

BURU ENERGY LTD (BRU)

Deal with Fosun Funds Ungani Trend Exploration

Buru Energy Ltd ('BRU' or 'the Company') have announced a part sale of the Ungani oil field in conjunction with an exploration farm out with Roc Oil. Roc Oil is part of the HKSE listed Fosun International Limited. On balance it looks like a good deal for BRU and sets them up for a very exciting 12 months.

Transaction details: 1. Sale of 50% of Ungani: Roc Oil has agreed to buy a 50% interest in the Ungani production licences L20 and L21 (the Ungani Oilfield) for a total cash payment of \$64 million. 2. Roc Oil funds 4 well exploration programme: Roc Oil will also acquire a 50% interest in exploration permits EP 391, EP 428 and EP 436 by paying \$20 million of a \$25 million exploration program of up to four wells. 3. Does not include Unconventional Gas: The Farm-in Transaction does not include the Yulleroo Gasfield and Laurel Formation unconventional gas accumulation within the Permits (Unconventional Gas Assets) which will remain 100% owned by Buru.

Hartleys Comments: 1. The \$64m price tag for 50% of Ungani on the surface looks low versus our valuation. We valued 100% of Ungani at \$179m or 41c per share. However, it is closer to our valuation of the asset when we exclude BRU's Income Tax credits (from prior losses). While Roc Oil will receive their 50% share of Ungani's PRRT credits, BRU will retain the remaining tax credits which now can be applied to just a 50% share of future production cash flow. 2. Roc is now covering nearly all of the costs of the 4 well exploration programme (contributing \$20m). This is excellent news for BRU who retain a material 50% in the wells. 3. The deal excludes the Unconventional Gas potential (progress here is currently stalled by the WA Government moratorium on fracking). However, BRU have now got a new partner (Fosun) in the Canning with very deep pockets, which should assist in any future expansion plans (export facilities, additional exploration, appraisal etc.).

Maintain Speculative Buy – Exciting 12 months ahead.

The headline number of \$64m for 50% of Ungani is below our NPV10 valuation (average Brent price of US\$74/bbl). Lower ongoing corporate costs partially balances this out and overall the deal has resulted in a downgrade of our 12-month forward target price to A\$0.58c per share (from A\$0.61). The flipside is that the deal provides direct funding for BRU's Ungani trend exploration programme and brings forward part of the future Ungani cash flow stream on a de-risked basis. It also provides Balance Sheet strength to fund a number of additional development and exploration options. Additionally, it aligns BRU with Roc/Fosun, a strong technical and financial partner to explore their vast Canning Basin acreage. We had expected BRU to achieve a farm out deal (due to rising oil price and sector optimism, success at Ungani and good technical work on the trend potential) so there is no change to our exploration upside valuation. Future exploration has always been the blue sky for this stock (above our prior base value of circa 36c for Ungani and Corporate only) and this deal now provides full funding for a 4 well programme. So overall the deal is a good outcome for BRU and the exploration programme will add lots of excitement to the story over the next year. On the basis we rate BRU a Speculative Buy.

24 May 2018

Share Price: \$0.380
12mth Price Target: \$0.58

Brief Business Description:

BRU is an oil producer and explorer with a core focus on the Canning Basin. Key asset is the Ungani Oil Field.

Hartleys Brief Investment Conclusion

BRU generates cash flow from oil sales from the Ungani Oil Field with additional upside potential from further development. BRU has an extensive exploration acreage position.

Chairman & CEO:

Eric Streitberg Executive Chairman

Substantial Shareholders:

Birkdale Enterprises Pty Ltd 7%
Chemco Pty Ltd 6%
E C Streitberg 7%

Company Address:

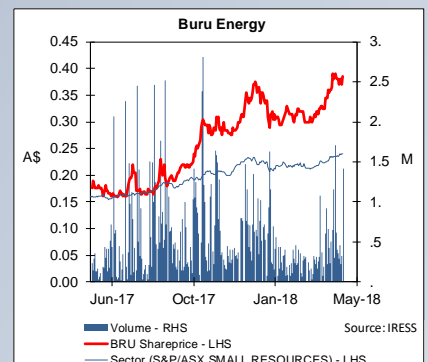
16 Ord Street
West Perth
WA 6872

Issued Capital: 432m
- fully diluted 437m
Market Cap: \$164.2m
- fully diluted \$165.9m
Debt (end CY18e) \$4.8m
Cash (end CY18e) \$76.5m

| | FY16A | FY17A | FY18F |
|-----------------|--------|--------|---------|
| Prod ('000 bbl) | 23 | 133 | 529 |
| Op Cash Flw | -\$10m | -\$4m | \$39m |
| Free Cash Flw | \$0m | -\$13m | \$62m |
| NPAT* (A\$m) | -\$14m | -\$10m | \$3m |
| EPS (\$c, bas)* | (3.3) | (2.4) | 0.69 |
| P/E (basic)* | -11.6x | -16.1x | 55.4x |
| EV / EBIT | -7.2x | -10.2x | 24.7x |
| EV / EBITDA | -10.3x | -22.7x | 10.2x |
| N.D. / equity | -16% | -12% | -71% |
| Net Cash End | \$8.8m | \$7.9m | \$70.3m |

*normalised

Source: Hartleys Research



Authors:

Aiden Bradley
Industrials and Energy Analyst
Ph: +61 8 9268 2876
E: aiden.bradley@hartleys.com.au

Hartleys has provided corporate advice within the past 12 months and continues to provide corporate advice to Buru Energy Limited, for which it has earned fees and continues to earn fees.

SUMMARY MODEL

| Buru Energy Limited | | | | | | Share Price | | 24 May 2018 | | | | | |
|---|-------|-------|-------|-------|-------|-------------------------------------|-----------|-----------------|--------|-------|-------|--|--|
| BRU | | | | | | \$0.380 | | Speculative Buy | | | | | |
| Key Market Information | | | | | | Company Information | | | | | | | |
| Share Price | | | | | | Executive Chairman | | | | | | | |
| Market Capitalisation | | | | | | Eric Streitberg | | | | | | | |
| | | | | | | Eve Howell | | | | | | | |
| | | | | | | Robert Willes | | | | | | | |
| | | | | | | Shane McDermott | | | | | | | |
| Issued Capital | | | | | | Head of Finance & Company Secretary | | | | | | | |
| Issued Capital (fully diluted inc. ITM options) | | | | | | Level 2 | | | | | | | |
| Options | | | | | | 16 Ord Street | | | | | | | |
| EV | | | | | | West Perth | | | | | | | |
| Net Debt | | | | | | WA 6872 | | | | | | | |
| Valuation | | | | | | www.buruenergy.com | | | | | | | |
| 12 Month Price Target \$ ps | | | | | | 0.58 | | | | | | | |
| P&L | | | | | | Substantial Shareholders | | | | | | | |
| Unit | 2015A | 2016A | 2017A | 2018F | 2019F | m shares | % | | | | | | |
| Net Revenue | | | | | | Birkdale Enterprises Pty Ltd | | | | | | | |
| COGS | | | | | | Chemco Pty Ltd | | | | | | | |
| EBITDAX | | | | | | E C Streitberg | | | | | | | |
| Depreciation/Amort | | | | | | | | | | | | | |
| EBIT | | | | | | | | | | | | | |
| Net Interest | | | | | | | | | | | | | |
| Pre-Tax Profit | | | | | | | | | | | | | |
| Tax Expense | | | | | | | | | | | | | |
| NPAT | | | | | | | | | | | | | |
| Abnormal Items | | | | | | | | | | | | | |
| Reported Profit | | | | | | | | | | | | | |
| Balance Sheet | | | | | | Production Summary | | | | | | | |
| Unit | 2015A | 2016A | 2017A | 2018F | 2019F | Unit | Pre-16 | 2016A | 2017A | 2018F | 2019F | | |
| Cash | | | | | | Oil | | | | | | | |
| Other Current Assets | | | | | | | | | | | | | |
| Total Current Assets | | | | | | | | | | | | | |
| Property, Plant & Equip. | | | | | | | | | | | | | |
| Exploration | | | | | | | | | | | | | |
| Investments/other | | | | | | | | | | | | | |
| Tot Non-Curr. Assets | | | | | | | | | | | | | |
| Total Assets | | | | | | | | | | | | | |
| Payables | | | | | | | | | | | | | |
| ST Debt + other | | | | | | | | | | | | | |
| Total Curr. Liabilities | | | | | | | | | | | | | |
| Long Term Borrowings | | | | | | | | | | | | | |
| Other | | | | | | | | | | | | | |
| Total Non-Curr. Liabil. | | | | | | | | | | | | | |
| Total Liabilities | | | | | | | | | | | | | |
| Net Assets | | | | | | | | | | | | | |
| Cashflow | | | | | | Price Assumptions | | | | | | | |
| Unit | 2015A | 2016A | 2017A | 2018F | 2019F | Unit | 2015A | 2016A | 2017A | 2018F | 2019F | | |
| EBITDA | | | | | | Oil | | | | | | | |
| Chg WC | | | | | | | | | | | | | |
| Interest | | | | | | | | | | | | | |
| Tax | | | | | | | | | | | | | |
| Other | | | | | | | | | | | | | |
| Gross Cash Flow | | | | | | | | | | | | | |
| Capex | | | | | | | | | | | | | |
| Other | | | | | | | | | | | | | |
| Free Cash Flow | | | | | | | | | | | | | |
| Share Issuance | | | | | | | | | | | | | |
| Debt Issuance | | | | | | | | | | | | | |
| Dividend | | | | | | | | | | | | | |
| Other | | | | | | | | | | | | | |
| Net Chang in Cash | | | | | | | | | | | | | |
| Ratio Analysis | | | | | | Share Price Valuation (NAV) | | | | | | | |
| Unit | 2015A | 2016A | 2017A | 2018F | 2019F | A\$ m | Un-risked | Risking | Risked | cps | | | |
| Free Cash Flow / share | | | | | | Ungani | | | | | | | |
| Cashflow Multiple | | | | | | Other Exploration | | | | | | | |
| Earnings Per Share | | | | | | Gas Option | | | | | | | |
| Price to Earnings Ratio | | | | | | Net Debt & Corp. | | | | | | | |
| EV / EBIT | | | | | | | | | | | | | |
| EV / EBITDA | | | | | | | | | | | | | |
| Interest Cover | | | | | | | | | | | | | |
| Net debt / Equity | | | | | | | | | | | | | |
| | | | | | | Valuation | | | | | | | |
| | | | | | | 58 | | | | | | | |
| | | | | | | Petroleum Tenements | | | | | | | |
| | | | | | | Permit | | | | | | | |
| | | | | | | JV Partner | | | | | | | |
| | | | | | | % Interest | | | | | | | |
| | | | | | | L6* | | | | | | | |
| | | | | | | L8 | | | | | | | |
| | | | | | | L17 | | | | | | | |
| | | | | | | L20 | | | | | | | |
| | | | | | | L21 | | | | | | | |
| | | | | | | PL7 | | | | | | | |
| | | | | | | PL109 | | | | | | | |
| | | | | | | EP129* | | | | | | | |
| | | | | | | EP391 | | | | | | | |
| | | | | | | EP428 | | | | | | | |
| | | | | | | EP431 | | | | | | | |
| | | | | | | EP436 | | | | | | | |
| | | | | | | EP457 | | | | | | | |
| | | | | | | EP458 | | | | | | | |
| | | | | | | *Excluding Backreef Area | | | | | | | |
| Analyst : Aiden Bradley | | | | | | Last updated | | | | | | | |
| Phone: +61 8 9268 2876 | | | | | | May 24, 2018 | | | | | | | |
| Sources : IRESS, Company Information, Hartleys Research | | | | | | | | | | | | | |

HIGHLIGHTS

BRU have announced a partial sale of the Ungani oil field in conjunction with an exploration farm out deal with Roc Oil. Roc Oil is part of the HKSE listed Fosun International Limited. On balance it looks like a good deal for BRU and sets them up for a very exciting 12 months with the drill bit.

<http://www.rocoil.com.au/>

The Fosun Group is a large investment group and has substantial operations and business interests in China and internationally.

<http://ir.fosun.com/phoenix.zhtml?c=194273&p=irol-IRHome>

Transaction details:

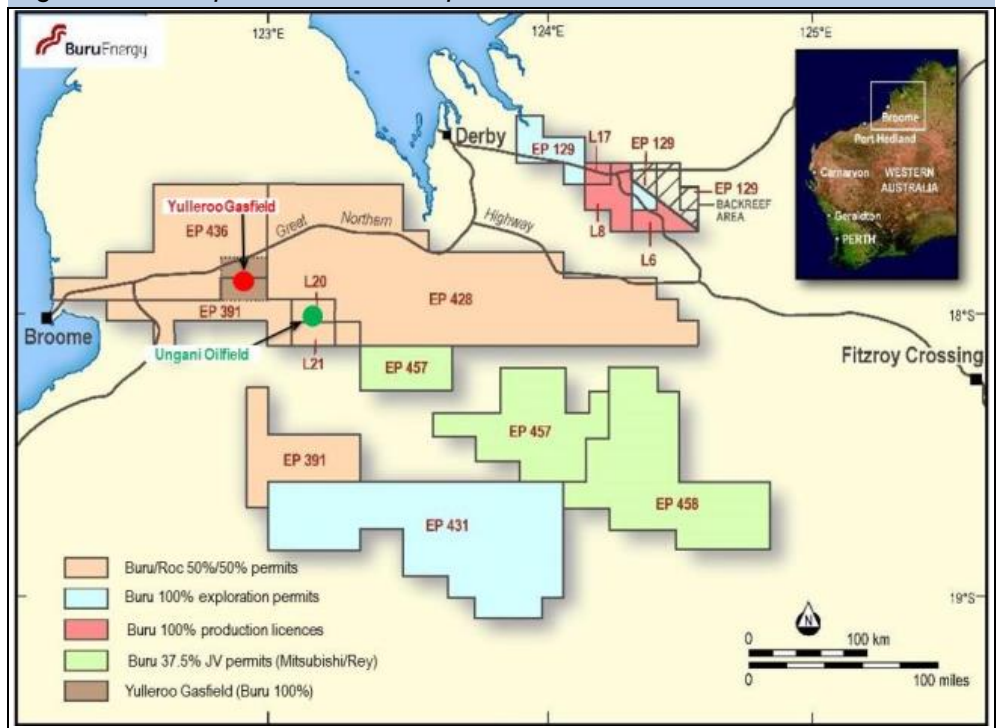
1. Sale of 50% of Ungani: Roc Oil has agreed to buy a 50% interest in the Ungani production licences L20 and L21 (the Ungani Oilfield) for a total cash payment of \$64 million.
2. Roc Oil funds 4 well exploration programme: Roc Oil will also acquire a 50% interest in exploration permits EP 391, EP 428 and EP 436 (Permits) by paying \$20 million of a \$25 million exploration program of up to four wells. The four wells are expected to be drilled in the 2018 and 2019 drilling seasons. The wells in the 2018 season will be drilled by the DDGT1 Rig 1 and will include the Ungani Dolomite conventional oil prospects at Kurrajong and Ungani West. The Yakka Munga prospect could also be drilled in the 2018 season subject to timing and cost considerations. It is intended that the deeper Rafael oil prospect will be drilled in the 2019 drilling season with a larger rig.
3. Does not include Unconventional Gas: The Farm-in Transaction does not include the Laurel Formation unconventional gas accumulation within the Permits (Unconventional Gas Assets) which will remain 100% owned by Buru. The Unconventional Gas Assets include the Yulleroo Gasfield.

Hartleys Comments:

1. The \$64m (14.7c per share) price received for 50% of Ungani on the surface looks low versus our valuation. We valued 100% of Ungani at \$179m or 41c per share. However, it is closer to our valuation of the asset when we exclude BRU's Income Tax credits (from prior losses). While Roc Oil will receive their 50% share of Ungani's PRRT credits, BRU will retain the remaining tax credits which now can be applied to just a 50% share of future production cash flow.
2. Roc is now covering nearly all of the costs of the 4 well exploration programme (contributing \$20m). This is excellent news for BRU who retain a material 50% in the wells.
3. The deal excludes the Unconventional Gas potential (progress here is currently stalled by the WA Government moratorium on fracking). However, BRU have now got a new partner (Fosun) in the Canning with very deep pockets, which should assist in any future expansion plans (export facilities, additional exploration, appraisal etc.).

Overall: The headline number of \$64m for 50% of Ungani is below our NPV10 valuation (which assumes an average Brent price of US\$74/bbl) and this resulted in a 5c per share fall in our valuation. Lower ongoing corporate costs have however partially balanced out this lower sales price. We had expected BRU to achieve a farm out deal (due to rising oil price and sector optimism, success at Ungani and good technical work on the trend potential) so there is no change to our exploration upside valuation. Future exploration has always been the blue sky for this stock (above the base circa 36c valuation for Ungani and Corporate only) and this deal now provides full funding for a 4 well programme. So overall the deal is a good outcome for BRU and the exploration programme will add lots of excitement to the story over the next year.

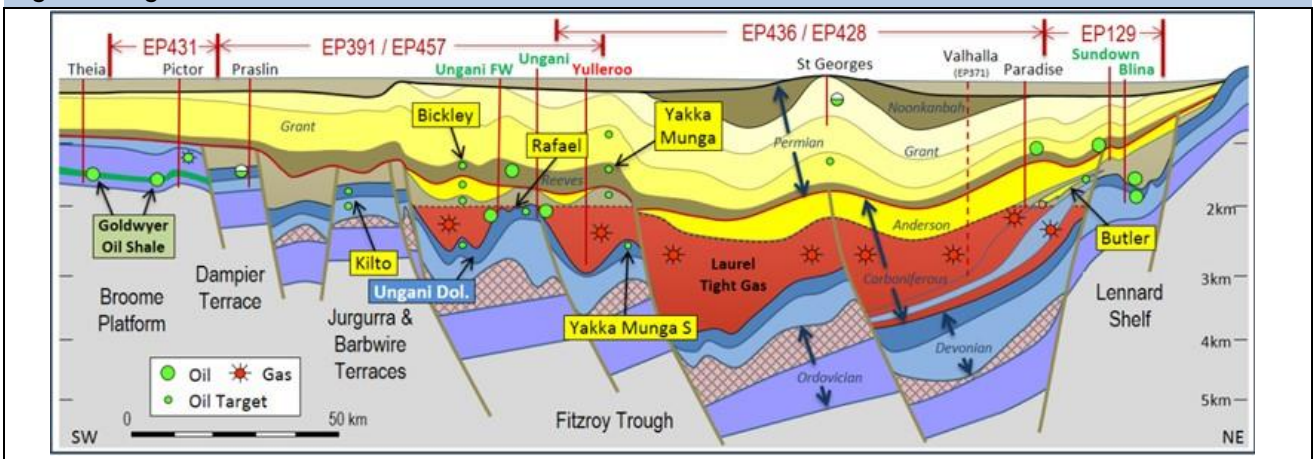
Fig. 1: Map of transaction permits



Source: BRU

Extensive 3D seismic surveys have defined a prospective 200km trend.

Fig. 2: Ungani Trend Cross Section



Source: BRU

We believe that it is highly likely that further Ungani lookalike fields do exist, the challenge will be finding them given the relative lack of wells and large aerial size of the play.

Fig. 3: Selection of Ungani Trend Targets

| Prospective Resources - Refer Cautionary Statement | | | | |
|--|--------|-----|------|------|
| Recov. Oil mmbbls/TCF | | Low | Best | High |
| Rafael | mmbbls | 36 | 75 | 138 |
| Kilto | mmbbls | 7 | 16 | 40 |
| Yakka Munga | mmbbls | 11 | 29 | 97 |
| Hotdog | mmbbls | 10 | 22 | 45 |
| Butler Convent. | TCF | 0.3 | 1.5 | 3.0 |
| Butler tight gas | TCF | 0.5 | 2.1 | 6.6 |

Source: BRU

Timetable of Events / Catalysts:

- ✓ CY17: Ungani Accelerated Development Program
- ✓ CY18: Ungani Trend Oil Exploration
- 3: Timing Uncertain: Unconventional Oil appraisal
- 4: Timing Uncertain: Unconventional Gas Appraisal

1: Ungani Accelerated Development Program (Nearing Full Completion)

Overall the Ungani Accelerated Development Program was targeting an increase in production to 3,000 bopd. A successful Ungani development could underpin the future construction of a Broome export facility (cost estimate of \$18m) that significantly increases the long-term oil production operating margin and supports future oil exploration activities. BRU have announced the sale of 50% of Ungani for \$64m in cash.

2. CY18: Ungani Trend Oil Exploration (Farm out agreement signed)

BRU have secured a partner to drill up to 4 large “lookalikes” to Ungani. Extensive 3D seismic surveys have defined a prospective area around Ungani and along the geological trend for over 200kms. The total 4 well program is estimated to cost circa \$25m (with Roc Oil providing \$20m for a 50% stake).

3: Unconventional Oil appraisal (Timing Uncertain)

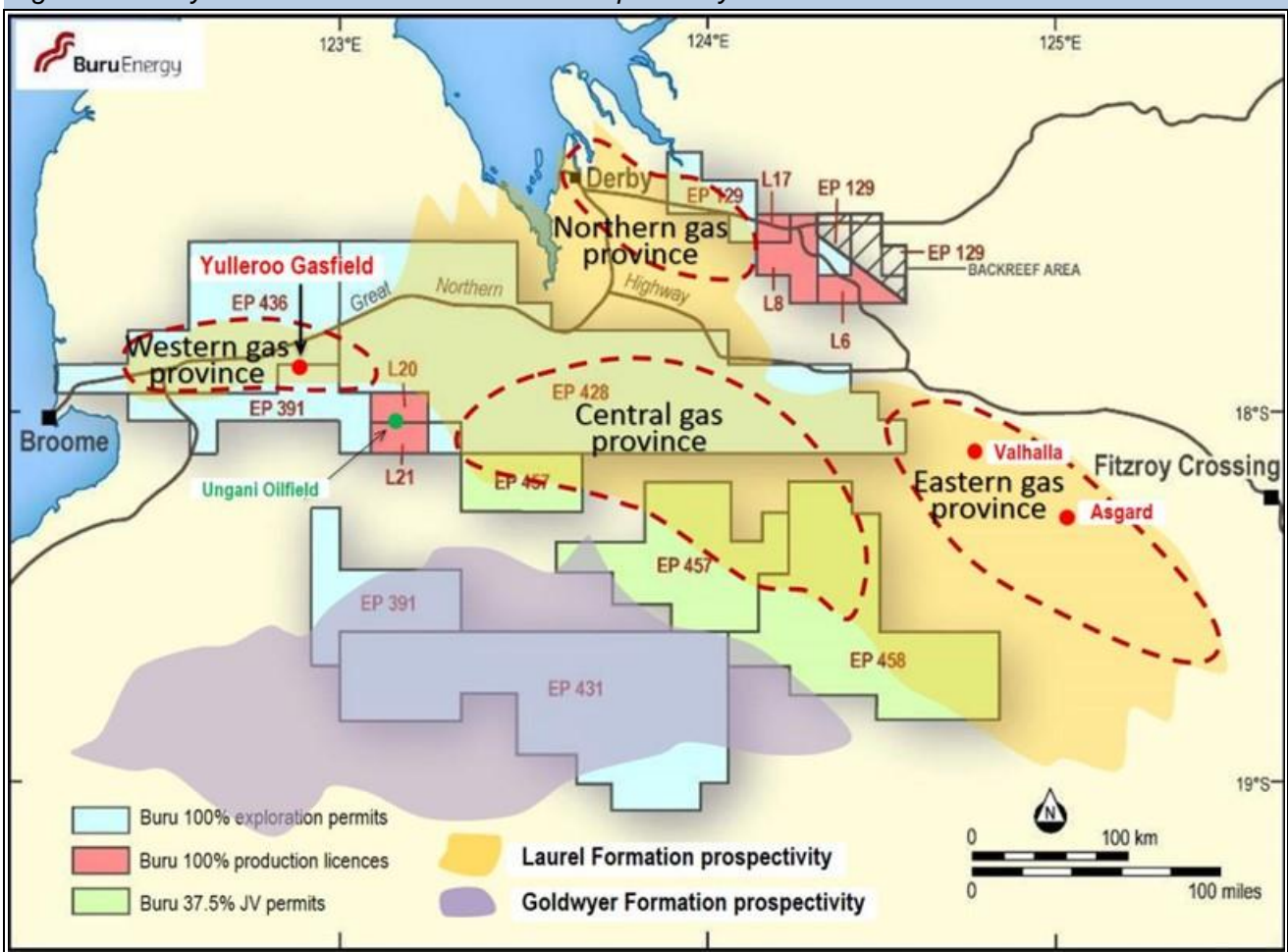
Finder Exploration's Theia-1 well in the Goldwyer Formation was very encouraging. Theia-1 was a test of the Middle Ordovician Goldwyer III liquids rich resource play and early assessment of the well results appear to validate the geological model and substantially de-risk the play. However, there is currently a moratorium on hydraulic fracturing in WA and the future of fracking in WA will be decided following an independent scientific inquiry, chaired by Environmental Protection Authority chairperson Tom Hatton. Hence the timing of further testing on Exploration Permit

EP 493 by Finder is uncertain and similarly the knock-on impact this testing would have had on BRU's surrounding large acreage position.

4: Unconventional Gas Appraisal (Timing Uncertain)

The Farm-in Transaction with Roc Oil does not include the Laurel Formation unconventional gas accumulation within the Permits (Unconventional Gas Assets) which will remain 100% owned by Buru. The Unconventional Gas Assets include the Yulleroo Gasfield. The appraisal of the Yulleroo gas resource is also subject to the timing of the WA fracking enquiry and is expected to be delayed until 2019/20. The moratorium on fracking in Western Australia is set to continue while an Independent Scientific Inquiry is carried out. This Inquiry is due to report by the end of 2018.

Fig. 4: Goldwyer and Laurel Formation Prospectivity



Source: BRU

RISC Advisory Pty Ltd (RISC) recently completed an independent assessment of the tight gas and hydrocarbon liquid resources of the Yulleroo Field within exploration permits EP 391 and EP 436. RISC has estimated Contingent and Prospective Resource sales gas and associated liquids in the Yulleroo Field as at 1 December 2017 as follows:

Fig. 5: Yulleroo Field Resources*

| Contingent Resources Net to Buru | 1C | 2C | 3C |
|-----------------------------------|-------|-------|---------|
| Sales Gas (PJ) | 321.4 | 714.0 | 1,267.0 |
| Associated Liquids (MMbbls) | 9.5 | 24.9 | 47.6 |
| Prospective Resources Net to Buru | Low | Best | High |
| Sales Gas (PJ) | 124.6 | 302.8 | 611.0 |
| Associated Liquids (MMbbls) | 4.3 | 11.9 | 24.8 |

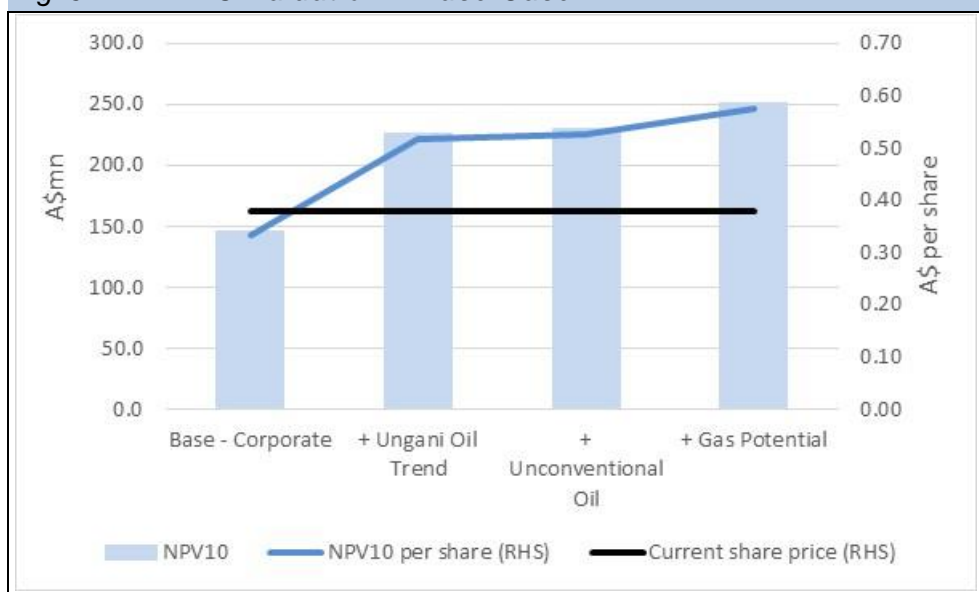
Source: BRU. *RISC's Contingent Resource and Prospective Resource assessment has been prepared using the probabilistic method and an evaluation date of 1 December 2017.

RECOMMENDATION, VALUATION & RISKS

INVESTMENT THESIS & RECOMMENDATION

Our 12-month forward valuation and target price has been downgraded to A\$0.58c per share (from A\$0.61 per share due to the transaction price for the 50% of Ungani sold to Roc Oil being below our asset valuation). The flipside is that the deal does provide direct funding for BRU's Ungani trend exploration programme and brings forward a large chunk of the future Ungani cash flow stream on a de-risked basis. It also provides Balance Sheet strength to fund a number of additional development and exploration options. Additionally, it aligns BRU with Roc/Fosun, a strong technical and financial partner to explore their vast Canning Basin acreage. Our valuation contains a risked value for future oil potential along the Ungani Trend and a minimal value for the Goldwyer unconventional oil potential and Laurel Formation gas potential based on a peer value for similar early stage resource plays.

Fig. 6: BRU Valuation – Base Case



Source: Hartleys Research

The key catalyst over the next 12 months that we expect will drive the current price up towards our target is now the fully funded Ungani trend exploration programme.

On the basis of the upside to our 12-month target price and pipeline of catalysts we rate BRU a Speculative Buy.

RISKS

BRU is an oil and gas exploration and production company exclusively focused on the Canning Basin. The key risks for BRU (like most junior oil & gas companies) is a combination of exploration success and performance of the production assets (if any). Other risks are earnings disappointments given the industry is volatile and earnings can disappoint due to cost overruns, project delays, cost inflation, environmental regulations, resource estimate errors. Although some disappointments can be short term and are only a timing issue, other disappointments can be materially value destructive and can sometimes overhang stocks for a long period of time (for example over-estimating long-term flow rates). Such disappointments can be very difficult to predict and share price reactions can be severe and immediate upon disclosure by the company.

High financial leverage (if it exists at that time) would add to the problem. Investing in explorers is very risky given the value of the company (exploration value) in essence assumes that the market will recognise a portion of potential value before the results of an exploration program are known, conscious that the ultimate chance of success is low (typically 1%-20%) and that failure is much more likely, in most cases.

Fig. 7: Key assumptions and risks for valuation

| Assumption | Risk of not realising assumption | Risk to valuation if assumption is incorrect | Comment |
|---|----------------------------------|--|---|
| Ungani Production, Reserves and Exploration Upside. | Moderate | High | We assume that Ungani production averages 2,800bopd in CY19. This is reliant on a successful tie-back of the Ungani 4 and Ungani 5 development wells. We also assume total recovery of 6.3mmbbl, in line with the 2C reported in 2016. While we feel (post farm out, Ungani drilling and recent rise in oil prices) that our exploration value is conservative, the repeatability of the success at Ungani remains untested. |
| Capital Commitments | Moderate | High | Drilling and completion costs have historically been very high in the Canning Basin but reduced in recent years due to the downturn in the industry and availability of lower cost services and equipment. The current cost of Ungani wells are A\$4.5-6.0m to drill and completion (less than half what we estimate it would have cost at the peak of the last cycle). Going forward capital costs are likely to rise and fall with prevailing oil prices. |
| Oil Price and currency Forecasts | Moderate | High | From recent cyclical lows we had expected the Brent oil price to recover towards the top end of a US\$40-60/bbl trading range before breaking out to a higher US\$60-75/bbl price band from FY19 as lower cost onshore US production peaks. So, prices in our opinion have obviously overshot in the near term, but the medium-term trend remains bullish and higher from recent year lows. The Ungani Oilfield and hence BRU is highly leveraged to the oil price. Our long run AUD / USD is US\$0.75. A rising AUD would impact BRU negatively as they have a significant proportion of their cost base in AUD. |

Western Australian drilling legislation

Moderate

High

BRU is currently exclusively focused on the Canning Basin in Western Australia. Hence it is at risk from changes to Petroleum Legislation and Title issues in the Canning Basin itself. Fracture stimulation is currently not allowed in WA, until a Government led review is complete. This will directly impact BRU's ability to explore its Goldwyer Unconventional Oil and Laurel Formation Gas potential.

Conclusion

We believe our Ungani Field assumptions are achievable and have a moderate to high level of confidence in both our forward capex and macro assumptions

Source: Hartleys Research

SIMPLE S.W.O.T. TABLE

| | |
|---------------|--|
| Strengths | <p>Extensive acreage position in the prospective Canning Basin.</p> <p>Growing production from the already discovered Ungani Oil Field.</p> <p>Experienced Management Team.</p> <p>Single Basin focus.</p> <p>Basin is relatively underexplored, providing a number of early stage prospective plays.</p> <p>Strong Balance Sheet.</p> |
| Weaknesses | <p>Basin is relatively underexplored.</p> <p>Remains a relatively small player.</p> |
| Opportunities | <p>Leverage to rising oil prices.</p> <p>4 fully funded wells targeting the large conventional oil targets on trend with Ungani discovery.</p> <p>Unconventional oil potential looks promising in the Goldwyer Formation.</p> <p>Laurel Formation unconventional gas play still looks prospective, likely to get free kick from work undertaken by former JV partner.</p> <p>Given quality of gas source rocks in the Basin, we expect commercial scale conventional gas fields to exist (but given the size of the basin they will be difficult to find).</p> |
| Threats | <p>Highly leveraged to international oil prices.</p> <p>Exposure to the USD / AUD exchange rate.</p> <p>Western Australian drilling legislation (e.g. fracture stimulation ban) and land access issues (e.g. Native Title issues).</p> |

Source: Hartleys Research

HARTLEYS CORPORATE DIRECTORY

Research

| | | |
|---------------------|--------------------|-----------------|
| Trent Barnett | Head of Research | +61 8 9268 3052 |
| Mike Millikan | Resources Analyst | +61 8 9268 2805 |
| John Macdonald | Resources Analyst | +61 8 9268 3020 |
| Paul Howard | Resources Analyst | +61 8 9268 3045 |
| Aiden Bradley | Research Analyst | +61 8 9268 2876 |
| Oliver Stevens | Research Analyst | +61 8 9268 2879 |
| Michael Scantlebury | Junior Analyst | +61 8 9268 2837 |
| Janine Bell | Research Assistant | +61 8 9268 2831 |

Corporate Finance

| | | |
|-----------------|------------------------------|-----------------|
| Dale Bryan | Director & Head of Corp Fin. | +61 8 9268 2829 |
| Richard Simpson | Director | +61 8 9268 2824 |
| Ben Crossing | Director | +61 8 9268 3047 |
| Ben Wale | Director | +61 8 9268 3055 |
| Stephen Kite | Director | +61 8 9268 3050 |
| Scott Weir | Director | +61 8 9268 2821 |
| Scott Stephens | Associate Director | +61 8 9268 2819 |
| Rhys Simpson | Associate Director | +61 8 9268 2851 |

Registered Office

Level 6, 141 St Georges Tce Postal Address:

| | |
|---------------------|----------------------|
| Perth WA 6000 | GPO Box 2777 |
| Australia | Perth WA 6001 |
| PH:+61 8 9268 2888 | FX: +61 8 9268 2800 |
| www.hartleys.com.au | info@hartleys.com.au |

Note: personal email addresses of company employees are structured in the following manner: firstname.lastname@hartleys.com.au

Hartleys Recommendation Categories

| | |
|-----------------------|--|
| Buy | Share price appreciation anticipated. |
| Accumulate | Share price appreciation anticipated but the risk/reward is not as attractive as a "Buy". Alternatively, for the share price to rise it may be contingent on the outcome of an uncertain or distant event. Analyst will often indicate a price level at which it may become a "Buy". |
| Neutral | Take no action. Upside & downside risk/reward is evenly balanced. |
| Reduce / Take profits | It is anticipated to be unlikely that there will be gains over the investment time horizon but there is a possibility of some price weakness over that period. |
| Sell | Significant price depreciation anticipated. |
| No Rating | No recommendation. |
| Speculative Buy | Share price could be volatile. While it is anticipated that, on a risk/reward basis, an investment is attractive, there is at least one identifiable risk that has a meaningful possibility of occurring, which, if it did occur, could lead to significant share price reduction. Consequently, the investment is considered high risk. |

Institutional Sales

| | |
|--------------------|-----------------|
| Carrick Ryan | +61 8 9268 2864 |
| Justin Stewart | +61 8 9268 3062 |
| Simon van den Berg | +61 8 9268 2867 |
| Digby Gilmour | +61 8 9268 2814 |
| Jayne Walsh | +61 8 9268 2828 |
| Veronika Tkacova | +61 8 9268 3053 |

Wealth Management

| | |
|--------------------|-----------------|
| Nicola Bond | +61 8 9268 2840 |
| Bradley Booth | +61 8 9268 2873 |
| Adrian Brant | +61 8 9268 3065 |
| Nathan Bray | +61 8 9268 2874 |
| Sven Burrell | +61 8 9268 2847 |
| Simon Casey | +61 8 9268 2875 |
| Tony Chien | +61 8 9268 2850 |
| Tim Cottee | +61 8 9268 3064 |
| David Cross | +61 8 9268 2860 |
| Nicholas Draper | +61 8 9268 2883 |
| John Featherby | +61 8 9268 2811 |
| Ben Fleay | +61 8 9268 2844 |
| James Gatti | +61 8 9268 3025 |
| John Goodlad | +61 8 9268 2890 |
| Andrew Gribble | +61 8 9268 2842 |
| David Hainsworth | +61 8 9268 3040 |
| Murray Jacob | +61 8 9268 2892 |
| Gavin Lehmann | +61 8 9268 2895 |
| Shane Lehmann | +61 8 9268 2897 |
| Steven Loxley | +61 8 9268 2857 |
| Andrew Macnaughtan | +61 8 9268 2898 |
| Scott Metcalf | +61 8 9268 2807 |
| David Michael | +61 8 9268 2835 |
| Jamie Moullin | +61 8 9268 2856 |
| Chris Munro | +61 8 9268 2858 |
| Michael Munro | +61 8 9268 2820 |
| Ian Parker | +61 8 9268 2810 |
| Matthew Parker | +61 8 9268 2826 |
| Charlie Ransom | +61 8 9268 2868 |
| Mark Sandford | +61 8 9268 3066 |
| David Smyth | +61 8 9268 2839 |
| Greg Soudure | +61 8 9268 2834 |
| Sonya Soudure | +61 8 9268 2865 |
| Dirk Vanderstruyf | +61 8 9268 2855 |
| Samuel Williams | +61 8 9268 3041 |
| Jayne Walsh | +61 8 9268 2828 |

Disclaimer/Disclosure

The author of this publication, Hartleys Limited ABN 33 104 195 057 ("Hartleys"), its Directors and their Associates from time to time may hold shares in the security/securities mentioned in this Research document and therefore may benefit from any increase in the price of those securities. Hartleys and its Advisers may earn brokerage, fees, commissions, other benefits or advantages as a result of a transaction arising from any advice mentioned in publications to clients.

Hartleys has provided corporate advice within the past 12 months and continues to provide corporate advice to Buru Energy Limited, for which it has earned fees and continues to earn fees.

Any financial product advice contained in this document is unsolicited general information only. Do not act on this advice without first consulting your investment adviser to determine whether the advice is appropriate for your investment objectives, financial situation and particular needs. Hartleys believes that any information or advice (including any financial product advice) contained in this document is accurate when issued. Hartleys however, does not warrant its accuracy or reliability. Hartleys, its officers, agents and employees exclude all liability whatsoever, in negligence or otherwise, for any loss or damage relating to this document to the full extent permitted by law.