

2012 AGM Corporate Update



Buru's goal is:

to deliver material benefits to:

- its shareholders,
- the State of Western Australia,
- the Kimberley community, and
- the Traditional Owners

of the areas in which it operates.

It will do this by:

successfully exploring for and developing the petroleum resources of the Canning Superbasin.

It will do this in a way:

that has a minimal impact on local communities and the environment.

Buru's vision is:

to be a major supplier to the Western Australian energy market, by producing oil and gas that directly benefits the Western Australian community.



Canning Superbasin – Underexplored and Highly Prospective

Huge underexplored Palaeozoic aged Superbasin

(a Superbasin is a composite basin made up of a number of smaller basins)

Underexplored: Well density a fifth of the Perth Basin

Geologically similar to many other basins

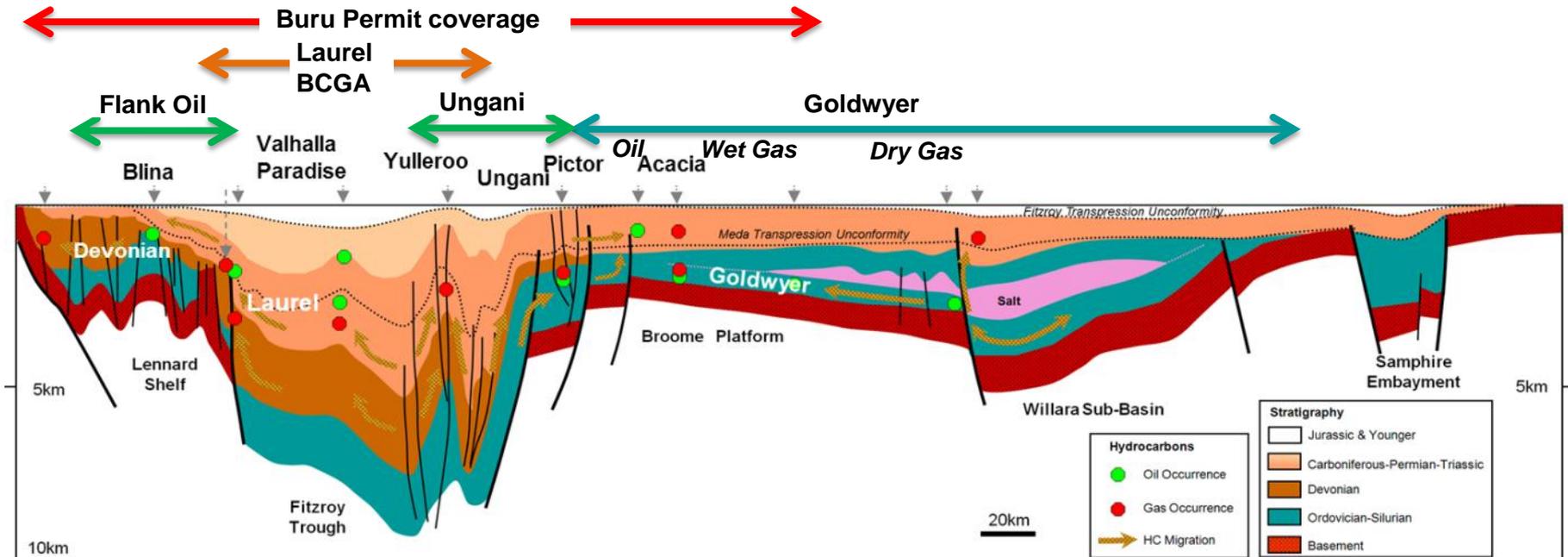
world wide: Paleozoic Basins are prolific worldwide producers

Widespread oil and gas shows and accumulations:

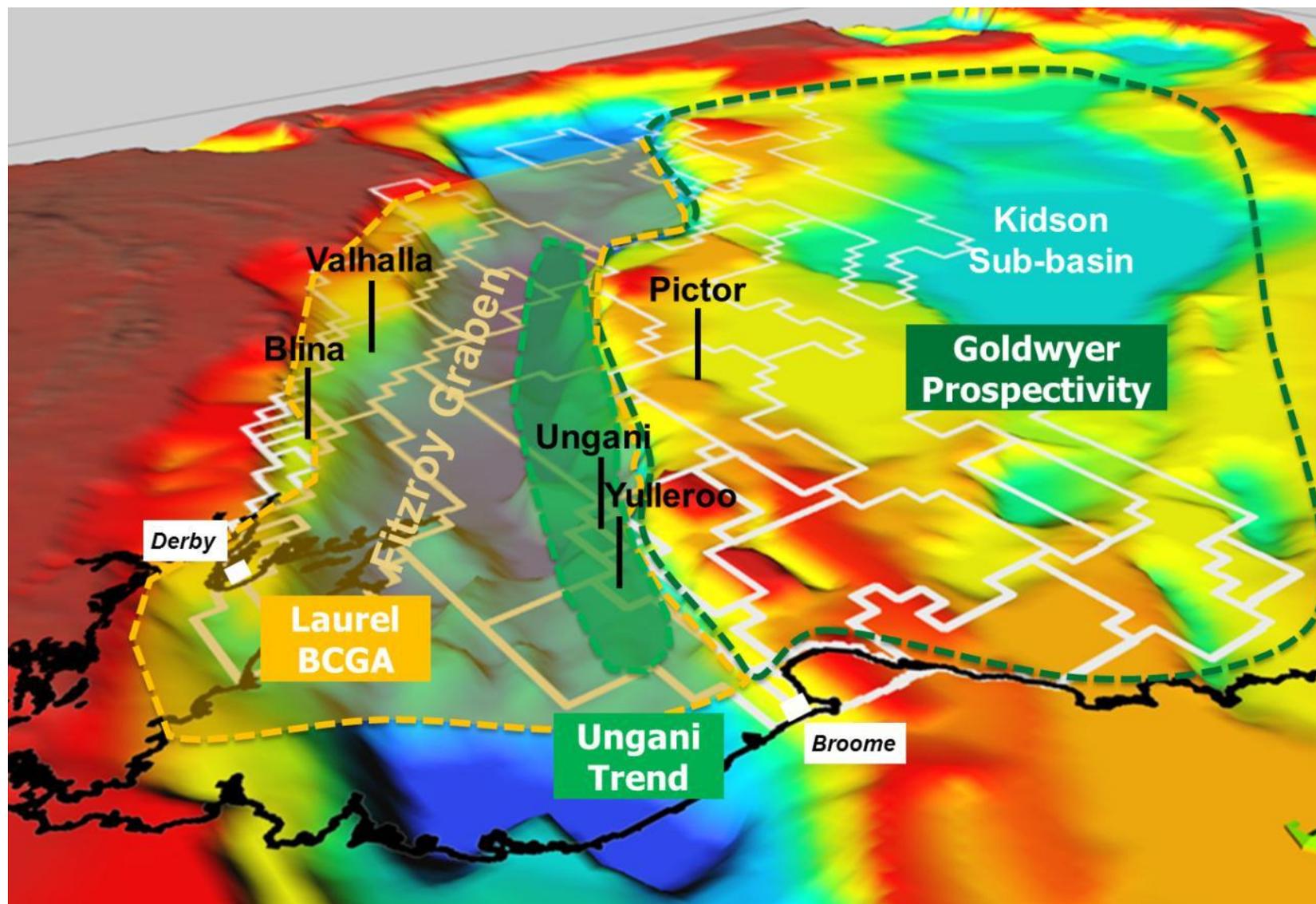
The central part of the Basin is gas prone, with oil fields on the flanks

Wide variety of play types: Three main plays being focused on are:

- Ungani conventional oil trend
- Laurel BCGA, conventional and unconventional gas
- Goldwyer oil and gas unconventional shale



Generalised geological cross section of Canning Superbasin

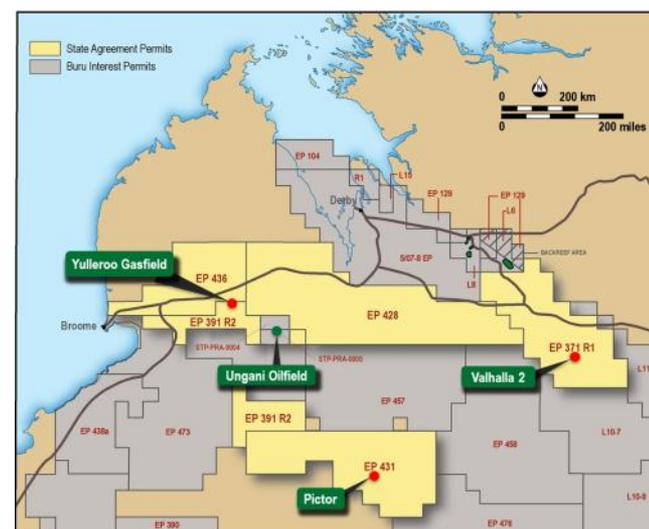
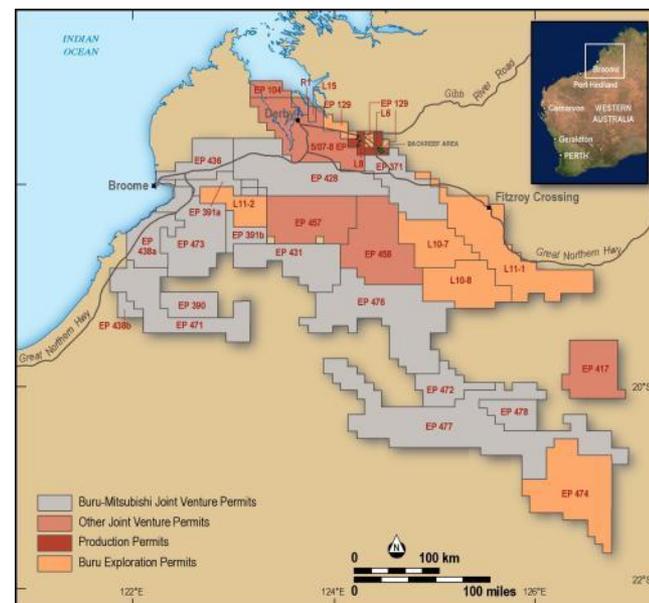


Long term acreage acquisition and rationalisation process to ensure full coverage over the Basin

- Series of targeted acquisitions, bid blocks, farmins
- Oct 2011 offered the two southern blocks in the Fitzroy trough
- In February 2012 offered the additional Fitzroy Block and the block adjacent to Ungani
- In October 2012 purchased Fitzroy Blocks for \$36 m and Derby Block for \$3.5 m funded by oversubscribed \$40 m placement
- Long term portfolio optimisation process now substantially completed
- Now hold net ~17 million acres (~69,000 sq km) with high permit equities and operatorship. Continuous basin wide acreage holdings over an area of 640 km by 250 km (~450 miles by 150 miles)

State Agreement

- Acreage position consolidated by State Agreement on 7 November 2012
- State Agreement covers core blocks and gives legislative certainty for longer term large scale developments when these occur
- First State Agreement covering onshore exploration and development and demonstrates Government commitment and support for the rational and controlled development of the area
- Facilitates the development of a domestic gas project and pipeline
- Native Title, Environmental, heritage, and safety requirements must still be complied with



State Agreement permits

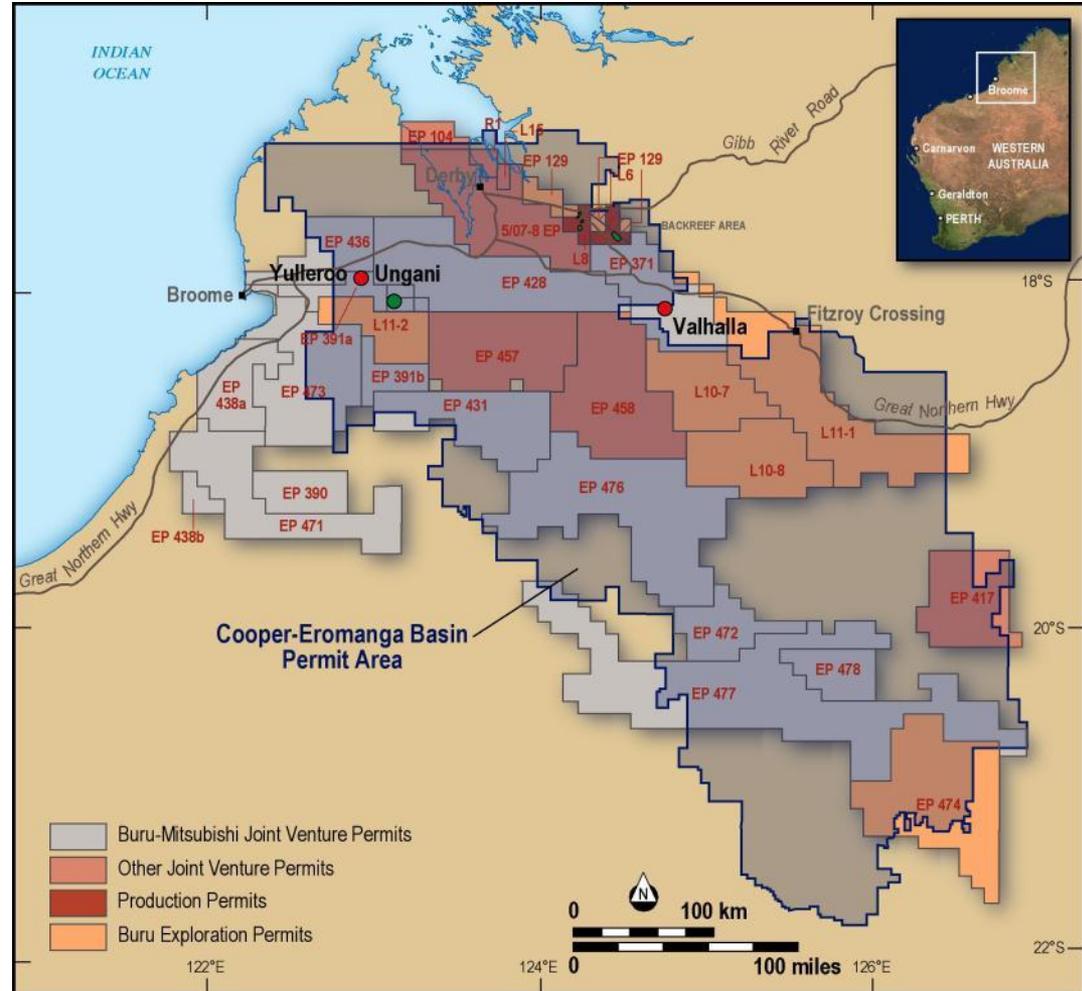
Buru's Acreage in Perspective

- Acreage position is comparable to the onshore Gulf Coast in scale
- Acreage position is comparable to the permitted area of the Cooper-Eromanga Basin

Buru acreage position vs WA and Texas

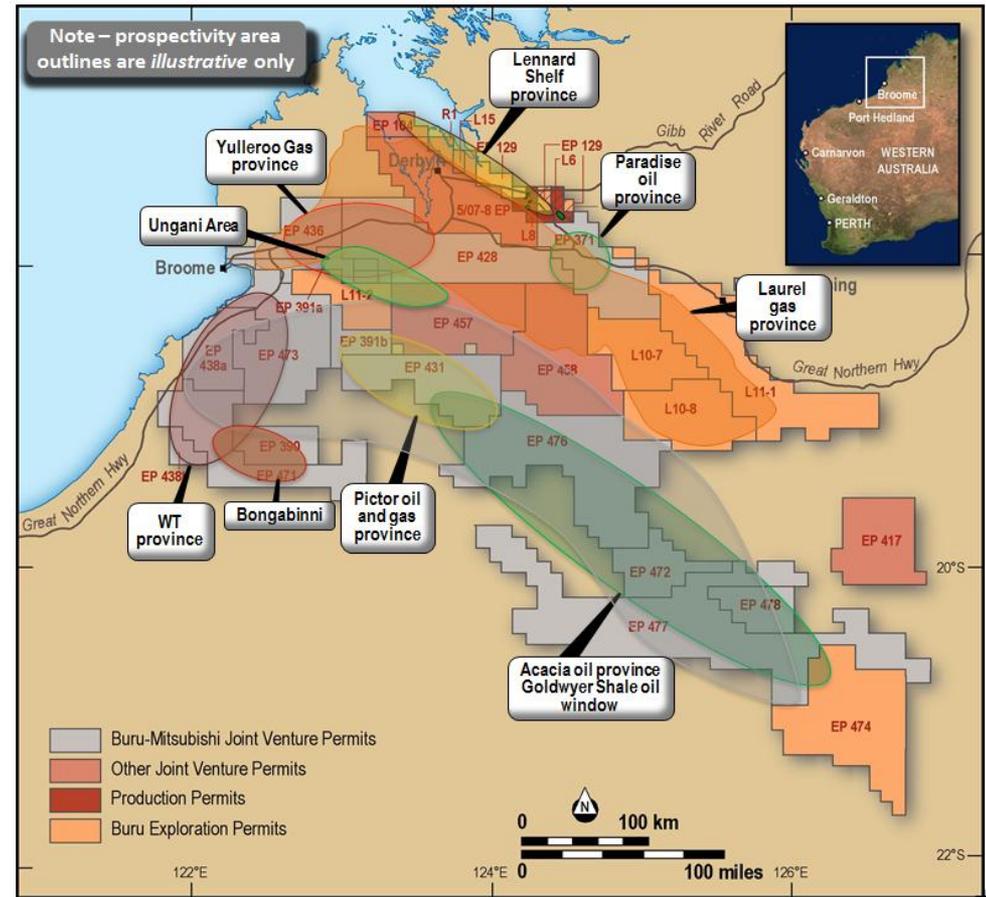


Buru acreage position vs Cooper-Eromanga Basin permits



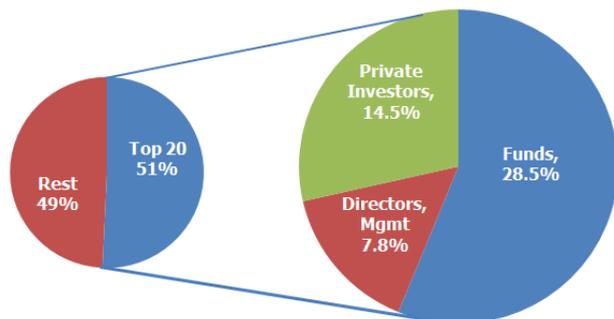
Acresage position allows a systematic, regional, long term and flexible exploration program

- Buru has undertaken a detailed review of the geology of the Superbasin to focus its exploration efforts
- Exploration driven by province evaluation and general prospectivity
- Deep and high quality portfolio means prioritisation and highgrading is necessary
- Current focus is on the Laurel BCGA and the Ungani trend
- The Goldwyer has significant prospectivity but has had to take second priority
- Two rig drilling programs with annual 2D and 3D seismic acquisition
- Rig availability being actively pursued
- Internal resources are being expanded to ensure the program is being driven at the right pace with the right controls



Funding for activity has been kept tight as possible in capital hungry business

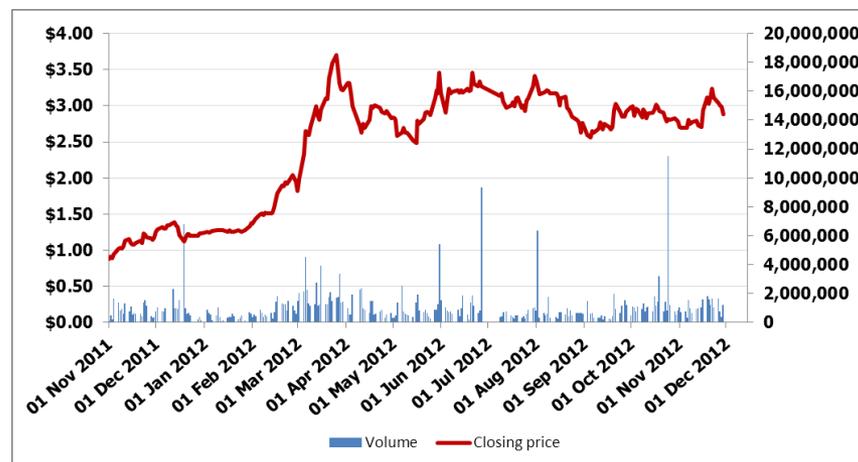
- Recent capital raisings of \$50mm at \$3.00 for working capital, and \$40mm at \$2.75 for asset purchase both oversubscribed
- Funding from Mitsubishi
 - First \$40m of first \$50m of unconventional exploration in 2012, expect there will be some carryover
 - Additional \$50m carry from Mitsubishi for development
- Planned forward program will require additional capital, next year, with a number of funding alternatives under consideration
- Shareholder register transitioning to more institutional weighting
- Concentrated marketing campaigns in Asia and US as well as Australia
- Best performing stock last year on ASX, now in ASX 200



Shareholder spread

Quick Facts

Share price (29 November 2012)	\$2.88
Shares	266,312,599
Staff options (warrants) unlisted	12,890,000
Market cap	~\$760 million
Available cash	~\$38 million
Debt	Nil
Average daily volume (3 month)	978,668



12 month price and volume

Buru's Board and management has extensive oil and gas experience with a proven ability to develop oil and gas companies, delivering material upside to shareholders

• **Board:**

- Original small Board of two Non-executive Directors and one Executive Director, bolstered by appointment of additional directors through structured, independent process during the year
- Two new Directors have direct petroleum industry experience including financial and capability building
- Additional senior director being sought

• **Management and execution:**

- Experienced and effective operator headquartered in Perth with office in Broome, grown from 17 to ~40 full time employees
- Ongoing process of building internal expertise and management strength to facilitate future growth
- Recent expansion of senior management team to include CFO, COO, CCO, General Counsel and Chief Scientist provides foundation for the next stage of growth of the company
- Established technical and exploration strength being supplemented by commercialisation and development team
- Strengthened drilling team with focus on increased performance and cost reduction
- Alliances are being reviewed to ensure capability and capacity at world standard



The Buru Board



The Buru women



Buru engineers testing Ungani oil



Rig#32 drilling crew at Ungani-1

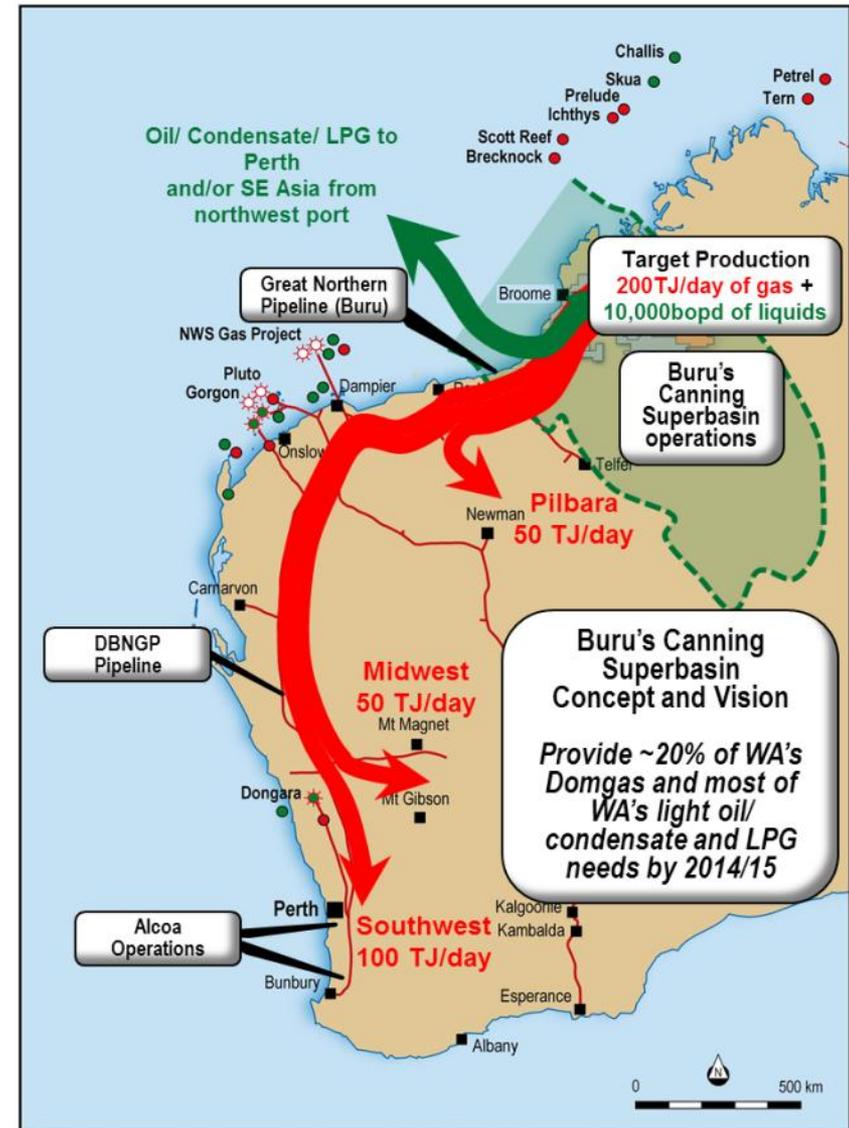
Buru's focused and well developed business plan is being successfully executed by bringing resources into production

Oil

- Ungani field "Location" declared by the DMP – the first step in obtaining a Production Licence
- Production Licence application now submitted and commencing native title negotiation for an access and compensation agreement with Traditional Owners
- Extended production test successfully commenced
- 3D seismic and appraisal drilling to follow in mid 2013
- 2P reserves estimates in 2013
- Staged ramp up of production on track for 2013

Gas

- Success at Valhalla and Yulleroo has demonstrated resource volumes sufficient for commercialisation
- Appraisal work in 2012 designed to prove up gross resources
- On ground environmental and regulatory work commenced for the construction of the Great Northern Pipeline(GNP)
- Existing FEED study for GNP has been extended to the Valhalla accumulation due to the potential scale of the Valhalla resource
- Target of first gas 2015
- State Agreement provides security for full evaluation of the resource
- Alcoa agreement extended for another two years



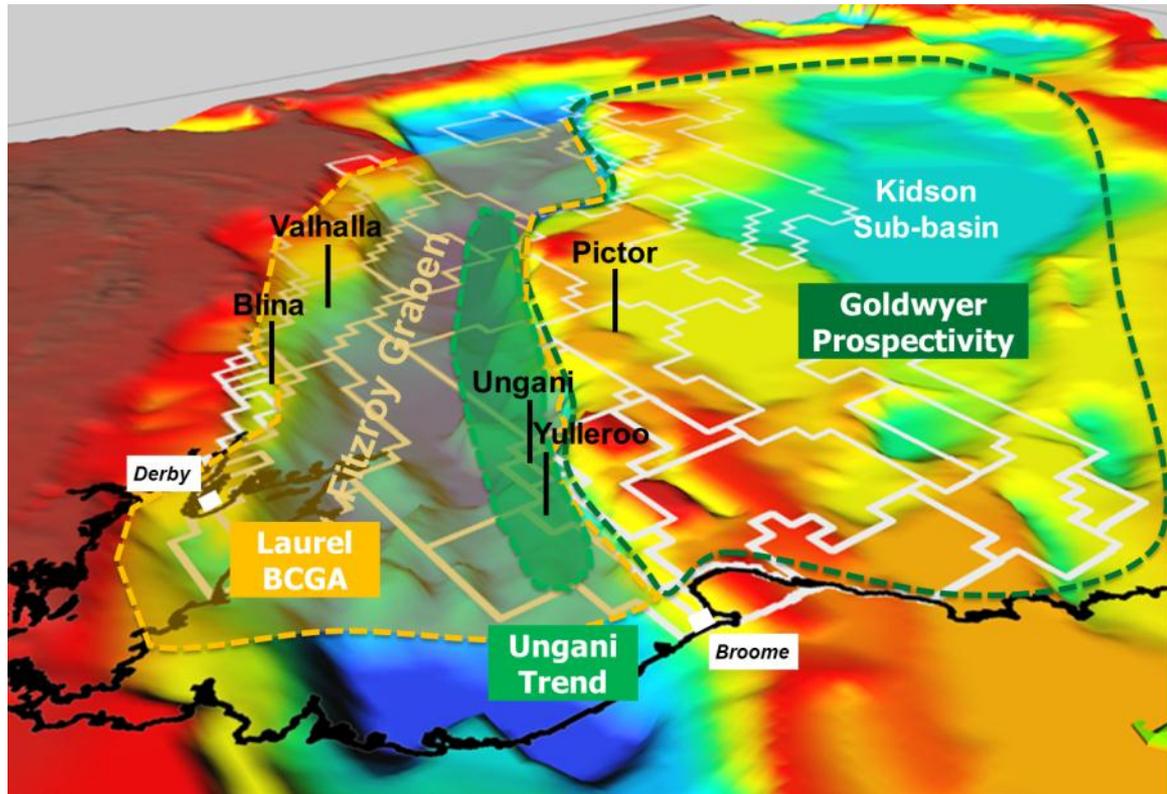
Very successful year in the two major business streams

Conventional

- Ungani discovery in October 2011
- First production in May 2012
- Follow-up Ungani North still drilling
- Pictor East confirmed gas in conventional reservoir with a potential oil leg and also cored the Goldwyer
- Additional plays under consideration include: Winifred (Paradise) oil plays, Acacia plays, Lennard Shelf oil
- Conventional reservoir development in the Laurel BCGA (major prize)

Unconventional

- Major drilling and evaluation program to define the Laurel BCGA
- Yulleroo 3 with very thick gas column and conventional potential in one zone
- Valhalla 2, Paradise 1, Valhalla North 1 and Asgard 1 defined the Valhalla BCGA

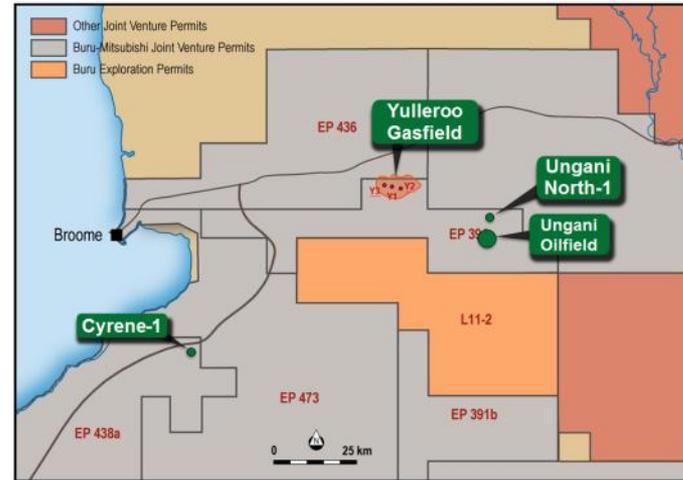


Ungani oil discovery a “game changer” for the Superbasin

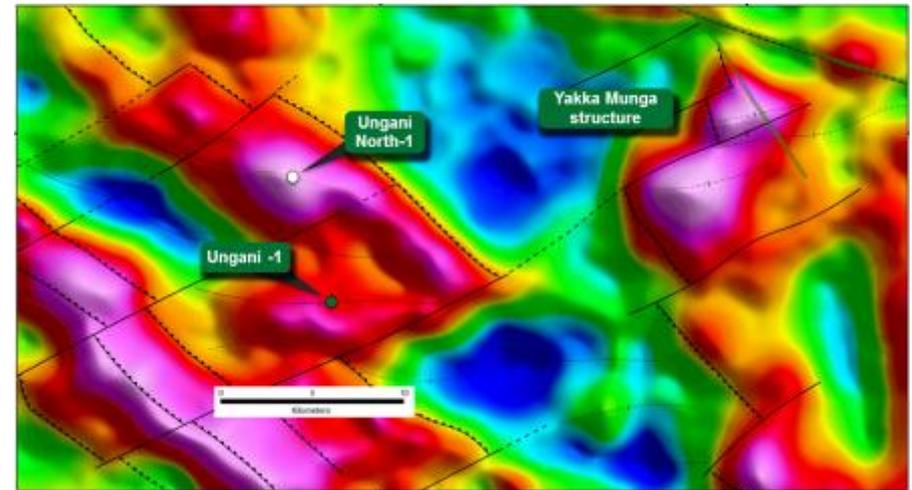
- Substantial oil column (+50m) in very high quality conventional dolomite reservoir confirmed by two wells
- Excellent quality 37° API high yield sweet crude oil. Equivalent to Malaysian Kikeh – up to \$9 premium to Brent
- Potential reserves range from current data is 8 to 20 mmbbls
- Clear path to reserves and commercialisation – EPT, 3D seismic and appraisal will define reserves and full field development scenario
- 3D seismic delayed by Traditional Owner concerns
- EPT progressing well at planned rates with excellent reservoir performance

Ungani North

- Located ~6 km north of the Ungani Field within the Ungani “Declaration of Location” graticular blocks
- Reservoir encountered at Ungani North is the same Ungani Dolomite section that was oil bearing in the Ungani Field with indicated oil column of +40m
- Needs testing to confirm
- Thicker sealing shale and dolomite section
- Ungani North has proven and extended the Ungani play type which is a critically important step to confirming the Ungani Oilfield is part of a trend



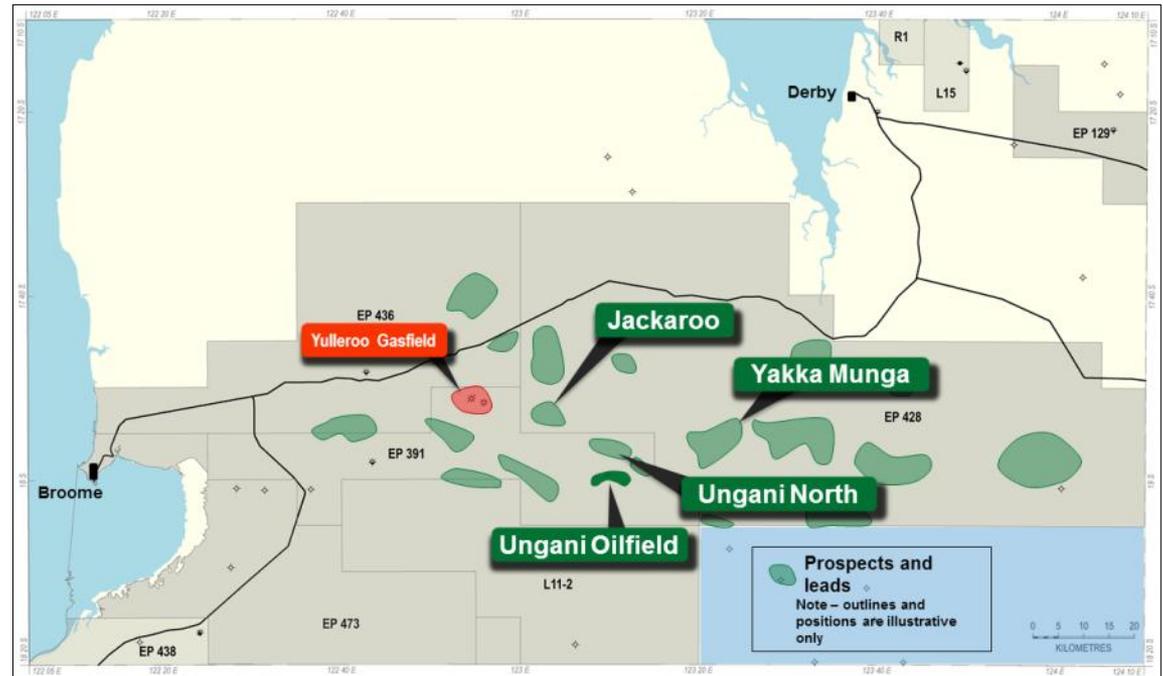
Ungani location



Ungani area gravity interpretation

Major upside in follow-up potential

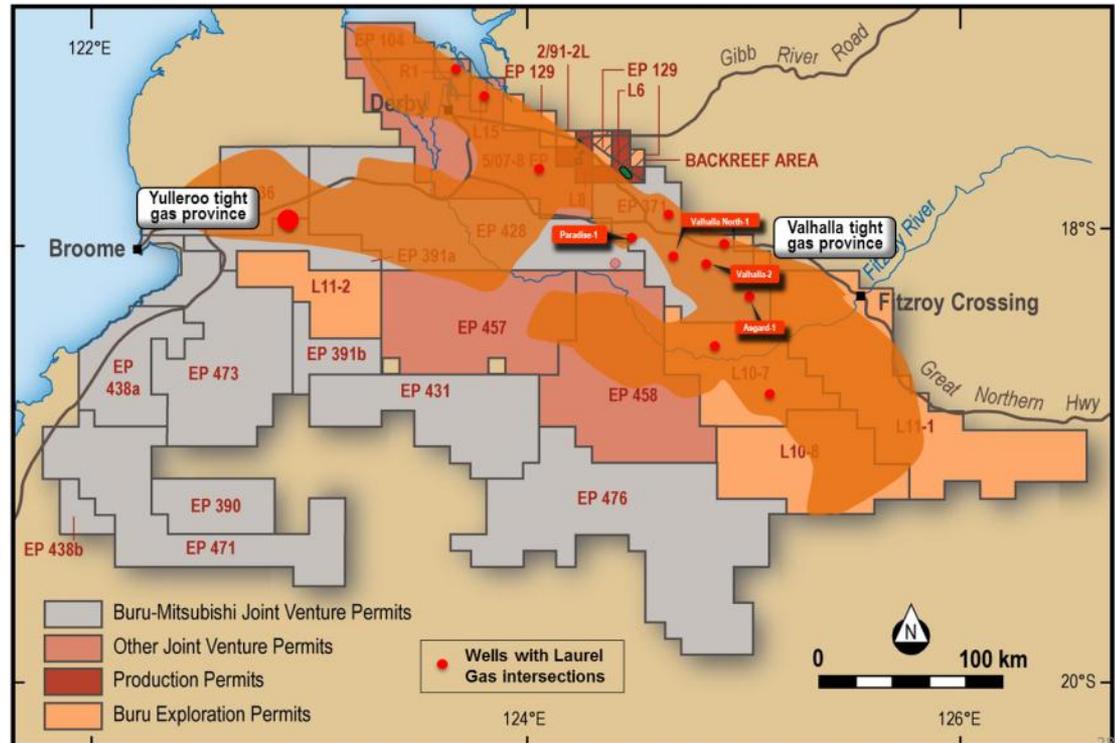
- Ungani North has confirmed the petroleum system elements including a thicker shale and much thicker Dolomite unit
- Immediate area of prospectivity on current data covers 120 kms by 40 kms (+1 million acres)
- Over 20 prospects with multi million barrel potential
- 2D seismic this year has confirmed Yakka Munga as a drilling location and identified further prospects close to Ungani
- 2013 drilling program of at least two wells



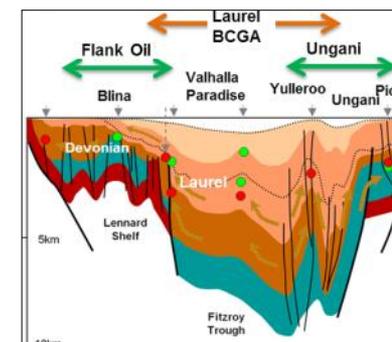
Ungani trend prospects

Major tight gas accumulation with regional basin centred extent

- Laurel Formation is a thick, regionally extensive package of sands, shales and limestones with in excess of 1,300 meters of gas saturations in recent wells
- Mud gas shows over up to 2,000m intervals in ten wells combined with seismic mapping and gas recoveries in well tests, indicate significant accumulations in the Yulleroo and Valhalla gas provinces
- Location of overpressure and maturity windows confirms regional extent with characteristics of Basin Centred Gas
- Gas is sweet with low CO₂, no H₂S and interpreted high liquids content
- Volumetrically very significant – tens to possibly hundreds of TCF of gas in-place, with hundreds of millions to billions of barrels of liquids associated with gas recovery
- The Laurel Formation is extensive across Buru's permits and includes the Valhalla accumulation and the Yulleroo wet gas field



Laurel Formation - prospective regional accumulation

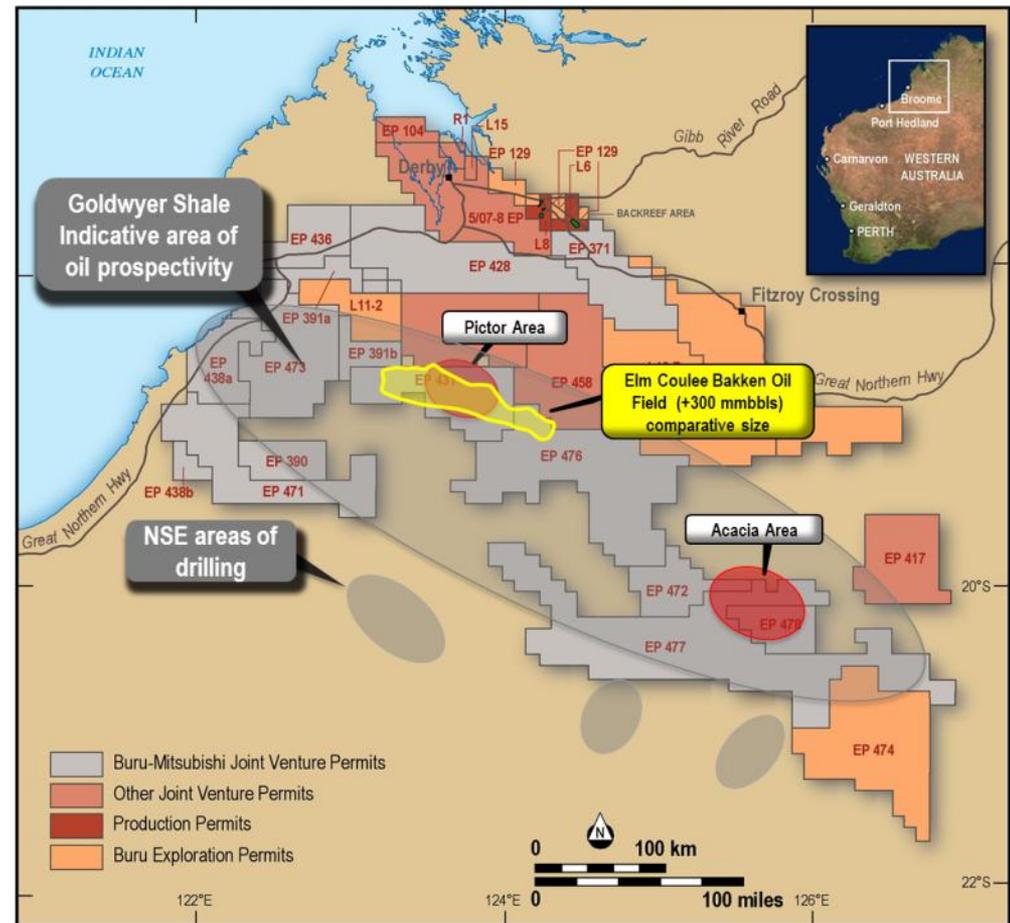


Goldwyer Shale Formation - thick, regionally extensive organic rich shale, "Bakken" analogue

- Proven potential in Buru's acreage from well intersections, and Buru analysis work
- Thick, organic rich shales in the oil window grading in to the wet gas window on Buru acreage
- Buru estimates up to 4 billion barrels of recoverable oil in prospective resources
- Buru will evaluate this play when drilling the Cyrene 1 well and wells in the Acacia province
- Buru has proven the hydrocarbon potential for this play on its acreage with gas and oil recoveries from the Pictor Field:
 - Goldwyer source, Nita Formation carbonate reservoir
 - Gas and oil recoveries from Nita Formation

ConocoPhillips farming in to explore New Standard's Goldwyer Shale play to the south of Buru's acreage

- Three wells committed by NSE/ConocoPhillips this year - first one (Nicolay 1) completed
- The NSE program will also provide valuable information for Buru's evaluation of its Goldwyer potential



Canning Superbasin Goldwyer prospectivity

Buru is committed to ensuring it does not breach its “social licence to operate” by ensuring:

Exemplary environmental performance

- Minimising its impact on the environment and on the communities in which it operates
- A process of continuous improvement in the way it operates
- Environmental performance that exceeds regulatory requirements
- Transparency in its operations
- Proactive actions to meet these goals include:
 - Publishing environmental plans which identify any chemicals used
 - Being instrumental in preparing the WA Code of Practice for Hydraulic Fracturing (“fracking”) which has now been incorporated in Government regulations
 - Moving to “zero discharge” in drilling and fracking operations

Community engagement

- Engagement with the Traditional Owners of the country in which Buru operates to ensure:
 - Respect for cultural and traditional values
 - Meaningful employment opportunities
 - An appropriate sharing of the social benefits that arise from successful and profitable activity
- Engagement with the wider community to:
 - Provide local employment and business opportunities
 - Ensure minimum impact on local communities by its operations



The Company is transitioning to a producer and developer with a deep exploration portfolio in a rapidly changing regulatory and social environment

Engagement with traditional owners

- Buru has a great deal of activity in the Canning Superbasin and generally good relations with traditional owners
- There has been one alleged incident with one TO group that is being investigated by the DIA, with Buru providing full assistance
- Overlapping activity in the Canning Superbasin provides challenges for TO groups to engage

Capability and Costs

- Buru is transitioning into a significant operator and needs to ensure it can operate at the highest level
- Strengthening the Board and senior management while retaining entrepreneurial spirit
- Costs are a challenge as for all WA operators
- Equipment availability is also a challenge, but solvable

Regulatory and Social

- Regulatory regime is being appropriately strengthened but implementation and Government resourcing is a challenge
- Buru has moved quickly to build capability to ensure highest performance
- Social/Community focus on the industry is intense
- Requires deep and full engagement to explain and educate industry activity and the benefits especially in areas of new activity
- The industry has had to adapt to the new paradigm, sometimes too slowly and awkwardly



The Company is in a unique position to create value for all its stakeholders

Controlling interest in a basin with huge potential

- Unique situation probably worldwide of a “geologists dream” of being able to unlock the potential of a fascinating and high potential basin
- Enormous “running room” to pursue plays in the basin
- The two business streams, oil and big gas align to provide short and long term value growth

Permit structure allows concentration on best play types

- The painstaking acreage portfolio rationalisation and management means funding can be focused on the best parts of the basin

Stakeholders can be aligned to enhance value

- The realisation of the potential of the basin is a “once in a generation” opportunity for all those involved



2012 AGM Corporate Update - QUESTIONS?

