

Operational Update

December 2009



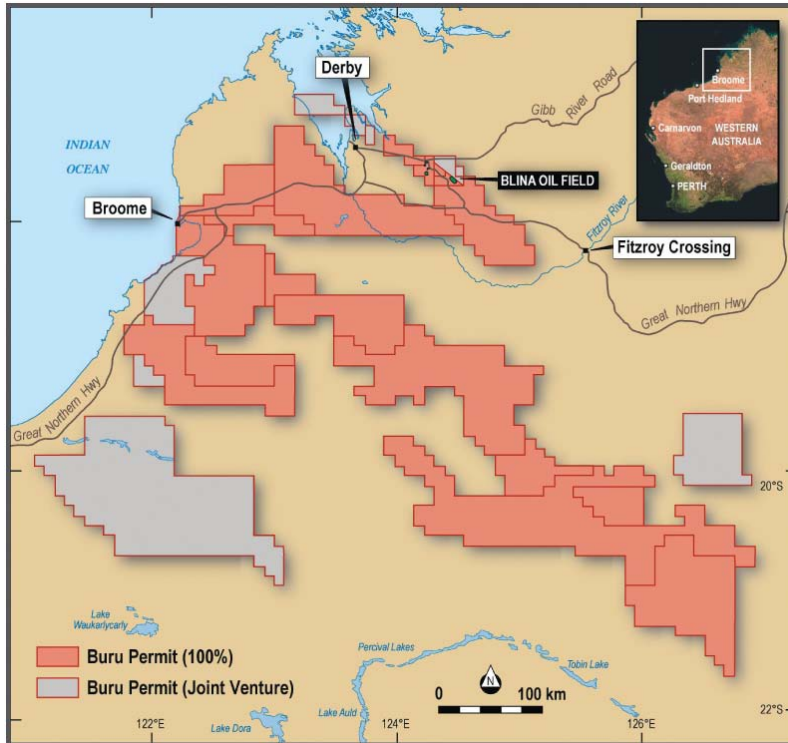
Summary

A unique Australian oil and gas exploration and production company...

- Focused on a single asset base
- High impact exploration potential
- Well funded
- Aligned management

...giving shareholders tremendous leverage to the upside of exploration success

Focused Asset Base



Buru's Canning Basin acreage

Geographic and geological focus on the Canning Basin

Prospectivity - The Canning Basin is a huge under explored onshore Paleozoic basin comparable to multi-billion barrel Paleozoic basins found worldwide

Quality Portfolio – Buru's portfolio now covers the most prospective areas of the Canning Basin following a rationalisation of Government and JV commitments, ensuring Buru's exploration efforts are focused on these core areas of highest prospectivity

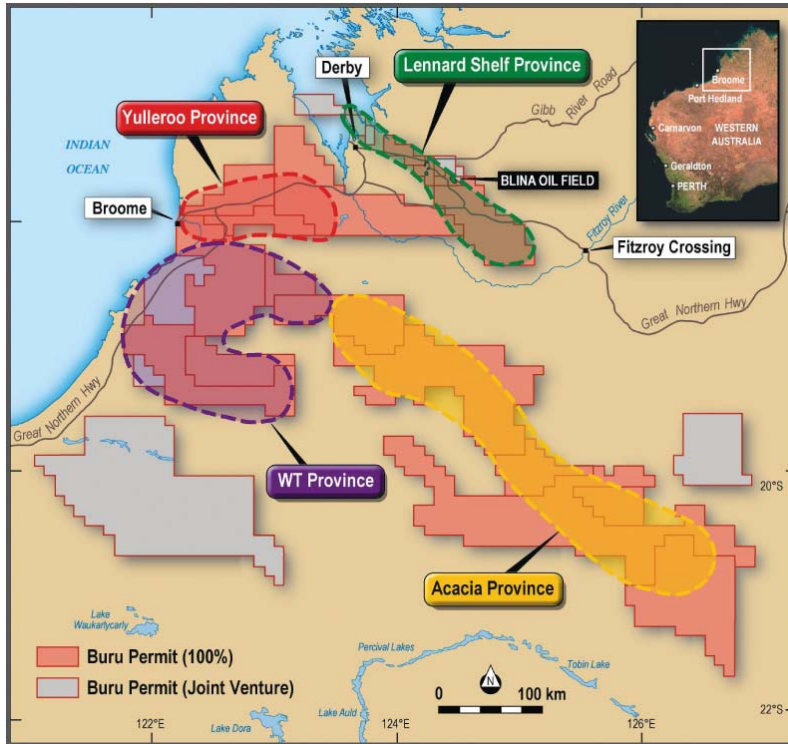
High Equities – Buru holds a 100% interest in the majority of its permits giving tremendous leverage to exploration success

Operator - Buru operates most of its permits allowing it to tailor the timing, sequence and cost of its exploration program to best suit its needs

Efficiency – Buru focuses its efforts solely in the Canning Basin, giving it targeted technical expertise and the ability to efficiently develop its assets across multiple play types without distraction



High Impact Prospects



Buru's Canning Basin acreage showing location of key geological provinces

Systematic and aggressive exploration program commencing in 2010 based on fresh technical analysis of existing 2D together with new 2D and 3D seismic acquired in late 2009

A variety of exciting play types in several distinct geological provinces have been identified

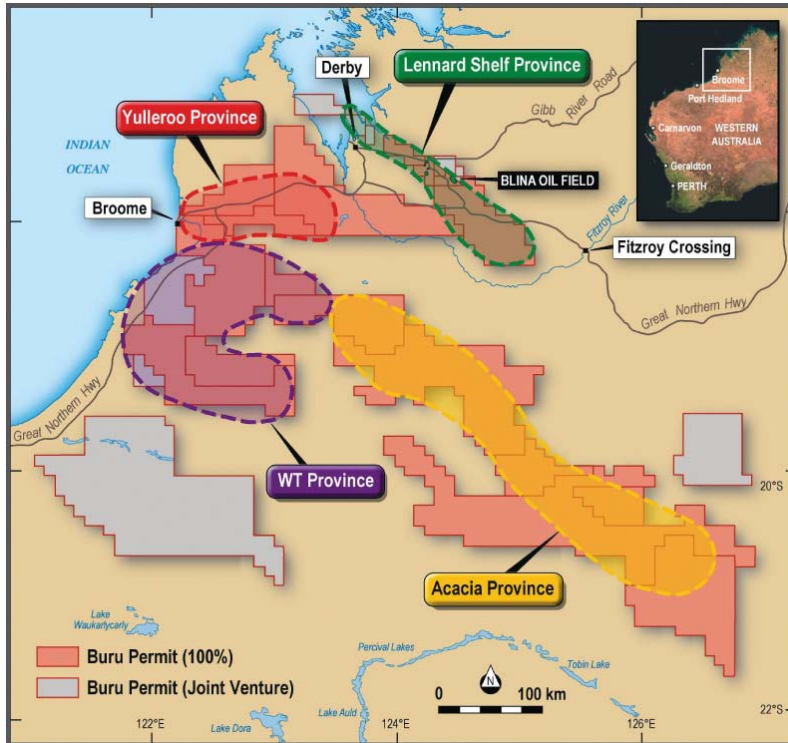
Lennard Shelf

- Currently in production from existing Sundown-Blina oilfields
- New 3D seismic acquired identifying low risk oil prospects (100% interest)
- Flank plays with very large upside including the significant Paradise prospect (100% interest)
- Untested reservoir at the Stokes Bay-1 well

Yulleroo Gas Province

- Existing untested gas discoveries, very large potential volumes of both conventional and tight/shale gas
- Potential for farm-out to major gas suppliers and WA gas users

High Impact Prospects



Buru's Canning Basin acreage showing location of key geological provinces

Willara/Thangoo (WT) Province

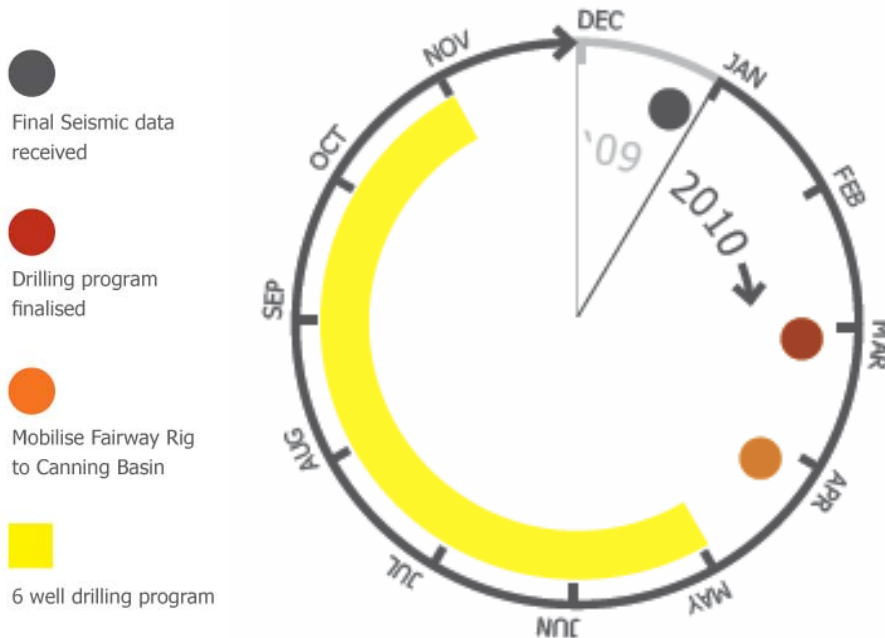
- High potential oil and gas play
- Gas interpreted to have high liquids content
- Untested shows in old wells
- Targets are shallow and relatively cheap to drill
- Close to all-weather roads allowing quick and cost effective commercialisation

Acacia Province

- High potential oil and gas play with regional potential and appeal
- Prospective area approximately 450 kilometres long
- Farm-out candidate with appeal to major companies

All prospects proposed for drilling in each province have extensive follow up potential

High Impact Drilling Program



Drilling program planned to commence in May 2010 using the Fairway Rig

- Fairway Rig is owned by Buru
- Fairway Rig currently being fully refurbished in preparation for the 2010 drilling campaign
- Fairway Rig has depth capacity of ~2,500m, sufficient to drill all wells planned for the 2010 drilling campaign
- Experienced personnel with long history of operating the Fairway Rig are under contract for the drilling program
- Ownership and control of the Fairway Rig is expected to reduce drilling costs and increase the reliability and safety of operations
- Access to the Fairway Rig as and when needed provides a major commercial and operational advantage by allowing Buru to determine the timing and location of its drilling program

High Impact of Exploration Success



Mobile Early Production System

Buru has a clear path to commercialisation through careful and rigorous pre-commercialisation work

Oil

- Existing infrastructure provides the basis for future ‘bootstrap’ development
- Existing infrastructure is used to bring new discoveries on stream which then pay for future developments, an approach successfully applied by Buru’s management in the Perth Basin
- For locations not in proximity to existing infrastructure the proven mobile early production system (MEPS) can be deployed quickly providing very rapid access to cashflow from production

High Impact of Exploration Success



Gas Recycle Plant

Gas

Stepwise commercialisation process:

- **Small discovery** (~30BCF) developed through gas recycle system to access high value associated liquids
- **Moderate discovery** (+100BCF) developed through small scale modular LNG under memorandum of understanding with Energy World Corporation (ASX:EWC)
- **Large discovery** (+250BCF) developed through full commercialisation via construction of the Great Northern Pipeline (currently receiving regulatory approvals) for delivery of gas to Alcoa under long term contract for up to 500PJ (~470BCF)

Corporate

Fairway
Drilling Rig



Bunda 3D Seismic Survey
September 2009



Funding

- Approximately \$47 million of cash on hand available for exploration
- Fully funded for systematic onshore exploration program at high equities
- Existing production of approximately 100 barrels a day provides material offset to ongoing administration costs
- Government and JV commitments aligned to financial capacity
- Onshore operations are relatively low cost:
 - drilling program estimated to cost \$3 - \$5 million per well
 - seismic data acquisition estimated to cost \$3 - \$4 million per year
- Current budget for 2010 exploration program approximately \$20 million
- Targeted and systematic farmouts of acreage/commitments underway to maximise Buru's ability to explore the Canning Basin without the need to raise further funds

Corporate



Drilling operations on the Fairway Rig

Directors and Management

- Directors, management and key staff aligned with the business
- Highly experienced and passionate about the Canning Basin
- Chairman and Executive Director are significant shareholders
- Senior staff are shareholders and have incentives directly tied to exploration success

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