

Termination of EP 487 purchase agreement

Buru Energy advises that the agreement with Backreef Oil Pty Limited for the acquisition of a 50% interest in EP 487 came to an end on 31 December 2014.

The parties originally executed the agreement on 25 September 2012 with a requirement that the transfer proceed by 31 December 2013, a date which was subsequently extended to 31 December 2014. The transfer of the 50% interest in EP487 has still not occurred and the parties have not agreed to further extend the date for transfer, therefore the agreement has now come to an end.

The removal of this permit from Buru's portfolio has no material effect on its previously stated prospective tight gas resources given their overall size. However, it also reduces Buru's contingent funding obligations by the \$3.5 million purchase price and any costs associated with the current litigation, and the costs of early stage exploration activity on this permit.

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.