

Corporate Update



Oil Capital Conference
8 September 2015



Eric Streitberg, Executive Chairman

www.buruenergy.com

Summary

Who are we

What do we do

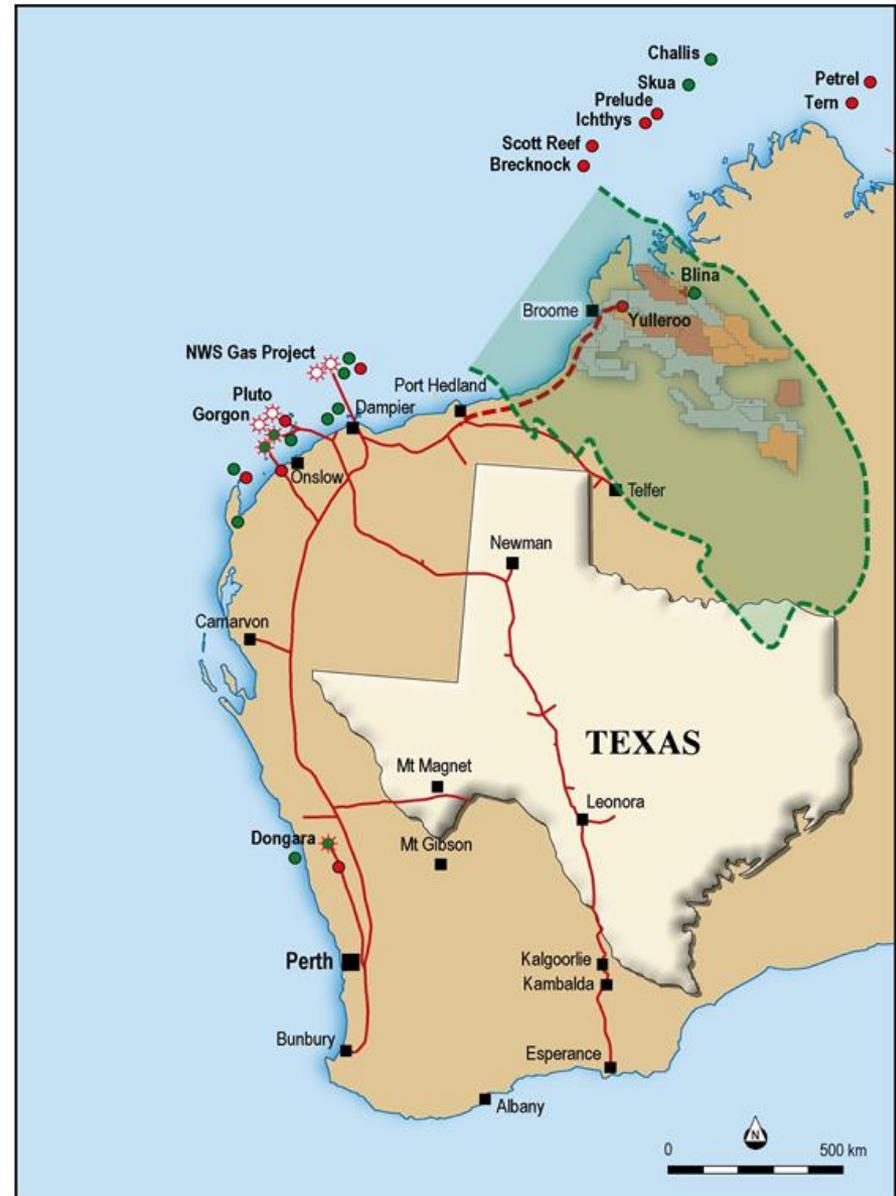
2015 Program

Value Drivers



Buru Energy at a glance

- ASX listed - S&P/ASX All Ords
- Market capitalisation ~A\$115M
- Strong balance sheet +A\$40M cash
- Experienced management and Board with “skin in the game” and supportive cornerstone shareholders
- Sole focus on the Canning Superbasin in northwest Western Australia
- Whole of basin strategic acreage position of net ~45,000 square kms / 11 million acres
- High equities of ~50% in all core permits
- Major international partner - Mitsubishi Corporation
- Operator of all core permits with ~50 staff in Perth/ Broome/ Kimberley
- Significant conventional oil discovery at Ungani, with encouragement from first follow-up wildcat exploration well and significant upside potential from exploration trend
- Multi TCF tight gas resource defined with high liquids content – fracc program this year
- Extensive exploration and appraisal drilling program underway

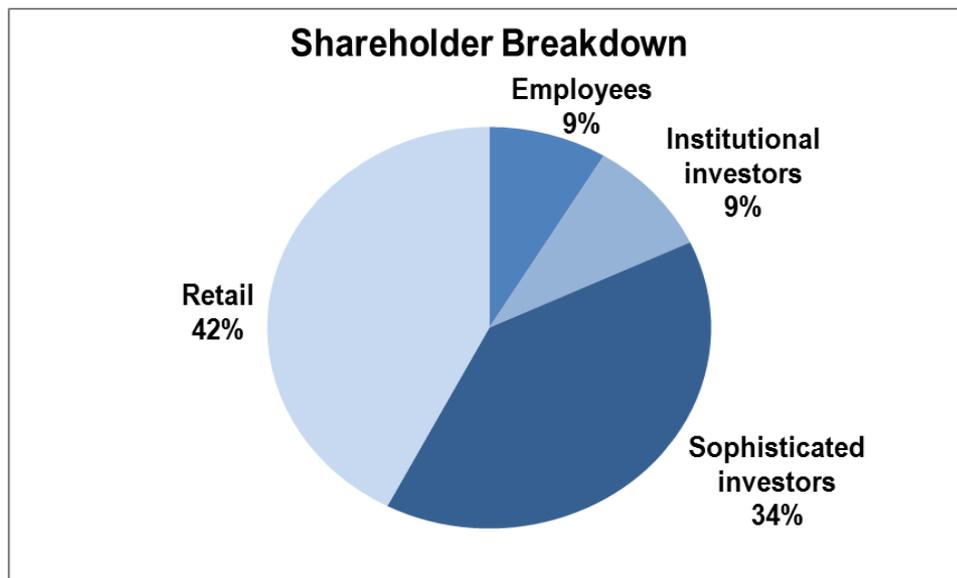
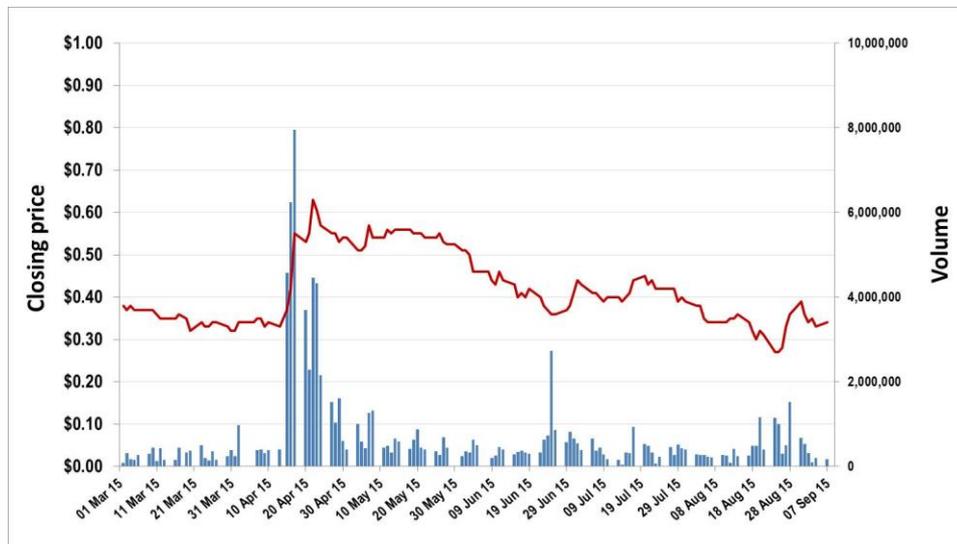


Corporate Overview

Company	
Formed	2008
Ticker	ASX:BRU
Index	S&P/ASX All Ords
Shares on issue	~340 million
Share price	~\$0.34
Market Cap	~\$115 million
Cash on hand	~\$41.9 million (at 30 June)
Net Acreage	45,620 sq km 11.2 million acres
Key Partners	Mitsubishi, Quadrant

Board	
Eric Streitberg	Executive Chairman
Eve Howell	Non Executive Director
Robert Willes	Non Executive Director

6 month share price



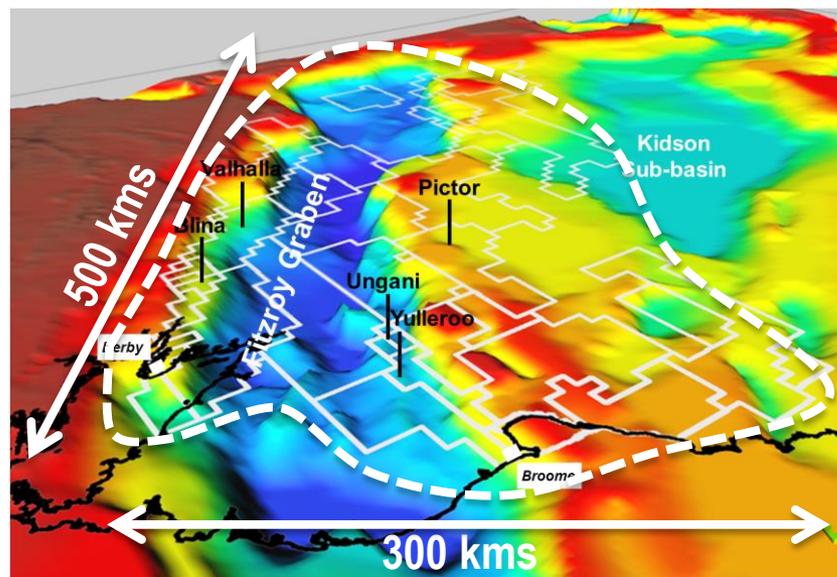
Canning Superbasin - Underexplored and Highly Prospective

Huge underexplored Palaeozoic aged Superbasin with three major petroleum systems

(a Superbasin is a composite basin made up of a number of smaller basins)

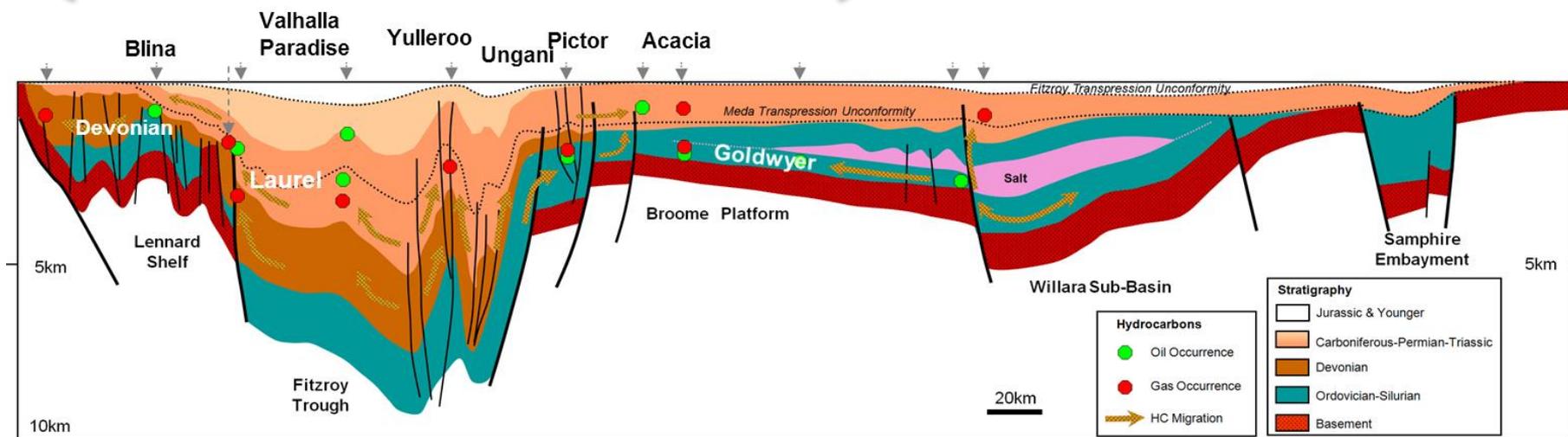
Petroleum Systems

- **Ordovician - Silurian:** Thick, high quality source rocks and regional salt development – conventional Acacia sandstone play and major Goldwyer shale oil and gas play
- **Devonian:** Widespread source rocks with basin flanking reefal development. Existing oil production from the first discovery in the basin (Blina) drilled by a North American consortium in 1981, plus major shale potential (Gogo)
- **Carboniferous-Permian:** Active petroleum system. Clastics host major tight gas accumulations, carbonates (dolomites) host oil at Ungani and the Blina area



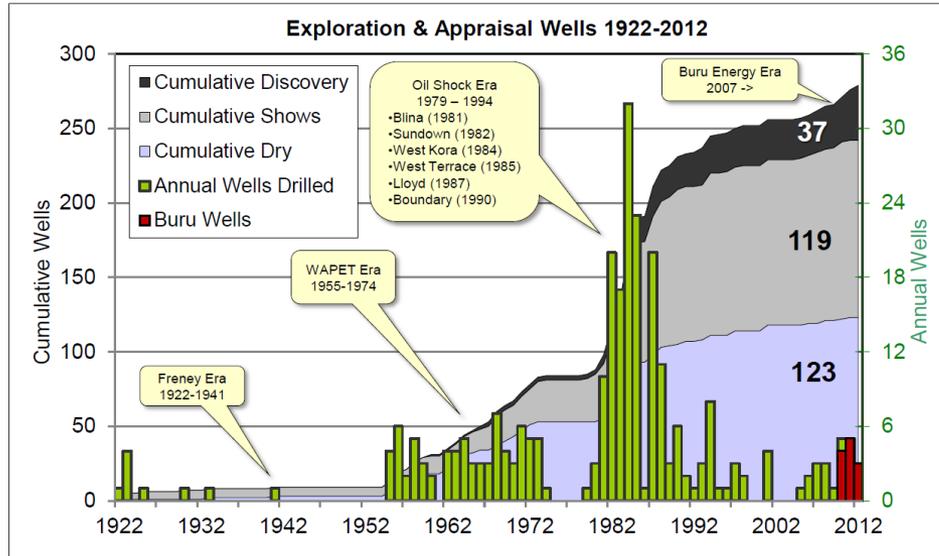
Basement depth perspective of Canning Superbasin

Buru area of interest



Generalised geological cross section of Canning Superbasin

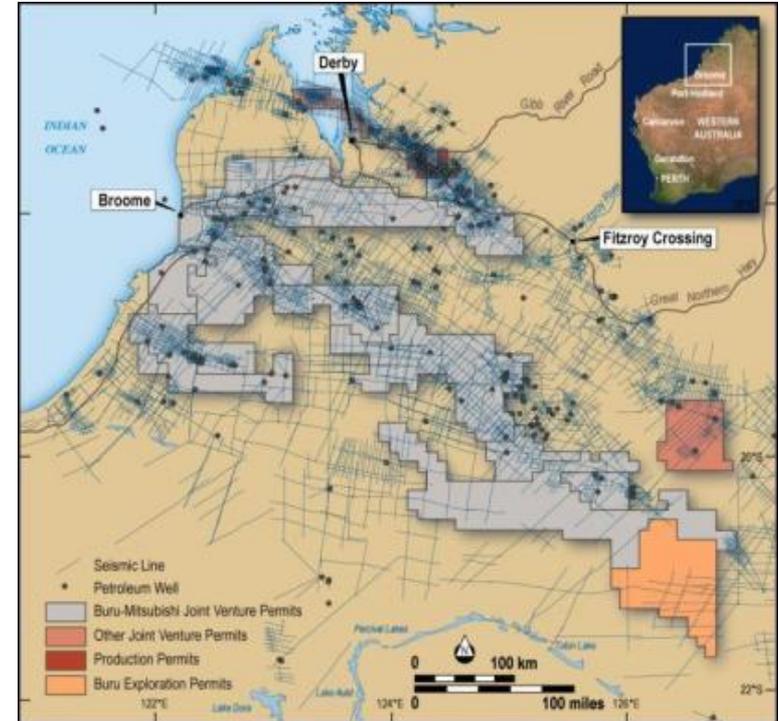
Canning Superbasin Exploration History



Canning Superbasin drilling history

- ~250 wells drilled and 78,000 kms of seismic acquired
- Well density per 10,000 sq km (2.5 million acres)

Canning	4 wells
US Palaeozoic basins	500 wells
- Canning Superbasin drilling density represents one well per 500,000 acres
- Many historic gas and oil recoveries
- Historic gas discoveries not followed up due to infrastructure limitations and then prevailing low gas prices
- Recent major frontier oil discovery (Ungani) has defined new play type with regional exploration implications



Canning Superbasin seismic and well density

- Buru has undertaken an aggressive and technically driven exploration program using internal digital data set with high success rates
- Buru is the most active operator in the basin

Corporate History

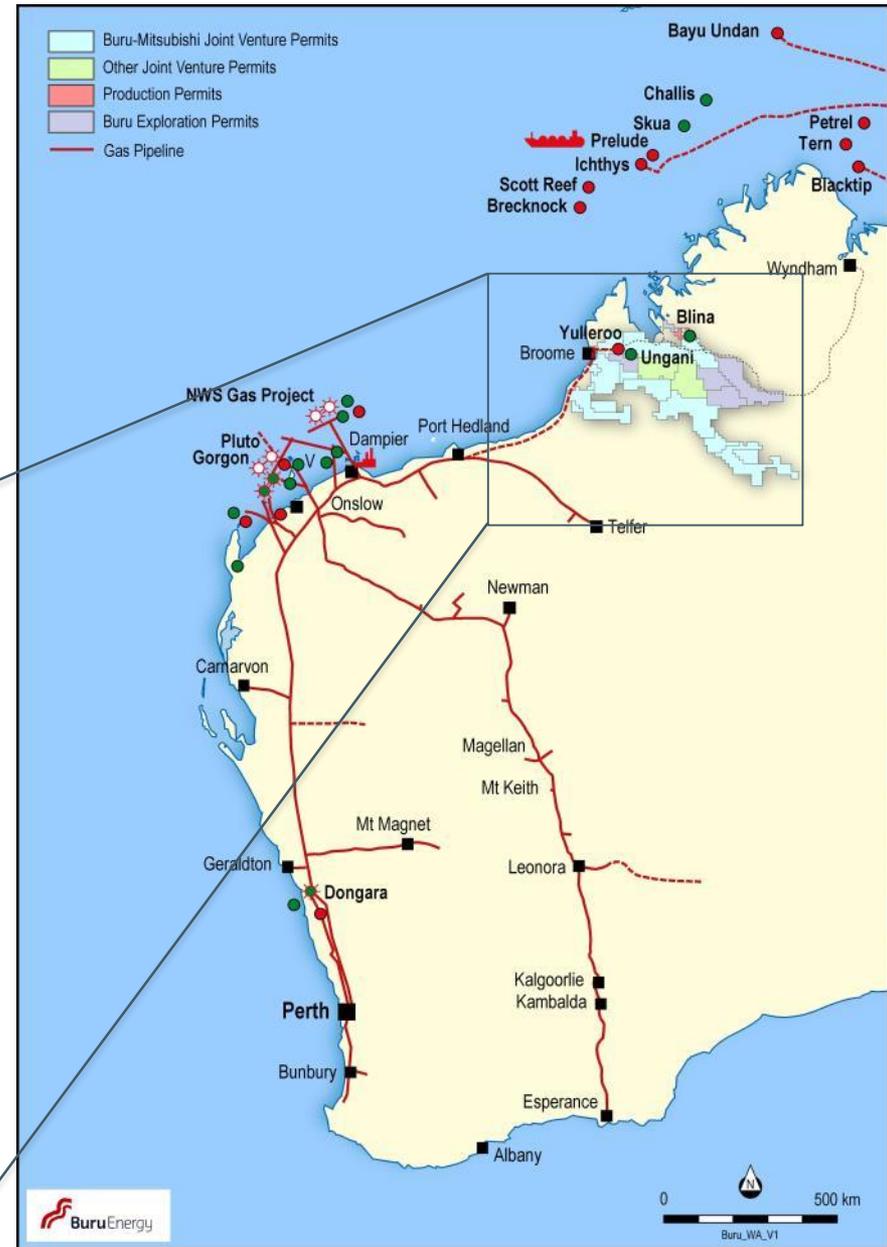
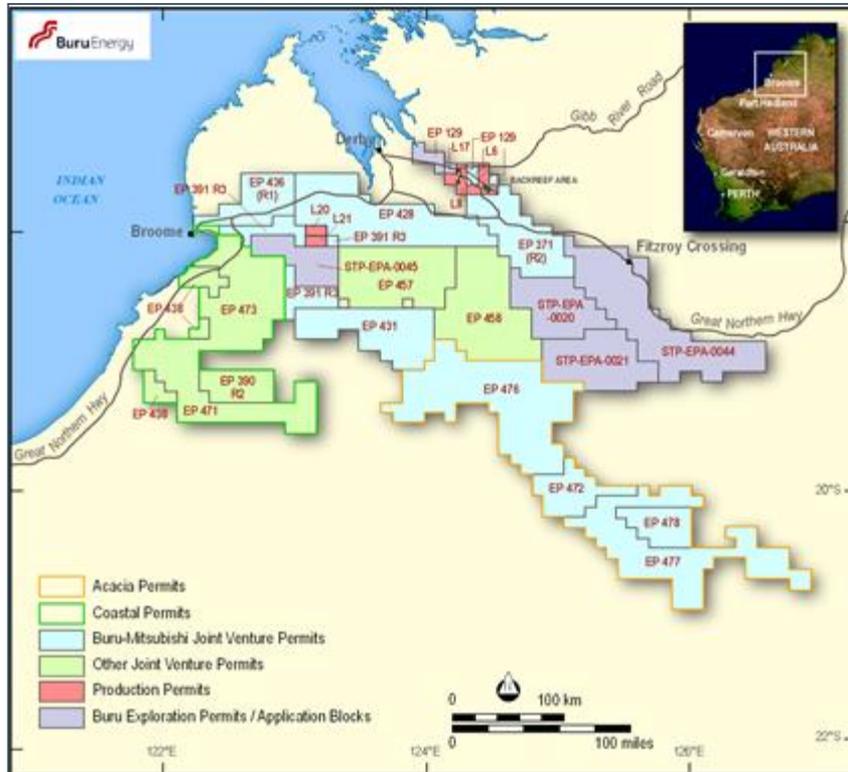
2007 - Unique basin wide position established
(one off opportunity)

2010 - Farmed out to Mitsubishi (~\$150mm deal)

2010-2013 - Identified and quantified potential world class tight gas opportunity

2011/2012 - Discovered, appraised and started production from Ungani Oilfield, first significant discovery in the basin for 30 years

2015 - Ungani developed and brought into commercial production. Major exploration and appraisal program currently underway



2015 Focus

Unique window of opportunity for Buru Energy

- Focus on core areas that have the highest prospectivity and lowest risk
- Well funded, unique low cost operating window
- Extensive prospect portfolio built up over the last two years

Value delivery

- Current climate ideal for getting the business back to basics
- Step by step approach through concluding agreements and renegotiations
- Value and costs focused management team

Costs reductions provide window of opportunity

Drilling costs more than halved - a revolution in technology and process

- Reductions made possible by stepping away from “old” oilfield technology
- Cost reductions and efficiency from US unconventional and Australian CSG drilling practices
- Contractor confidence, skills and experience transfers performance risk to the contractor where it belongs and can be properly managed
- Two rigs contracted Atlas Rig 2 and DDH1 Rig 31

Support services also rationalised

- Technological revolution to keep up with cost pressures
- Downsizing of equipment to onshore fit for purpose by independent contractors



DDH Rig 31



Atlas Rig 2

Ungani Oilfield

Commercial production commenced – cash flow being generated

Excellent reservoir performance - confirmed by Extended Production Test and current initial flows

Production during EPT ~470,000 bbls gross (Buru 50%)

Commercial startup process completed

- Traditional owner agreements: completed for Production Licences
- Production Licences: granted
- Consent to Operate: FMP, safety case, environmental plans etc, approved
- Start date: 16 July 2015
- Funding Agreement Completed: with Mitsubishi for capital development costs

Production targets

- Initial startup at 1,250 bopd - next target 2,500 then 3,000 bopd

Resources

Buru's internal resource estimates

- Buru's view of the Contingent Resources of the Ungani Field are as follows, in millions of barrels - Buru's share is 50% of the following estimates

Ungani Oilfield Original Contingent Recoverable Resources (100%WI, MMstb)		
1C	2C	3C
3.9	6.1	9.4

Note: The full contingent resource statement in accordance with ASX listing rules was set out in Buru ASX release of 28 April 2015 "Operations Update and AGM presentation"



Oil: Conventional Prospects

Extensive high prospectivity portfolio

Ungani Trend

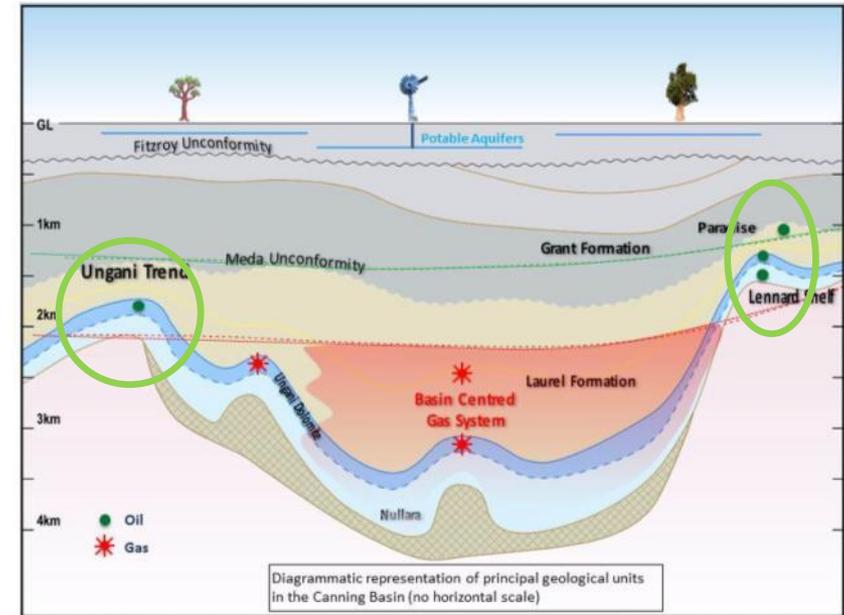
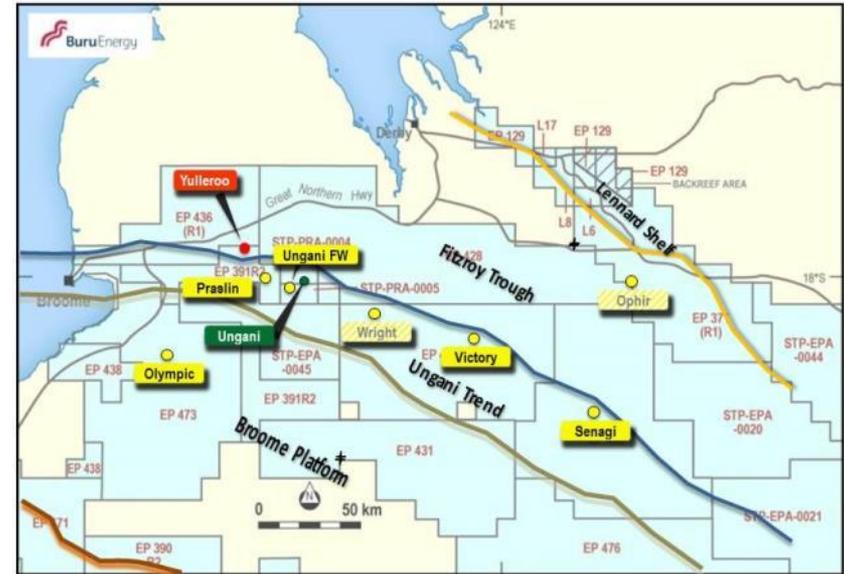
- Conventional vuggy dolomite reservoir discovered in 2011
- Structures are readily imaged by geophysics
- Trend covers over +120 kms by 40 kms (+1 million acres)
- First exploration drilling underway since Ungani North oil discovery in 2012 with initial success at Praslin 1

2015 program

- Detailed mapping of the whole trend has identified an extensive prospect portfolio
- Recent Jackaroo 3D has identified numerous prospects, relatively small but low risk. 2015 drilling program testing first one of these - Praslin 1
- First well - Praslin 1 located in Jackaroo 3D - interpreted oil column intersected
- Other wells will test the regional extent of the play
- Following wells: Victory 1, Senagi 1, Ungani appraisal

Other Conventional Oil Plays to be confirmed

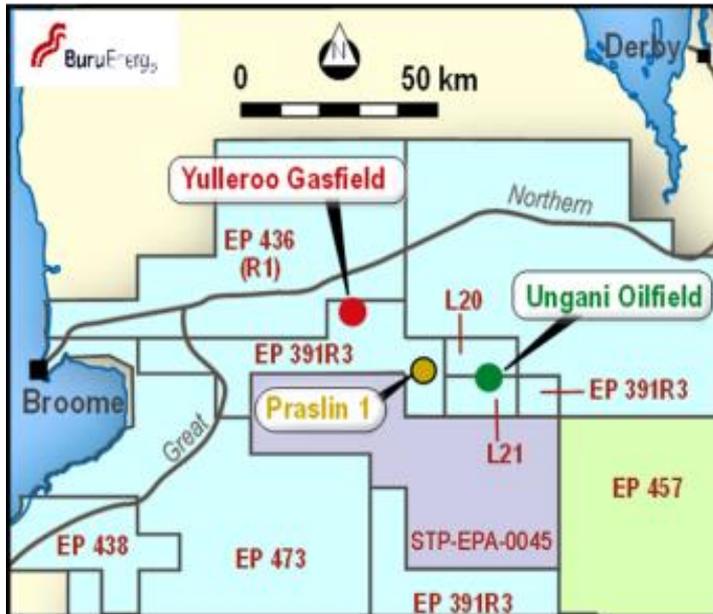
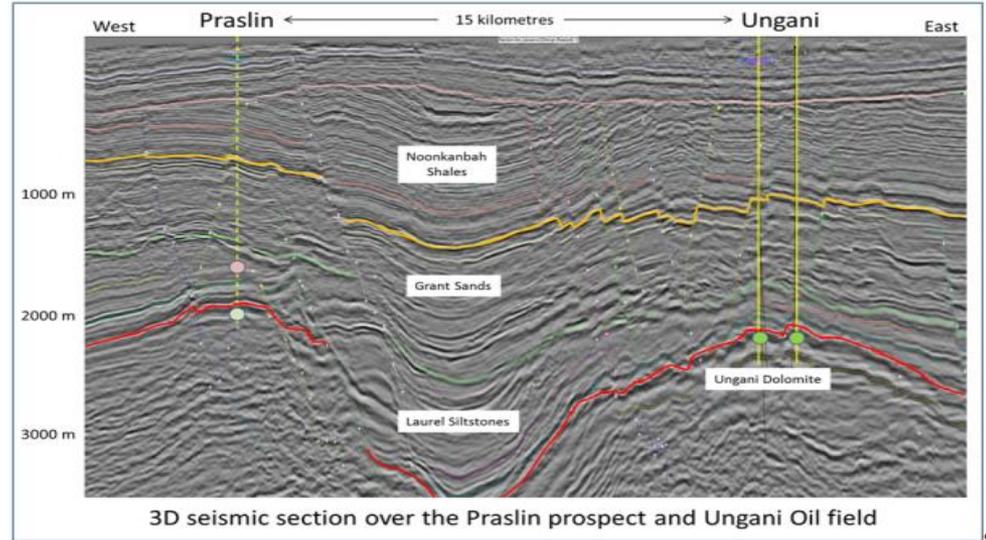
- **Paradise area** - Ophir 1 - updip test of Paradise oil discovery planned, many additional prospects in that area
- **Buru 100%** - Blina area reef test



Oil Exploration: Praslin 1 results

Praslin 1

- Conventional vuggy dolomite reservoir intersected
- Interpreted 23 meter hydrocarbon column at top of the section
- Well plugged back from TD of 2,512 to interpreted base of hydrocarbons in the well
- Requires testing to quantify reservoir fluid content and productivity
- Currently preparing for pump test as soon as equipment is mobilised
- Excellent confirmation of Ungani petroleum system



Laurel Tight Gas regional resource

Resource

- +100 TCF in the BCGS and +1Bn bbls oil (gross) - with 47 TCF gas net to Buru (**independent estimates of prospective resources)

Tight Gas Pilot Exploration (Fracc) Program

Regulatory Approvals

- WA Environment Minister upheld EPA decision that:
Buru's "small scale, limited duration 'proof of concept' exploration proposal is unlikely to have a significant effect on the environment"
- DMP approvals subsequently received for Environment Plan, Operational Plan and Safety Plan

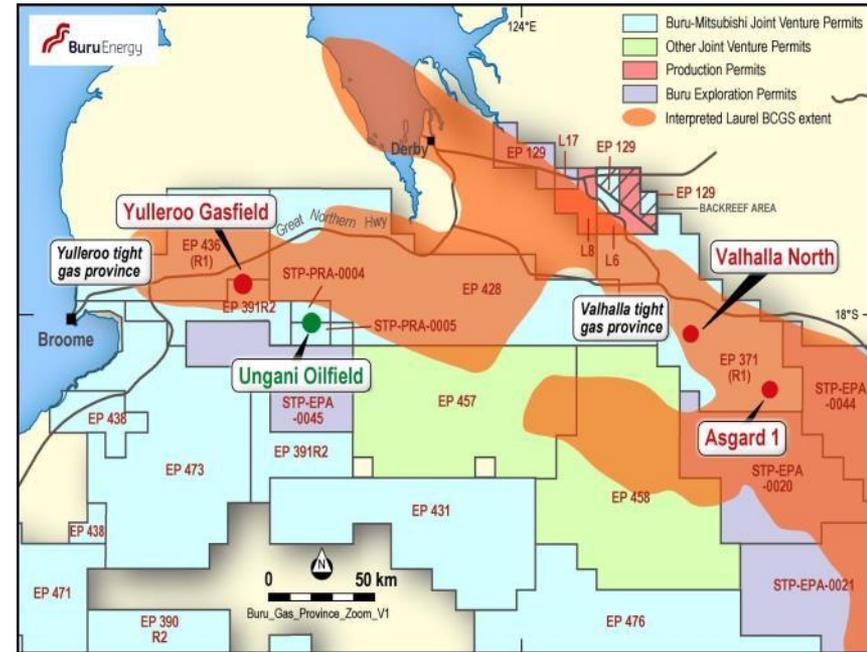
Traditional Owners

Traditional owner groups independent scientific advice supported the EPA conclusions

- Agreement for eastern wells program received from Noonkanbah community, preliminary work carried out in late 2014
- Yawuru community discussions ongoing
- Nyikina Mangala community independent review process completed with same results – program is low risk to the environment (TGS program is not on NM areas)

Operational

- Preliminary work completed for program
- Contracts reviewed and agreed in light of industry downturn with significant cost reductions



Product	Prospective Resources (net to Buru)		
	Low Case (MMbbl/TCF)	Best Estimate Case (MMbbl/TCF)	High Case (MMbbl/TCF)
Condensate	226	1,177	4,717
Natural Gas	12	47	150

Values have been rounded to the nearest TCF and MMbbl

** Refer to ASX Release dated 8 February 2013 (Evaluation date). Deterministic method used.

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) 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.

Exploration Program - Geophysical

Targeted Programs for 2016 Exploration

Seismic acquisition

Using technologically advanced “nodal” systems with lower environmental footprint and better data.

Costs have come down significantly due to industry downturn.

3D seismic

Systematic exploration with 3D program on Ungani Trend

- Yakka Munga 3D (200 sq kms) targeting:
 - Bickley structure - Conventional Ungani lookalike with potential gas upside
 - Yakka Munga structure – regional high with multiple targets

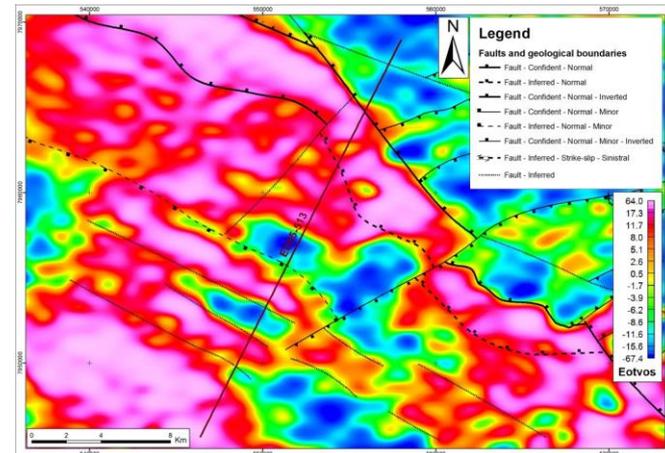
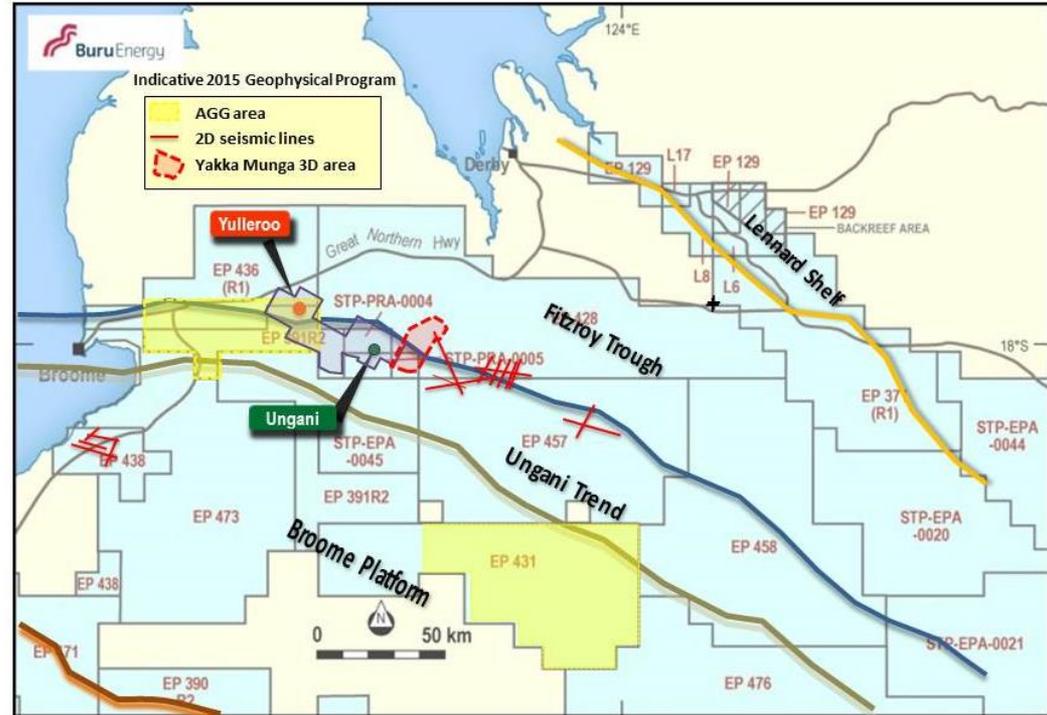
2D seismic

Prospect oriented 2D surveys targeting:

- Ungani style structures
- Conventional gas prospects

Aerogravity:

- Excellent regional exploration tool
- Previous surveys have provided detailed geological data for prospect mapping
- Extensive surveys infilling previous grids completed



Conventional Gas (2016 program)

New Geological Concepts Enhance Prospectivity

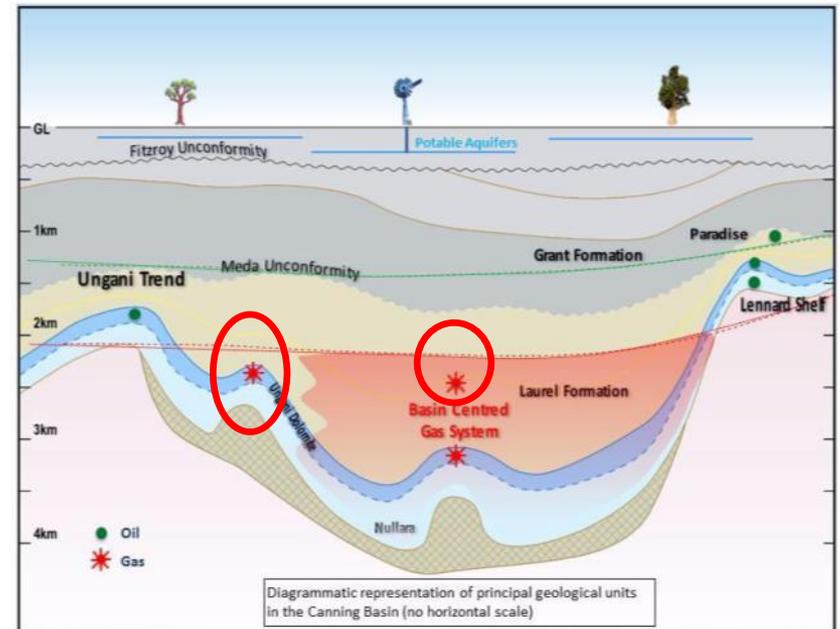
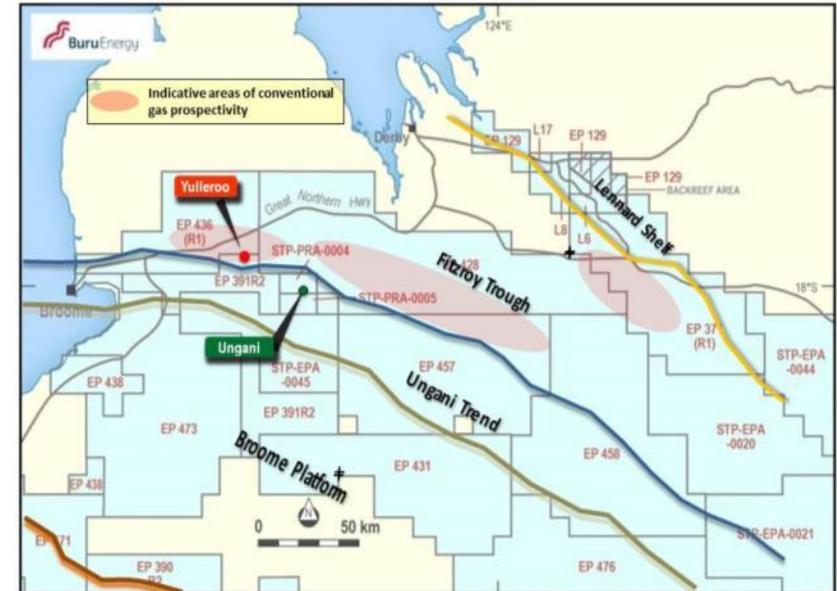
- Work over the last two years has defined much higher conventional gas potential than previously recognised
- Ungani style prospects in the gas window particularly attractive
- Possible oil as well as gas given the high oil generative capacity of the section

Upside

- Conventional gas projects cheaper and quicker to develop
- Prospects of a scale to support pipeline development or local power and petrochemical projects
- Current portfolio contains numerous prospects
- Additional upside and prospects likely to be defined by 2015 3D program over Bickley and Yakka Munga and 2D over Raphael

Evaluation program

- Requires bigger rig than in use for 2015 program
- Will need to drill several prospects to justify rig mobilisation and give higher chance of success
- Ideal farmout program



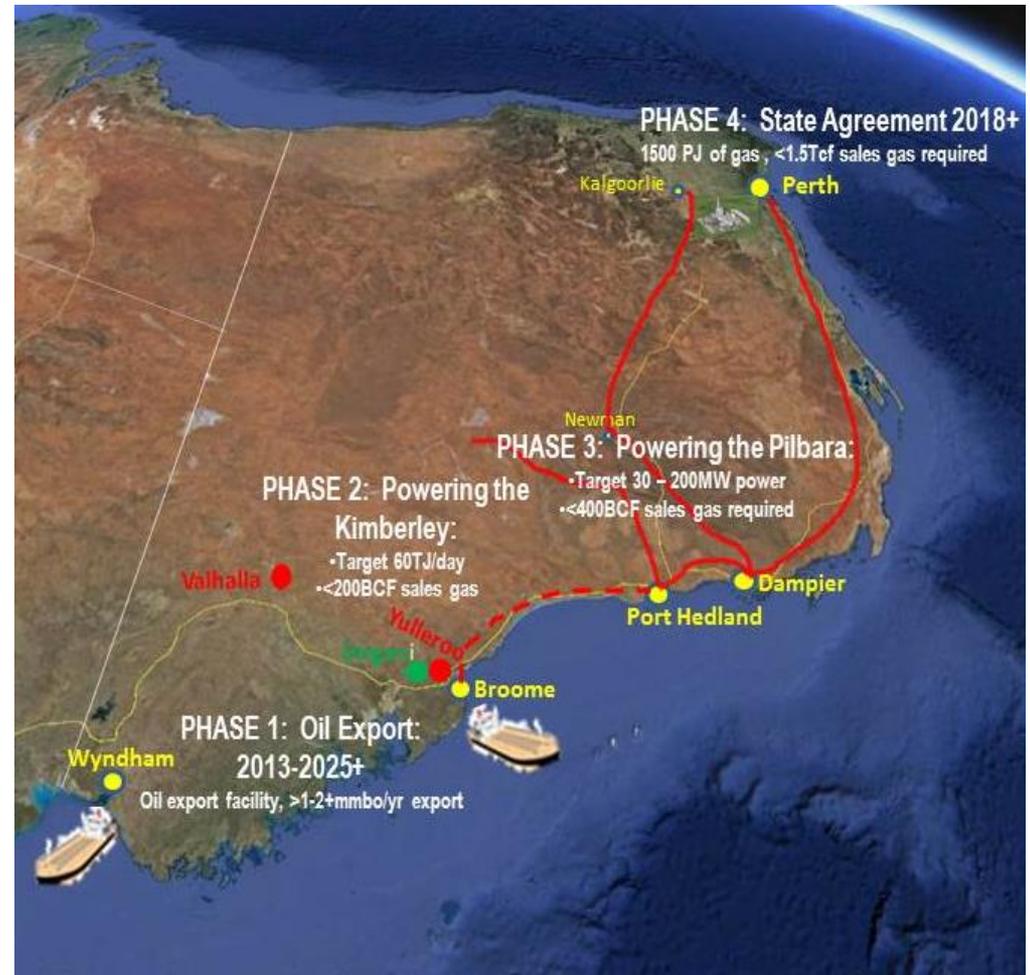
Gas Market Dynamics

Local markets

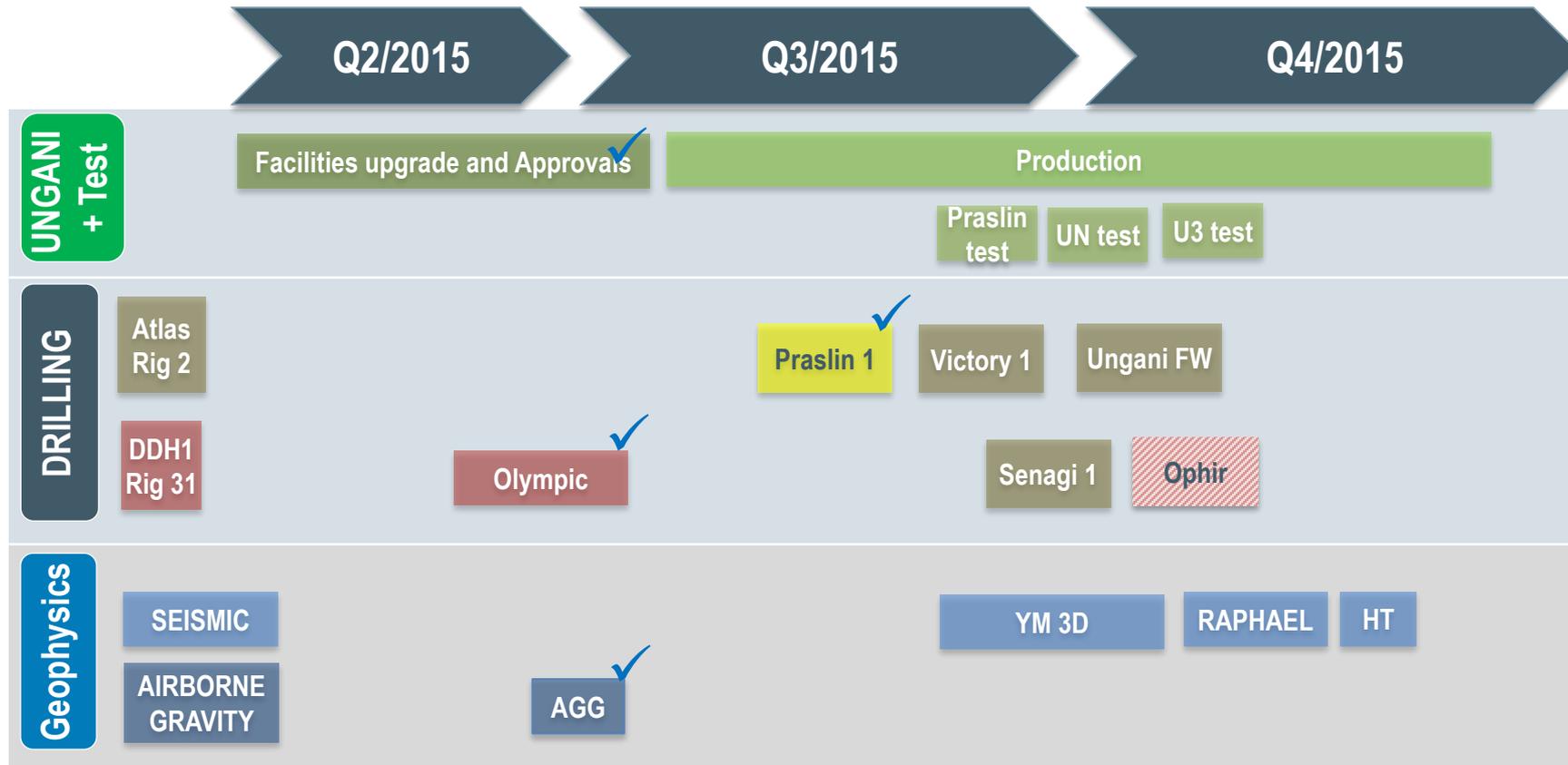
- Excellent potential for initial gas sales into the Kimberley
- Market includes power generation (15-20TJ/day), mineral processing (15-20TJ/day), small scale gas to liquids (10TJ/day) and domestic and transport (5-10 TJ/day)
- Local potential of 60 TJ/ day with total quantities of up to 200 PJ over 10 years
- Comparatively modest volumes that are possible to supply from conventional sources
- Current planning for conventional exploration program in 2016 plus review of currently identified resources for conventional potential
- World scale methanol production would require +1TCF over 20 years.

Ex Canning markets

- Analysis of SW markets suggests short term oversupply with gaps opening post 2020
- Strong demand in the Pilbara for power generation and transport
- Pipeline to Port Hedland requires approx. 400PJ of demand and reserves to support



2015 Program – Indicative Timeline



Note: Note that drilling order of the Ungani trend wells is dependent on operational requirements to optimise the program logistics and the most efficient rig utilisation

All of Buru Energy's operations and activities are subject to joint venture, regulatory and other approvals and their timing and order may also be affected by weather, availability of equipment and materials and land access arrangements, including native title arrangements. The order of drilling of these wells and the timing of acquisition of seismic is also dependent on operational matters.

Funding

Current Situation

Cash end of June quarter ~A\$41.9M, budgeting for ~A\$26M at year end

Ungani development

- Relatively low cost - main cost is wells
- Broome Export facility - off balance sheet funding
- Cash flow positive at current oil prices
- Mitsubishi Funding agreement reset (\$27.5M) with full carry through end 2016 of up to \$9M Buru share of development capital expenditure with production hurdles in future tranches

Oil exploration program

- Olympic 1 well completed, fully funded via Quadrant farm-in
- Ungani appraisal included in the MC funding for Ungani development capital
- Ungani trend oil wells funded from internal resources
- 2D seismic funded internally
- 3D seismic funded internally

Laurel Tight Gas pilot program

- Funded from Alcoa escrow agreement
- Alcoa agreement renegotiated with next repayment due in mid 2017

Forward Funding

Oil exploration

- Wider exploration via excess cash from Ungani and internal sources

Conventional Gas exploration

- Funded through farmout/internal resources

Tight Gas appraisal and development

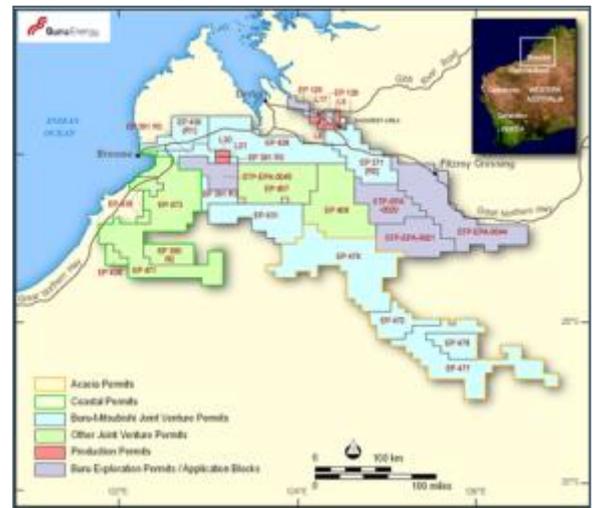
- Laurel farm-in partner planned to be introduced after flow testing



Buru Energy value drivers

- ✓ Pivotal moment for the Buru Energy oil business
- ✓ Funding in place
- ✓ Traditional Owner agreements secured
- ✓ Ungani commenced commercial production
- ✓ Costs driven down
- ✓ 5 to 7 well oil exploration program commenced May 2015
- ✓ Significantly increased conventional gas potential
- ✓ Tight gas fundamentals remain strong
- ✓ 3D and 2D seismic and AGG to develop additional prospects for 2016

A very exciting program !





The sun rises on the Canning Basin

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Competent Person's Statements

Information in this presentation related to petroleum resources of the Ungani Oilfield is based on information compiled by Dr Stuart Weston who is a consultant to Buru Energy Limited. Dr Weston has over 19 years experience in petroleum exploration and engineering, holds a Bachelor Degree in Physics, a PhD in Petroleum Engineering and is a member of SPE. Dr Weston is qualified in accordance with ASX Listing Rules and consents to the inclusion of the information in this document.

Information in this presentation related to exploration and production estimates and results is based on information compiled by Eric Streitberg who is an employee of Buru Energy Limited. Mr Streitberg is a Fellow of the Australian Institute of Mining and Metallurgy and the Australian Institute of Company Directors, and a member and Certified Petroleum Geologist of the American Association of Petroleum Geologists. He has over 40 years of relevant experience. Mr Streitberg is qualified in accordance with ASX Listing Rules and consents to the inclusion of the information in this document.