

Operations Update

Buru Energy is pleased to provide the following update on operations.

Production and Liftings – Ungani Oilfield

Work has continued to optimise longer term production from the Ungani 7 well including the running of a tubing string and a beam pump. Planning is also underway to install an electric submersible pump (ESP) in early 2020 to maximise production rates from the well.

Field production has been averaging some 1,300 to 1,400 bopd which will match tank tops in the Wyndham storage facility to the planned lifting of some 70,000 barrels in late December. Lifting dates and quantities are required to be nominated two months in advance to the crude purchaser and the next lifting after December is currently expected to be in late February or early March 2020 including an allowance for weather down time.

The next significant increase in field production is expected once the Ungani 6ST1 well is completed and brought into production. The timing for that operation is dependent on the remobilisation of the Halliburton coil tubing unit which is currently expected to be in late January or early February. The completion of the Ungani 6ST1 well requires a number of sequential operational steps. These include the drilling out of the cementing float shoe, the successful re-penetration of the remaining Ungani Shale section, the running and expansion of the liner section, and the drilling of the horizontal laterals. Each of these steps has been subjected to detailed technical, operational, and joint venture analysis and review to ensure the best chance of success.

A program of short and medium-term production enhancements of all the wells in the field has also been agreed by the Joint Venture to ensure production goals are met.

Forward Program

1) Acquisition of Exploration Permit Interests (EP 391, EP 428, EP 436)

As set out in the ASX release of 5 December 2019, Buru now has title to 100% of these core Fitzroy Graben exploration permits (subject to receipt of standard regulatory approvals).

The 100% equity in these permits provides Buru with the flexibility to execute a fit for purpose exploration strategy, which may include additional seismic acquisition over key areas and prospects. The 100% equity holdings without an existing JV partner will make these permits, and Buru's other 100% and majority owned permits, very attractive to potential farminees. Also likely to be attractive to new participants are the long remaining tenures on the permits with no material remaining exploration commitments.

2) Current operational program

Adoxa 1

The review of the results of the two exploration wells drilled in this year's campaign is currently underway, including a review of the potential for testing the Adoxa 1 well. Review of the Adoxa 1 well casing cement integrity has identified that a remedial cement job will be required prior to undertaking a production test. If this can be commercially justified, the

limited access to the well during the wet season means that any further operations will need to be carried out in the dry season next year.

Blina Oilfield

Work has continued on the Company's 100% owned Blina Oilfield including the testing of the Upper Yellowdrum zone and the deeper Nullara producing zone.

The test of the Upper Yellowdrum section in the Blina 4 well showed the section to be tight. Although disappointing, this result was offset by the excellent results from testing of the deeper Nullara zone. The Nullara zone was the main producing zone of the field before it was shut-in, and the production test flowed at up to 700 bopd of essentially clean oil, with strong wellhead pressures. This was a short flow period of several days but illustrates the potential of this reservoir for possible resumption of production from the field.

The immediate forward program for the field includes the interpretation of the extensive production and injection pressure data obtained during the recent test period. This will allow quantification of the potential for longer term production, and the potential volume of the remaining recoverable reserves. This review may lead to resumption of production from the field including the potential for a water flood/pressure support program.

Yulleroo conventional gas test

Preparations for the test of the conventional gas flow potential of the Yulleroo 3 well are progressing for execution with the Buru jacking platform after the completion of the Ungani 6ST1 operations and the production optimisation workovers on Ungani wells planned for first quarter 2020.

3) Forward exploration program review and farmout preparation

A detailed regional technical review incorporating the results of the recent exploration wells was commenced last month to identify leads and targets additional to the currently defined prospect portfolio.

In parallel with the technical review, an operational planning process is underway incorporating lessons learned from the 2019 drilling program to ensure the issues encountered during the 2019 campaign can be resolved for the next campaign. A detailed review of suitable rig and seismic crew availability has also commenced in co-operation with other Western Australian onshore operators.

The review process set out above has the objective of commencing a strategic farmout process during 2020. It is Buru's view that the combination of an extensive, lightly explored, 100% owned exploration portfolio with a low level of commitments, will prove highly attractive to both local and international companies.

It is Buru's current objective to partner with an experienced and strategically aligned E&P group with a focus on the extensive conventional oil exploration prospectivity of the permits, together with the further appraisal and development of the Yulleroo Gasfield with its established large scale contingent and prospective resources for both gas and liquids.

It is intended to commence a wide ranging farmout process early in 2020 once the current regional and prospect technical review is completed. The farmout process will be targeted both on companies that have shown previous interest in the basin, and on a number of international groups that have recently shown renewed interest in Australian exploration.

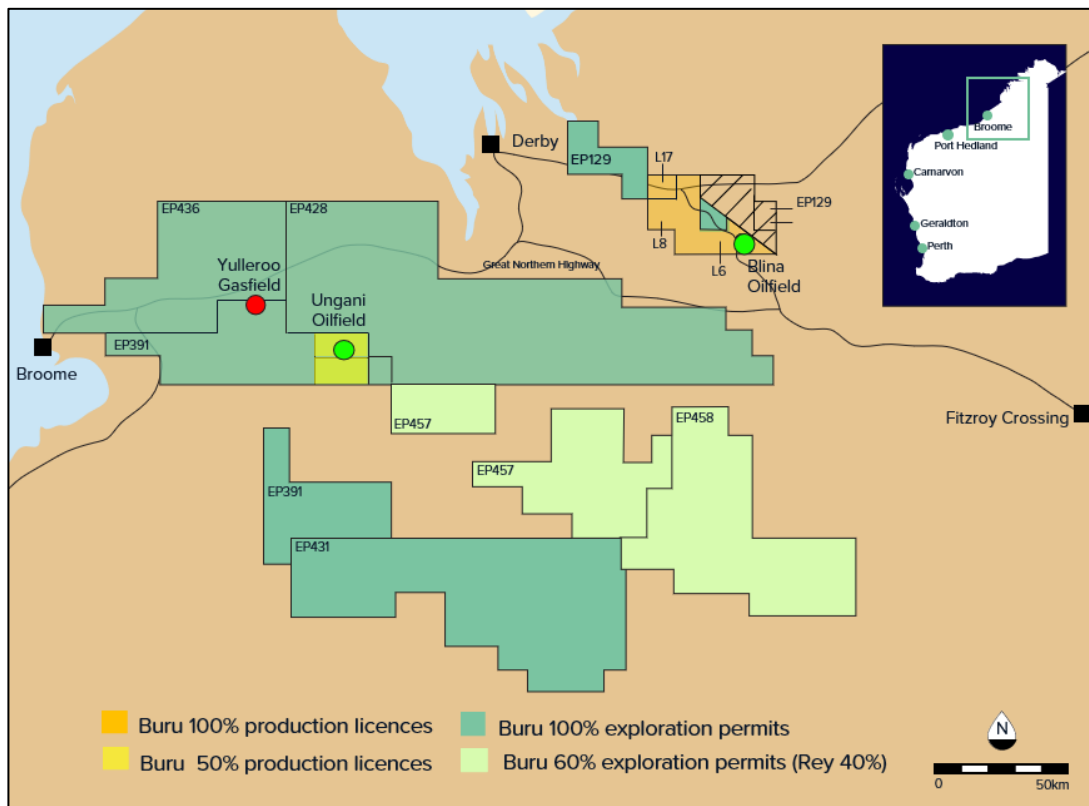
The prospect review process will include a review of 2020 exploration drilling activity that will be dependent in part on progress on farmout negotiations and rig availability, which may be influenced by any decision by the Ungani Joint Venture to drill further development wells on the Ungani Oilfield. The recent acquirer of the Mitsubishi interest in the Valhalla/Asgard area has also expressed an intention to undertake an extensive drilling program in that area, and this has the potential to drive synergies and cost reductions for future drilling programs that require high specification drilling rigs.

Authority for this announcement

This announcement has been authorised for release by the Board of Directors
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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 the Executive Chairman 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.



Buru Energy Permit Locations