



Corporate Update

May 2014

Western Australia's
Energy Future



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All dates in this presentation are for calendar years unless stated FY for financial year. All references to \$ are in Australian currency, unless stated otherwise.

Competent Person's Statement

The information pertaining to reserves and resources contained in this presentation is based on information compiled by Mr Eric Streitberg who is a Non-Executive Director of Buru. Mr Streitberg consents to the inclusion of the information in the form and context in which it appears.

Mr Streitberg has over 40 years' experience in petroleum geology and geophysics, oil and gas exploration, and oil and gas company management. He is a Fellow of the Australian Institute of Mining and Metallurgy, a member of the Australian Institute of Company Directors, a member of the Society of Exploration Geophysicists and the Petroleum Exploration Society of Australia, and is a Certified Petroleum Geologist of the American Association of Petroleum Geologists. Information in this presentation has been disclosed to the ASX pursuant to the ASX Listing Rules.

Overview

- Highlights and Challenges
- Corporate Summary
- Ungani Development
- Laurel Tight Gas
- Exploration Update
- Program and Funding
- Summary



Highlights/Advances

1. Ungani Central Field EPT producing strongly

- Current EPT produced ~100,000 bbls to end April
- ~1,200 bopd (Ungani 2), no water, negligible pressure decline

2. Crude Export System working well

- Two shipments (71,270 bbls) exported to Thailand ex Wyndham
- 3rd shipment (~38,000 bbls) exported to Singapore ex Wyndham
- Broome export negotiations advancing targeting early 2015

3. Laurel Tight Gas program plans well advanced

- Formal EPA regulatory approval expected 2Q
- Field preparations commenced with early 3Q target for frac program commencement

4. Exploration wells in coastal area confirmed

- Two exploration wells, Olympus and Commodore planned for the third quarter

5. Major 2D & 3D seismic program scheduled

- Focussed on Ungani Trend & high-graded areas (aerogravity)
- Non Ungani areas funded by Apache farmin

6. Permit Management and funding plan advancing

- Discussions underway with interested parties
- Considering funding, TO's, program and shareholder value



1. Ungani 3 result

- Oil saturated Ungani Dolomite section encountered
- Thickest oil saturated section penetrated to date
- Currently swabbing well - recovering oil and drilling fluid
- Although well is tighter than Ungani 1 and 2, swabbing shows good reservoir influx of ~300 bfpd

2. Dramatic improvement of 2013 3D seismic reprocessing

- Reprocessing test results co-incident with Ungani 3 drill results – necessitated reprocessing entire data set pre new drilling

3. Production from EPT exceeding expectations

- Ungani 2 producing dry oil strongly post workover, with successful water shut off by recent workover
- More complex dual completion workover at Ungani 1 did not isolate zones. Further workover planned to convert Ungani 1 to oil producer

4. Decision made to demobilise Crusader rig

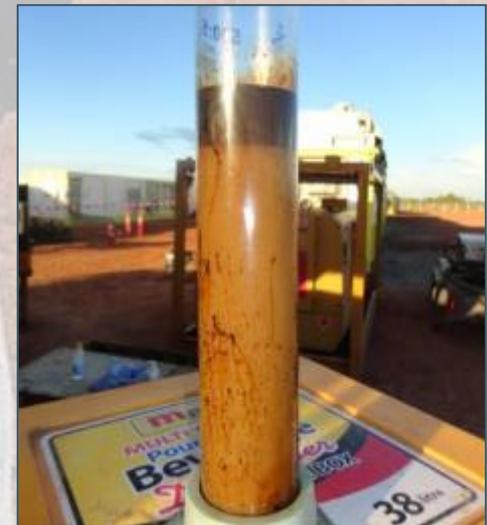
- Ungani 3 result combined with need to reprocess 3D data suite
- Coastal wells will utilise smaller rig with appropriate well costs

5. Traditional Owner negotiations

- Requires closure on few outstanding issues prior to PL submission
- Challenging but opportunity to create long term alignment



Wire line swabbing unit at U-3

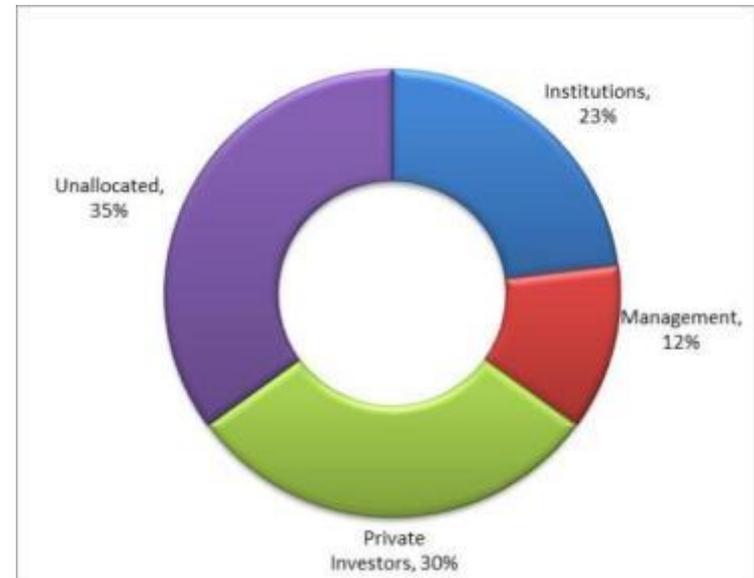


U-3 swabbing sample

Corporate Overview

Formed	2008
Ticker	ASX:BRU
Shares on issue	298 million ~8,700 shareholders
Market Cap	~A\$345M
12 month price range	A\$2.03 - A\$1.13 A\$1.57 (average over 12 mths)
Acreage Holding	~58,000 sq km (net) ~100,000 sq km (gross)
Licenses	21 licenses
Key Partners	Mitsubishi, Apache
Cash on hand	A\$45M at 31 March 2014
Program funding	Mix of senior debt and partner support, variously subject to full field development plan, independent reserves certification and financing term sheet.

Shareholder Structure (based on top 100 & unallocated)



Highly experienced & balanced Board

Strong mix of technical, commercial, legal & corporate history



Graham Riley
Independent
Chairman

- Previously founding Non-Executive Director of ARC Energy Limited and Adelphi Energy Limited
- Former Chairman of Giralia Resources NL, and responsible for the spin-off of five independently listed commodity-specific exploration projects, until acquired by Atlas Iron Limited in early 2011
- Currently Chairman of Gascoyne Resources Limited, Non-Executive Director of Target Energy Limited and Non-Executive Chairman of Entek Energy Limited
- Extensive experience and prior association with petroleum exploration in the Canning Superbasin
- Over 10 years experience in commercial law serving as Partner of Legal firm Downing & Downing



Dr Keiran Wulff
Managing Director

- Over 25 years experience in the oil and gas industry in Australia, PNG, Indonesia, Middle East, Asia & North Africa
- Former Group Chief Operating Officer & Head of the Middle East business unit of Oil Search Limited for 17 years
- Extensive expertise in the development process from an exploration company to major oil and gas production company with strong leadership, technical & commercial skills
- Past Chairman & MD of Aligned Energy, a renewable power company in JV with Oil Search in PNG for localized biomass to power projects for social development and base load power to regional centres.



Eric Streitberg
Non-Executive
Director

- Founding shareholder and Chairman. More than 38 years' experience in petroleum geology, geophysics and management of petroleum exploration and production companies
- Founding shareholder and Managing Director of ARC Energy Limited for 10 years and founding shareholder and Managing Director of Discovery Petroleum NL for 7 years
- Previously a founding Non-Executive Director of Adelphi Energy Limited, an early participant in the Eagle Ford unconventional gas and oil play in Texas
- Extensive worldwide project management expertise in technical and managerial roles



Hon Peter Jones
Non-Executive
Director

- More than 30 years involvement in the Western Australian resources sector across business and government
- Former Non-Executive Director and Chairman of a number of listed companies, including founding Chairman of ARC Energy Limited
- Extensive experience in various government bodies, including roles as Chairman of the Australian Defence Housing Authority and the Water Corporation of Western Australia
- Previously a member of the Western Australian Parliament for over 10 years, serving in several senior ministerial positions including Minister for Resources Development, Mines, Fuel and Energy

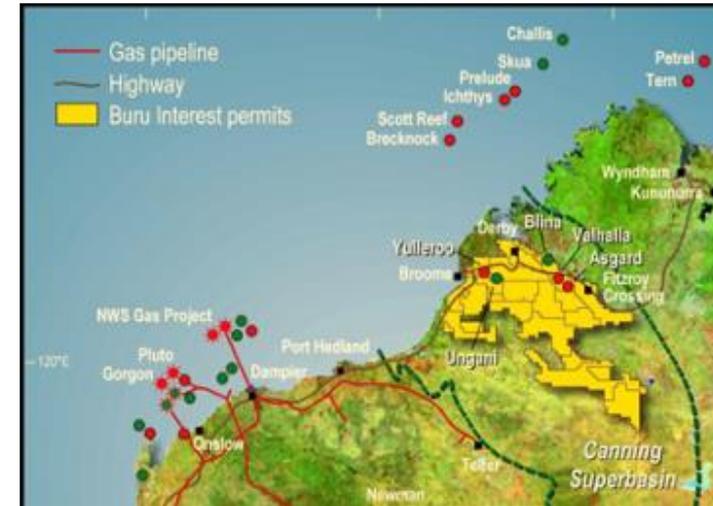
Outstanding acreage position

Focus on highest value areas whilst progressing remainder



Long term position with tenure certainty

- ~58,000 sq km (net), ~100,000 sq km (gross) continuous basin wide coverage
- **Oil** – near term cash flow with follow-up
- **Gas** – potential world scale resource
- **Exploration** – high quality with diverse plays
- Buru controls the potential of the Canning Basin
- Independent expert Best Estimate Contingent Resource net to Buru > **47 TCF** (RISC assessment – refer BRU ASX release 8 February 2013)



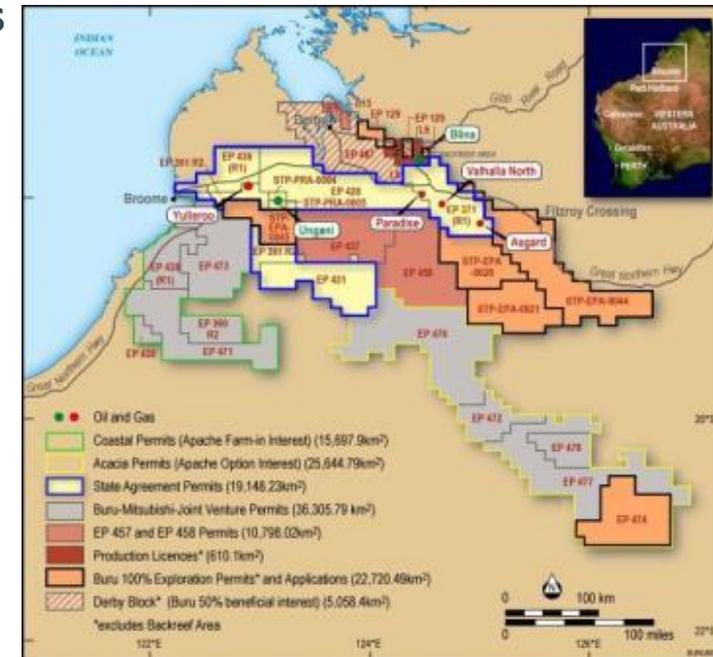
Active acreage management to enable focus on core areas

1. State Agreement for tight gas exploration & appraisal

- Buru controls 75% of the Laurel gas potential
- Long tenure enables optimal development plan
- Strategically important to the State
- Commitment to Native Title & environmental excellence

2. Successful farmout to world class company (Apache)

- Coastal Goldwyer & Acacia Desert Blocks farmed out
- Strong complementary skills & proven expertise
- Firm \$32.2 million total program carry plus potential additional \$20-40 million (est.) dependent on results



2014 – Proving material value and derisking long term programs

Ungani development

- ✓ Ungani 2 producing 1,200 bopd
- ✓ Ungani 1 requires additional remediation
- ✓ Production ramp up to 1,500+ bopd
- ✓ Export commenced to Asian refineries



Drilling

- ✓ Ungani 3 appraisal reservoir lower quality but oil saturated
- ✓ Swabbing recovering oil supporting production potential
- ✓ 2 wells, Olympus and Commodore confirmed – fully funded by JV farm in



Gas appraisal

- ✓ EPA decision to not subject Buru's plans to an environmental assessment
- ✓ Major Community program and independent validation
- ✓ Formal regulatory approval likely soon
- ✓ Plan to commence program early 3Q



Our Fracturing Locations will have a very similar setup to this location with a source water pit and 30,000 HHP of state of the art Fracturing Equipment. The equipment is controlled from inside of the "white Tech Command Centre" with real-time offsite monitoring of the job via Satellite communications.



Exploration

- ✓ Planned 480 sq km 3D, > 1,500 km 2D
- ✓ Ungani 3D seismic reprocessing to be completed 2Q

Ungani oilfield export plan



Phase 2

- Targeting 2015+ 3,000-5,000+bopd
- Broome preferred export route
- Existing port facilities but require upgrade
- Discussions advanced with authorities
- Final decision dependent post EPT & PL award

Phase 1

- Early production from existing facilities up to 2,000bopd
- Low CAPEX upgrade to load-out facility
- Smaller parcels ship (38,000 bbl)
- Market Ungani crude to Asian refineries

High value Ungani exploration trend

Potential for rapid cluster style development growth

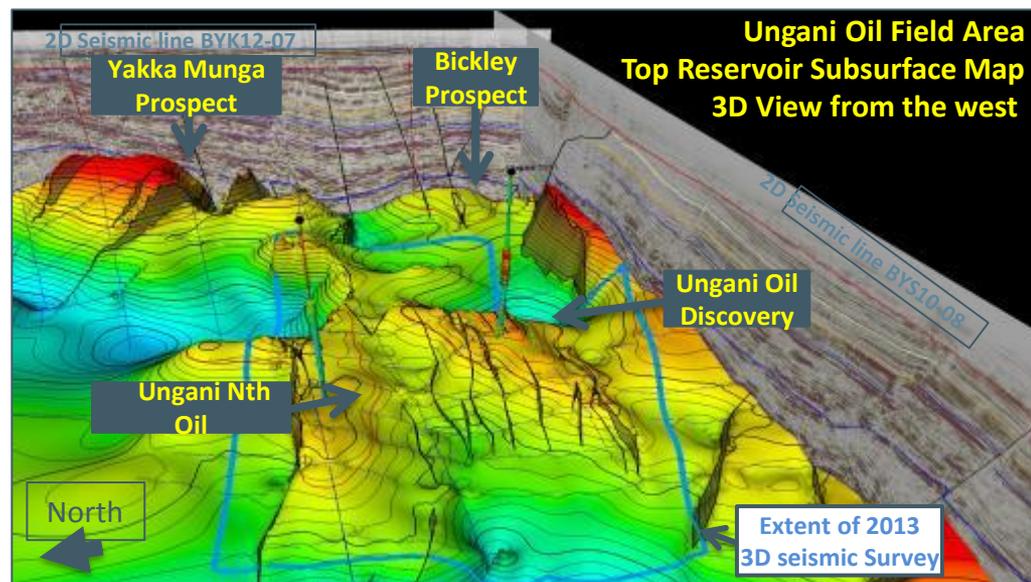
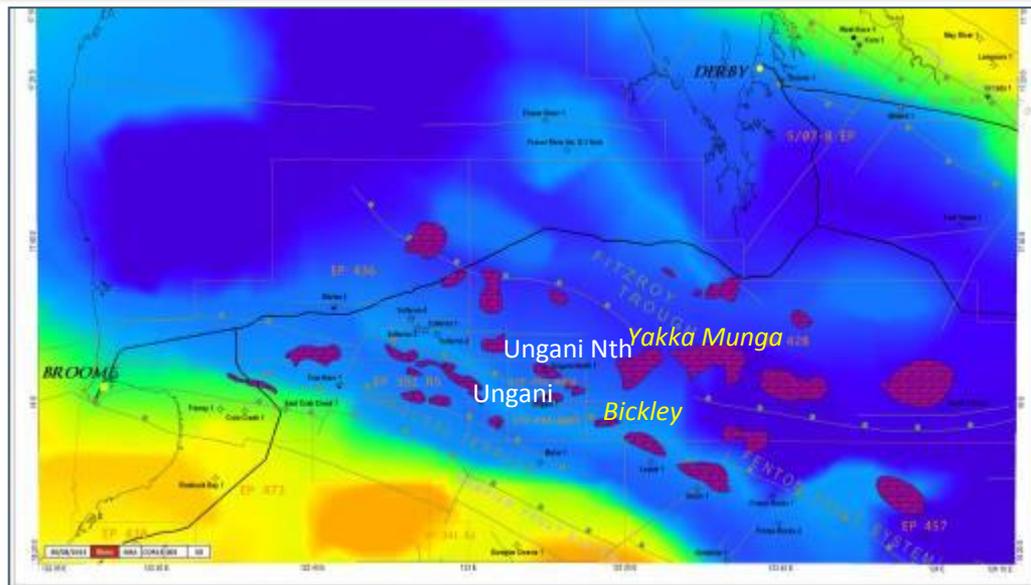
Ungani oil discovery is a “play opener”

- Conventional vuggy dolomite reservoir
- Ungani North extended play
- Ungani Oil Trend covers over 120 kms by 40 kms (+1 million acres)
- Buru controls entire trend

Ungani Trend Exploration Program 2014 Program

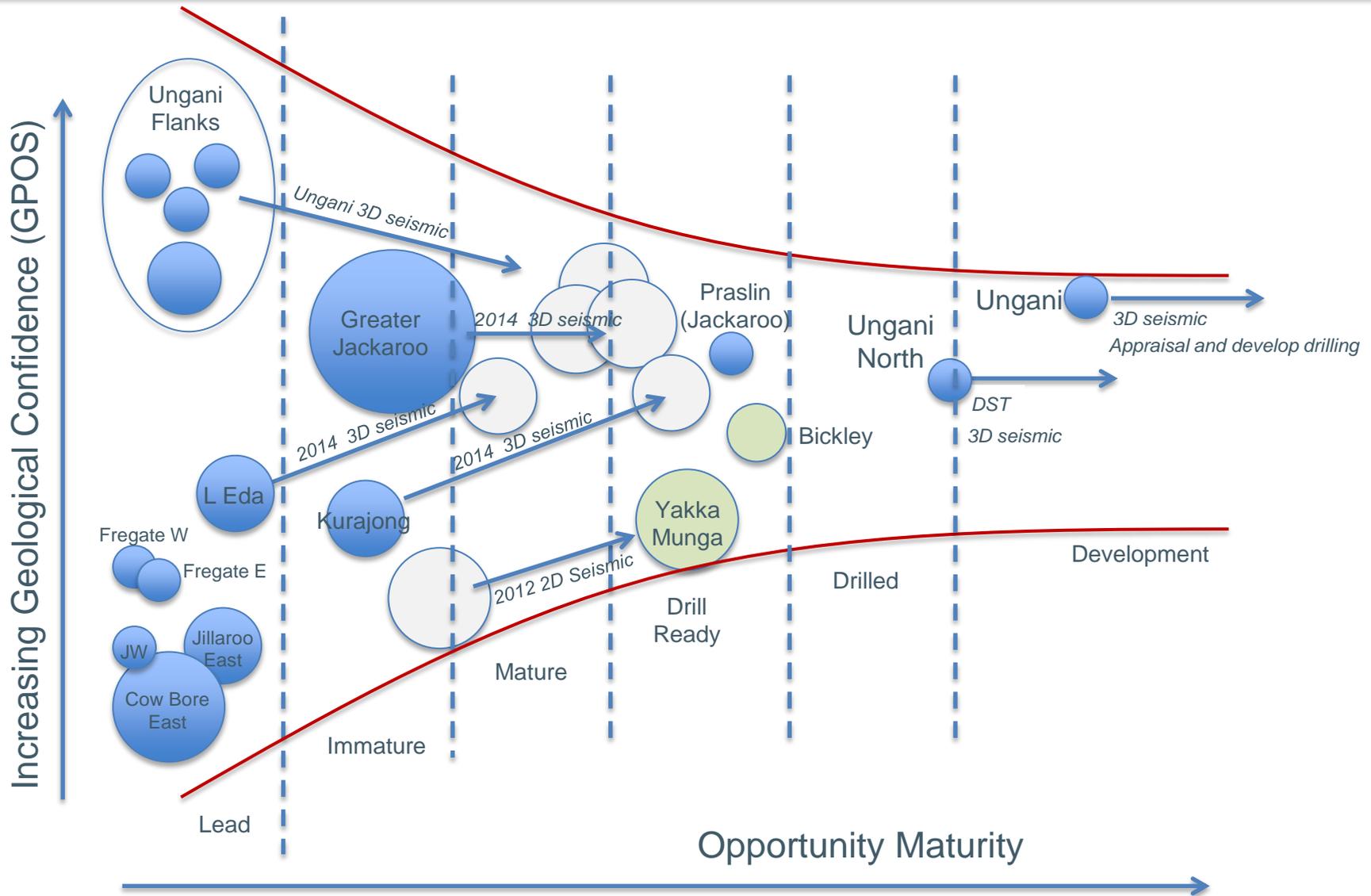
Extensive seismic program planned

- 3D program ~480km
- 2D program ~350 km



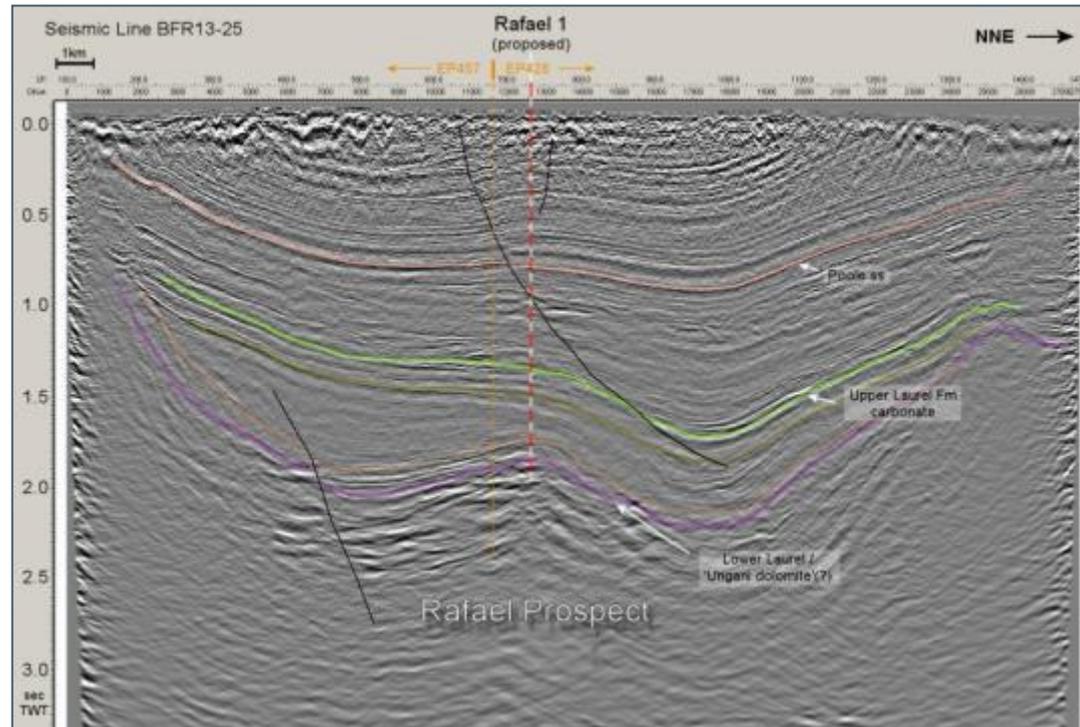
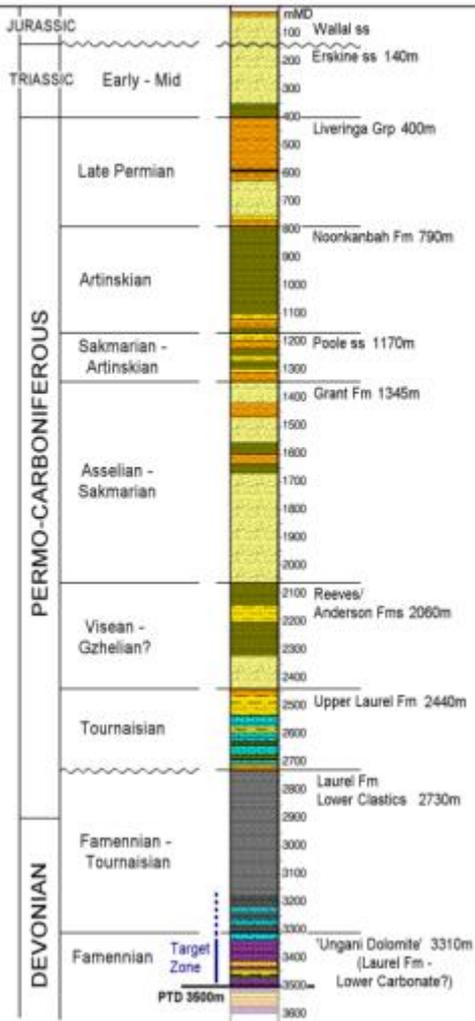
Ungani trend oil portfolio

High potential for near term Ungani look-a-likes



Illustrative Ungani style prospect

Rafael 1 (proposed)
lithostratigraphic Prognosis (A)



Preliminary and illustrative probabilistic volumetric estimates of the Rafael prospect Prospective Resources. Buru has a 50% interest in the Best Estimate of Prospective Recoverable Resources (unrisked) of the Rafael prospect as set out below:

Oil – 50 million barrels

Or if the prospect holds only gas – 487 BCF of gas

Prospective resources are the estimated quantities of petroleum that may be potentially recovered by the application of a future development project and relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Laurel Gas - A potential strategic resource

Background - Potential World Class Accumulation

- Defined by Buru/MC JV drilling of six wells
- Extensive overpressure at drillable depths
- Sweet gas , low CO₂, no H₂S, high liquids
- Conventional reservoirs also encountered

Preparation & Appraisal Process

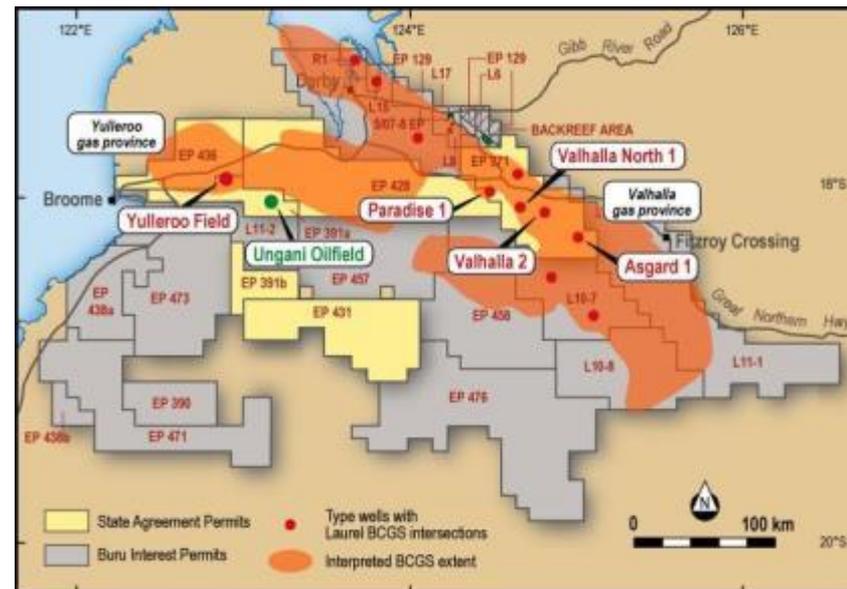
- Extensive baseline modelling
- Extensive independent review process
- Community engagement + independent advisors
- Specialist alliances - world class expertise
- Up to 4 well, 38 stage program with 3+ month flowback
- Possible conventional reservoir testing
- Field preparations underway

Key elements exist for commercialisation

- High gas prices and markets
- High liquids content
- Focus on well costs and logistics

Funding

- 2014 cost is <\$26 million (Buru share)
- \$20 million from the escrow (Alcoa) covers large share of Buru's costs



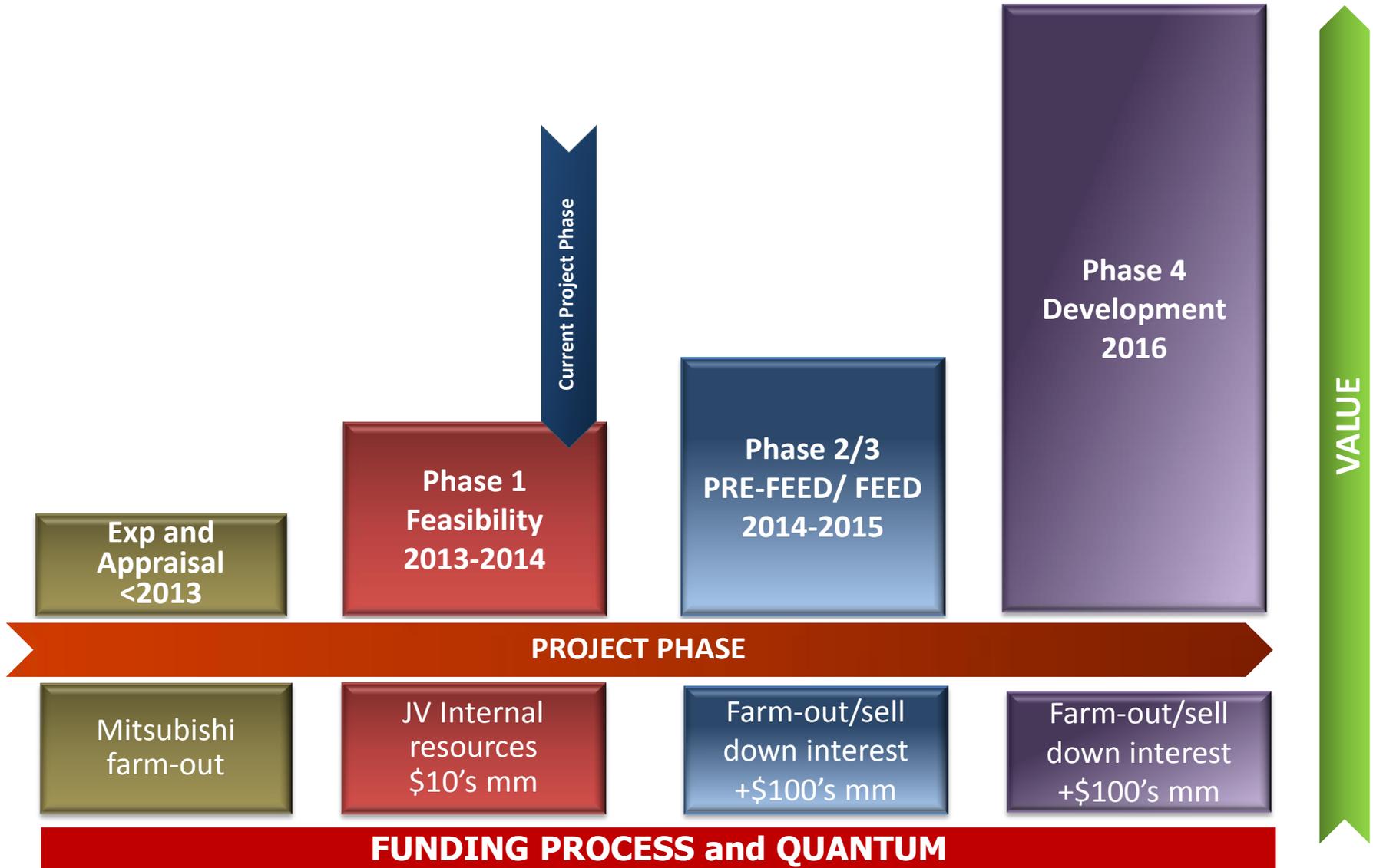
Location of Laurel Basin Centred Gas System in the Canning Superbasin



Ensign Rig 32 drilling the Yulleroo 3 well

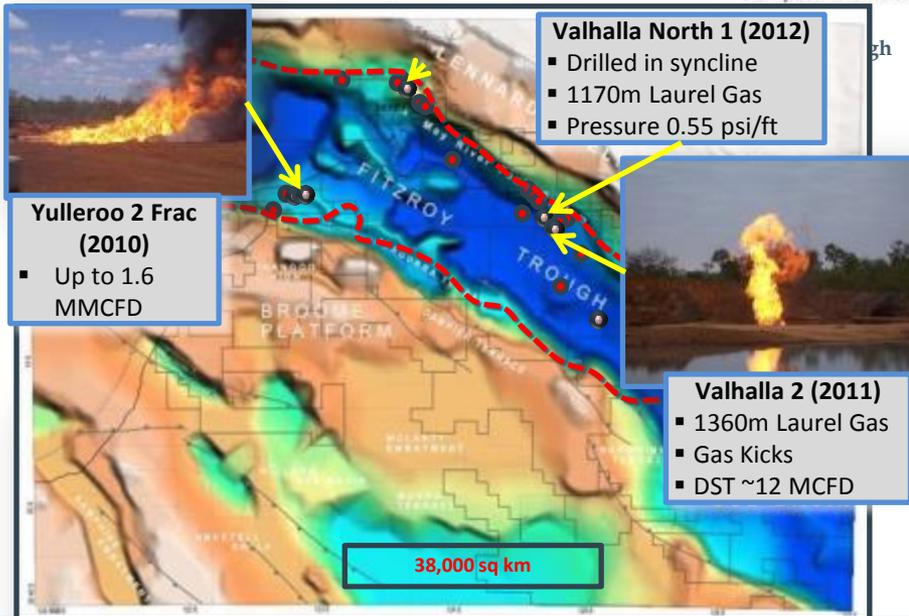
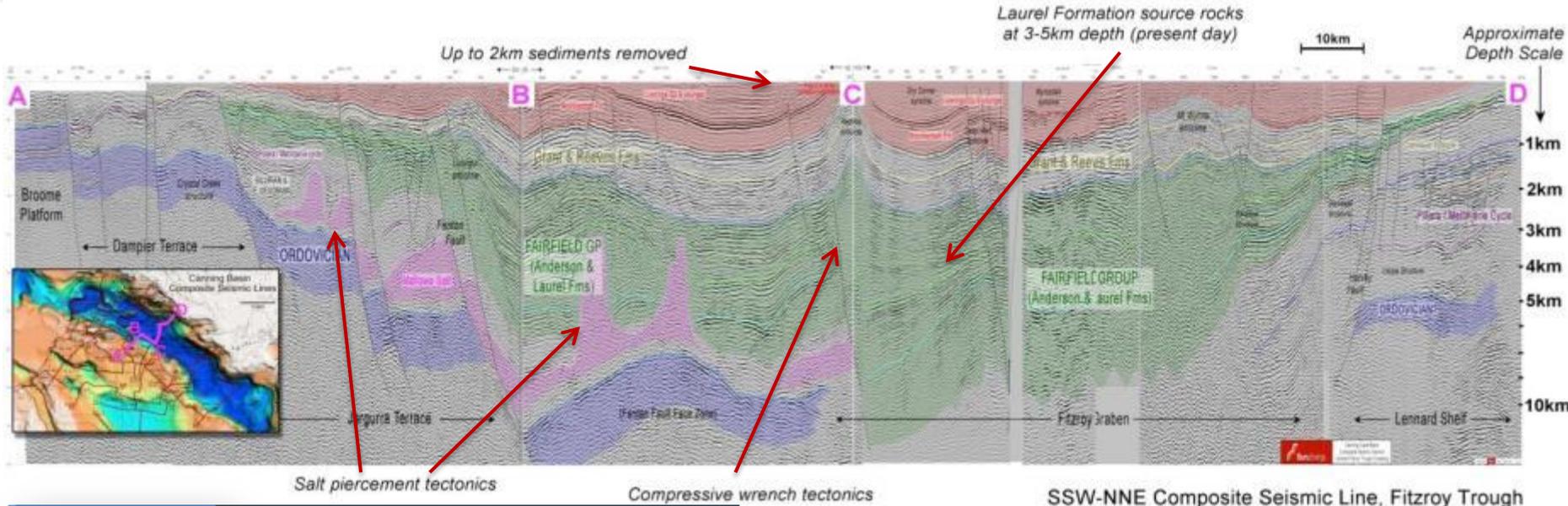
Rapid Laurel Gas value growth

Systematically derisking potential leading to major value creation



Canning's geology has all the right ingredients

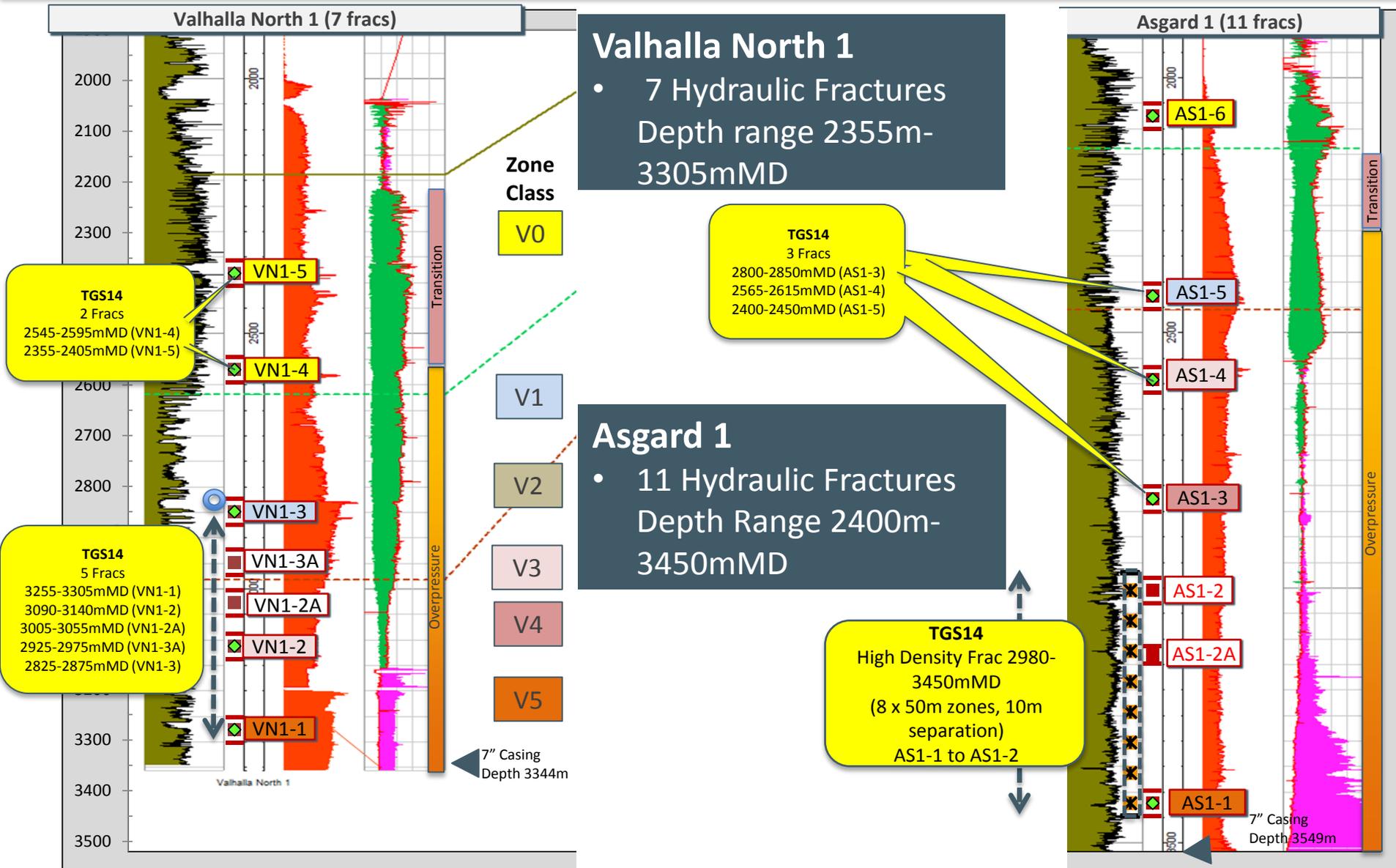
The sheer scale of the basin may have hidden its potential



Ungani 1

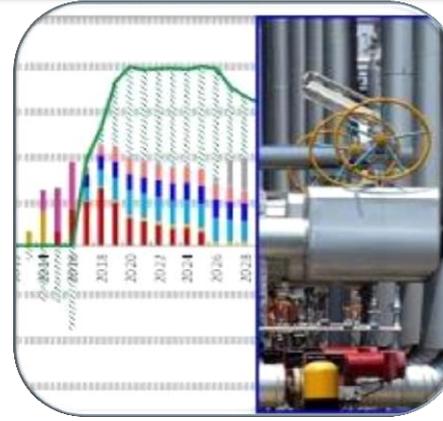
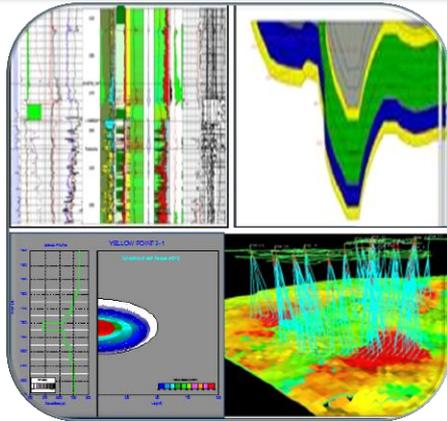
TGS 14 – Planned programme

Valhalla Area example of technical process



Laurel Gas: Pathway to full potential

Systematic, focused, aligning stakeholders & transparent



2013 Feasibility

2014 Pre FEED

2015 FEED

2016+ Development

- ✓ Capability Build
- ✓ Deliverability
- ✓ Baseline monitoring
- ✓ Economic Analysis
- ✓ "Sweet Spot" Study
- ✓ Community Engagement
- ✓ Contracting
- ✓ Approvals
- ✓ Drilling costs
- ✓ Risk management

- Gas Deliverability
- Liquids confirmation
- Regional appraisal
- Licence to operate
- Social impact study
- Baseline modeling
- Approvals
- JV partnering
- Marketing
- Financing

- Commercial Viability
- Pilot Project Plan
- Delineation
- Resource certifying
- Marketing
- Financing
- Approvals
- Licence to Operate

- FID
- Pilot initiation
- Reserve certification
- Infrastructure build
- Full field planning
- Approvals
- Gas delivery
- Domestic supply
- Longer term LNG Supply

Buru Energy:

Creating a material & sustainable growth story



2013

THE PLATFORM FOR LONG TERM GROWTH

- 
- A background image showing several people in an office setting, looking at documents and equipment.
- ✓ Safety & Risk management
 - ✓ JV program alignment
 - ✓ Traditional Owner Engagement
 - ✓ Capability Building
 - ✓ Oil Development
 - ✓ Tight gas plans & approvals
 - ✓ Major seismic program
 - ✓ Securing fit-for-purpose rig
 - ✓ Prioritise high value exploration
 - ✓ Cost & logistics optimisation program

2014

MAJOR DERISKING OF GAS,
MAJOR DERISKING OIL TREND
& TARGETED DRILLING

- 
- A background image of an oil rig at night, with two workers in orange high-visibility gear in the foreground.
- Major tight gas program of strategic importance to WA
 - Joint MC – Buru farmout to attract quality company
 - Derisking exploration & high value targeted drilling
 - Strong Community Engagement
 - Major regional 2D & 3D seismic programs
 - Testing tight oil plays (Ungani North and Ungani 3)
 - Conventional gas test (Yulleroo)

2015

OIL EXPANSION,
CONFIRMING GAS VIABILITY,
MULTI-RIG APPRAISAL &
EXPLORATION GROWTH

- 
- A background image of a large white truck with a trailer, parked on a wet surface.
- Material cash flow
 - Major Ungani Trend drilling based on 3D
 - Near field oil tie-ins
 - Major gas program with strong JV
 - Multi well exploration program
 - Traditional Owner Engagement
 - Gas marketing review

1. Sustainability & material returns to shareholders

- Optimise Ungani to maximise cashflow
- In co-operation with Mitsubishi, introduce quality company to deliver major regional programs (exploration, development and gas commercialisation)
- Undertake major regional drilling program based on high quality seismic and prospect ranking
- Commercialise gas and limit funding exposure



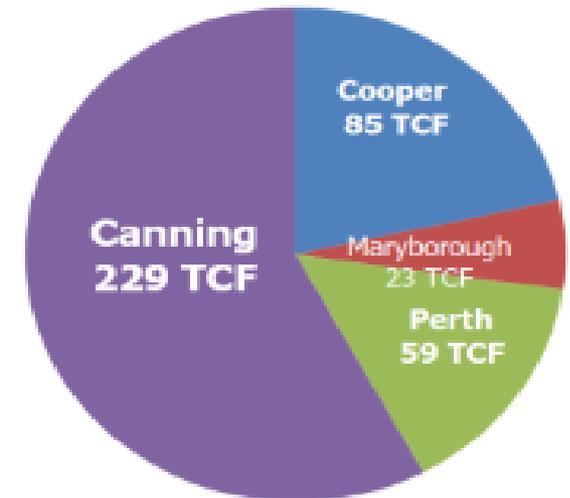
Tank truck departing Ungani site to Wyndham

2. Deliver certainty on Laurel tight gas potential & materiality

- Secure regulatory approvals
- Secure Traditional Owner alignment
- Undertake full program in 2014 with high density fracs and long term well tests
- Prepare commercialisation pathway with funding

3. Optimise organisation capability

- Low cost, dynamic and fit for purpose



EIA estimate of Prospective Resources by basin (shale resources only) – not including tight gas

1. High Value and Balanced Work Program

- Ungani Central performing better than modelled. Require further testing and mapping to confirm final development
 - *Facilities will support rapid commercialisation of on trend discoveries*
- Advancing towards major gas appraisal program and testing gas flow
 - *Potentially WA's most important energy resource (domestic and export)*
- Major focus on derisking exploration to support large scale program
 - *Target highest value assets*
- Advancing program to introduce major company to support long term campaign style programs & sustainability



2. Organisation Optimisation Program

- Targeting small dynamic, proven and experienced team
 - *Overhead reduction program & utilising alliance to support team*



3. Building long term alignment with Traditional Owners

- Committed engagement based on respect, transparency, opportunity creation and equitable distribution of benefits
 - *Advances made with regional support for gas program testing through open dialogue and independent review*
- PL negotiations advanced - few key issues outstanding
 - *Fundamental to land access and long term alignment*



Focused on developing the
petroleum resources of the
Canning Super Basin



Western Australia's Energy Future