

10 August 2018

Operations Update

Ungani Oilfield

The next lifting of oil from Tank 10 in Wyndham by Trafigura is expected to be in mid-August, with expected lifting volumes of some 50,000 barrels gross (Buru's share 50%). Total cumulative production from the Ungani oilfield as of 7 August was 959,000 barrels with the production of the millionth barrel expected later in August.

Production optimisation and balancing activity continued with adjustment of the beam pump operation on Ungani 4 and rate, drawdown and injection tests on the various wells. Ungani 5 production has declined as predicted prior to the installation of artificial lift, and Ungani 4 oil rates have declined at a higher rate than expected, which is interpreted to be due to significant reservoir damage as part of the sub-optimal drilling and completion of that well. The joint venture has now agreed to undertake a sidetrack of the well as the first operation with the DDGT1 rig.

Total field production with the wells in their present configuration is currently some 1,400 bopd with ongoing work to ensure production is increased to target levels.

Ungani Far West 1

The applications for regulatory approval for the start of production from the Ungani Far West 1 well are currently being processed and are expected to be received shortly.

The target date for production commencement from the well is the end of August.

Forward Operations

The 2018 rig operations program is planned to commence in late August/early September with work underway in the field on the preparation of the DDGT1 rig for this program and on the sourcing of long lead drilling items, all of which are proceeding on schedule.

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

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Qualified Petroleum Resources Evaluator Statement

Except where otherwise noted, 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.

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