

ASX ANNOUNCEMENT (ASX: BRU) 18 October 2011

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".

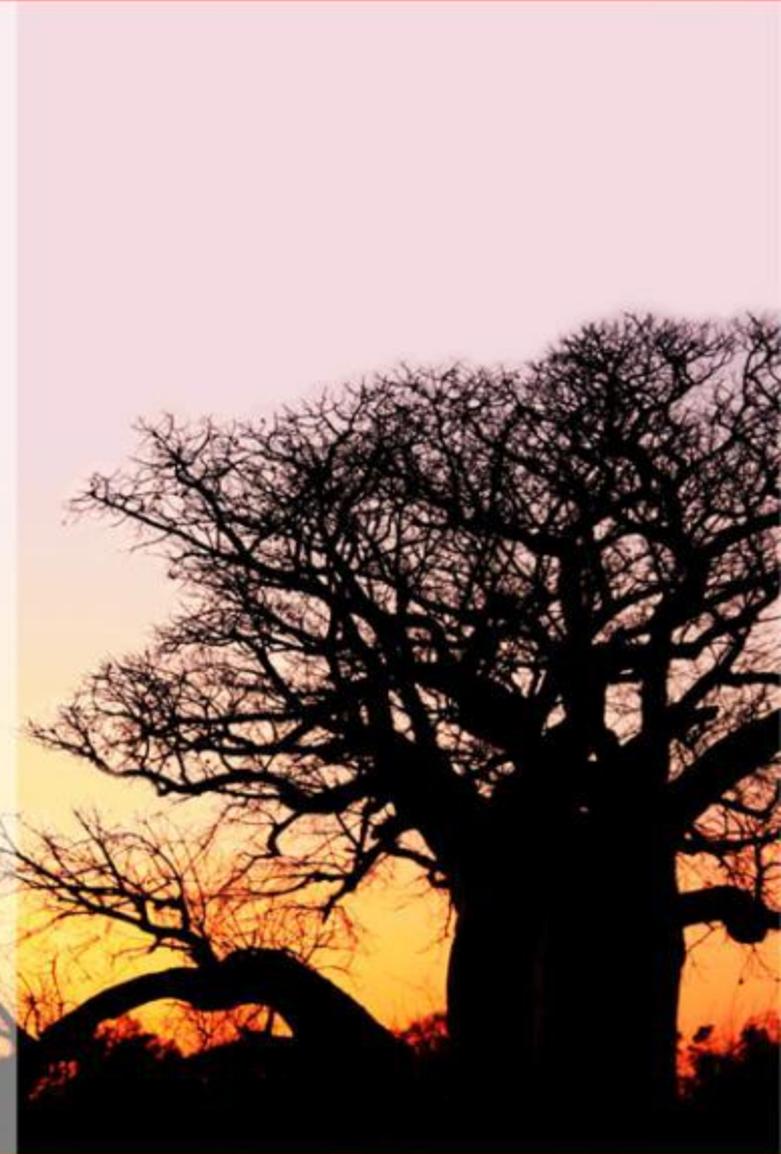
ERIC STREITBERG
Executive Director

New Australian Frontiers

18 October 2011



- **Junior ASX listed Australian oil and gas exploration company**
- **Single focus on the underexplored Canning Superbasin in northwest Western Australia with “deep” portfolio**
- **Huge conventional and unconventional resource potential with validated large gas accumulations with high liquids content and very significant oil discovery**
- **Well funded with major international partner**
- **Experienced, motivated and financially invested Board and Senior Management**
- **Other international majors are now entering the Superbasin**
- **First three wells in 6 well 2011 drilling program have identified a significant new wet gas accumulation and a potentially large oil accumulation**
- **High leverage to upside from aggressive 2011 exploration and appraisal program, tight capital base and high permit equities**



Company Background

A junior ASX listed Australian oil and gas exploration company

Our name

- Buru pronounced - Boo-Roo - means “a special place” in local Aboriginal dialect

Focused explorer

- A focused oil and gas explorer and producer operating solely in the Canning Superbasin in northwest Western Australia

Our history

- Formed from a demerger of ARC Energy and listed on the ASX in September 2008 (ASX: BRU)

Extensive acreage

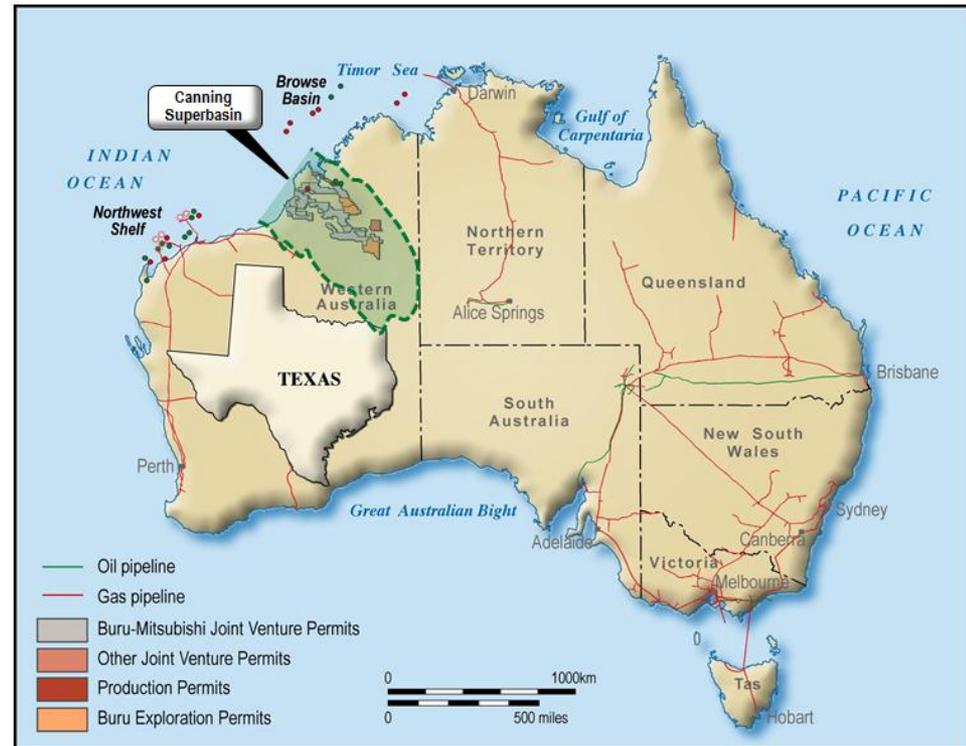
- Holds gross 83,000 sq km (gross 20.6 million acres, net 11.9 million acres) – one tenth the size of Texas – over the most prospective parts of the Superbasin
- Successful acquirer of additional high potential acreage

Experienced local operator

- Headquartered in Perth with regional operating office and field support facility, and is operator of all but one of its permits (currently 20 staff)
- Current oil production ~50 bopd, potential for major development, owns and operates its own workover rig

International Joint Venture partner

- Mitsubishi Corporation (“**MC**”) to spend up to A\$102.4 million on exploration in 2010-2012 to earn a 50% interest in the majority of Buru’s permits plus another \$50 million in development funding available



Buru's Canning Superbasin location

Buru provides material leverage for investors

Tightly held stock

- ~50% held by top 20 shareholders
- Four substantial shareholders ($\geq 5\%$ each)

High equities

- Buru holds a 50% interest in the majority of its permits with MC holding the remaining interest

Well funded

- +A\$40 million available for exploration and appraisal
- ~A\$15 million to be used to fund Buru's share of the 2011 exploration program
- MC funding at least A\$40 million of the 2011 program

Board and Management experienced and aligned

- Hold ~6% of the shares on issue
- Incentivised through options (warrants)
- Committed company founders who have done it before

Share price appreciation potential

- Initial success in the 2011 exploration campaign has already created significant shareholder value
- Remainder of 2011 exploration program offers opportunities for further significant shareholder value growth
- Further value to be created through resource to reserve conversion opportunities at Yulleroo gas field, the Valhalla discovery, the Ungani discovery and Pictor East discovery

Quick facts

Share price:	A\$0.73 (as at 14 Oct 2011)
Shares on issue:	213,963,477
Options (warrants):	24,251,000 (unlisted)
Market cap:	~A\$156 million (undiluted as at 14 Oct 2011)
Available cash:	~A\$43 million (post Sept placement)
Listing:	Australian Securities Exchange (ASX:BRU)
52 week range:	A\$0.30 - \$0.93
Average daily volume:	953,862 (3 month)



Buru's 20 month share price performance

Our Vision

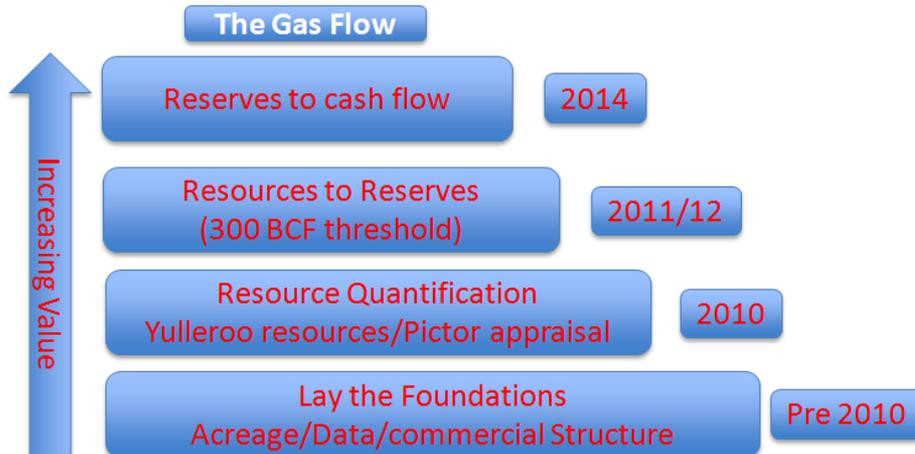
To be the biggest domestic oil and gas producer in Western Australia ("WA") with LNG as a long term goal and to supply a significant proportion of WA's oil needs in the short term

Oil

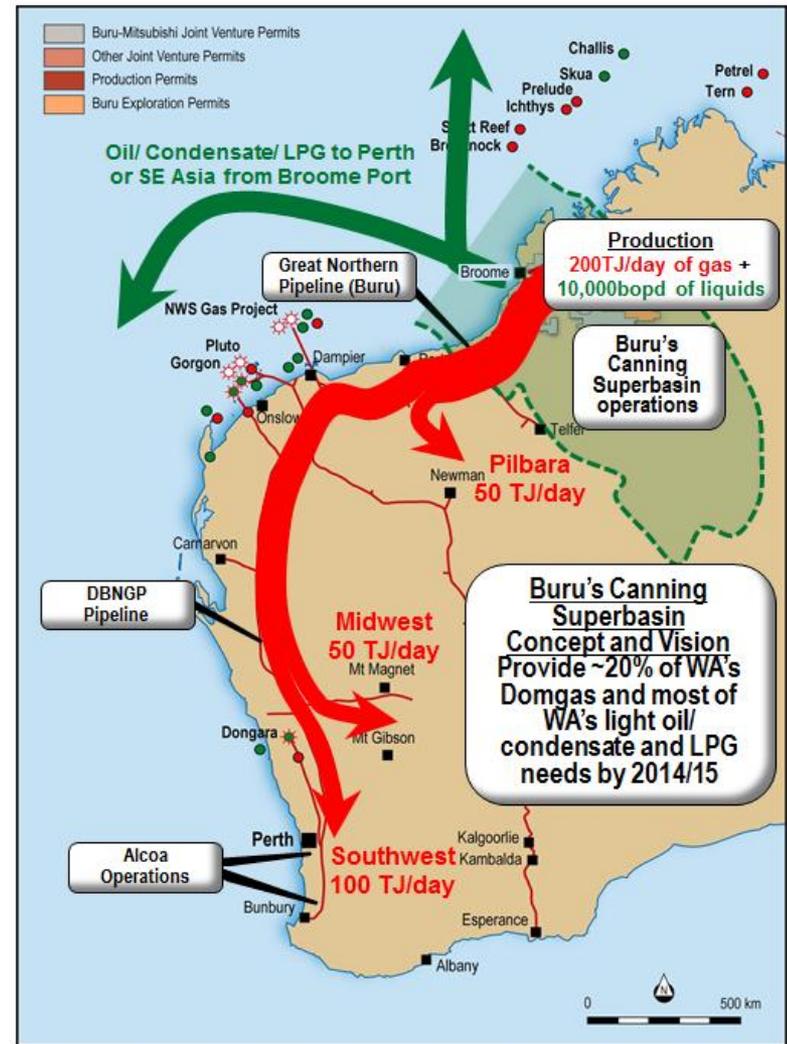
- Oil is immediately producible and profitable

Gas

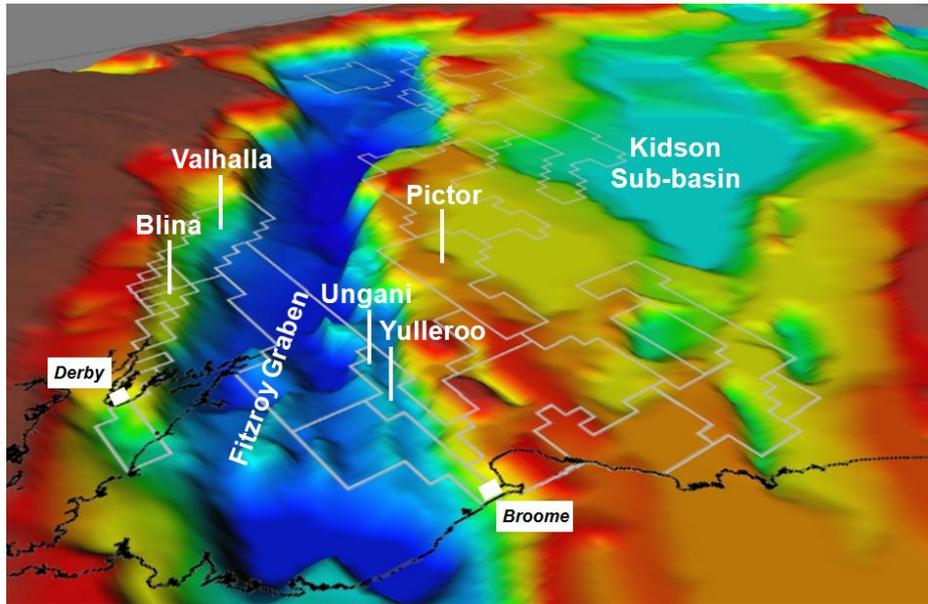
- By 2014 be supplying 20% of the domestic WA gas market and most of the light oil/condensate/LPG for WA
- This means the Canning Superbasin producing a gross 200 TJ/day of gas and 10,000 bopd of liquids into the domestic market (50% net to Buru)
- Total production over 15 years of ~1 TCF of gas and ~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 kick starts the projects



Buru's Canning Superbasin vision



Canning Superbasin Prospectivity



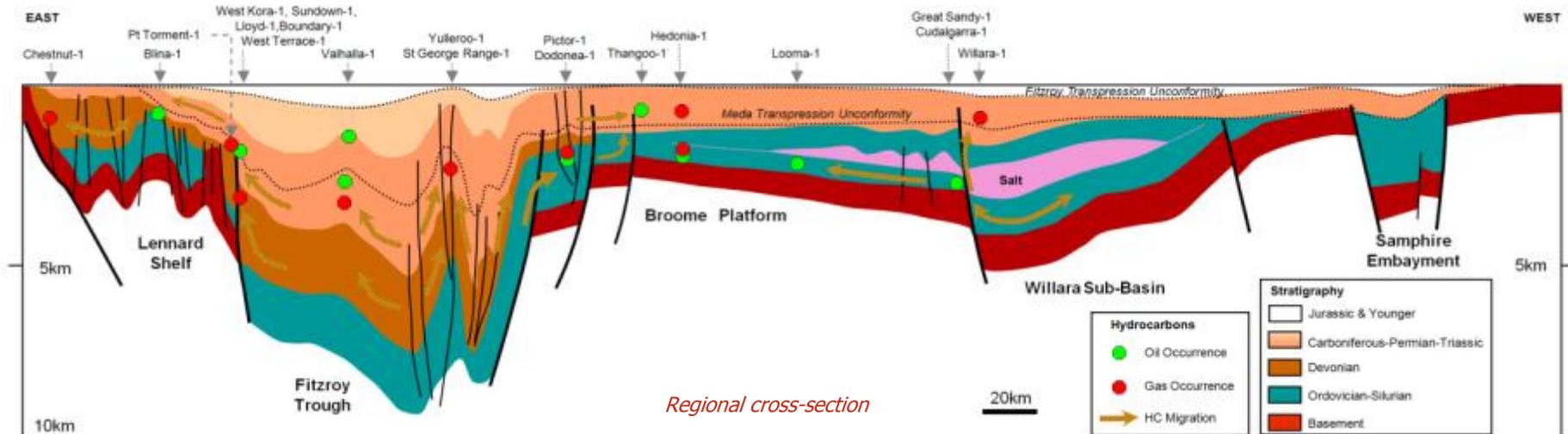
Perspective view of depth to basement

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 discovery in the basin (Blina) drilled by a North American consortium in 1981

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



Regional cross-section

Canning Superbasin Exploration Environment

Buru is an experienced operator and the largest licence holder in the Canning Superbasin

Sporadic drilling history

- Only some 170 wildcats (250 wells total) have been drilled in an area nearly 3/4 the size of Texas or Alberta
- Very little drilling since the late 1980's oil price and stockmarket crashes

Current aggressive exploration and appraisal program

- Buru has revived exploration in the Superbasin
- Buru (and previously ARC) has:
 - acquired the first and only modern digital data set (seismic and wells) for the Superbasin
 - acquired and high graded permit holdings over the main prospective areas
 - rationalised the access and commercial framework
 - introduced a major international partner (Mitsubishi Corporation)
 - commenced the first systematic exploration program since the 1980s including the first shale/tight gas reservoir stimulation

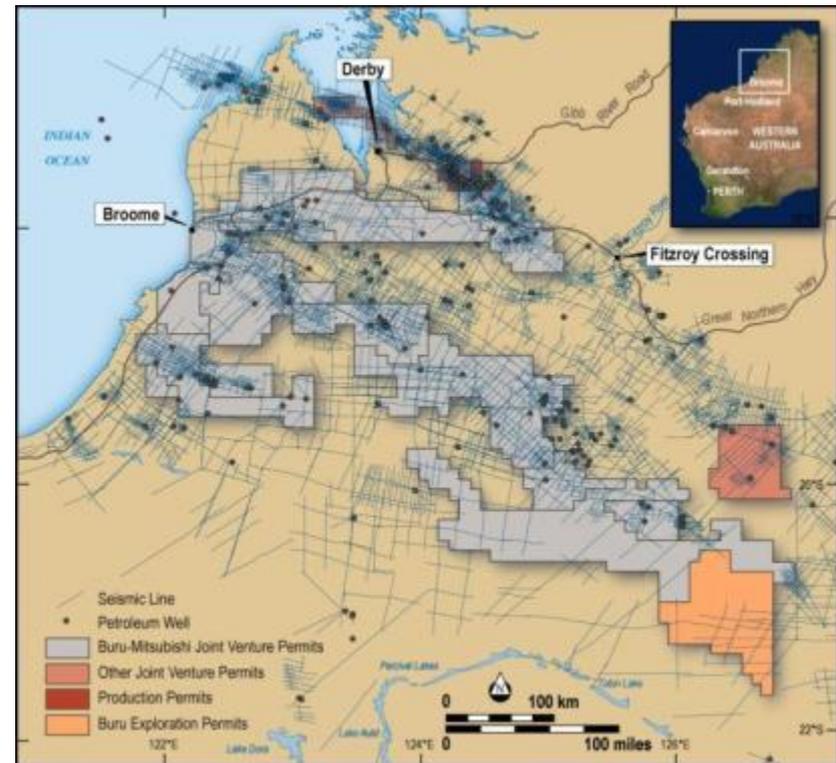
Access to rigs

- Buru has two third party rigs under contract (4,000 m and 3,200 m) and owns its own workover/shallow drilling rig (2,500 m)

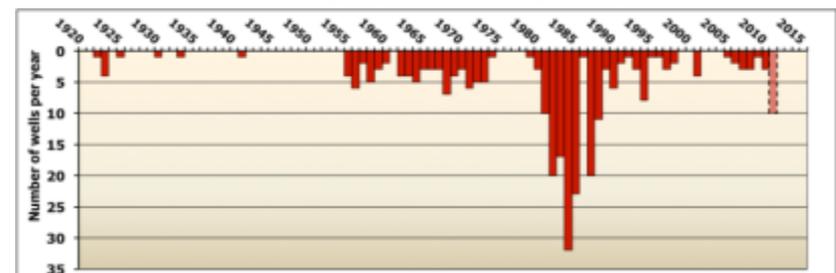
Good but limited infrastructure

- 10 land rigs operating in Australia
- 5 hydraulic stimulation spreads in Australia
- Requires careful forward operations planning

The Canning Superbasin seismic and wells



The Canning Superbasin drilling history



Enormous upside for conventional and tight and shale resource plays

Current 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* – acquiring 3D seismic this year, further appraisal wells planned for late 2011/early 2012 for 2P reserves classification in 2012

Pictor Field appraisal successful

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

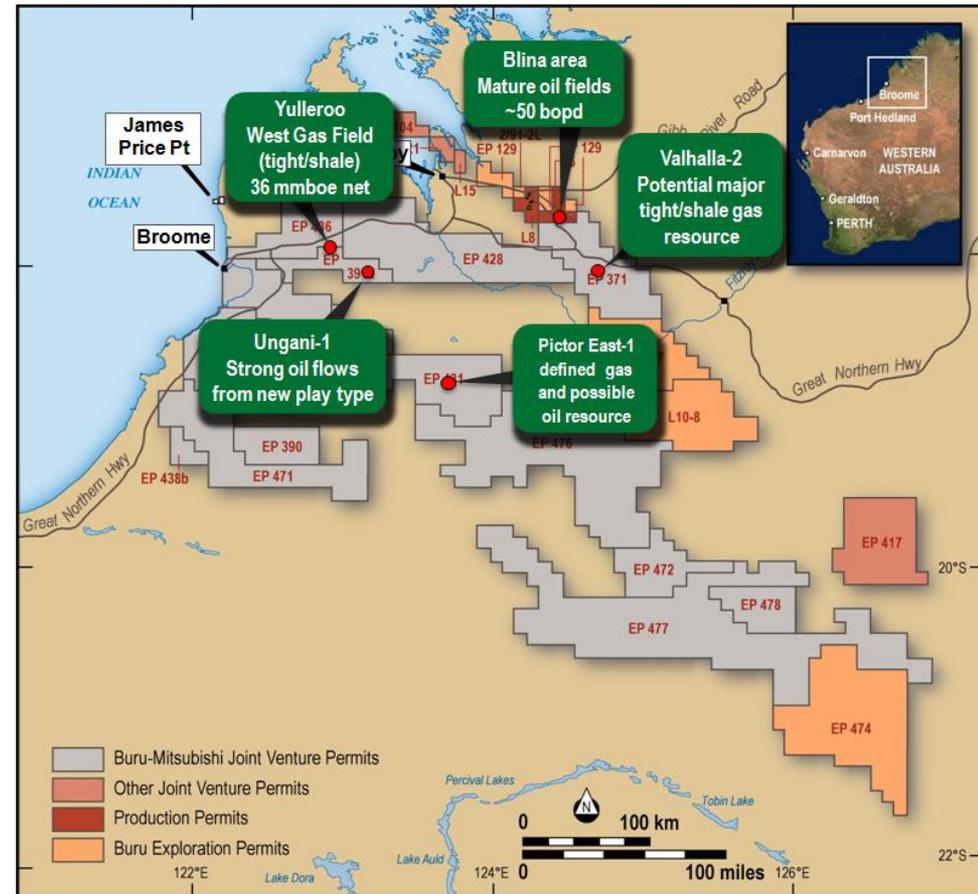
Valhalla accumulation

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

Ungani oilfield

- Strong oil flows from discovery well
- New play type with regional implications

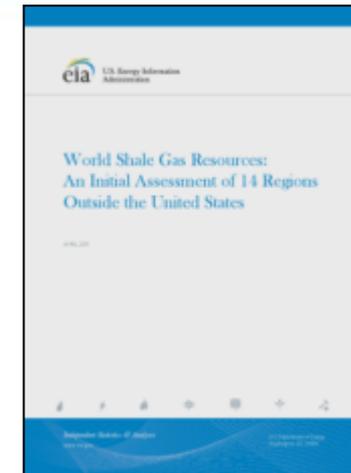
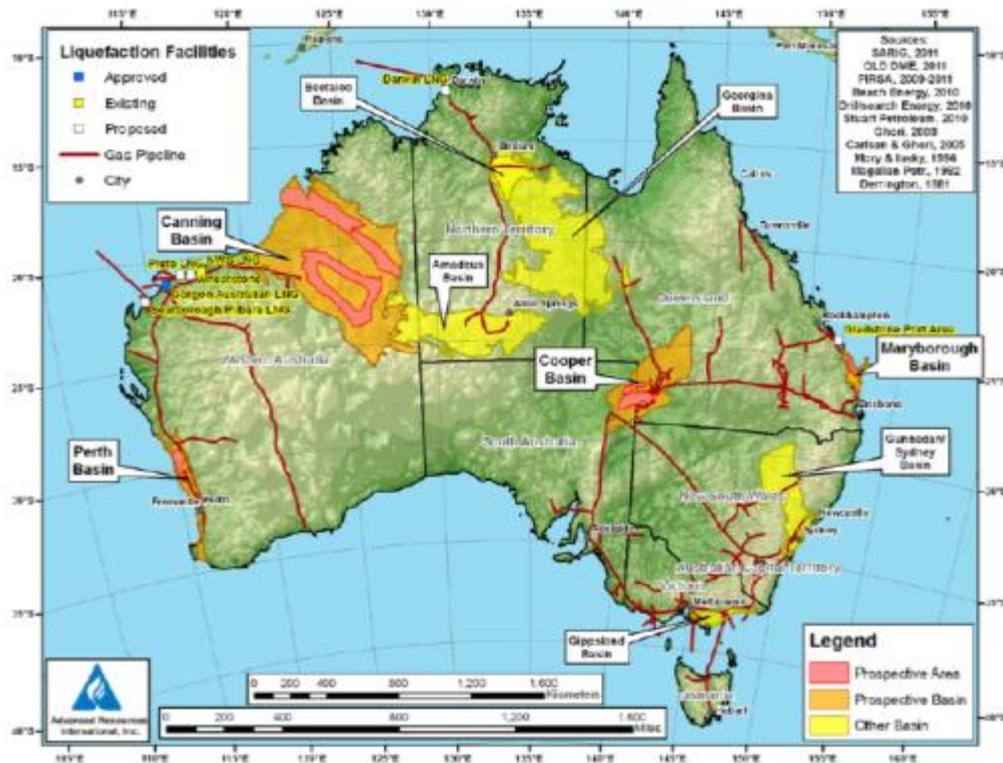
Reserves and resources location



Canning Superbasin – Tight and Shale resources

The EIA identifies the Canning Superbasin as having the largest shale gas potential in Australia

Figure XIV-1. Australia's Prospective Gas Shale Basins, Gas Pipelines, and LNG Infrastructure



The Report

- The US Energy Information Agency ("EIA") undertook a major review of global unconventional resource potential, released in April 2011. This report identifies the most prospective areas in the world for unconventional resource development
- The EIA 2011 report estimates Australia's shale gas reserves at about the same as Canada's (both about half the US)
- The EIA has identified only four Australian basins with major potential, of which the largest is the Canning Superbasin
- Buru has a commanding strategic position in the Canning Superbasin

Canning Superbasin – Tight and Shale resources

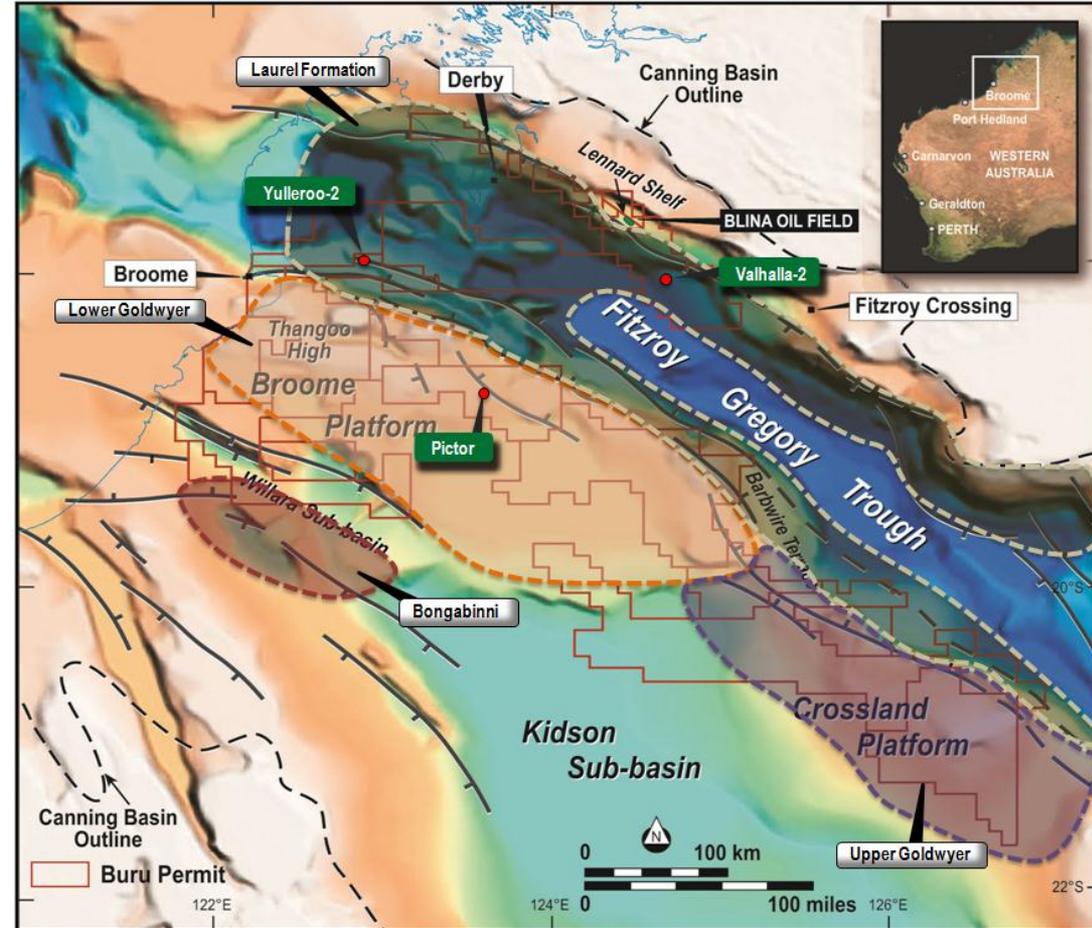
Buru and NSAI have reviewed the potential of the Superbasin and identified 4 primary unconventional plays – all liquids rich

Resources

- Combined mid range unrisks gross in-place volumes are 362 TCF of gas and 49 billion barrels of oil (“BBO”)
- Gross prospective recoverable resources are 66 TCF of gas and 4 BBO

Prospective units

- *Tight Gas Sands* – 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
- *Laurel and Lower Anderson Shales* – very thick gas mature sections over hundreds of kilometres around the margins of the Fitzroy Trough (the Yulleroo-2 stimulation and test provides proof of concept)
- *Goldwyer Shales* – oil mature shale oil play, Pictor East well proves play type, grading to gas mature
- *Devonian (Frasnian) clastics* – source for some of the oils on the northern flank of the Fitzroy Trough, thick mature shale sequences
- *Noonkanbah Shales* – thick, high TOC, restricted extent and maturity



Yulleroo, Pictor, Valhalla, exploration prospects

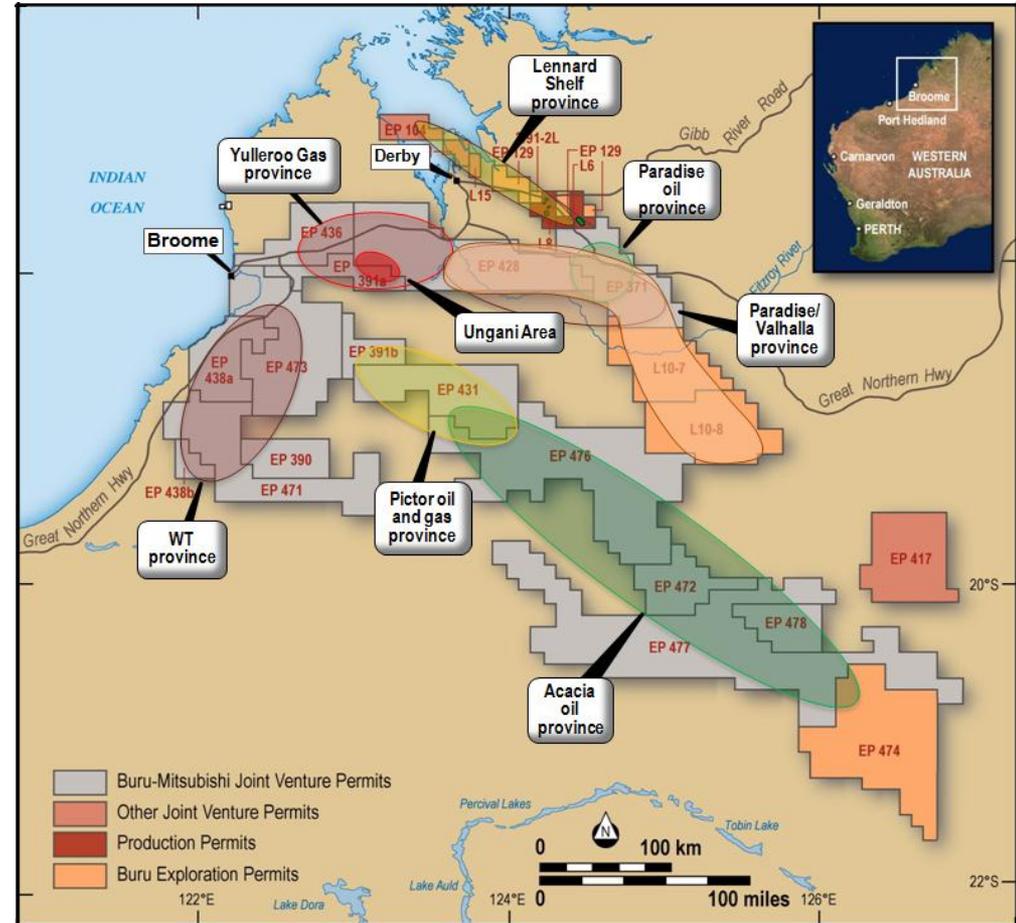
Laurel Tight Gas

Laurel, Anderson, Goldwyer, Frasnian, Noonkanbah, Bongabinni Shales

Canning Superbasin has extensive conventional potential in a large number of prospects

Conventional overview

- Buru’s re-evaluation has categorised the Canning Superbasin into a number of discrete sub-basins and hydrocarbon provinces each with its own geological characteristics and prospectivity
- Buru considers the four most prospective geological provinces to be:
 - Lennard Shelf Province
 - Yulleroo Province
 - WT Province
 - Acacia Province
- Isis Petroleum Consultants have now reviewed Buru's prospect inventory and have reported as follows:
 - Over 100 prospects identified
 - Unrisked potential of:
 - 1.46 BB Oil
 - 2.4 TCF of gas
 - Average Probability of Success – 17%



Conventional resources and exploration provinces in the Superbasin

2011 Drilling Overview

The 2011 drilling campaign underway

Two rig program

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

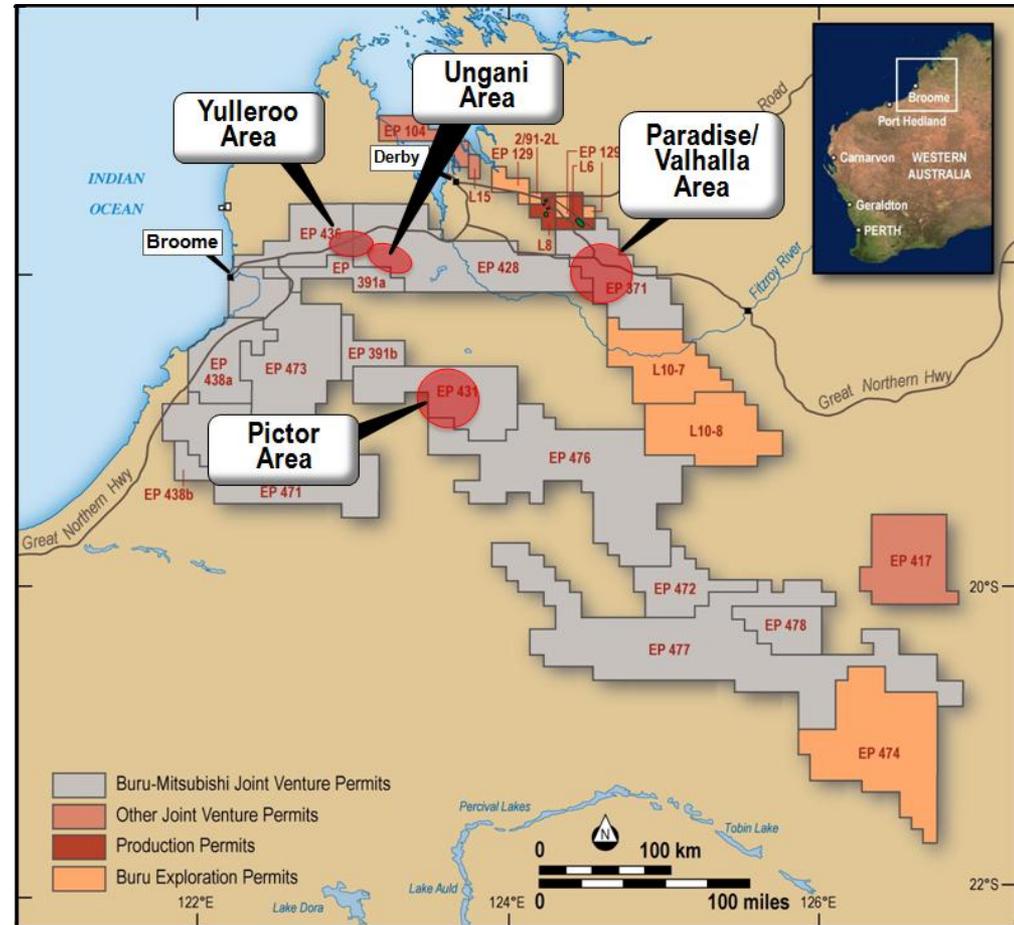
Wells completed/ underway

- *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 using Century 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* – 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, one or two Valhalla wells to define the extent of the accumulation
- *Yulleroo-3 /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

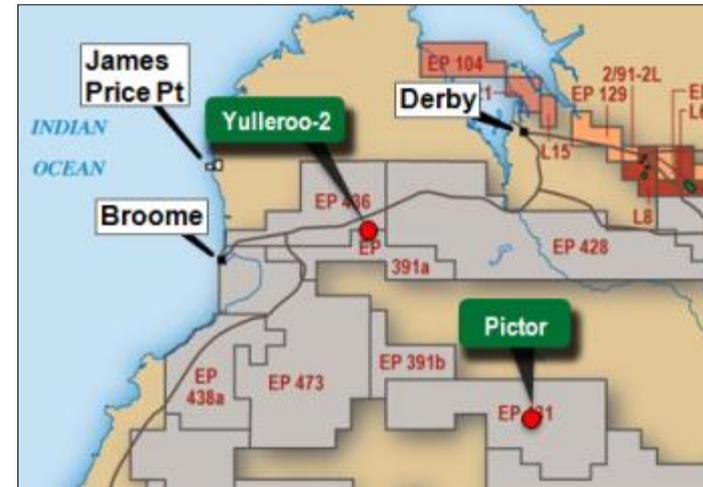
Yulleroo wet gas field has major resources and is on the pathway to development. Pictor Field appraisal successful

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

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 have significant positive implications for regional prospectivity

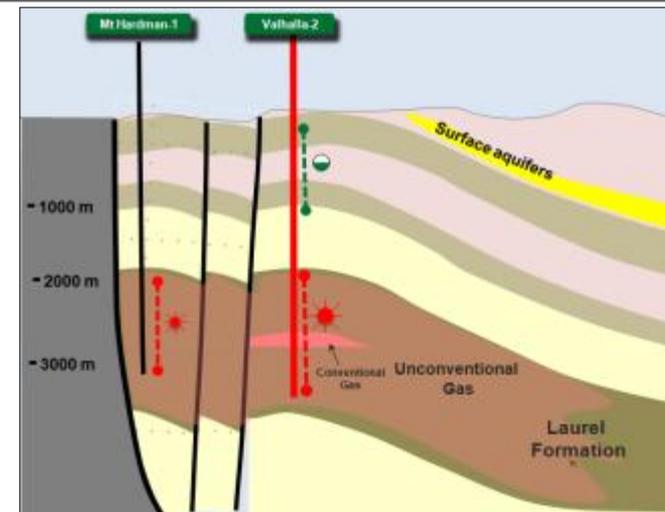
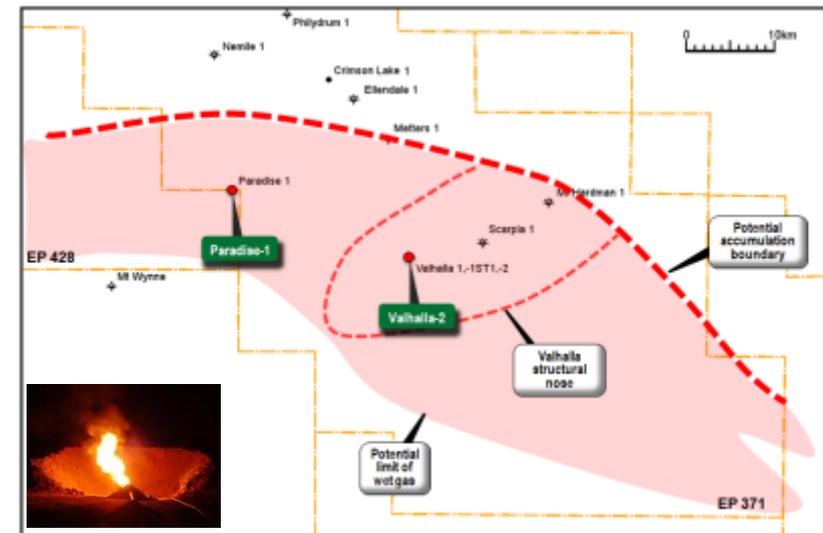
Valhalla accumulation

- The Valhalla structure has a gas charged Laurel Formation section of in excess of 1,300 meters in the Valhalla structure
- The Valhalla accumulation can be interpreted to be either a basin centered accumulation or a combination structural / stratigraphic trap against the flank of the basin
- The 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
- An appraisal program in 2012 will be required to fully quantify this potential

Laurel Formation regional implications

- The Laurel Formation identified in the Valhalla-2 well is a regionally extensive package of sands, shales and limestones in excess of 1,000 metres in thickness
- The 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
- The 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
- The 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 #32 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

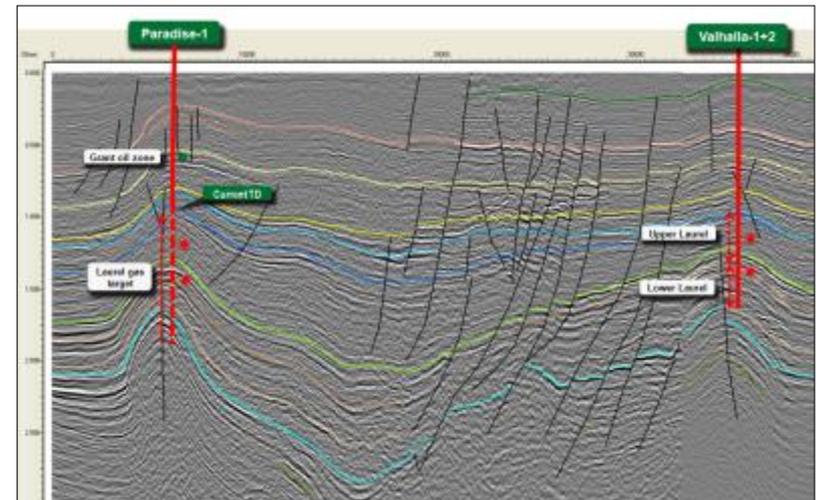
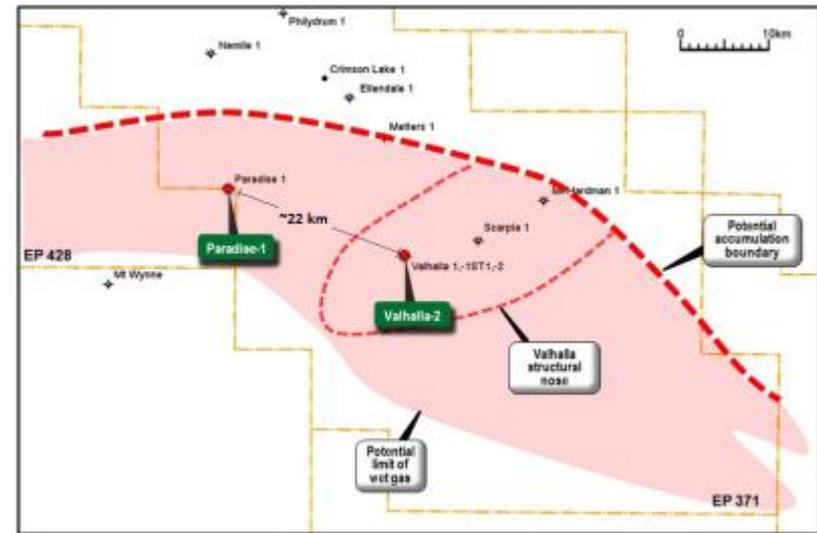
Success case - unconventional

- 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

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

Target

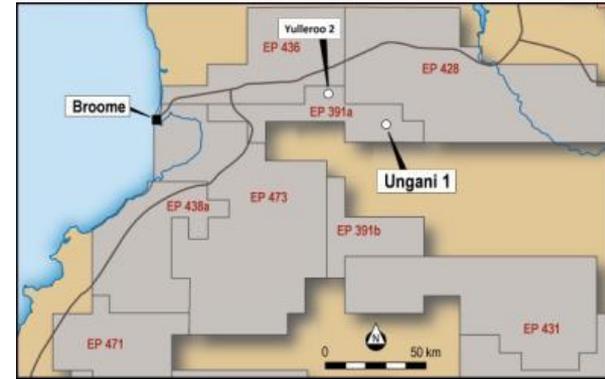
- Well drilled on a large structural target with expectation of Laurel Formation tight gas sand/shale section
- Section much more carbonate dominated than expected with well developed dolomitic porosity underneath a good shale seal not encountered previously
- Age of section not currently determined,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

Results

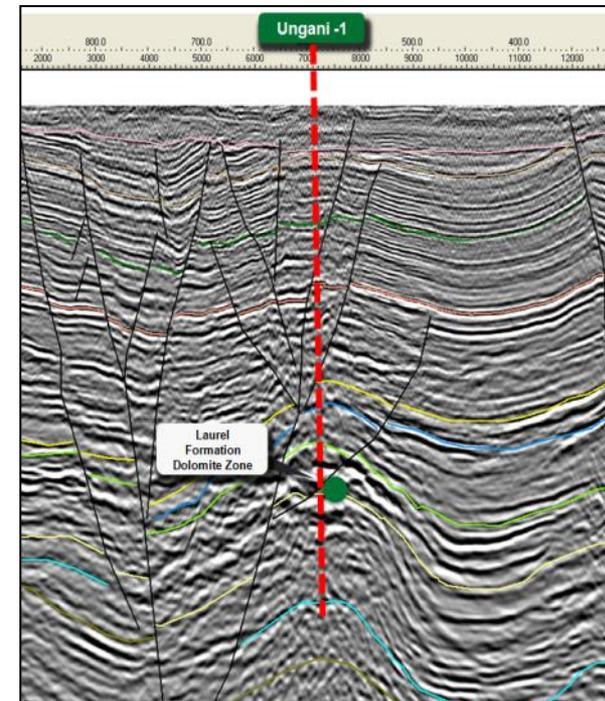
- Well developed dolomite section encountered with significant mud losses
- Gross 57 metre (minimum) oil column in dolomitised limestones
- Net pay difficult to determine because of log response, lost circulation material etc but minimum of ~12 metres
- Strong flows (+1,600 bopd) with good reservoir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

Way forward

- Well being suspended while appraisal well drilled from the same pad
- During Ungani-2 drilling, equipment being mobilised/relocated from Blina to undertake extended production test
- Seismic acquisition required before drilling definitive appraisal wells
- "Stunning" success for the Canning Superbasin



Ungani-1 location



Seismic line showing Ungani-1 location

Pathways to Commercialisation – Gas and Oil

The development of the identified contingent resources has two parallel workplans

Conventional gas

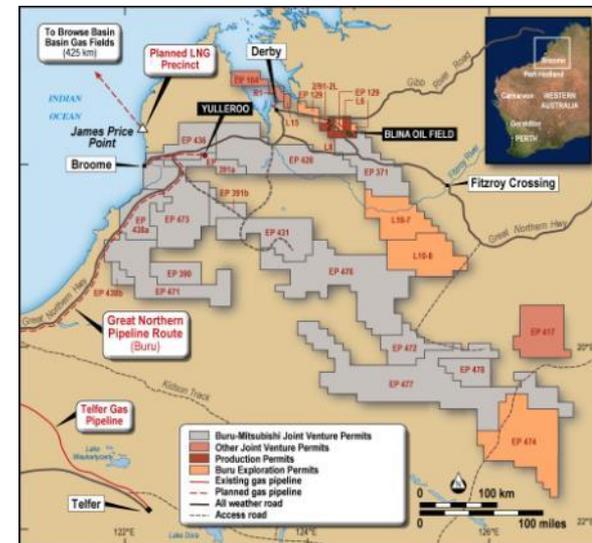
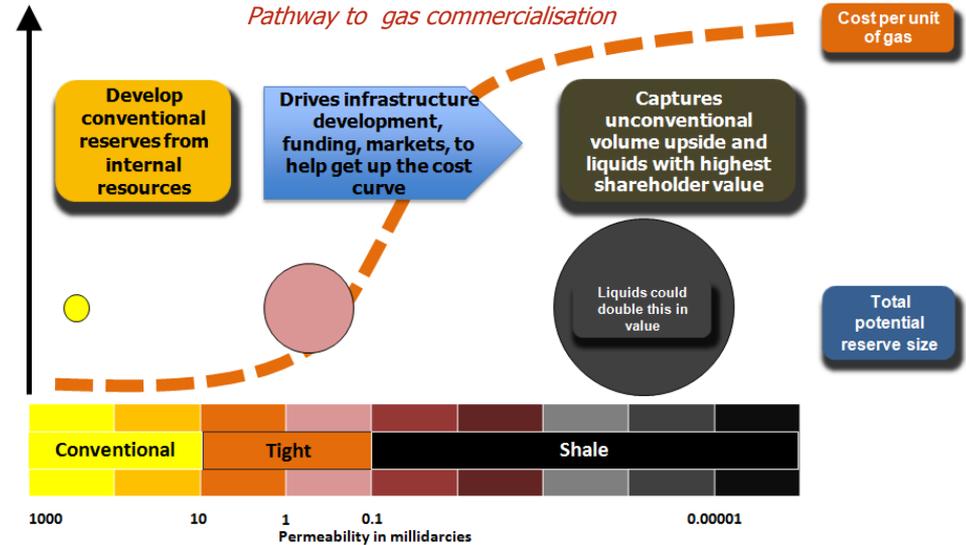
- Prove up sufficient conventional gas reserves to support the construction of the Great Northern Pipeline (~250/300 PJ)
- First 400 PJ of gas will be sold into Buru's existing take-or-pay gas sales contract with Alcoa, with the remainder available for spot sale or export

Unconventional gas

- Prove up the unconventional plays
- Sell unconventional gas into the domestic market initially
- Option to sell into the LNG market as the reserve base is built up

Liquids

- Liquids (condensate, LPG and oil) from the gas production sold into local and international markets
- Initial production from either gas liquids or conventional oil production will continue to be trucked to Perth
- As little as 1,000,000 bbls of reserves will justify the construction of an export tank at the Broome Port to allow export of oil from Broome by ship to any market



Location of Buru's proposed Great Northern Pipeline and other infrastructure

Buru's portfolio has a highly prospective mix of exploration, appraisal and pre-development prospects in both conventional and unconventional play types

Production

- Current oil production of ~50 bopd
- Modest remaining oil reserves in existing fields

Contingent resources

- Yulleroo field independently assessed to hold 352 PJ (332 BCF) of sales gas and 13.4 mmbbls of associated liquids (on a gross basis), 36 mmmboe net to Buru. Currently being flow tested with appraisal program under consideration for late 2011
- Pictor East-1 confirms hydrocarbons
- Valhalla-2 is yet to be appraised but has the potential to add material wet gas resources
- Ungani-1 strong oil flows – major new discovery

Unconventional resources

- Buru and NSAI have reviewed the potential of the basin and identified 4 primary unconventional plays – all liquids rich
- Gross prospective recoverable resources are 66 TCF of gas and 4 billion barrels of oil

Exploration prospects - 2011 exploration and appraisal program

- Conventional prospect portfolio of +100 identified prospects
- Unrisked potential of 2.4 TCF of gas and 1.46 billion barrels of oil
- Ungani-1 defines new play type

Resource	Liquids mmbbls (oil, condensate and LPG)	Sales Gas BCF	Buru Share	Category	Source
Producing (Blina and Sundown)	0.07	-	100%	Proven Reserve	Buru
Yulleroo Accumulation	13.4	332	50%	Mean Contingent Resource	RISC
Unconventional	4,000	66,000	100%*	Mid-estimate Unrisked Prospective Resource	NSAI / Buru
Conventional	1,460	2,400	50%	Mean Unrisked Prospective Resource	ISIS
Total	5,473	68,732	-	Reserves and Resources	-
Buru Current Share	4,737	67,366	-	Reserves and Resources	-

*Note: Mitsubishi Corporation may acquire 50% of Buru's unconventional resources by spending A\$40m on unconventional exploration in 2012

Buru has achieved a number of significant milestones, creating shareholder value with a platform for further growth

Exploration program

- First well in 2011 – Valhalla-2 – has identified a very significant wet gas accumulation, second well Pictor East-1 has identified a large hydrocarbon bearing structure
- Third well has identified a potentially large oil accumulation
- ISIS has independently identified more than 100 prospects with an unrisks conventional exploration potential of 1.46 BBO and 2.4 TCF of gas

Appraisal program

- RISC has provided an independent assessment of the Yulleroo wet gas field with a mean contingent resource net to Buru of 36 mmoeb
- RISC is preparing an appraisal and conceptual field development plan that would allow first gas to be delivered from the Yulleroo wet gas field in 2015
- NSAI in conjunction with Buru has identified gross recoverable unconventional resources of 66 TCF of gas and 4 BBO
- The results of the Valhalla-2 well will continue to be analysed, but initial interpretation suggests an accumulation of several TCFs of gas and in excess of 50 mmoeb of associated liquids
- Ungani discovery can deliver quick cash flow and high value at relatively low capex
- The identification of these resources has transformed Buru from a pure explorer to a company with a recognised resource base and a clear pathway to commercialisation
- The achievement of these milestones has created significant shareholder value, with the ongoing exploration and appraisal program providing the potential for significant further upside



Buru share price vs mid-cap onshore Australian exploration companies



Ensign Rig#32 drilling the Valhalla-2 well



Yulleroo-2 clean-up flare



Valhalla-2 gas flare while drilling

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All references to \$ are in Australian currency, unless stated otherwise.

New Australian Frontiers

18 October 2011

