

Buru Energy Operations Update

Buru Energy Limited (Buru Energy) (ASX: BRU) provides the following update on its exploration and production operations in the Canning Basin.

Drilling Program

Senagi 1

As foreshadowed the well has now been logged, cement plugs have been run, and the well has been abandoned in accordance with regulations. A total of 286m of continuous core has been cut with 97% recovered and valuable data has been obtained which will assist with correlation of core and image logs over the very well developed vugular dolomite reservoir section. This correlation will provide more certainty in the interpretation of the dolomite reservoirs encountered in future wells.

All of the data from the well will now be analysed to ensure the highest chance of success of the other prospects in the area. There will be no further weekly drilling reports in respect of the Senagi 1 well.

Victory 1

As previously reported, logs over the lost circulation zones showed potential cavernous or vugular porosity below a drill depth of 1,945 metres. Due to the log quality, deep fresh water invasion and hole conditions, it was not possible to determine from logs whether or not hydrocarbons are present in this zone. Logs were initially unable to be obtained deeper than approximately 2,030 metres due to hole conditions and several further attempts have been made to log the lower part of the hole below the lost circulation zone with no success. The difficulties in acquiring the logs were principally due to a well developed shale section below the zone of lost circulation.

During these operations, further problems with the casing were encountered. After considering the options for remedying the issue, and the associated costs, it has been agreed that the most prudent course of action is to plug and abandon the well bore, meaning that a flow test of the horizon where circulation was lost, though warranted, was not operationally achievable. Abandonment will be done in accordance with all regulations and good oil field practice to ensure all formations are effectively isolated.

The joint venture is currently acquiring additional 2D seismic data over the Victory structure and this data, together with the encouraging data obtained from the well, will be used to make a decision on the forward evaluation of the structure, which may include the drilling of another well in the 2016 dry season. There will be no further weekly drilling reports in respect of the Victory 1 well.

Ophir 1

Due to the delays in completing Senagi 1 and the impending wet season it has been decided to defer the drilling of the Ophir 1 well until the 2016 dry season and DDH1 Rig31 will therefore now be demobilised.

Ungani FW

This well is targeting an extension of the Ungani Field to the west of the central Ungani structure. The well will be drilled by Atlas Rig#2 after it has completed operations at Victory 1. It is intended to fully core the Ungani Dolomite reservoir section in this well to provide confidence with the correlation to the Ungani Field and assist with reserves determination. The location is close to the Ungani access road and is not expected to be unduly affected by the coming wet season.

Laurel Formation Tight Gas Pilot Exploration Program (TGS)

The testing tubing has now been run in both wells, and both wells are on test with all zones open to flow.

As expected and predicted, the wells are now unloading the stimulation water with entrained gas. It is expected it could be up to several weeks before the wells are unloaded and further information on flow rates and liquid content is able to be obtained during steady state flow through the separator.

All operations continue to be carried out in accordance with all government and regulatory approvals and with continuous environmental monitoring. No effects of the operation on the environment have been observed by this monitoring program.

Ungani Production

Production at the Ungani Field has resumed with initially constrained production rates of an average of 800 bopd to meet the next shipping schedule.

The pressure buildup data from the wells during the recent shutin has been obtained from the downhole gauges and is currently being downloaded and analysed with results expected shortly.

Seismic Acquisition

The 200 sq km Yakka Munga 3D seismic survey was recently completed by the Terrex seismic crew on time and on budget, and the data quality appears to be excellent. The crew is now completing a 2D survey over the Raphael prospect and the Victory location.

The joint venture has also agreed to undertake the 200 sq km Kurrajong 3D seismic survey over the Ungani – Praslin trend extension and line clearing for that survey is currently underway. This survey is expected to confirm a number of additional prospects evident on existing 2D seismic along the Ungani trend.

The results of all these surveys will be available early in 2016 and will allow definition of the potential drilling targets along the Ungani trend for the 2016 dry season.

Buru Energy's Executive Chairman, Eric Streitberg said:

"We are obviously disappointed we have been unable to test the Victory well given the very encouraging results to date, however, we have also identified a new play type with the deeper shale section that sets up a regional exploration play. With the additional seismic we hope to be able to better understand the results of the well and follow up on these very encouraging results.

The TGS wells are showing good signs of gas flow as they are returning the stimulation fluid at expected rates and we look forward to definitive results from these wells over the coming weeks."

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

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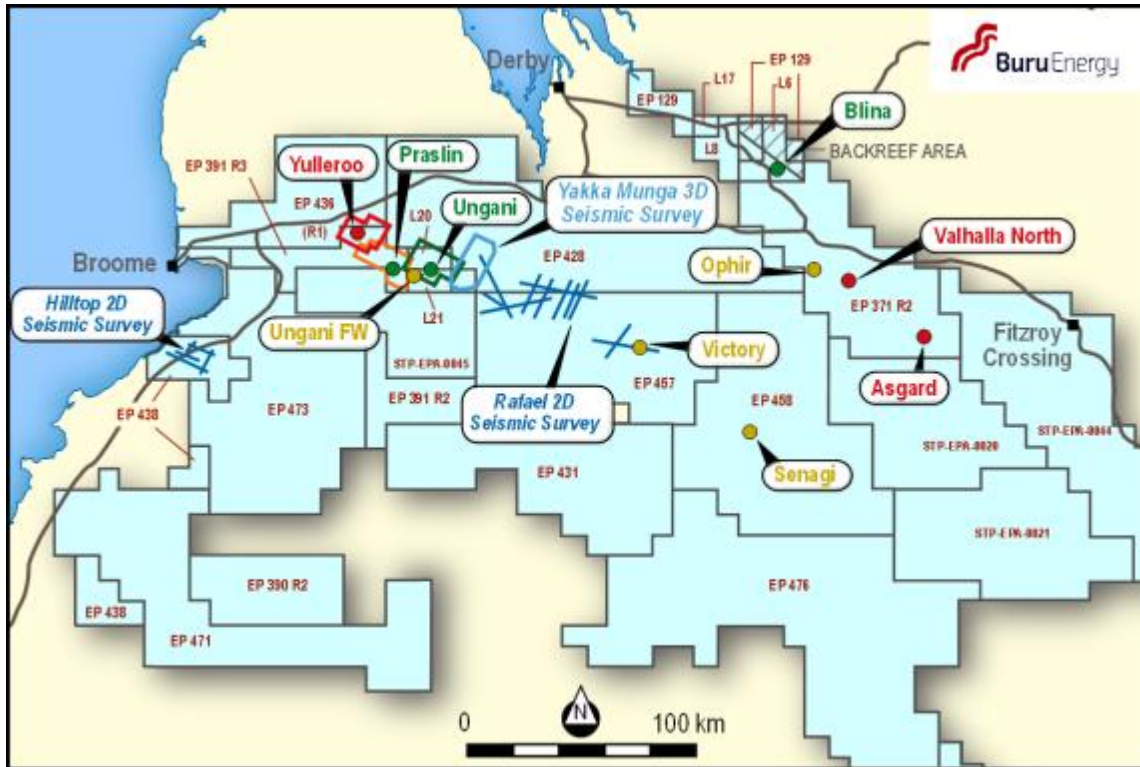
About Buru Energy

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. Its flagship high quality conventional Ungani Oilfield project is owned in 50/50 joint venture with Diamond Resources (Fitzroy) Pty Ltd. 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.



Buru Energy general operations location map