

Operations Update

Buru Energy Limited (Buru) (ASX: BRU) is pleased to provide the following update on the progress of the Ungani Oilfield restart, and the gas project in the Canning Basin.

Highlights

Ungani Oilfield production restart proceeding as planned:

- Contracts agreed for construction activity
- Contracts agreed for Wyndham Tank 10 utilisation
- Negotiations with preferred trucking tenderers progressing

Gas Project: The Yungngora (Noonkanbah) ILUA has been registered with the National Native Title Tribunal

Ungani oil production restart

The program to restart production from the Ungani Oilfield is progressing well with the modifications to the field facilities, access to Wyndham Port, and finalisation of the trucking contract all on track for the planned mid-year startup.

Ungani Field

The principal work at the field for the startup is the installation of the produced water injection system at the Ungani Far West 1 well to allow re-injection of produced water into the lower water bearing zone in the well.

The other work on the field prior to startup includes some general operational streamlining and the installation of a new load out system that was purchased prior to the shut-in last year.

The second phase of production from the field will involve the installation of downhole pumps and their associated control and power systems. When the pumps are installed there will also be an upgrade to the fluid handling system, including additional tankage. Planning for this phase has essentially been completed. The timing is dependent on the well performance and the availability of a workover rig to run the pumps into the wells, but is anticipated to occur before the end of the year. Depending on well performance, the pumps will provide the opportunity to increase oil production from the wells.



Ungani Field wet season panorama



Ungani Field storage tanks

Wyndham Port

The contract documentation for the use of Wyndham Port has been agreed, including the crude oil storage agreement (COSSA) with Cambridge Gulf Limited (CGL) the owners of Tank 10, and the contractual terms with the engineering group that will undertake the upgrades at the port, DRA Industries Pty Ltd (DRA). The work will include the installation of a mixer system which is commonly used for oil storage tanks with long crude residence times.



Wyndham Port wet season panorama



Wyndham Port ship loading

Trucking

Trucking bids have been received from several contractors. Discussions with short listed tenderers are progressing well with contract award to be made as soon as practicable.

Gas project

The ILUA signed with the Noonkanbah people last year has now been registered as the Yungngora ILUA with the National Native Title Tribunal as of 17 March 2017. This is a significant step forward as it provides certainty for both parties. Together with the Warlangurru LAUA agreement, it provides a mutually beneficial pathway for the future development of the gas resources on the EP 371 permit in the Valhalla and Asgard area.

General

Discussions and planning for the forward program during this year's dry season are continuing. The timing and extent of the program will depend on Joint Venture discussions and available funding but may include a number of exploration wells.

Corporate

The Company's Annual Report was released on 31 March 2017 and the Annual General Meeting of the Company will be held in Perth on 31 May 2017 with the Notice of Meeting expected to be released later this month.

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

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