



14 May 2018

Operations Update – Ungani oilfield production and well tests

Ungani Field

Production from the Ungani 1 and Ungani 2 wells and the trucking of oil to Wyndham is proceeding smoothly with a total of 22,500 barrels of oil currently in storage in the tank in Wyndham. It is anticipated there will be a lifting by Trafigura in the first week in June which will provide the initial cash flow from the recent startup of production. The recent strengthening in the Australian dollar oil price to over A\$100 per barrel will also provide a significant boost to income.

The Ungani 1 and Ungani 2 wells are producing at a combined rate of up to 1,700 bopd on low pump rate settings at average watercuts of around 29%, which is in line with expectations.

Both Ungani 4 and Ungani 5 are now connected to the production facility and will be placed on production shortly.

The combined wells will be produced over the next few weeks at target production rates up to 2,500 bopd while the production performance of the wells and the production facility is monitored to establish optimum longer term operating and well production parameters.

Well tests

The Ungani 5 well will be opened to flow into the facility shortly, now that work on the flow line and the facility tie-in has been completed.

Testing operations on the Ungani 4 well have established a flow rate of some 350 barrels per day of clean oil with strong pressure performance. This oil flow rate is anomalously low and could be caused by a number of factors which include the downhole configuration from the extensive operations that were undertaken during the drilling and completion of the well. Extensive pressure and performance data has been obtained during the testing period and this is currently being analysed to select the best way forward to enhance the productivity of the well, which may include running a pump. In the meantime, the well will be produced into the facility to provide both incremental oil production and additional performance data to assist with the analysis of the well performance.

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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.