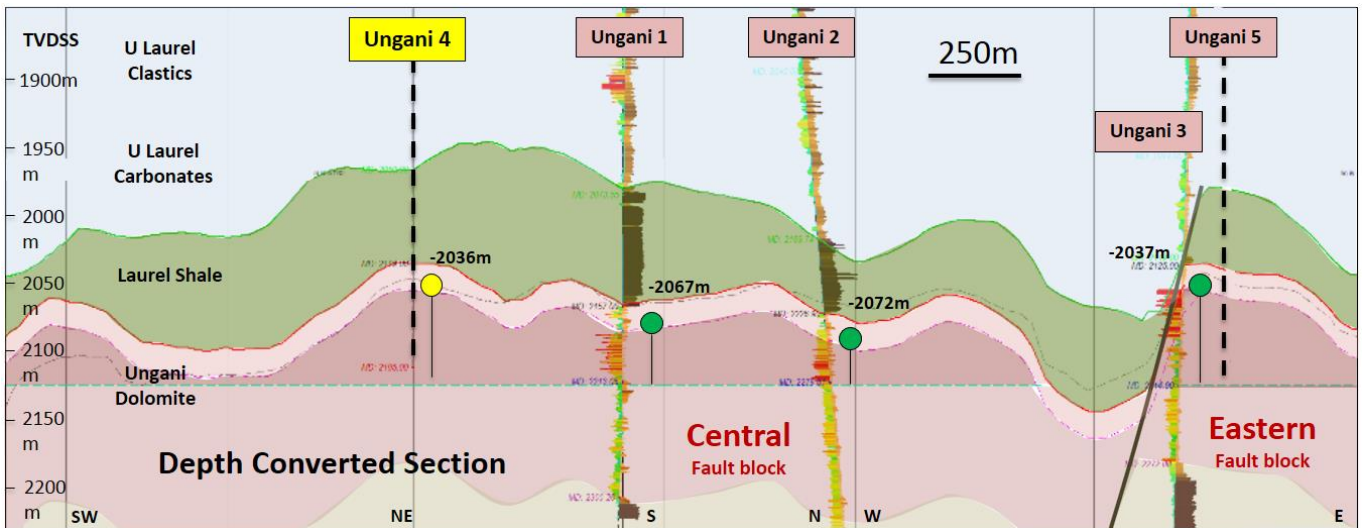
WELL SUMMARY

Geological setting

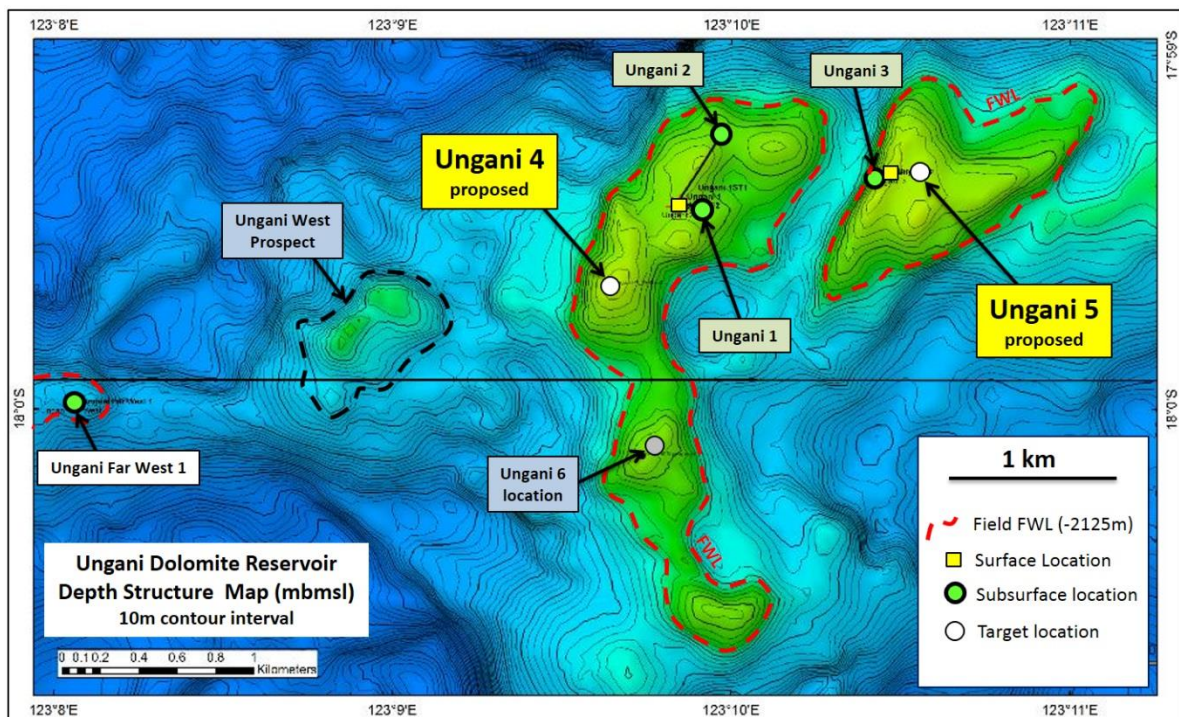
The well is a combined appraisal and development well of the Ungani Oilfield and will test the reservoir continuity and structural relief of the area to the southwest of the current producing wells. The field has been mapped on good quality 3D seismic data and the Ungani 4 location is mapped as being updip in time and depth from the Ungani 1 location. Independent verification of the mapping has been undertaken by Gaffney Cline and Associates.

The well is located in an interpreted "structural attic" which should provide incremental recovery of oil from the field. Reservoir modelling suggest that if the well intersects the reservoir as prognosed there should not be material interference with the existing wells' drainage areas.

The well will provide an important test of reservoir continuity across the field and if successful will provide a path to both increased production and reserves certification.



Cross section of the Ungani Field showing the location of Ungani 4



Operational

The well will be drilled with the DDGT1 rig that has undertaken the workovers on the Ungani 1ST1 and Ungani 2 wells.

The DDGT1 (Atlas) rig drilled the Ungani Far West 1 well, which has very similar geological and formation depth characteristics to the Ungani 4 well, to the top of the Ungani Dolomite reservoir efficiently and on budget, which gives confidence for the drilling program for Ungani 4. The current estimate for the drilled and completed cost of the Ungani 4 well is some A\$4.7 million.

As for the Ungani Far West 1 well, the Ungani 4 well is planned to be drilled to just above the Ungani Dolomite reservoir where 7 inch (178 mm) casing will be set.

The well will then be drilled into the reservoir in 6 inch (152mm) hole and completed "barefoot" to ensure the reservoir is not exposed to cement from casing cementing operations. The well will be completed in a similar manner to Ungani Far West 1 with a series of swell packers and sliding sleeves to allow testing of individual zones. As the packers require some swell time to effectively isolate the zones, the well will not be tested for some 10 days after the completion is set.