



4 April 2018

Operations Update

Ungani access road

As previously reported, the Ungani access road has been closed by flooding with up to a metre of residual water originally covering one section of the road. The water level in this area has now receded to the point where light vehicle access is possible through the residual ponded water. The roadway is supporting light vehicles, but needs to be clear of water before crude oil tankers can safely access it. This is expected to take up to another 3 to 4 weeks and all practical measures are being taken to bring this forward as much as possible.

From a recent helicopter inspection of the entire road it is apparent that there is generally only superficial repairs required and the equipment required to commence the road maintenance is already onsite.

Ungani Field Production restart

The Ungani field has been accessed via helicopter and inspected by Buru personnel with start-up of equipment demonstrating the field surface facilities are in good condition.

The field crew intend to re-man the site in the coming week, and work on flowline installation for the two new production wells is expected to commence shortly thereafter.

The oil cartage contractor is expecting to have six trucks available on re-start which will allow production capacity of up to ~2,400 bopd. Arrangements for additional trucks from another contractor to take production capacity up to Buru's target of ~3,000 bopd are also well advanced.

The on-site storage tanks are full with an inventory of some 5,000 barrels of oil which will be the immediate focus on the resumption of the trucking operation.

A further update on the timing of Ungani's production recommencement will be made over the coming weeks as road access and necessary repairs and maintenance are being progressed.

Corporate matters

As set out in the last update, although the Company's cash flows for the first quarter of 2018 have been significantly impacted by the unexpected shut-in of the field, the Company's current projections indicate that it has sufficient financial resources to undertake its ongoing and planned activities which in the short term is primarily preparing for the 2018 drilling program. In that regard, discussions with drilling rig contractors are close to completion and long lead items are being finalised.

The form and timing of the drilling program will be subject to the conclusion of the current farmout negotiations which are continuing to proceed satisfactorily.

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

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