



27 October 2017

Operations Update

Ungani oil production resumes after successful pump installation

Highlights

Ungani production:

- ESP's successfully installed and working as planned
- Test oil rates exceeding expectations
- Trucking to Wyndham resumed
- Additional perforations at Ungani 2 substantially increased productivity
- Ungani 3 injection test successful

Ungani 4 drilling:

- Ungani 4 at first casing point with anticipated reservoir intersection mid-November

Ungani production:

The electric submersible pumps were successfully installed in Ungani 1ST1 and Ungani 2 on time and on budget. The pumps have now been commissioned and are working as designed. The pumps have the capacity for a fluid rate of some 4,500 barrels per day (bfpd) each, and are able to be operated at lower rates as required. As the wells are assisting with natural flow rates that are in excess of 500 bopd, the pumps are currently being operated at their lowest rate of some 1,350 to 1,600 barrels of fluid per day. On test, the system has produced at rates up to 3,000 barrels of oil per day, with individual wells delivering over 1,600 bopd. The field production rate is currently being constrained to some 1,250 bopd while the transport system is re-commissioned to meet the initial target rate of a sustained 1,500 bopd.

As part of the pump installation well workover, an additional 12 metre reservoir interval at the top of the section was perforated in Ungani 2. This section was not producing as it was behind the casing set in the original completion, and had been recently re-interpreted to have significant porosity. This perforation program appears to have been successful, with indications from the well performance to date that the productivity index of the well has been substantially increased by over 50%.

As part of the overall program, a further injection test was undertaken on the lower water bearing section of Ungani 3. This section had previously been used for limited water disposal tests which indicated tight reservoir. This was despite interpretations from logs that the section should have had high porosity and permeability. The injection test resulted in a very significant improvement in injection capability to at least 4,000 barrels per day, which is similar to Ungani Far West which has similar geological characteristics. This result has local and regional significance and the implications are currently being reviewed.

Ungani 4:

The well is currently at first casing point and will shortly be drilling ahead to the second casing point above the reservoir section. After setting the next casing string the well will be drilled into the reservoir, and this expected to be in mid-November. The rig has performed well and the operation is currently on time and on budget.

Buru's Executive Chairman Eric Streitberg said:

"We are delighted with the performance of the ESP's which were installed and commissioned on time and on budget. They are working very well and although it is early days we are extremely pleased with the oil rates we are seeing with the pumps just ticking over.

We are expecting our next oil lifting from Wyndham in late November and will be doing all we can to make sure that it is as big as possible.

Ungani 4 is going very well and again we are looking forward to seeing the results of this well when we get to the reservoir section."

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

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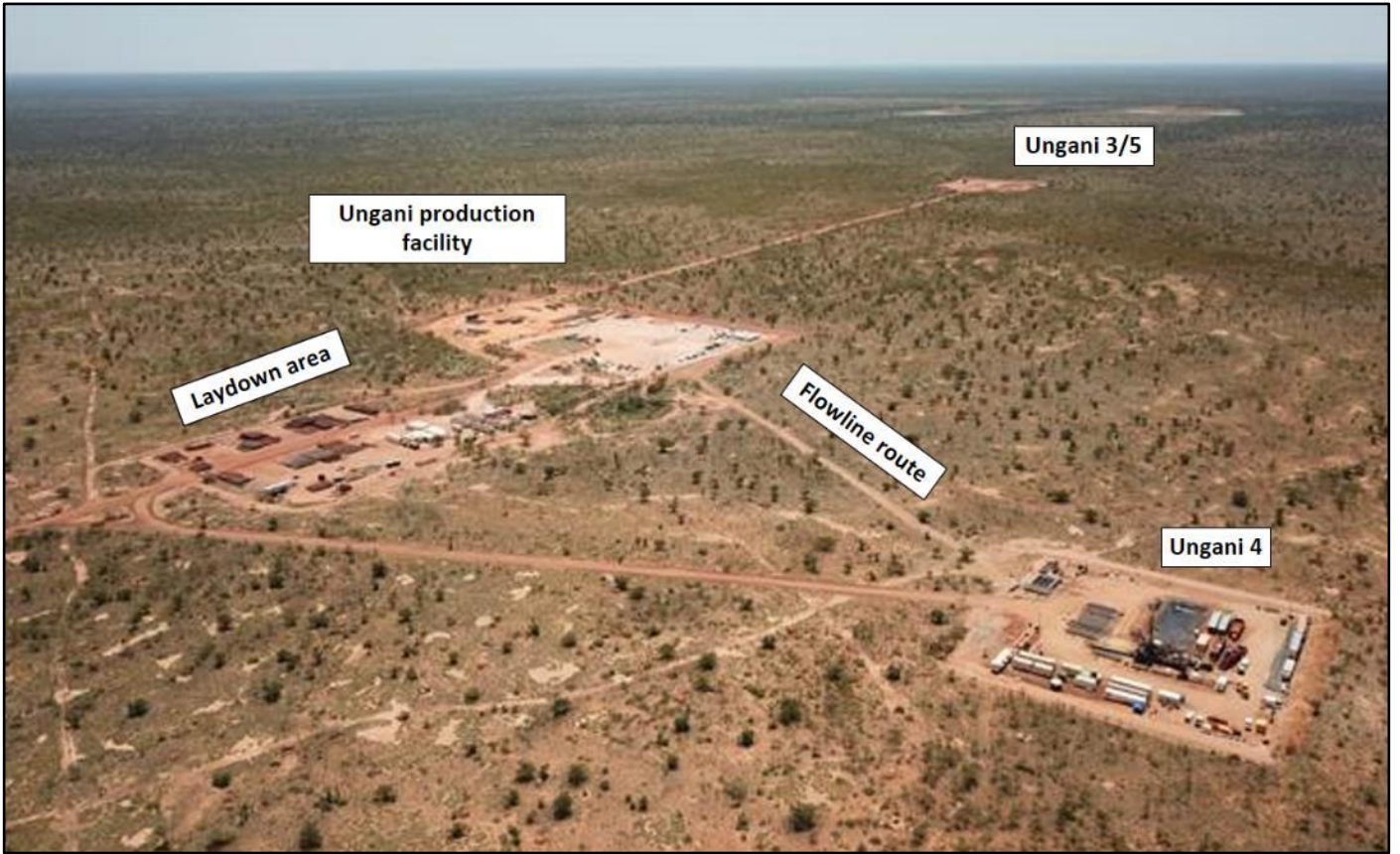
About Buru Energy

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. It owns 100% of its flagship high quality conventional Ungani Oilfield project and 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.

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 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.



Ungani operations area



DDGT1 rig at Ungani 4