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Buru Energy welcomes DMP's statements on Yulleroo gas project

Buru Energy (ASX: BRU) notes public statements made by the West Australian Department of Mines and Petroleum (DMP) in response to false allegations concerning a gas leak at the Company's Yulleroo gas project in Western Australia.

DMP officials inspected the site yesterday following claims by protesters that one of the Yulleroo wells was leaking a significant amount of gas.

DMP Petroleum Division Executive Director Jeff Haworth is quoted as saying:

"No gas readings were detected on the site initially. The inspection revealed there is some physical damage to a valve stem, which has been bent, and is the cause of a minor gas leak.

"Low level gas readings were detected around the well when the damaged valve was manipulated. The minor gas leak poses minimal risk and the valve will be repaired as quickly as possible.

"It appears at this stage that there has been no equipment or process failure by the company (Buru Energy).

"The damage presents a serious concern if a third party has been involved. In light of the serious nature of the damage involved, the Department will be investigating further."

Buru Energy Executive Chairman Eric Streitberg said the DMP statements clearly contradicted claims by anti-gas protestors that there was a significant gas leak at the well for which Buru was responsible.

Mr Streitberg said Buru was also concerned by the fact that the video provided to the media was recorded by people who broke the law by accessing the fenced compound at the well site.

"We would like to think that those who recorded the video are not responsible for the damage to the valve," he said.

The Yulleroo 2 well flowed at potentially commercial rates of gas and condensate after it was fraced in 2010 in a trial exploration program. The well is currently suspended and is inspected regularly. At Buru's last inspection of the site, the well head valve was not damaged.

Buru will be accessing the site regularly to undertake the repairs to the damaged valve and for continued essential maintenance and environmental monitoring, and to ensure the security of its existing infrastructure.

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.