

ASX ANNOUNCEMENT (ASX: BRU) 16 August 2011

2011 Buru Forward Operations Update

Buru Energy Limited (“**Buru**” or “**Company**”) provides the attached August 2011 Buru Forward Operations Update presentation

This presentation and further information on the Company are available on the Buru website at: www.buruenergy.com

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Yours faithfully

A handwritten signature in black ink, appearing to read "Eric Streitberg".

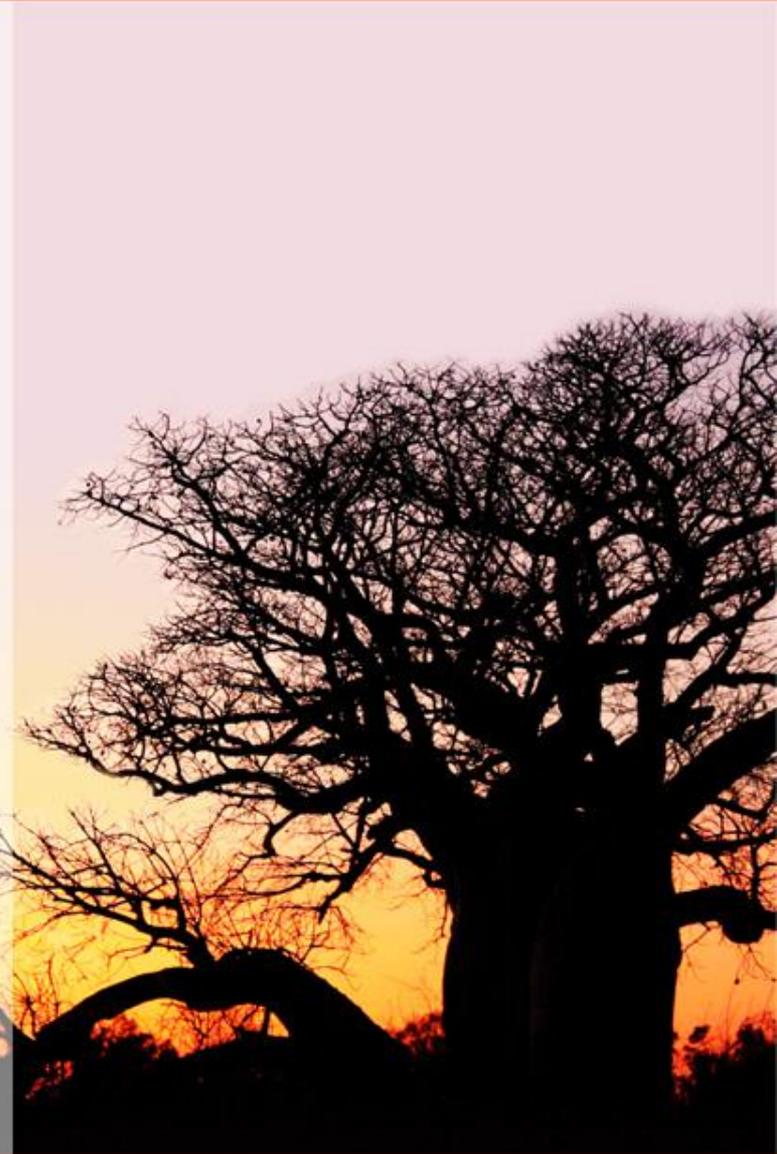
ERIC STREITBERG
Executive Director

2011 Buru Forward Operations Update

August 2011



- **First well in 2011 drilling campaign successful. Identified a potentially significant unconventional wet gas accumulation at Valhalla**
- **Two wells currently underway:**
 - *Pictor East-1 – appraisal of existing discovery, targeting conventional oil and gas*
 - *Ungani-1 – exploration well targeting significant conventional and unconventional gas*
- **Four further wells confirmed for drilling during 2011 to test conventional targets and define the extent of the Laurel Formation unconventional play identified at Valhalla and Yulleroo:**
 - *Paradise-1 Deepening*
 - *Yakka Munga-1*
 - *Lawford-1 Deepening*
 - *Yulleroo-3*
- **Up to a further three wells are currently under consideration for drilling during 2011**
- **Yulleroo wet gas field appraisal underway with Yulleroo 3D seismic survey currently being acquired**



2011 Drilling Overview

The remainder of the 2011 drilling campaign has now been confirmed

	August	September	October	November	December
Ensign Rig #32					
Ungani-1	■	■			
Paradise-1 Deep		■	■		
Yakka Munga-1			■	■	
Yulleroo-3				■	■
Well Slot 6					■
Century Rig #7	■	■	■	■	■
Pictor East-1	■				
Lawford-1 Deep		■	■		
Cyrene-1			■		
Well Slot 4				■	

■ Firm well ■ Contingent well ■ Available well slot

Wells completed

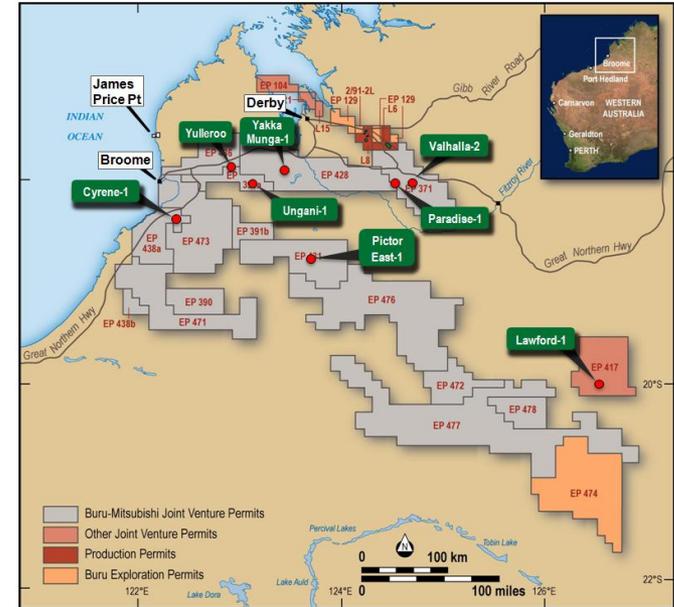
- *Valhalla-1* – first well in 2011 drilling campaign, drilled by Ensign Rig #32 (“**Rig #32**”). Completed drilling late July 2011. Major unconventional gas accumulation identified

Buru – Mitsubishi forward program

Buru and Mitsubishi Corporation (“**MC**”) each have a 50% interest in the following wells with MC contributing 80% of the costs:

- *Pictor East-1* – commenced drilling on 9 August using Century Rig #7 (“**Rig #7**”)
- *Ungani-1* – commenced drilling on 13 August using Rig #32
- *Paradise-1 Deepening* – planned third well to be drilled by Rig #32
- *Yakka Munga-1* – planned fourth well to be drilled by Rig #32
- *Yulleroo-3* – a further appraisal well of the Yulleroo wet gas field. Location subject to interpretation of the Yulleroo 3D seismic survey. Would be the fifth well drilled by Rig #32

2011 exploration and appraisal program locations



Other joint venture wells

- *Lawford-1 Deepening* – planned second well to be drilled by Rig #7
- *Cyrene-1* – currently under discussion with Empire Oil & Gas. Planned third well to be drilled by Rig #7

2011 potential additional wells

- *Paradise Oil Trend* – a well to test the Grant-Anderson shallow oil trend identified in both the Paradise-1 and Valhalla-2 wells, indicatively to be drilled by Rig #7. Subject to acquisition of additional seismic and joint venture approval
- *Appraisal wells* – further wells may be drilled to test discoveries made during the 2011 Exploration Program

Acacia Wells Postponed

Drilling of two planned Acacia wells on large oil targets postponed to 2012 dry season due to ground conditions

Proposed Acacia wells

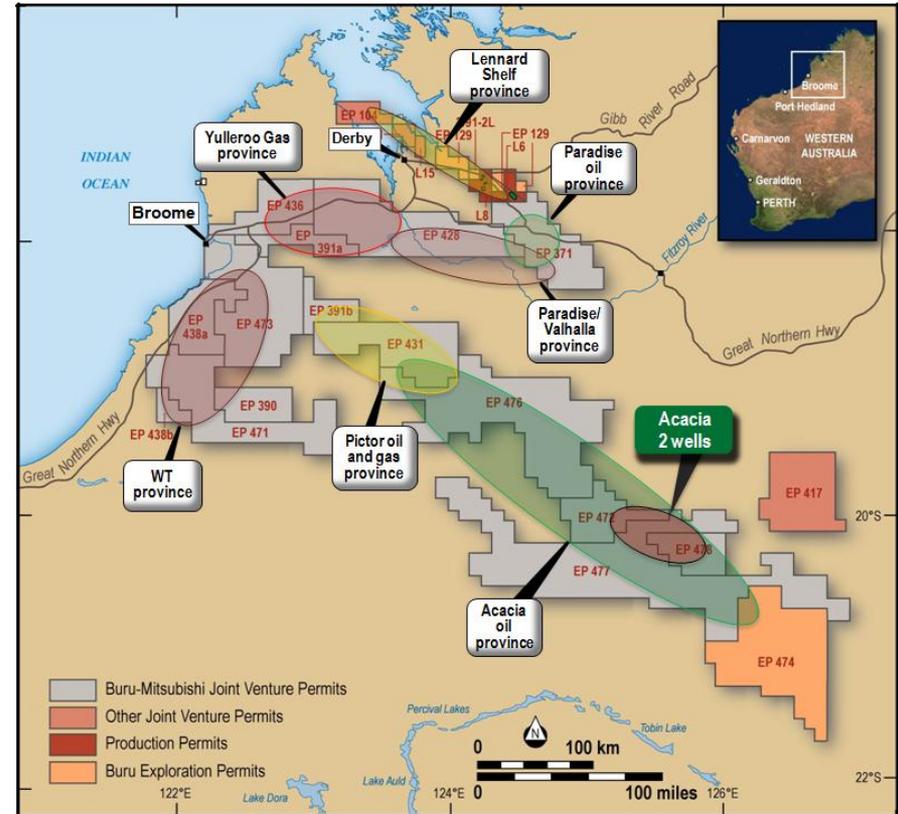
- Two exploration wells were planned for drilling during 2011 in the Acacia Province
- These wells are targeting significant conventional oil accumulations together with appraisal of the unconventional Goldwyer unconventional oil and gas play
- Buru considers the Acacia Province to be extremely prospective for hydrocarbons, both conventional and unconventional oil and gas
- Buru and MC are planning to drill at least two Acacia wells either using Rig #7 at the end of the 2011 exploration campaign or as part of the 2012 exploration program, subject to weather and ground conditions in both cases

Weather conditions

- The Canning Superbasin received record breaking rainfall during February and March 2011 due to an abnormally intense monsoon season (*Source: Bureau of Meteorology*)
- Residual surface water in the Acacia Province is preventing access with the proposed Acacia wells not expected to be accessible until 2012 (subject to 2011/2012 wet season)

Buru interest

- Buru and MC each have a 50% interest in the conventional resources in these wells



Acacia Province well locations

The 2011 drilling campaign commenced with the successful appraisal of the Valhalla wet gas accumulation

Valhalla accumulation

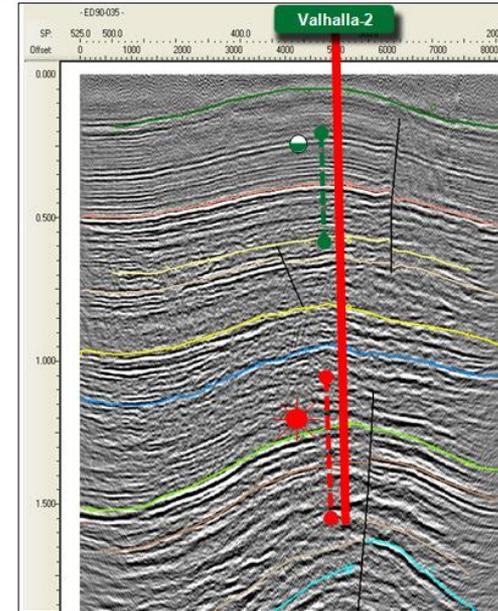
- The Valhalla structure has a gas charged Laurel Formation section of in excess of 1,300m in thickness
- The apparent trapping configuration implies the potential for a very large accumulation that could potentially yield recoverable hydrocarbons of several TCF of gas and in excess of 50 mmbbls of liquids

Laurel Formation regional implications

- The Laurel Formation identified in the Valhalla-2 well is a regionally extensive package of sands, shales and limestones generally in excess of 1,000 metres in thickness
- The Laurel Formation is in a "sweet spot" in Buru's permits where it appears to be both fully gas charged and in the wet gas window
- Significantly, the Laurel Formation is extensive across Buru's permits:
 - it includes the Yulleroo wet gas field; and
 - will be further tested in the Ungani-1, Paradise-1 Deepening, Yakka Munga-1 and Lawford-1 Deepening wells to be drilled by Buru during the 2011 drilling campaign

Forward program

- Valhalla-2 has been completed with heavy duty 7 inch casing to allow for potential testing and further appraisal operations
- Detailed analysis of the results is being undertaken to further quantify the potential of the accumulation and to prepare an optimum forward appraisal program



Valhalla-2 seismic line and well result



Valhalla-2 gas flare while drilling

Exploration/appraisal well in the Pictor oil and gas province

Target

- The well is an appraisal of the Pictor-1 discovery well drilled by BHP in 1984
- The well will appraise the Nita Formation reservoir which tested oil and gas in the Pictor-1 well and will also provide an exploration test of the deeper Acacia Formation reservoir, which is considered prospective for oil
- The target Formations in this well are independent of the Laurel Formation in the Yulleroo Field and Valhalla-2. The prospectivity of these areas will not be impacted by the outcome of Pictor East-1
- Target reservoirs have the potential to hold up to 10 million barrels of recoverable oil on a P50 basis, if hydrocarbons are present
- The well will be the first well drilled by Century Rig #7
- Total depth for the well is proposed to be 1,700m with an expected drilling time of 21 days on a dry hole basis

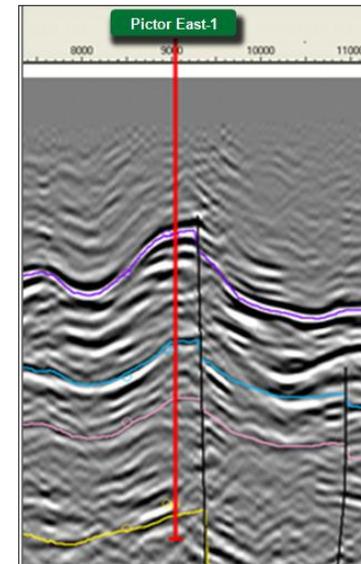
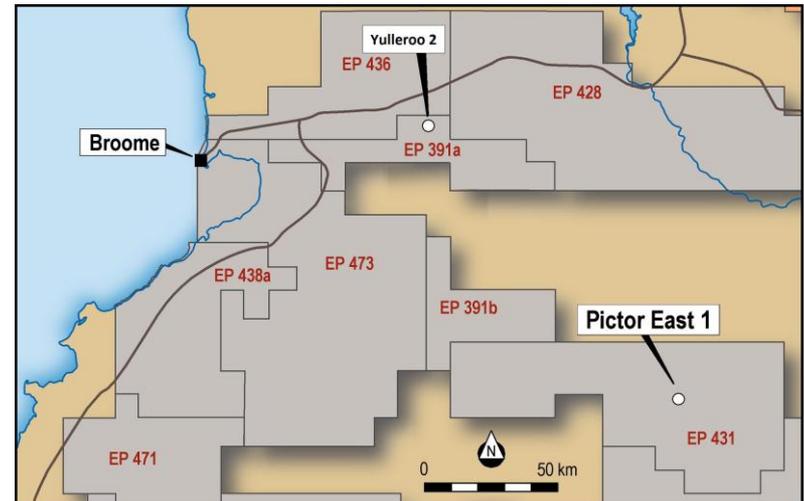
Success case

- Success in either the Nita or Acacia Formation reservoirs would open up a wide range of additional conventional oil and gas prospects in the Pictor province
- Success in the Acacia Formation would upgrade the prospectivity of the very extensive Acacia play in the southern part of Buru's Canning Superbasin acreage
- An oil discovery would be able to be quickly brought into production with robust economics, initially through trucking oil to Perth

Buru interest

- Pictor East-1 is located in EP 431 where Buru and MC each have a 50% interest

Pictor East-1 location



Seismic line showing Pictor East-1 location

Testing highly prospective conventional and unconventional gas and condensate targets in the Laurel Formation

Target

- Testing a large conventional and unconventional gas target in the Laurel Formation and a shallower large oil accumulation in the Anderson Formation
- The Laurel Formation conventional gas target is prognosed to have different (better) geological parameters to the Laurel Formation at Yulleroo due to its different structural and stratigraphic history
- The structure has the potential to hold in excess of 200 BCF of recoverable gas with significant quantities of associated liquids on a P50 basis, if hydrocarbons are present
- Will be drilled by Rig #32 to a total depth of 3,200m and is expected to take 26 days on a dry hole basis

Success case - conventional

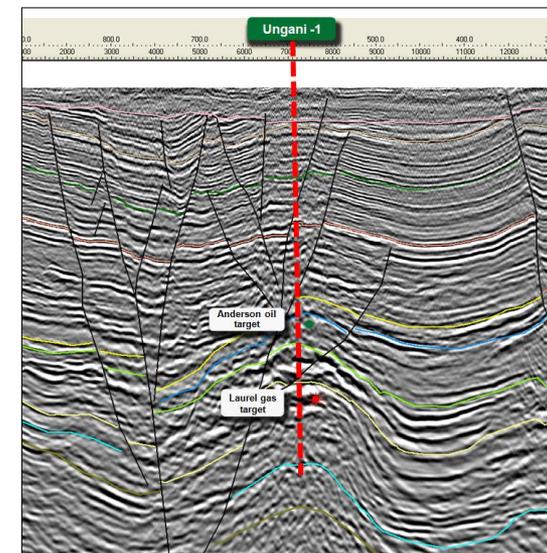
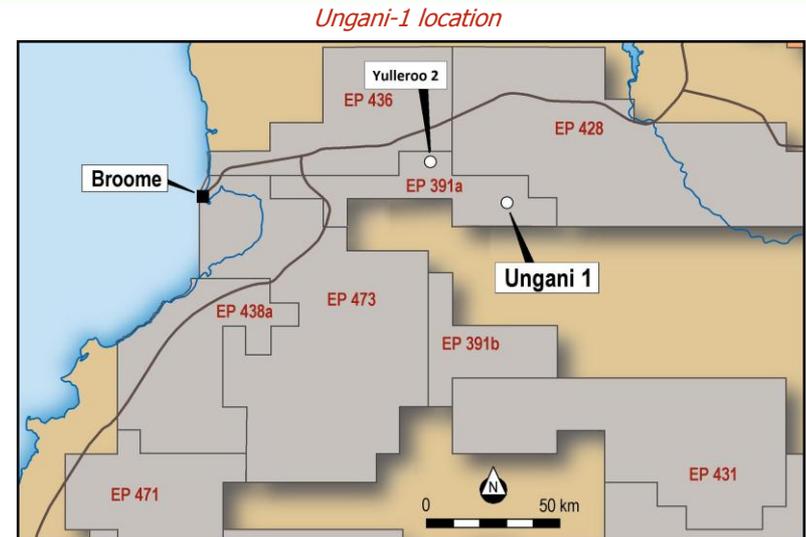
- Success in the Anderson Formation oil play would extend this play from the Paradise/Valhalla area some 300kms to the west
- An oil discovery can be quickly brought into production with robust economics, initially through trucking oil to Perth
- A conventional gas discovery in the Laurel Formation would open up a new play type along the flank of the basin
- A gas discovery would be developed in conjunction with the Yulleroo wet gas field, which can be expected to improve the economics of both fields and assist in underpinning the construction of the Great Northern Pipeline ("GNP")
- A discovery at the high end of expectations would be sufficient to underpin the GNP by itself

Success case – unconventional

- The well will improve the understanding of the extent of the unconventional Laurel Formation wet gas play
- A positive result will significantly enhance the prospectivity and potential extent of the play, and has the potential to materially increase the potentially recoverable volumes from the play

Buru interest

- Ungani-1 is located in EP 391, in close proximity to the Yulleroo wet gas field in which Buru and MC each have a 50% interest



Seismic line showing Ungani-1 location

Testing the Laurel Formation conventional and unconventional gas play

Target

- Testing the Upper and Lower Laurel conventional and unconventional gas reservoirs as intersected in the Valhalla-2 well
- The upper part of this prospect was drilled by the Paradise-1 well during 2010 but the well was suspended immediately above the Laurel Formation due to the onset of the wet season
- Potential for ~200 BCF of recoverable gas and ~6 mmbbls of condensate on a P50 basis from the prognosed conventional reservoirs, if hydrocarbons are present
- Will also be a further test of the Laurel Formation unconventional play identified at Valhalla-2 and would provide a 22km extension of that play
- Will be drilled by Rig #32 from its suspended depth of 1,700m to a total depth of 3,200m and is expected to take 18 days on a dry hole basis

Success case – conventional

- A gas discovery would be developed in conjunction with the Yulleroo wet gas field, which can be expected to improve the economics of both fields and assist in underpinning the construction of the GNP
- A discovery at the high end of expectations would be sufficient to underpin the GNP by itself

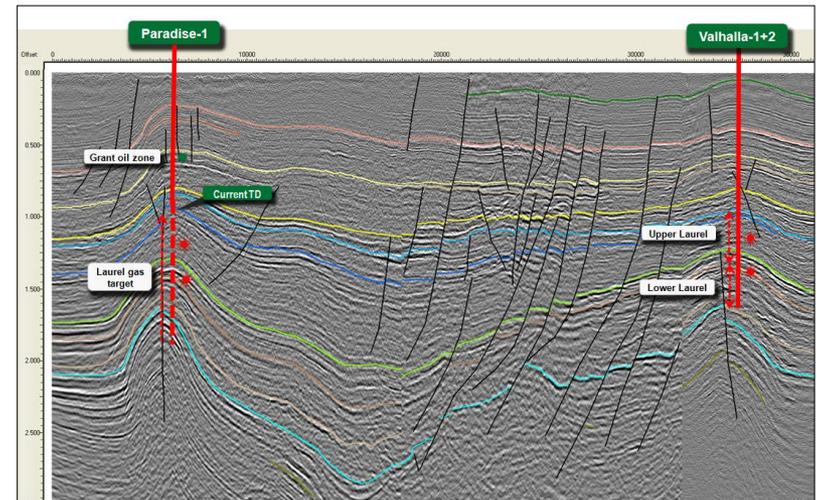
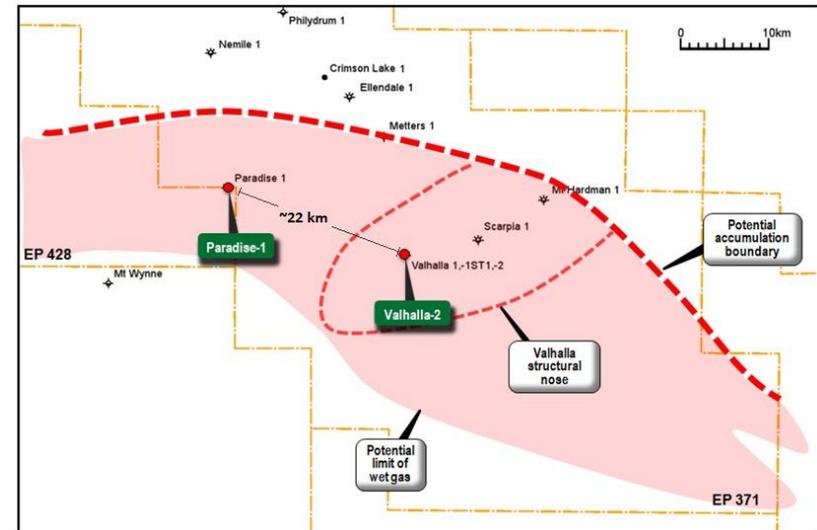
Success case - unconventional

- A gas charged Laurel Formation section would be a strong indication of the continuity of the Laurel Formation unconventional play from Valhalla to Paradise and the potential regional extent of the play with implications for a very major resource

Buru interest

- Paradise-1 Deepening is located in EP 428 in which Buru and MC each have a 50% interest

Paradise regional setting



Seismic line showing Paradise-1 Deepening location and Valhalla structure

Testing highly prospective large gas and condensate targets in the Yulleroo Gas Province

Target

- Testing a very large conventional and unconventional prospect in the Yulleroo Gas Province and the adjacent Fitzroy Trough
- Primary objective is the Laurel Formation and the Anderson section which has the potential to hold significant volumes together with large quantities of associated liquids, if hydrocarbons are present
- This will be the third well drilled using Rig #32 with a proposed total depth of 2,600m and an expected drilling time of 18 days on a dry hole basis

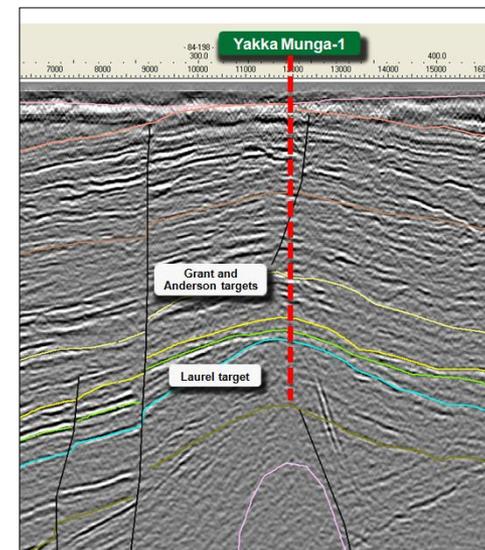
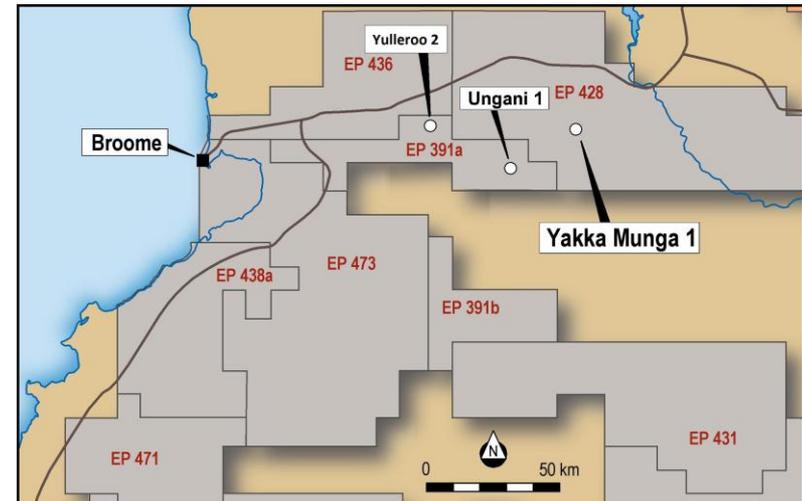
Success case

- The well is being drilled in a geological province of the Canning Superbasin that is relatively unknown and will be an important regional test of the geology and prospectivity of the area and a possible "Basin and Play opener"

Buru interest

- Yakka Munga-1 is located in EP 428 in which Buru and MC each have a 50% interest

Location of Yakka Munga-1



Seismic line showing Yakka Munga-1 location

Deepening the Lawford-1 well drilled by New Standard Energy in 2008 to test the Laurel Formation play

Target

- The upper part of the prospect was drilled by New Standard in 2008 but the well was suspended at 1,323m, above the Laurel Formation objective, due to weather issues
- Potential for large volumes of conventional gas and an important test of the regional Laurel Formation unconventional potential
- Will be deepened by Rig #7 to a total depth of 2,600m and is expected to take 13 days on a dry hole basis

Operatorship

- Buru will operate the well for the joint venture under a delegation from New Standard

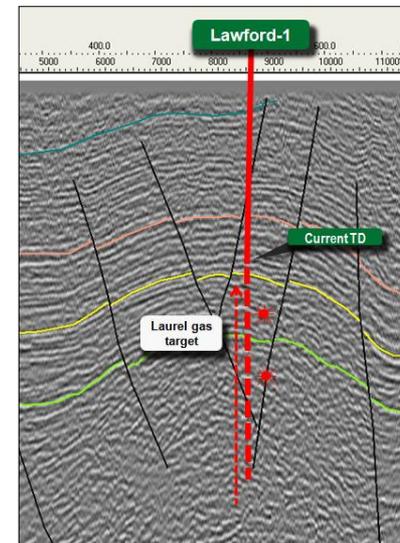
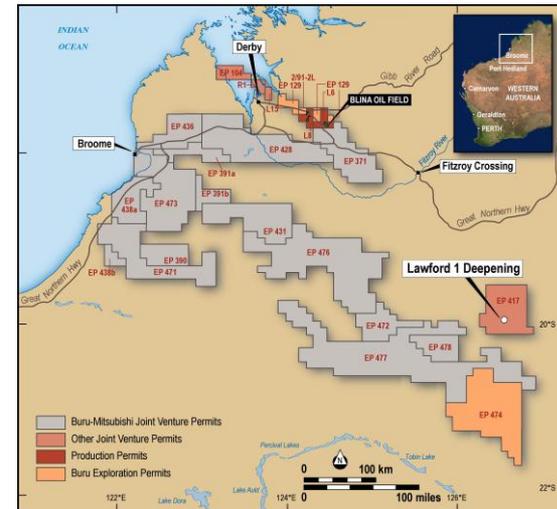
Success case

- A conventional gas discovery will need to be of very significant size to justify a stand alone development but will open up a very large play fairway in the area
- A confirmation that the Laurel Formation unconventional play extends to this area will be of basin wide significance

Buru interest

- Lawford-1 is located in EP 417 in which Buru has a 35% interest and New Standard has a 65% interest
- Green Rock Energy Limited has a right to earn up to a 20% interest from New Standard's interest

Location of Lawford-1 Deepening



Seismic line showing the Lawford-1 Deepening location

Additional 2011 well candidates

Yulleroo Field appraisal

- The Yulleroo-3 well is planned to appraise the Yulleroo wet gas field in late 2011
- The well location and final timing will be determined based on the interpretation of the results of the Yulleroo 3D seismic survey which is currently in progress
- The appraisal well will be a further step to the quantification of the resource base of the Yulleroo Field and is an integral part of the systematic evaluation of the field which has the aim of establishing the basis for a FID during 2012

Cyrene-1

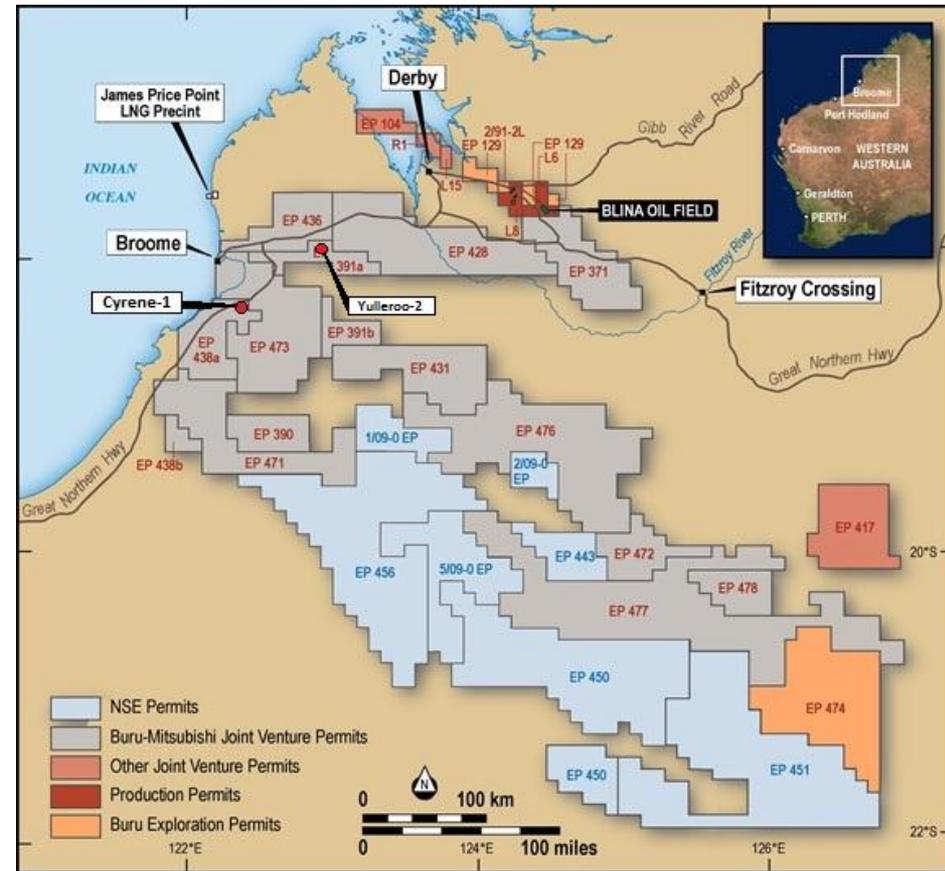
- A well to test the Willara carbonates penetrated in the nearby Hedonia-1 well (with good shows but without a definitive test)
- An important regional test of the Goldwyer unconventional oil and gas play
- ConocoPhillips recently announced its intention to farm-in and jointly explore the Goldwyer unconventional play in the adjoining New Standard acreage, highlighting its significant potential
- Cyrene-1 is located in EP 438 of which Buru and MC will each earn a total of 37.5%

Paradise Oil Trend

- A further shallow oil well is being considered for the Paradise / Valhalla Province to test the Grant-Anderson oil play identified in the Paradise-1 and Valhalla-2 wells and the other exploration wells in the area

Appraisal Wells

- Further wells may be drilled to test discoveries made during Buru's 2011 Exploration Program later in the year



Buru and New Standard's Canning Superbasin exploration permits

Buru's 2011 forward program

2011 drilling and seismic program in full swing with first well a significant success, second rig starting up, and Yulleroo 3D seismic survey nearing completion

Drilling program

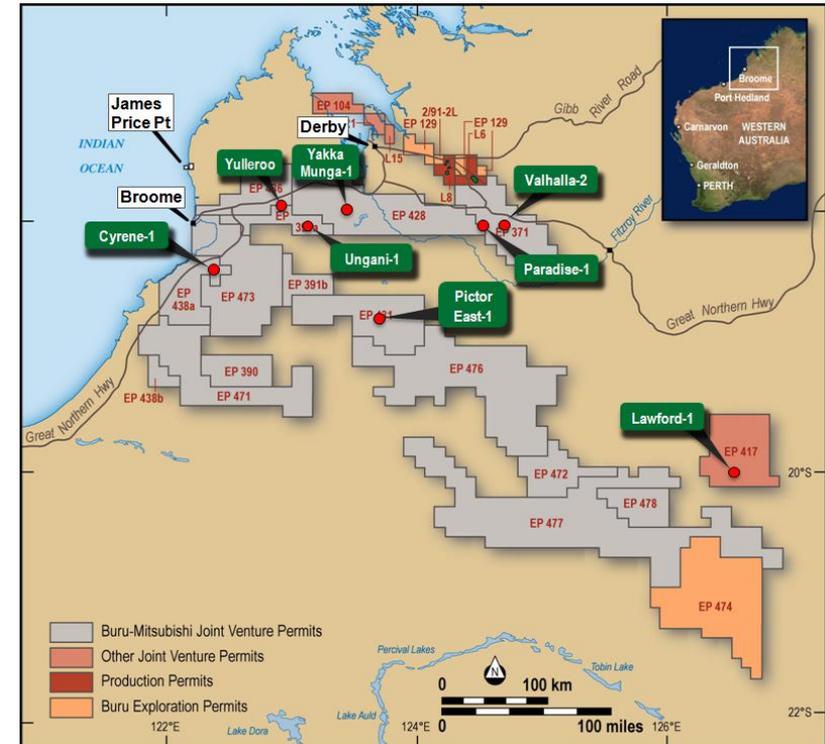
- First well in 2011, Valhalla-2, has identified a potentially very significant wet gas accumulation
- Up to another nine wells to be drilled in 2011, each with the potential to be a "company maker"
- Excellent mix of wildcat exploration, near field appraisal/exploration and stepout drilling
- Two rig program provides flexibility and ability to complete the program without weather interruptions

Forward program

	August	September	October	November	December
Ensign Rig #32					
Ungani-1	■	■			
Paradise-1 Deep		■	■		
Yakka Munga-1			■	■	
Yulleroo-3				■	■
Well Slot 6					■
Century Rig #7	■	■	■	■	■
Pictor East-1	■				
Lawford-1 Deep		■	■		
Cyrene-1			■		
Well Slot 4				■	

■ Firm well ■ Contingent well ■ Available well slot

2011 Exploration Program well locations



Ensign Rig#32



Century Rig#7

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