

## Restructure of Coastal Permits Farmin

Buru Energy (ASX: BRU) is pleased to advise that it has reached an agreement with Quadrant Energy Australia Limited (Quadrant) in relation to the Coastal Titles Farmin Agreement which was originally executed on 1 November 2013.

Under the terms of the agreement, Quadrant will withdraw from the Coastal Permits (EP 390, 438, 471 and 473) and will pay the Buru Energy and Mitsubishi joint venture a gross sum of \$10 million (~\$4.9 million net to Buru Energy after adjustments), in fulfilment of its farmin obligations.

The terms of the original farmin agreement included a commitment by Quadrant (then Apache Energy) to fund a \$25 million exploration program on EP 390, 438, 471 and 473. Through the farmin, Quadrant earned a 50% interest in these permits and Buru Energy and Mitsubishi each then held a 25% equity interest. Subsequent to the withdrawal of Quadrant, Buru and Mitsubishi will be the only holders of the Coastal Permits.

The Coastal Permits are located primarily on the geological feature known as the Broome Platform with the Goldwyer Shale petroleum system being the principal exploration objective. Neither the Ungani trend or the Laurel Formation tight gas accumulation is present on these permits.

Subsequent to the Quadrant farmin, the joint venture drilled the Commodore 1 and Olympic 1 conventional oil exploration wells targeting Ordovician aged reservoirs sourced by the Goldwyer Shale. Although some hydrocarbon shows were encountered, the wells were non-commercial and were plugged and abandoned. The cost of these wells and other activities on the permits was substantially less than the \$25 million farmin commitment by Quadrant.

The joint venture has therefore now agreed with Quadrant that Quadrant will withdraw from the permits and will fulfil its remaining obligations by paying the joint venture a gross \$10 million, adjusted for final JV expenditure during July. After adjustments, Buru Energy will receive some A\$4.9 million in cash within receipt of the funds expected within 7 days.

Buru Energy's Executive Chairman, Eric Streitberg said:

*"This is an appropriate resolution to the Coastal Titles Farmin Agreement. The original deal was struck in a very different oil price and operating environment, and we are very pleased that the parties have come to a mutually agreeable commercial resolution. The payment from Quadrant is a welcome cash injection for Buru Energy which will be used to fund further exploration or appraisal and development programs on our core areas. Our relationship with Quadrant will also continue in the context of our mutual interest and involvement in Western Australian energy supply."*

Visit [www.buruenergy.com](http://www.buruenergy.com) for information on Buru Energy's current and future activities.

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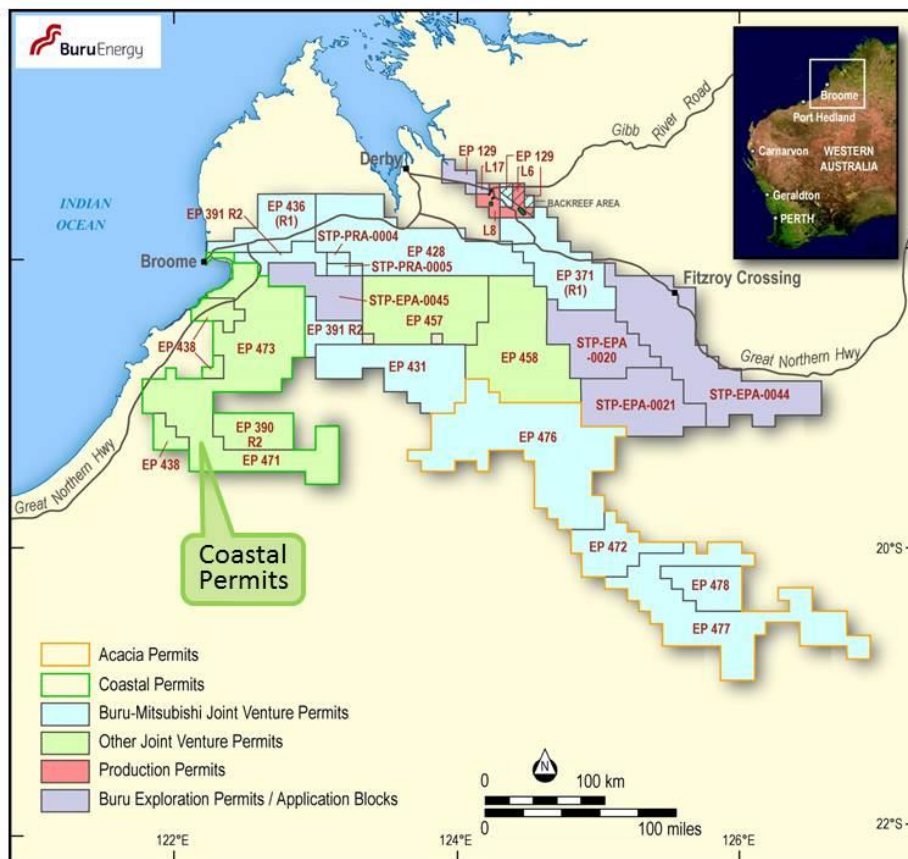
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## About Buru Energy

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 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.



*Buru Energy Canning Basin permit locations*