

ASX ANNOUNCEMENT (ASX: BRU) 21 October 2011

2011 AGM Corporate Presentation

Buru Energy Limited (“**Buru**” or “**Company**”) provides the attached Corporate 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".

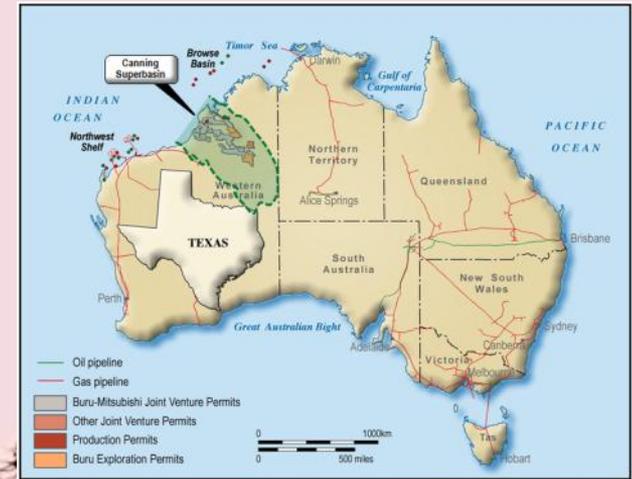
ERIC STREITBERG
Executive Director



2011 AGM Corporate Update

Ungani-1 first oil sale and Ensign Rig#32 crew

- **Formed from spinout of Canning Superbasin assets of ARC Energy in 2008**
- **Single and continuing focus on the underexplored Canning Superbasin in northwest Western Australia – original holdings and rights covered the whole Superbasin**
- **Acreage holding reduced by 50% during GFC to ensure commitments could be met**
- **Maintaining large acreage holding to ensure access to plays when they are identified**
- **Aggressively pursuing new acreage to ensure portfolio is current**
- **Late 2009 – change of management, major technical review and partner sought to allow us to undertake the exploration program we needed to be able to prove up the Superbasin (10 wells and \$100 million)**
- **Mid-2010 – Mitsubishi deal gave us the cash and the production carry we needed**
- **2010 – drilled 4 wells without much luck**
- **2011 – have drilled 3 wells so far with good results in each one**
- **Focus going forward is to prove up reserves (oil and gas) and monetise discoveries plus chase other big plays**



Our Vision

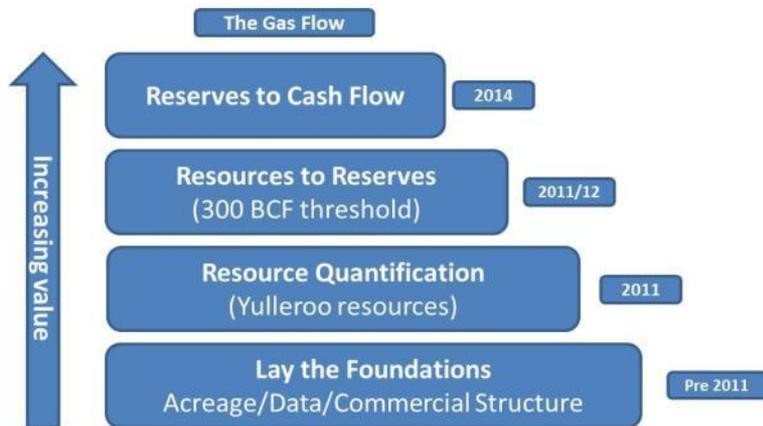
To be the biggest domestic oil and gas producer in Western Australia ("WA") with LNG as a long term goal, and to supply a significant proportion of WA's oil needs in the short term

Oil

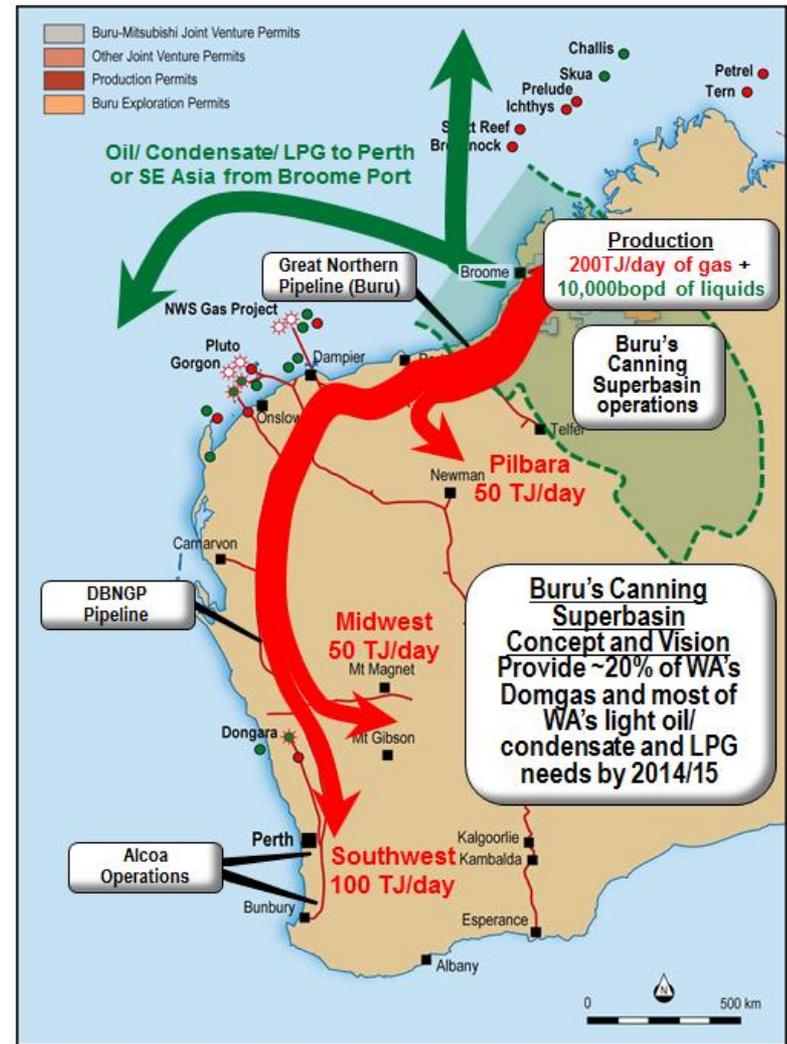
- Oil is immediately producible and profitable

Gas

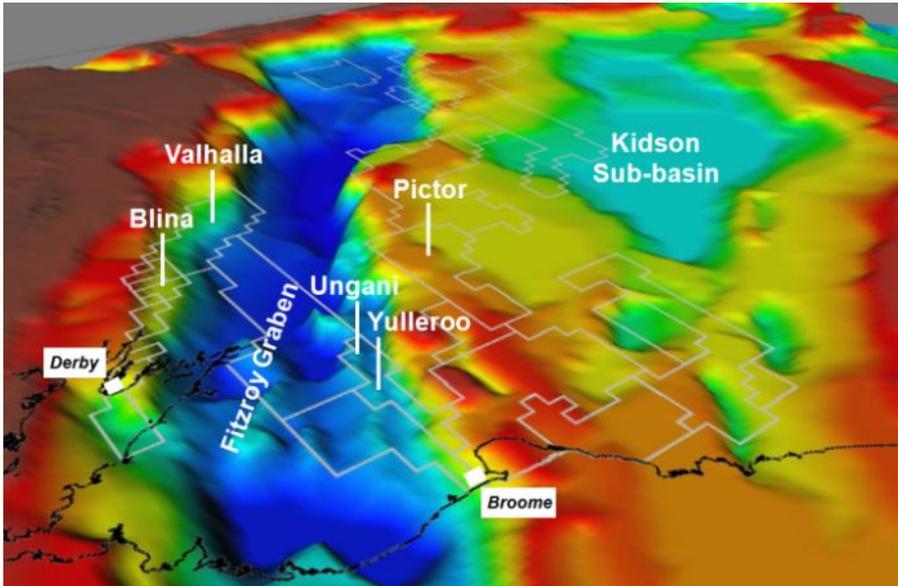
- By 2014 be supplying 20% of the domestic WA gas market and most of the light oil/condensate/LPG for WA
- This means the Canning Superbasin producing a gross 200 TJ/day of gas and 10,000 bopd of liquids into the domestic market (50% net to Buru)
- Total production over 15 years of ~1 TCF of gas and ~50 mmbbls of liquids
- Potential for both conventional and unconventional resources to achieve this goal
- LNG project of 5 million tonnes/year needs ~4 TCF to support
- Gas export via the new build Great Northern Pipeline is the catalyst



Buru's Canning Superbasin vision



Canning Superbasin Geological Setting



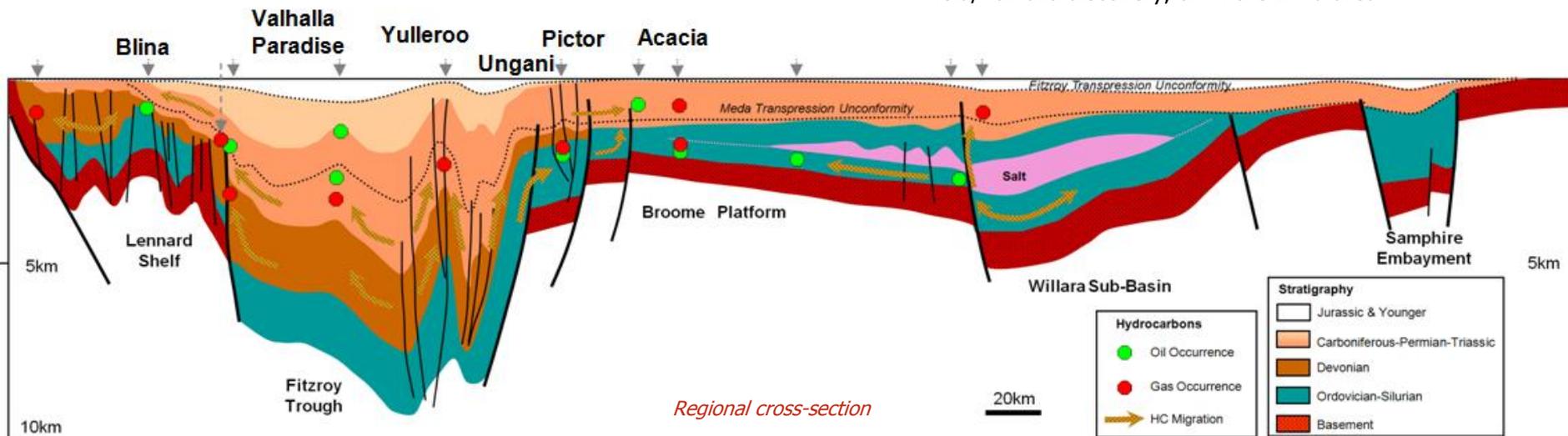
Perspective view of depth to basement

Enormous potential for conventional and unconventional oil and gas in the proven petroleum systems in the Superbasin (a Superbasin is a composite basin made up of a number of smaller basins)

Ordovician – Silurian: Thick, high quality source rocks and regional salt development – new field discovery at Pictor East in 2011 program

Devonian: Widespread source rocks with basin flanking reefal development. Existing oil production from the first oil discovery in the Superbasin (Blina) and probable reservoir for Ungani

Carboniferous-Permian: Organic rich shales and coarse clastics provide good reservoir/seal. Yulleroo wet gas field/Valhalla discovery, oil in the Blina area



Regional cross-section

Canning Superbasin – What Are We Looking For?

Buru is looking for conventional and unconventional resources

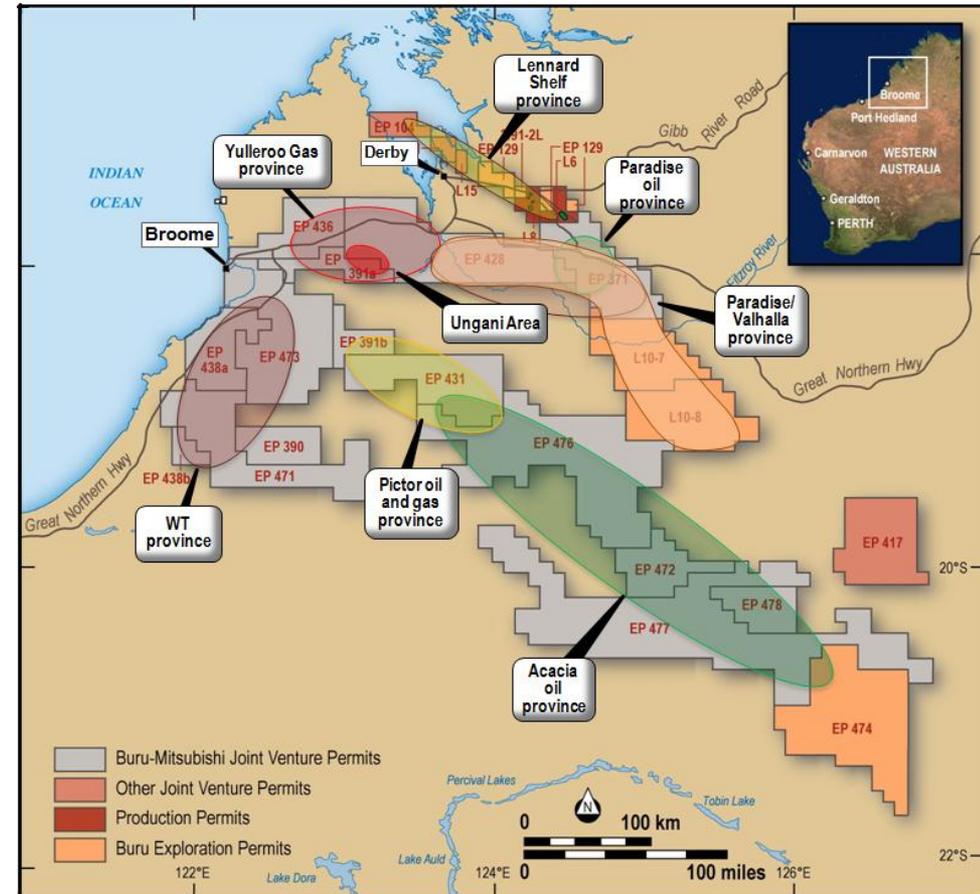
Conventional resources

- Buru has identified a number of discrete sub-basins and hydrocarbon provinces each with its own geological characteristics and prospectivity
- These are mixture of oil and gas targets
- Isis Petroleum Consultants have identified over 100 prospects with unrisks potential of:
 - 1.46 billion barrels of oil
 - 2.4 TCF of gas
- Ungani oil discovery and Pictor gas discovery are conventional targets

“Unconventional” resources

- Gross prospective recoverable resources are 66 TCF of gas and 4 billion barrels of oil
- *Tight Gas Sands* – better than shales, very thick Laurel Formation gas columns (+1,000 meters), possible “basin centered” accumulation with high liquids – potential analogue to Granite Wash/ Montney/ Wolfcamp/ Bone Springs – successfully appraised in the recently completed Valhalla-2 well
- Goldwyer Shales equivalent to Bakken oil play. Target of ConocoPhillips farm-in to New Standard Energy

Conventional resources and exploration provinces in the Superbasin



Canning Superbasin – Current Focus Areas

Enormous upside for conventional and tight and shale resource plays – current focus on four areas

Oil production

- Buru has established production operations with oil infrastructure, storage and supply yards and owns a workover/shallow drilling rig
- Current production ~50 bopd from Blina and associated oilfields
- Ungani discovery easily brought into production using current operations

Yulleroo wet gas field

- *Major conventional/tight gas resource* – independent review confirms gross mean recoverable resources of 352 PJ (332 BCF) recoverable gas and 13.4 mmbbls liquids (Buru interest - 50%) – 36 mmboe net to Buru
- *Clear commercialisation pathway* – acquired 3D seismic this year, further appraisal wells planned for late 2011/early 2012 for 2P reserves classification in 2012

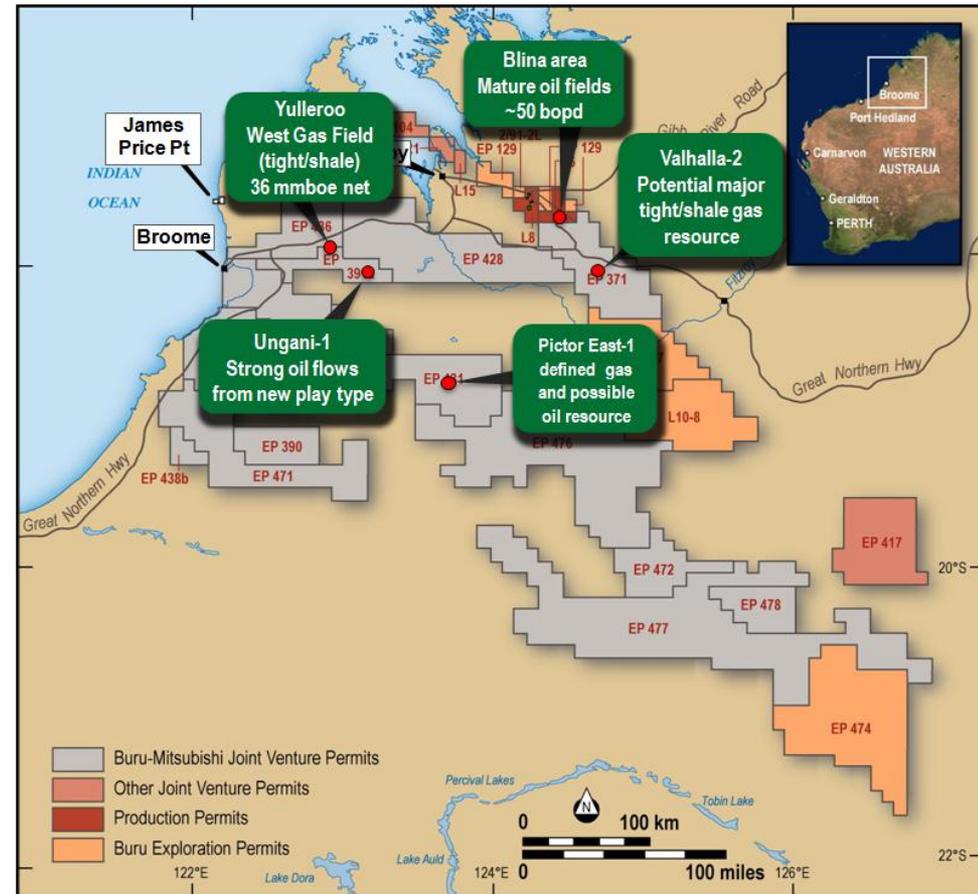
Valhalla accumulation

- Valhalla structure has a gas charged Laurel Formation section of in excess of 1,300m in thickness
- 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

Pictor Field appraisal successful

- Appraisal well Pictor East-1 has proven hydrocarbons. Gas with high nitrogen content
- Unclear whether the well has an oil leg
- Horizontal appraisal well being considered

Reserves and resources location



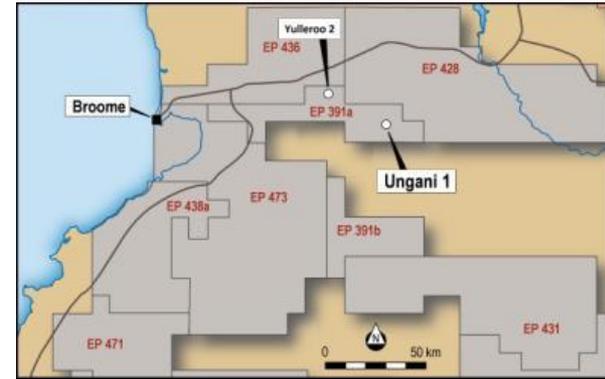
Ungani-1 strong oil flow has identified a major new play type in a new geological province

Target

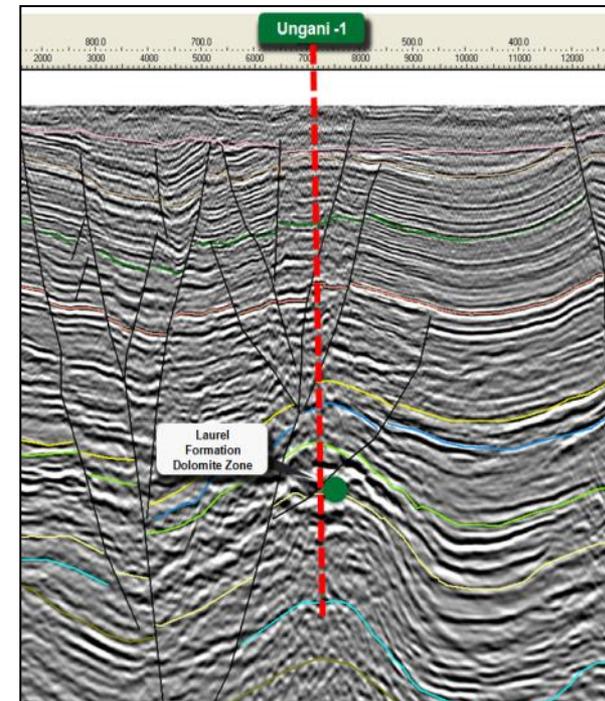
- Well drilled on a large structural target with expectation of Laurel Formation tight gas sand/shale section
- Section much more carbonate dominated than expected with well developed dolomitic porosity underneath a good shale seal not encountered previously
- Age of section not currently determined, but possibly equivalent to Laurel limestones in Yulleroo and Valhalla, both with oil and gas shows or similar age to Blina carbonates
- Large structure in an underexplored part of the Superbasin

Results

- Well developed dolomite section encountered with significant mud losses
- Gross 57 meter (minimum) oil column in dolomitised limestones
- Net pay difficult to determine because of log response, lost circulation material etc but minimum of ~12 metres
- Strong flows (+1,600 bpd) with good reservoir pressure
- Large areal closure mapped on sparse 2D seismic (~2 km grid) with +300 meters vertical closure
- Large volume potential, but potentially complex seismic/reservoir means 3D required for full development



Ungani-1 location



Seismic line showing Ungani-1 location

Ungani Structure – Way Forward and Implications

The Ungani discovery will be put on production as soon as possible and has profound implications for the Superbasin going forward

Potential volumes

- Current large range of uncertainties due to:
 - uncertainty in oil/water contact i.e. how thick is the oil column – logs not definitive, 57 meters minimum case
 - uncertainty in how widespread the reservoir is and what the net reservoir is. Dolomitic porosity can be extremely prolific but also erratic, also difficult to determine from logs what the net pay is. 12 meters minimum case
 - uncertainty as to what the structure actually looks like. There are only three seismic lines across the structure which is six kilometres long and has over 300 meters of closure
- All these uncertainties lead to a very wide range of potential volumes. From 0.5 mmbbls to 20 mmbbls recoverable
- Uncertainty reduced by additional wells and seismic
- Ungani-2 (“U2”) to be drilled immediately. 500 meter stepout directionally drilled from same pad as Ungani-1ST1 (“U1”). Well design optimised from lessons learned from U1
- Expensive well (~\$8m) due to full evaluation, coring reservoir etc – results by end of November/early December
- Additional seismic early in 2012 with drilling in 2nd quarter to pin down size

Forward production plan

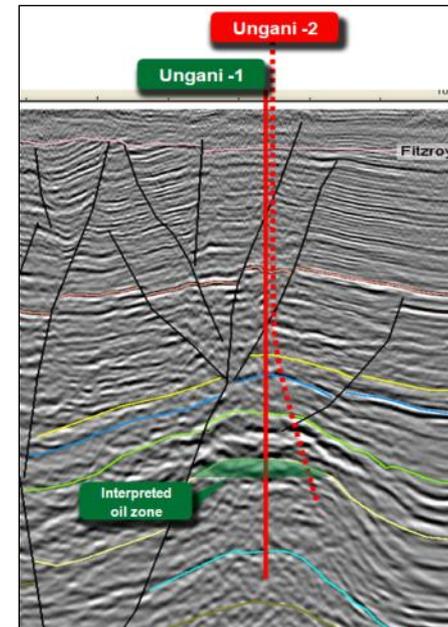
- Gather data and earn some cash from well production
- Well being suspended while appraisal well drilled from the same pad
- During U2 drilling, equipment being mobilised/relocated from Blina to undertake extended production test, and roads being weatherproofed
- Wells produced into storage tanks on location and oil trucked to Perth
- Trucking costs ~\$27 per barrel, lifting costs ~\$10/bbl, oil price close to Brent
- Onshore developments can be “bootstrapped” – no need for large upfront capex – wells are the main expense



Buru field engineer with Ungani-1ST1 oil sample



Ungani-1ST1 well head christmas tree



Seismic line showing Ungani-1 and 2 location

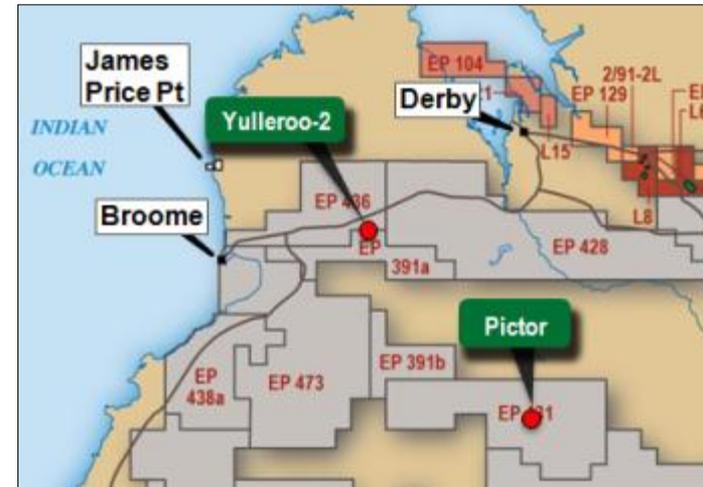
Yulleroo wet gas field has major resources and is on the pathway to development. Pictor Field appraisal successful

Yulleroo Field

- *Conventional/tight gas resource* – discovered in 1967, not appraised until 2008 when new technology and markets made it potentially commercial. Subsequent trial reservoir stimulation by Buru in 2010
- *Ongoing evaluation of the field during 2012* – 2010 stimulation of existing well (Yulleroo-2) limited by surface pressure, program was pinpoint stimulation in three zones. Good results achieved so far with high quality gas and obvious high liquids content
- *Flow rate established* – low stabilised flow rate (~0.3 mmcf/d) extrapolates to ~3-4 mmcf/d per zone with full scale frac
- *Resource estimates* – independent review confirms gross mean recoverable resources of 352 PJ (332 BCF) recoverable gas and 13.4 mmbbls liquids (Buru interest - 50%) – 36 mmbbls net to Buru
- *Clear commercialisation pathway* – 3D seismic acquired this year, further appraisal wells planned for late 2011 or early 2012 to allow 2P reserves classification in 2012
- *Proof of concept* – defined major tight gas and shale gas play in the Laurel Formation. Many more structures and potential for major developments
- *Regional infrastructure driver* – threshold reserves of ~250/300 BCF will trigger export pipeline construction (GNP)

Pictor Field appraisal successful

- Gas and oil recoveries from Nita Formation carbonate reservoir in 1990
- Appraisal well Pictor East has proven hydrocarbons. Horizontal appraisal well planned



The Canning Superbasin - Yulleroo and Pictor location



Yulleroo-2 clean-up flare

Valhalla-2 Results – Regional Implications

Valhalla-2 results have significant positive implications for regional prospectivity

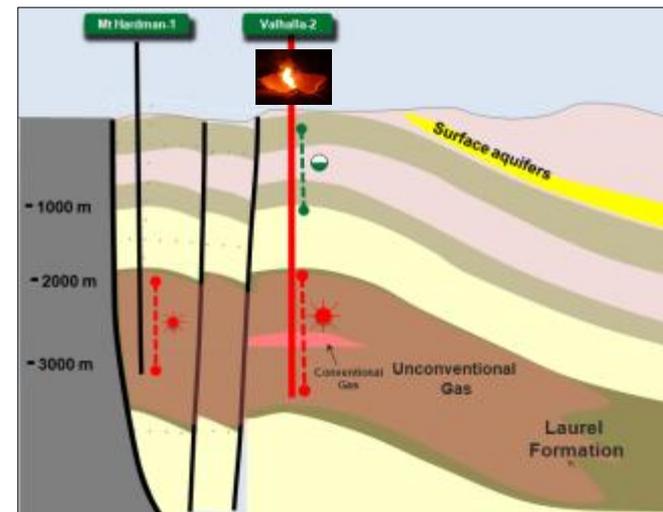
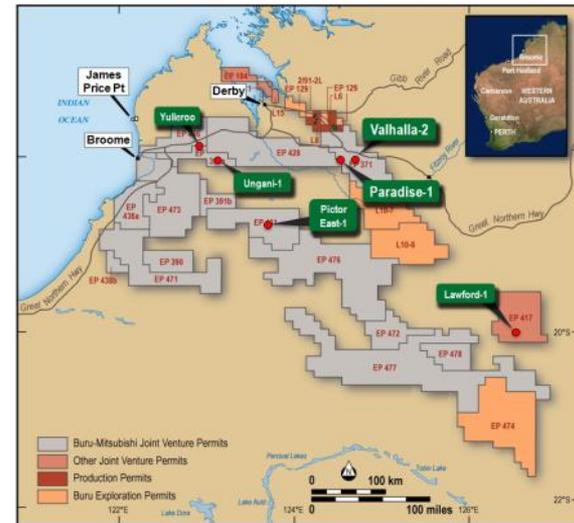
Valhalla accumulation could be very large

- Valhalla structure has a gas charged Laurel Formation section of in excess of 1,300 meters
- Valhalla accumulation can be interpreted to be either a basin centered accumulation or a combination structural / stratigraphic trap against the flank of the Superbasin
- Apparent trapping configuration implies the potential for a very large accumulation - potentially continuous updip for at least 16 kilometers (to the Mt Hardman-1 well) with significant lateral extent
- An accumulation of this size in the Valhalla area could potentially yield recoverable hydrocarbons of several TCF of gas and potentially in excess of 50 mmbbls of liquids
- Appraisal program in 2012 will be required to fully quantify this potential

Laurel Formation regional implications

- Laurel Formation identified in the Valhalla-2 well is a regionally extensive package of sands, shales and limestones in excess of 1,300 meters in thickness
- Laurel Formation appears to be an analogue of the Granite Wash /Montney/Wolfcamp/Bone Springs/Spraberry tight gas plays. These plays are known for high flow rates from tight gas reservoirs and high liquids content in the gas
- 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
- Laurel Formation is extensive across Buru’s permits and includes the Yulleroo wet gas field, and will be further tested in a number of the prospects to be drilled in Buru’s 2011 exploration program
- Recent acquisition of additional acreage provides regional cover to the play

Valhalla-2 regional setting



Valhalla-2 schematic cross section

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 #7 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
- Some potential for an Ungani style oil play

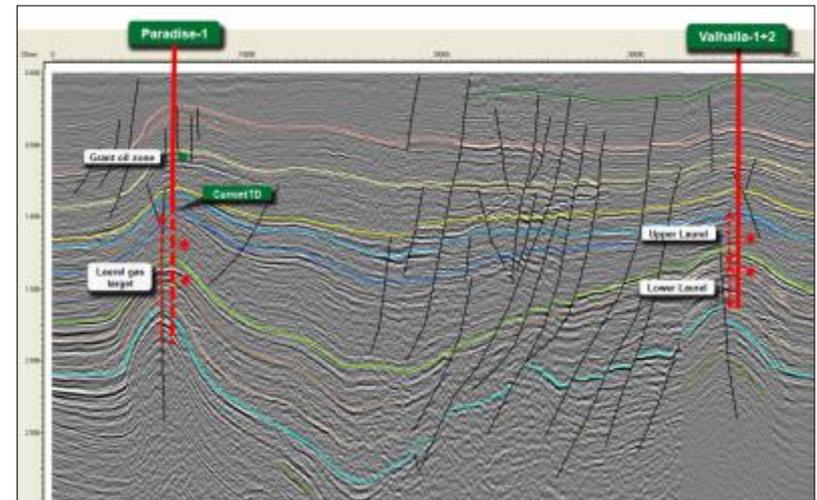
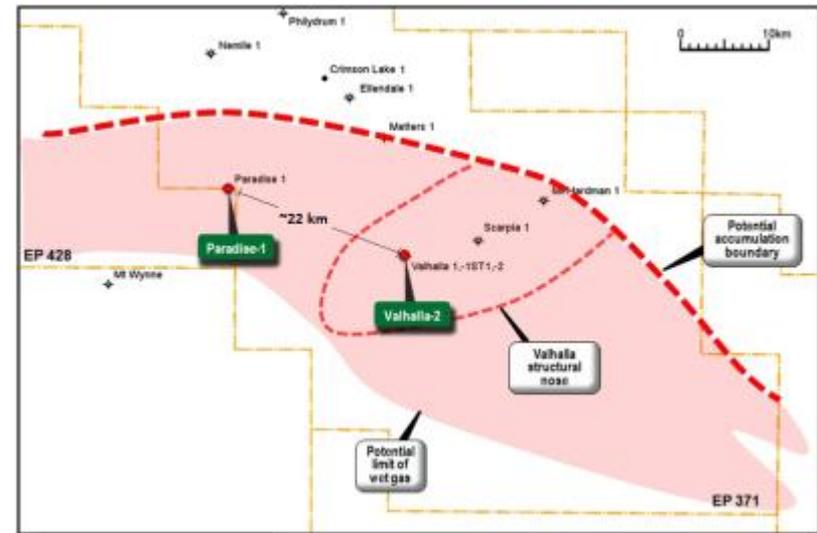
Success case - unconventional

- 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

ConocoPhillips farming in to explore New Standard's Goldwyer shale play – international majors now focusing on Australian unconventional plays

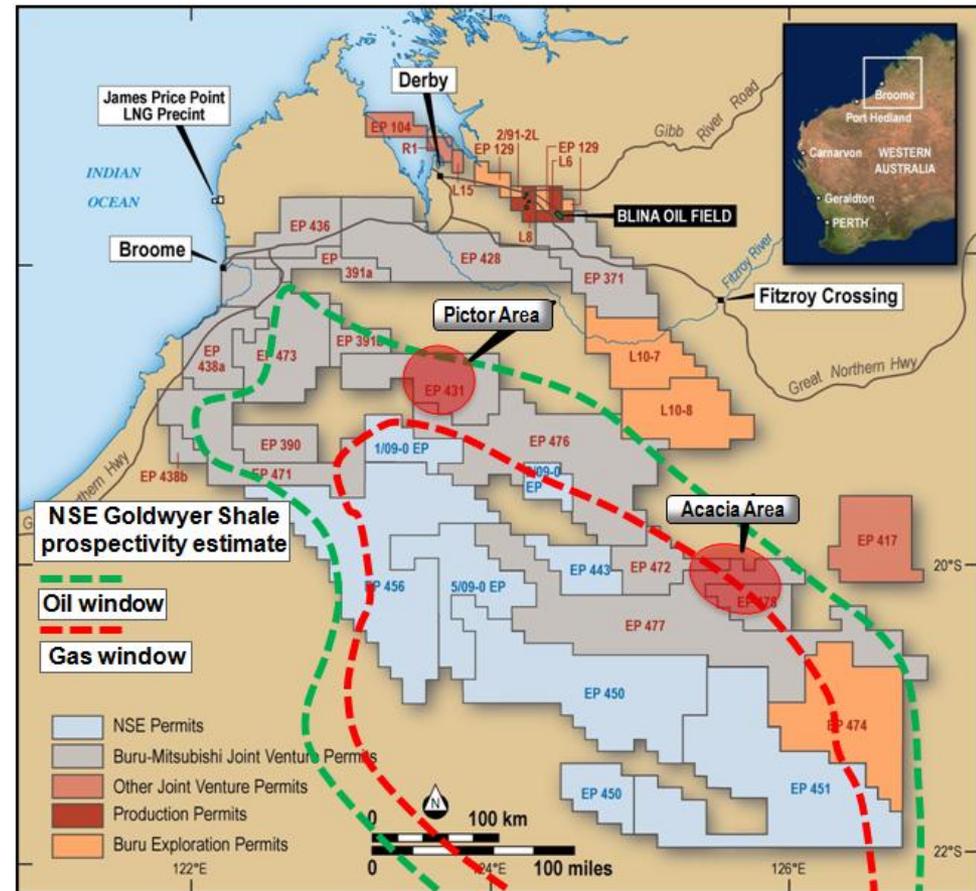
Terms of the Conoco – NSE farm-in

- Conoco to fund up to US\$109.5 million over four phases of unconventional exploration (drilling, coring and evaluation)
- Conoco will have right to earn up to a 75% working interest in the Goldwyer Project (NSE diluted to 25%)

Goldwyer formation

- EIA estimates Goldwyer formation to have 229 TCF of technically recoverable gas resources (764 TCF risked gas in-place)
- Potential in Buru's acreage for oil play with some similarities to the Bakken oil play
- Buru wells evaluate this play as they are drilled through it to the conventional targets. Goldwyer extensively sampled this year during drilling of Pictor East-1, and Acacia next year with up to three wells
- The NSE program will also provide valuable information for Buru's evaluation
- Buru also has significant exposure to the Goldwyer shale through 10% shareholding in NSE
- By NSE's estimation, Buru's permits cover the most oil prospective part of the shale section

Location of NSE's and Buru's Canning Superbasin Goldwyer Shale assets



Forward Drilling Program

The 2011 drilling program will continue during the wet season in areas that have better access – continuous news flow

Two rig program

- Ensign Rig #32 – 4,000 meter capacity, capable of drilling horizontal wells if required
- Century Rig #7 – 3,400 meter capacity

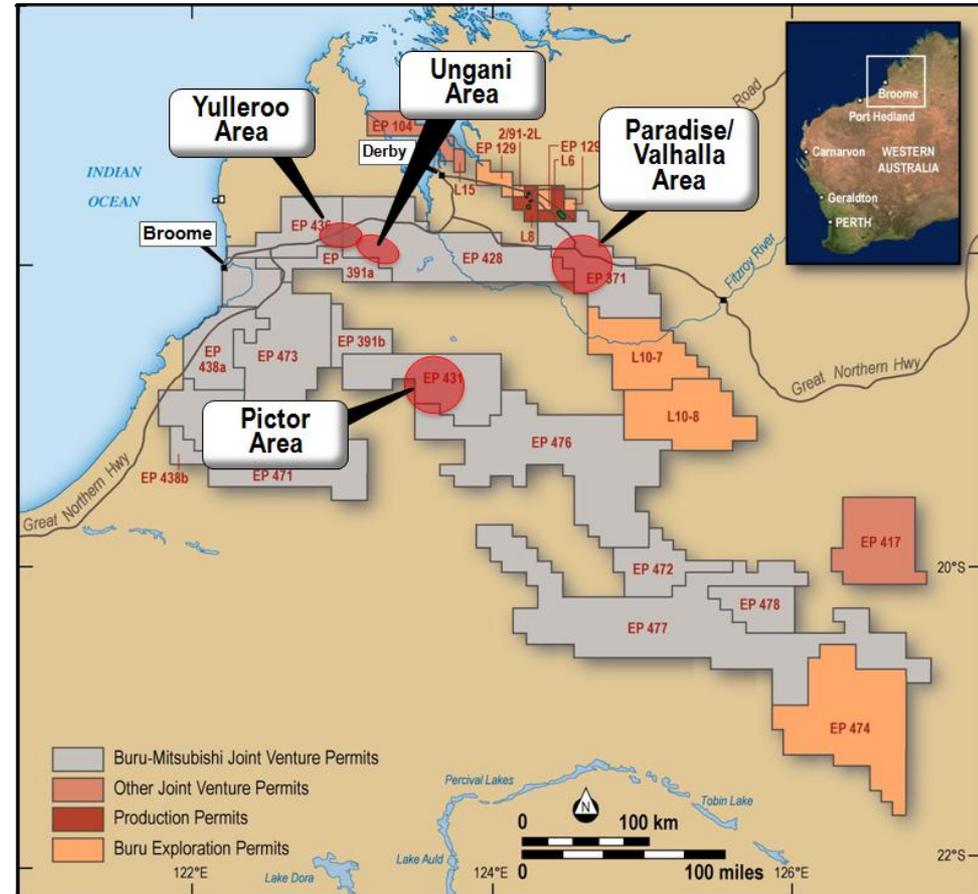
Wells completed/ underway

- *Valhalla-2* – first well in 2011 drilling campaign, drilled by Rig#32. Completed drilling late July 2011. Major unconventional gas accumulation identified
- *Pictor East-1* – completed drilling on 2 September 2011 using Rig#7. Hydrocarbon column confirmed in Nita Carbonates – currently under review for horizontal appraisal well
- *Ungani-1* – drilled by Rig#32. Currently being completed. Major oil discovery
- *Lawford Deep-1* – currently being drilled by Rig#7 – remote Laurel Formation exploration test

Forward program

- Program will focus on appraisal of existing discoveries and ensuring wells requiring stimulation are drilled in an appropriate time frame:
 - *Paradise/Valhalla area* – Paradise-1 Deepening, plus Valhalla North and possibly one more well to define the extent of the accumulation
 - *Yulleroo-3 & Yulleroo-4* – further appraisal wells of the Yulleroo wet gas field. Location subject to interpretation of the Yulleroo 3D seismic survey
 - *Ungani appraisal* – immediate appraisal of Ungani-1 discovery

2011 exploration and appraisal program locations



Pathways to Success – How Do We Make Money?

The development of the identified contingent resources is being done in a systematic and stepwise process with Ungani being developed as it is appraised

Domgas

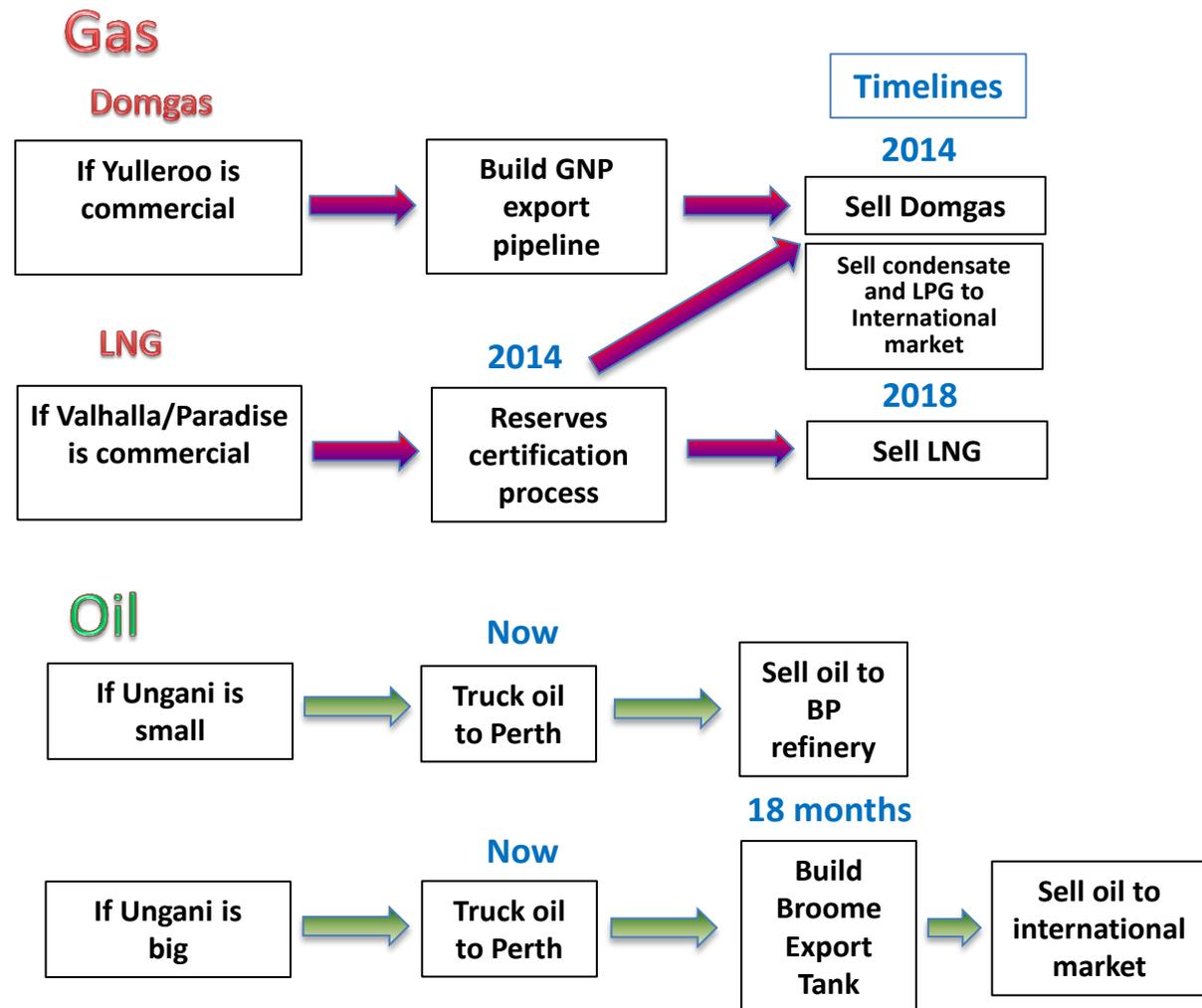
- The first objective is to find sufficient conventional/tight gas to support an export pipeline into the Domgas system
- There is potential for sales of up to 1 TCF of domgas (200 TJ/day and 10,000 bpd of liquids)

LNG

- About 4 TCF of gas is required to support a 5 million tons per year LNG plant
- Total reserves required are therefore 5 TCF
- Unconventional resources can support this level of reserves

Oil

- Initial production will be trucked to Perth
- If Ungani is larger than ~1,000,000 barrels it will justify the construction of an export tank at the Broome Port to allow export of oil from Broome by ship to any market



Significant Achievements

We are making huge progress – 2 years ago we had no partner, no gas or oil resources, no prospect inventory, no interest from third parties in the Superbasin, and a share price of 18 cents

Resources

- Yulleroo on fast track to commercialisation
- Valhalla potential multi TCF resource play
- Ungani major new basin changing oil discovery
- Pictor possible gas and oil field

Exploration program

- Ungani look-alikes
- Acacia big oil plays
- Yulleroo style gas prospects
- Big potential in further unconventional plays

Paradigm shift in thinking about the Superbasin

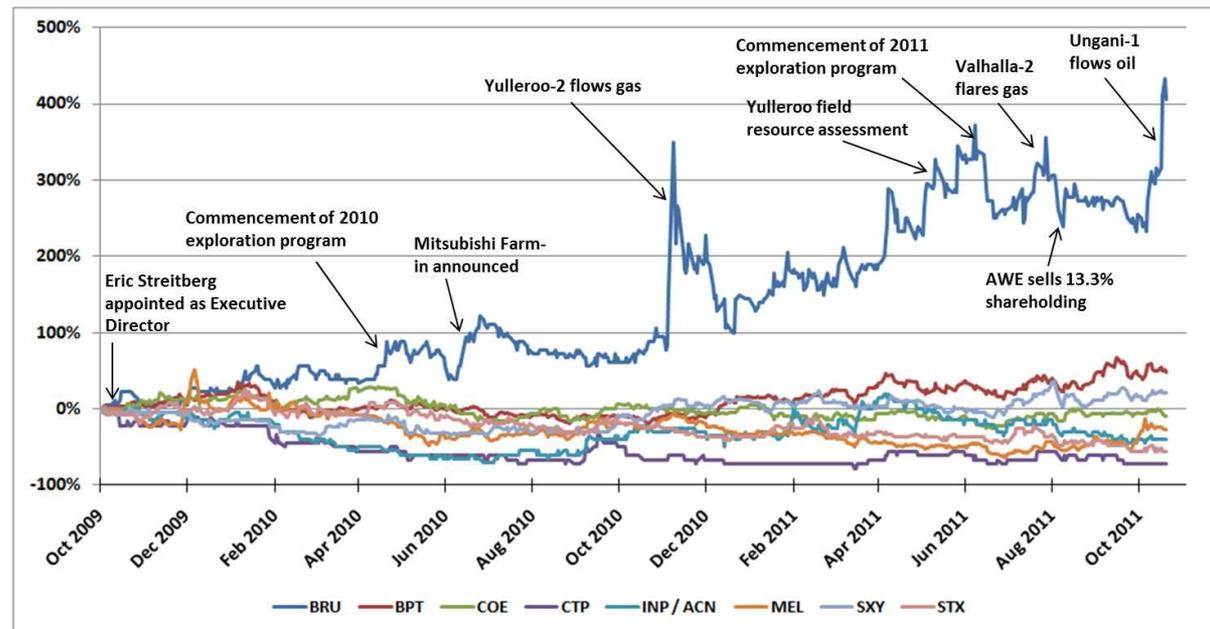
- International majors showing keen interest in Australian onshore basins
- Conoco farmed in next door
- Unsolicited approaches from other major companies



Yulleroo-2 clean-up flare

Engagement with stakeholders through management and Board

- Extremely important to have Government and community support
- Exec Director's Chairmanship of APPEA and MPRA has been instrumental in Government engagement at highest level
- Board and management's previous experience in Perth Basin and generally in unconventional operations has added significant value
- Close engagement with traditional owners including Roebuck Bay hand back vital in maintaining alignment



Buru share price vs mid-cap onshore Australian exploration companies

Buru is transforming the Canning Superbasin



Many thanks to:

Buru staff

Hard working/Committed/Passionate

Buru contractors

Professional/Innovative/Dedicated

Mitsubishi

A shared vision/Complementary skill sets

Government

Supportive/Aligned

Shareholders

Supportive through difficult times/ Share the vision of transforming the Canning

Traditional owners

Respected/Consulted/Supportive

We will succeed together

私たちは一緒に成功する

Watashi-tachi wa issho ni seikō suru





2011 AGM Corporate Update

Ungani-1 first oil sale and Ensign Rig#32 crew

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