

Weekly Drilling Report - Ungani Far West 1

Buru Energy Limited (Buru Energy) provides the following weekly update on drilling operations at the Ungani Far West 1 well as at 06:00hrs, 7 January 2016.

Since the last progress report, the well has been drilled ahead in 6-1/8" (156mm) hole to the current depth of 2,316 metres in the interpreted shale formation overlying the Ungani Dolomite. A trip out of the hole was then made to change a logging-while-drilling tool. Wireline logs were then run to evaluate the hydrocarbon shows seen while drilling the section. The wireline logs indicated several zones of interest and a wireline pressure testing and sampling program has been conducted.

This program has identified a five meter sandstone interval at the top of the Anderson Formation at a depth of some 1,560 meters with good permeability (~450md), from which an oil sample was recovered. Oil has subsequently been recovered at surface from the well bore. Interpretation of pressure data indicates a potential oil column of at least 14 meters of which some five meters is net pay. The sampling program to confirm these results is currently ongoing.

Following the completion of the logging and sampling program the well will continue to be drilled ahead to the top of the Ungani Dolomite reservoir where 5" (127mm) casing will be run and Atlas Rig 2 will then be released. Specialist coring rig DDH1 Rig 31 will then be rigged up and conduct coring operations through the Ungani Dolomite reservoir section.

The well is located on an all weather drilling pad approximately one kilometer off the Ungani access road within Production License L21, 97 kms east of Broome and 3.3 kms southwest of Buru Energy's Ungani Oilfield in the Canning Basin of northwestern Australia.

The well is being drilled under the terms of the Ungani Development Funding agreement with Diamond Resources (Fitzroy) Pty Ltd. Equity and contributing interest for the well are as follows:

Company	Equity Interest	Contributing Interest
Buru Energy	50%	0%
Diamond Resources (Fitzroy)	50%	100%

Buru Energy's Executive Chairman, Eric Streitberg said about the results:

"This is an excellent outcome for the Ungani area and the Canning Basin generally with an oil discovery in a new play for the Ungani area. There has been previous oil production from the Anderson Formation in the Canning Basin but it was on the Lennard Shelf in Buru Energy's Blina tenements on the other side of the Canning Basin, over 125 kms from this discovery.

Not only is this a play opening discovery in the Ungani area but there are numerous leads and prospects at this shallower level in the area and these will now be evaluated for future drilling.

We will now drill on and see what awaits us in the Ungani Dolomite section which is the main target of the well."

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

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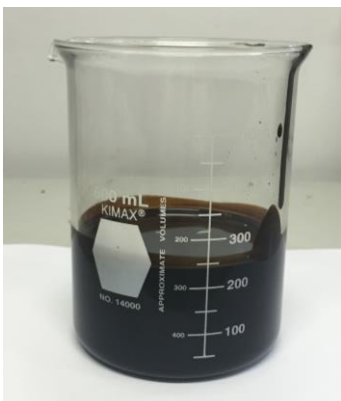
About Buru Energy

Buru Energy Limited (ASX: BRU) 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 Diamond Resources (Fitzroy) Pty Ltd. 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.



Oil sample recovered from the well bore at surface after sampling operations.

Ungani Far West 1

PERMIT	The Ungani Far West 1 well is located in production license permit L21, 97 kilometres to the east of Broome and 3.3 kilometres west of the Ungani Oilfield.
WELL LOCATION	Latitude: 17° 59' 58.9" S Easting: 514,225 m Longitude: 123° 08' 03.7" E Northing: 8,009,842 m
BURU ENERGY'S INTEREST	Buru Energy Limited holds a 50% beneficial interest in the well
DATE OF PROGRESS REPORT	06:00 hours, 7 January 2016 (AWST)
PROPOSED TOTAL DEPTH	Maximum 2,600 metres
CURRENT DEPTH	2,316 metres
PROGNOSED DRILLING TIME	48 days
SPUD DATE	28 November 2015
DAYS SINCE SPUD	40 days
CURRENT TARGET FORMATION	The primary well objectives are conventional hydrocarbons in the Laurel lower (Ungani Dolomite) section.
OPERATIONS SINCE LAST PROGRESS REPORT	Since the last progress report, the well has been drilled ahead in 6-1/8" (156mm) hole to the current depth of 2,316 metres in the interpreted shale formation overlying the Ungani Dolomite. A trip out of the hole was then made to change a logging-while-drilling tool. Wireline logs were then run to evaluate the hydrocarbon shows seen while drilling the section. The wireline logs indicated several zones of interest and a wireline pressure testing and sampling program has been conducted.
HYDROCARBON INDICATIONS	The wireline pressure testing and sampling program has identified a five meter sandstone interval at the top of the Anderson Formation at a depth of some 1,560 meters with good permeability (~450md), from which an oil sample was recovered. Oil has subsequently been recovered at surface from the well bore. Interpretation of pressure data indicates a potential oil column of at least 14 meters of which some five meters is net pay. The sampling program to confirm these results is currently ongoing.
FORWARD OPERATIONS	At the completion of the logging and sampling program the well will continue to be drilled ahead to the top of the Ungani Dolomite reservoir where 5" (127mm) casing will be run and Atlas Rig 2 will then be released. Specialist coring rig DDH1 Rig 31 will then be rigged up and conduct coring operations through the Ungani Dolomite reservoir section.

