

14 March 2016

ASX : BRU

ABN 71 130 651 437
Level 2, 88 William Street
Perth, Western Australia 6000
Ph: +61 8 9215 1800
Fax: +61 8 9215 1899
www.buruenergy.com

Testing Operations Update - Ungani Far West 1

Buru Energy Limited (Buru Energy) provides the following update on the testing operations at the Ungani Far West 1 well.

The well has been configured to allow testing of three zones, the uppermost zone which has tested oil, a middle zone which has calculated oil saturations from wireline logs, and the lower zone which has well developed vugular porosity in cores but ambiguous calculated oil saturations.

Further to the last report, the middle zone has been opened to flow with no influx observed. The pressure data obtained after the zone was opened suggests it is water bearing but this needs to be confirmed.

The forward program will include a shut-in for approximately one week followed by further pressure surveys. The aim of this program is to obtain further data to allow a more definitive interpretation of the oil and water interfaces in the reservoir.

At the conclusion of the shut-in and the data gathering phase the produced fluids will be reinjected into the formations they came from and the well will be suspended.

Buru Energy's Executive Chairman said:

"We are delighted with this result.

The core through the dolomite reservoir has given us very valuable insights into the Ungani Dolomite reservoir characteristics. The actual rocks appear to have much better reservoir characteristics than originally inferred from logs, which of course has regional implications for how good the reservoir is – and once we have done a detailed analysis we will look to integrate this into our analysis of the Ungani wells.

Preliminary interpretation of the pressure data also suggests that the Ungani Far West 1 well is "seeing" the aquifer from Ungani. This implies that this good reservoir quality is present regionally (as was also seen at Praslin). This is a very encouraging result for the other Ungani Dolomite prospects in the area.

The oil gravity at Ungani Far West is also very high and the oil quality appears to be excellent, and very similar to that recently recovered from the test of Ungani North. This is also encouraging for the value of these reservoirs.

We also can't forget that we have made a new field play opening discovery in the Anderson Formation in this well. Because of the well configuration we can't test it in this well but it is a strong indication of the overall prospectivity of the area. We will be remapping the horizons at the Anderson Formation level and preparing a suite of prospects for future drilling consideration. The other excellent thing about the Anderson targets are that they are relatively shallow (~1,500 metres) and will be able to be tested with small rigs that can drill cheap wells.

This has been an excellent end to our current drilling program and we are now fully assessing the results to generate the next set of drilling targets.”

The well is located on an all weather drilling pad approximately one kilometer off the Ungani access road within Production License L21, 97 kms east of Broome and 3.3 kms southwest of Buru Energy’s Ungani Oilfield in the Canning Basin of northwestern Australia.

The well was drilled under the terms of the Ungani Development Funding agreement with Diamond Resources (Fitzroy) Pty Ltd. Equity and contributing interest for the well are as follows:

Company	Equity Interest	Contributing Interest
Buru Energy	50%	0%
Diamond Resources (Fitzroy)	50%	100%

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

For investor inquiries please contact Buru Energy:

Telephone: +61 8 9215 1800
Freecall: 1800 337 330
Email: info@buruenergy.com

Media Enquiries:

Paul Armstrong
Read Corporate
+61 8 9388 1474/ 0421 619 084

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.