

ASX Announcement

17 February 2014

Ungani 3 Well Update

Buru Energy Limited provides the following update on drilling operations at the Ungani 3 well as at 06:00hrs, 17th February 2014 (AWST).

Since the last report the well has been drilled ahead in 216 mm (8 ½ inch) hole to a total depth of 2,383m in the Nullara Formation. The current operation is pulling out of the hole prior to running a full suite of wireline logs over the 8 ½" hole section.

The Ungani 3 well is interpreted to have penetrated the top of the Ungani Dolomite at a measured depth of 2,137 metres, which is currently interpreted to be some 77 metres above the oil/water contact identified in the Ungani 1 and 2 wells in the central part of the Field.

Mud log and mud gas shows and sample descriptions at the top of the section were similar to those seen in the previous Ungani wells, however, sample descriptions, drilling parameters, and mud log and mud gas shows over the main part of the reservoir section indicate that porosity development is anomalously poor at the Ungani 3 location relative to the central Ungani Field area around the Ungani 1 and 2 wells. This interpretation needs to be confirmed by the wireline logging program which will be conducted over the next 4 to 5 days.

The current 2014 production forecasts from the central field area are not affected by this result, and further wells are planned once the results of this well are integrated into the geological and reservoir models.

The Ungani 3 well is located some 1,000 metres to the east of the central Ungani Field area on what is interpreted from the 3D seismic data to be a separate structure. The effect of this well result on the estimates of reserves in the Field will not be able to be quantified until all of the data from the well are obtained and analysed, and the pressure and production data from the current ongoing production phase from the central field area is integrated into the previous production results, the 3D mapping, and the Ungani 3 well results.

Further updates will be provided as further information is obtained.

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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 a director 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 38 years of relevant experience. Mr Streitberg consents to the inclusion of the information in this report

About Buru

Buru Energy Limited (ASX Code BRU, ASX 200) 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 unconventional gas and oil 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.