

## ASX Announcement

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5 December 2013

### Operations Update

Buru Energy Limited ("Buru") is pleased to provide an update on the Company's operations.

#### Highlights

- Ungani 3D Seismic Survey results confirm the potential of the Ungani Field
- Well workovers on Ungani 1 and Ungani 2 successfully completed
- Production start-up preparations at Ungani Field progressing, with first oil produced into on-site tanks next week
- Site works for oil export through the Port of Wyndham completed on time and on budget
- Crusader Rig mobilisation to Ungani 3 estimated for 10 December, rig up and acceptance scheduled between 20 - 23 December, with spud expected to occur immediately thereafter
- 6+ well program planned for 2014 plus extensive additional 2D and 3D seismic

#### 3D Seismic Survey results update

Field acquisition of the Ungani 3D seismic survey was successfully completed at the end of October.

Analysis of the preliminary processed data has confirmed the potential of the Ungani Field discovered in 2011, and has highlighted a number of encouraging follow-up exploration prospects along the established Ungani structural trend. The data has also validated the Ungani North structure where oil was encountered by drilling in 2012.

The Ungani 3 well location was selected on the basis of the interpretation of the 3D seismic data and will optimally target the eastern flank of the Ungani field. The 3D data will also be used to determine locations for future development drilling. An independent reserves audit will be conducted immediately following the Ungani 3 appraisal well result to assist in the final investment decision for the full field development.

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The final processing of the 3D seismic is expected to be completed early in 2014 and will be integrated with the new well data to position future drilling at Ungani and define the near field exploration prospectivity.

### **Well workovers on Ungani 1 and 2 & Ungani North testing**

Workovers of the Ungani 1 and Ungani 2 wells have been completed. The operation to plug back the Ungani 2 well to mitigate water production went smoothly with the new bottom hole cement level 20m above the free water level. Ungani 1 has been recompleted as a dual production and water injection well.

To optimise cost and efficiency, the well test on Ungani North will occur late in the first quarter or early in the second quarter of 2014 and will be linked to the mobilisation of equipment for the 2014 dry season activity. Preliminary results of the 3D seismic confirm that Ungani North is a well-defined structural closure and a long term production test tied to the Ungani facilities or drilling of a second well will be considered subject to the results of the test results.

### **Production start-up preparations at the Ungani Field progressing, with first oil expected mid-December**

The Ungani facility upgrades have been completed and the facilities turned over to operations for commissioning. Commissioning is currently in progress ahead of first oil into storage tanks on site next week.

The first two triple road trains to carry crude from Ungani to Wyndham have been mobilised, providing an initial trucking capacity of 600bbl/d. These road trains will be on standby in Broome until we are ready to produce first oil. Additional trucks will be added as the initial extended test production levels increase ahead of commitment to full field development in first quarter of 2014.

### **Site works for oil export through the Port of Wyndham**

Modifications to the Wyndham tank farm are complete. Wet testing of the truck offloading system with diesel was successful and the system will be ready to receive crude before start-up of the Ungani Field.



Wyndham Truck Unloading Bay



Wyndham Tank Farm and Piping Modifications

## Rig mobilisation

The AEG Crusader 405 rig move is estimated to commence on 10 December from Whicher Range where it is currently in use for another operator. It is expected to arrive at the Ungani pad around 20 December 2013. Rig up and acceptance is scheduled between 20 - 23 December.

### For inquiries please contact:

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### About Buru

Buru Energy Limited (ASX Code BRU, ASX 200) is a Western Australian oil and gas exploration and production company. The Company's petroleum assets and tenements are located onshore in the Canning Basin in the southwest Kimberley region of Western Australia. In joint venture with its international partner, Mitsubishi Corporation, the Company explores for, develops and produces oil and gas. Its assets include the flagship high quality conventional Ungani Oilfield project which is currently under development, and potentially world class unconventional gas and oil resources.

The Company is headquartered in Perth with an operational office in Broome. Its 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.