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## **ASX ANNOUNCEMENT (ASX: BRU)      2 June 2011**

### **Corporate Presentation**

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Buru Energy Limited (“**Buru**” or “**Company**”) provides the attached June 2011 Corporate Presentation

This presentation and further information on the Company are available on the Buru website at: [www.buruenergy.com](http://www.buruenergy.com)

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Yours faithfully

A handwritten signature in black ink, appearing to read "Eric Streitberg".

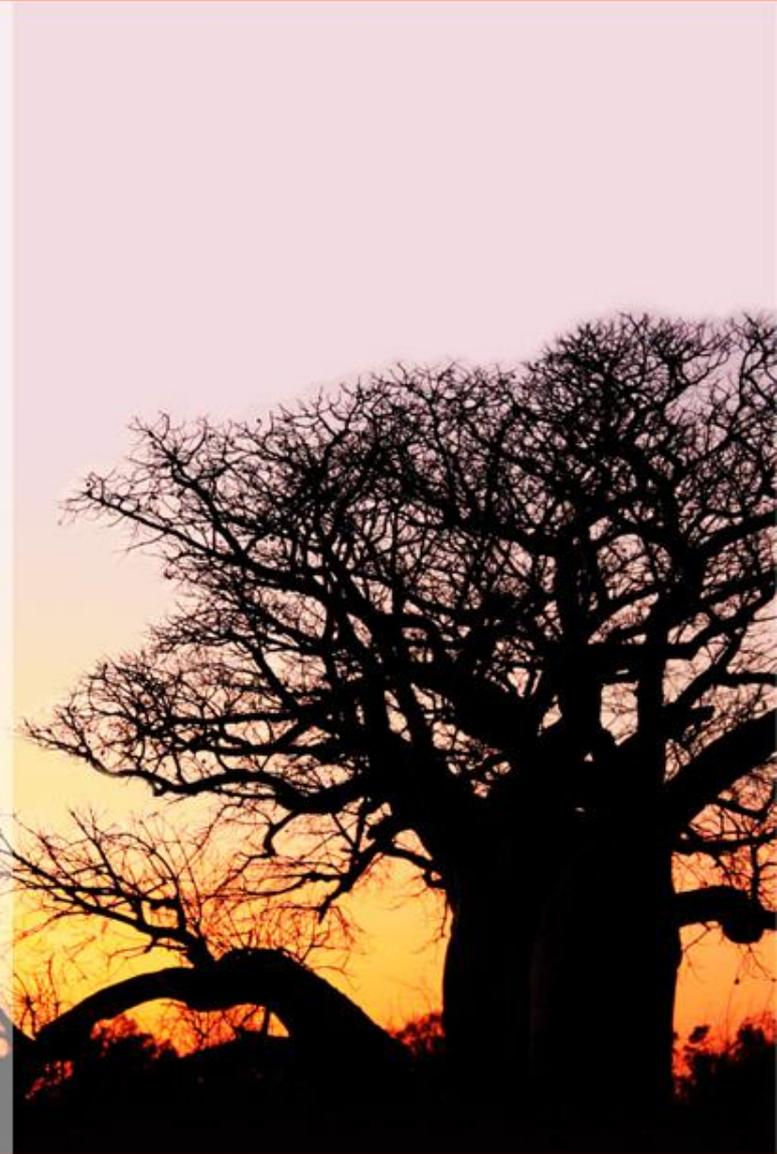
**ERIC STREITBERG**  
**Executive Director**

# Corporate Presentation

June 2011



- **Junior ASX listed Australian oil and gas exploration company**
- **Focused on the underexplored Canning Superbasin in northwest Western Australia (“WA”)**
- **WA is a major oil and gas resource centre with existing infrastructure and proximity to domestic and Asian markets**
- **Huge conventional and unconventional resource potential with validated large gas accumulations with high liquid content**
- **Well funded with major international partner**
- **Aggressive appraisal and exploration program currently underway**
- **Experienced, motivated and financially invested Board and Senior Management**
- **High leverage to upside from aggressive 2011 program, tight capital base and high permit equities**



## Australia has a major conventional gas industry with developing unconventional (CSM) to LNG and shale gas industry

### Substantial gas reserves

- Total 2P conventional gas reserves of around 170 TCF as at January 2010
- Major CSM to LNG industry in development on the East Coast (+50 TCF)

### Fourth largest LNG exporter in the world

- Australia produced 19.8 million metric tons ("MMT") of LNG in 2010 (exports valued at A\$9.46 billion)

### Major LNG exporter to North Asia

- Third largest exporter to North Asia (Japan, Korea, Taiwan, China) – 19.1 MMT in 2010

### Major LNG projects and associated infrastructure

- North West Shelf Project in WA is the third biggest LNG producer in the world
- Several major LNG projects are under construction

### Huge shale potential

- EIA estimates technically recoverable shale gas resources of 396 TCF (half that of USA and approximately the same as Canada)

### Net importer of oil

- Australia imports 45% of oil consumption with net imports predicted to increase



Source: EIA and DMP

## Western Australia is a major energy hub with a well developed export market

### WA statistics

- ~64% of Australia's natural gas reserves are in WA
- WA produced ~1.3 TCF of gas (including 16.57 MMT LNG for export), 46.3 million barrels ("mmbbls") of condensate and 87.3 mmbbls of oil in 2010
- Increasing resources - 8 TCF of gas resources were discovered in WA in 2010 alone
- WA LNG Projects being developed are the largest in the world:
 

4.3 MMTpa – Pluto	12 MMTpa – Browse
15 MMTpa – Gorgon	8.6 MMTpa – Wheatstone
≥3.6 MMTpa – Prelude Floating LNG	8 MMTpa – Ichthys
- Initial pilot wells being drilled to develop WA's significant unconventional gas potential

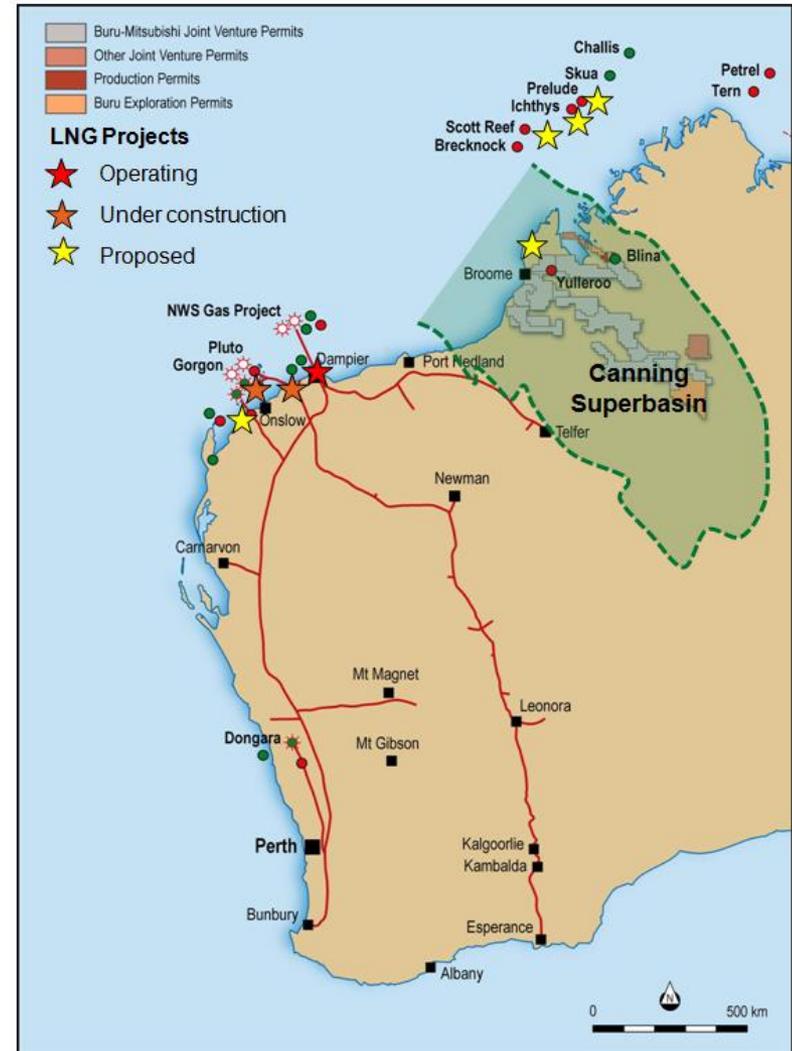
### Multiple marketing opportunities

- Regional benefits from WA's proximity to Asia and predicted strong demand in WA domestic market
- WA domestic market consumes ~961 TJ/day (double intensity of other Australian states) – predicted to increase to 1,912 TJ/day by 2030 (Source: WA Department of Mines and Petroleum – April 2011)

### Ideal operating environment

- First world, stable, democratic country
- Well developed oil and gas infrastructure - onshore and offshore
- Supportive and facilitative state government
- WA gas market strongest in Australia (US\$6 to \$10 per GJ (MCF)) with oil at international prices
- Workable land access regime

Western Australia Infrastructure



# 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 75,000 sq km (gross 18 million acres, net 9 million acres) – one tenth the size of Texas – over the most prospective parts of the Superbasin

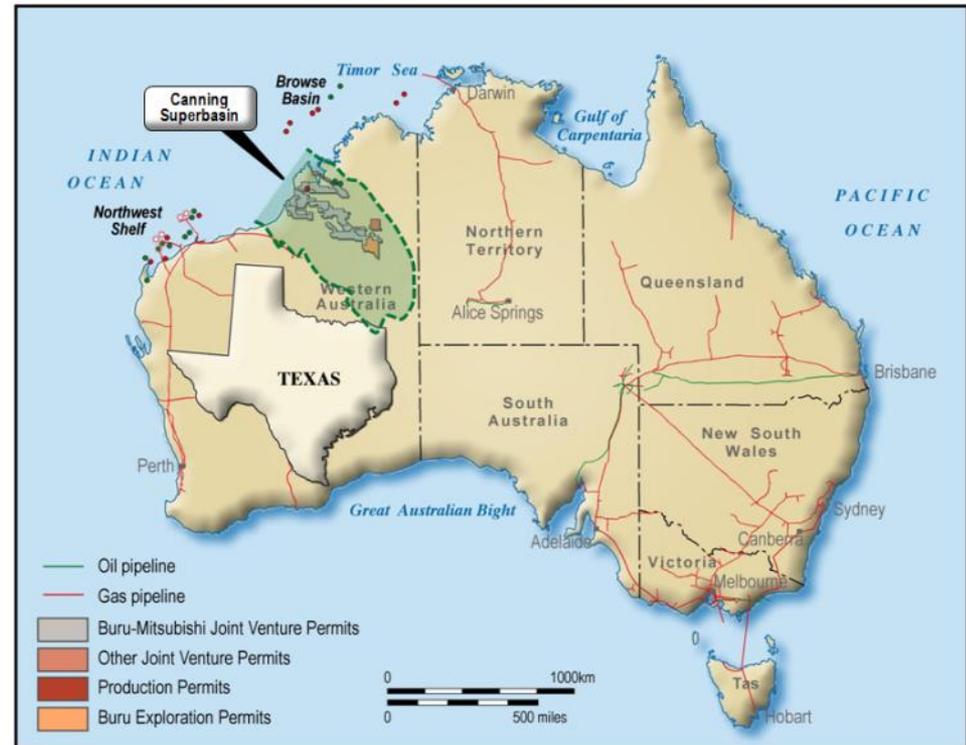
### Experienced local operator

- Headquartered in Perth with regional operating office and field support facility, and is operator of all but one of its permits (currently 20 staff)
- Modest oil production (40-50 bopd) and owns and operates its own workover rig with workover programs underway

### 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

*Buru's Canning Superbasin permit locations*



## Buru provides material leverage for investors

### Tightly held stock

- 55% held by top 20 shareholders
- Three 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\$25 million available for exploration
- ~A\$10 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 alignment

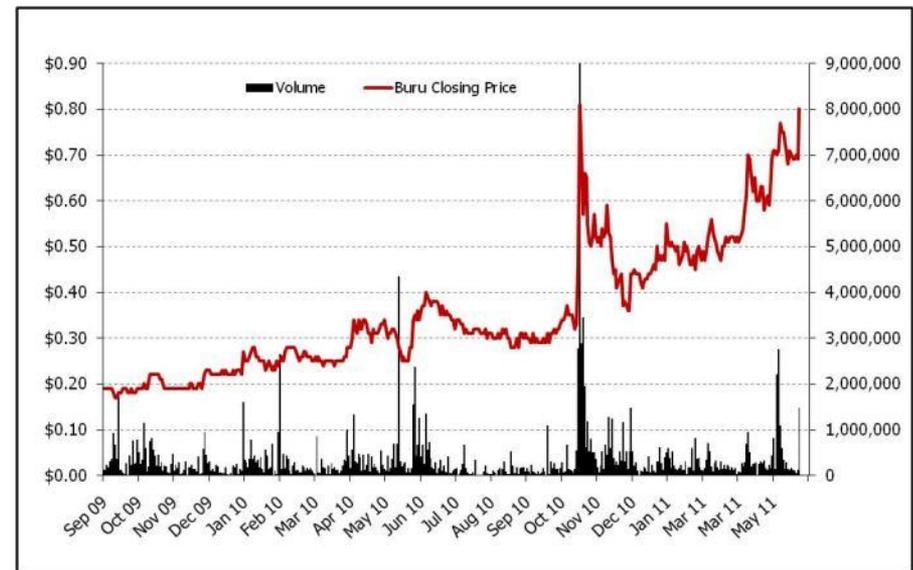
- Hold ~6% of the shares on issue
- Incentivised through options (warrants)
- Committed company founders

### Share price appreciation potential

- Initial success in the 2010 exploration campaign has already created significant shareholder value
- 2011 exploration program of up to 10 wells offers opportunities for further significant shareholder growth
- Further value to be created through resource to reserve conversion opportunities at Yulleroo gas field

## Quick facts

<b>Share price:</b>	A\$0.77 (as at 31 May 2011)
<b>Shares on issue:</b>	182,780,549
<b>Options (warrants):</b>	24,251,000 (unlisted)
<b>Market cap:</b>	~A\$141 million (undiluted as at 31 May 2011)
<b>Available cash:</b>	~A\$25 million (as at 31 March 2011)
<b>Listing:</b>	Australian Securities Exchange (ASX:BRU)
<b>52 week range:</b>	\$0.23 - \$0.93
<b>Average daily volume:</b>	355,228 (3 month)



*Buru's 20 month share price performance*

## **Buru's Board has extensive oil and gas experience with a proven ability to develop oil and gas companies, delivering material upside to shareholders**

- Current small board of two Non-executive Directors and one Executive Director
- Combined industry experience of over 100 years
- Collectively founded and developed to date 3 oil and gas exploration companies into significant oil and gas production companies
- All Buru directors are founding directors of ARC Energy. ARC grew from a junior explorer to a successful E&P company with a market capitalisation of ~A\$500m
- Board complemented by senior management who provide the required mix of experience and skills
- Buru operates oil production facilities and successfully completed its 2010 exploration program, drilling 4 wells with its wholly owned drilling rig and acquiring ~750km of seismic with no significant incidents

## **Buru's combination of a highly experienced and motivated Board and senior staff enables it to deliver on its goals**

### **Eric Streitberg – Executive Director**

- 38 years' experience in petroleum geology and geophysics and management of petroleum exploration and production companies
- Founding shareholder and Managing Director ARC Energy (~A\$500m) for 10 years and of Discovery Petroleum (~A\$100m) for 7 years
- Worked in South America, Canada, Libya, London, the US and Australia with BP and Occidental
- Experienced in frontier basins and unconventional exploration and appraisal
- Intimate knowledge of Australian and Western Australian political and regulatory environment
- Currently Chairman of the Australian Petroleum Production and Exploration Association and Chairman of the Western Australian Government's Marine Parks and Reserves Authority



### **Graham Riley – Chairman**

- 10 years legal experience as a partner in a commercial law firm
- Extensive experience in the development of resource companies in Western Australia
- Founding Director of oil and gas companies ARC Energy and Adelphi Energy
- Currently Chairman of Gascoyne Resources Limited and Entek Energy Limited and Non-executive Director of Target Energy Limited, all successful ASX listed companies



### **Peter Jones AM – Non-executive Director**

- Over 30 years experience in WA resources sector across both business and government
- Member of WA parliament from 1974 – 1986 and served as Minister for Resources Development and Energy during development of Northwest Shelf LNG Project
- Founding Chairman of ARC Energy
- Served as Chairman of Australian Defence Housing Association and Water Corporation of WA



### **Tom Streitberg – Chief Operating Officer and Company Secretary**

- A qualified lawyer with extensive corporate law and investment banking experience gained during his time at international legal and investment banking firms
- Over 7 years experience in all aspects of the management of oil and gas companies gained at ARC Energy and Buru

# Why the Canning Superbasin?

**The Paleozoic aged geology of the Canning Superbasin is right for oil and gas and it is underexplored**

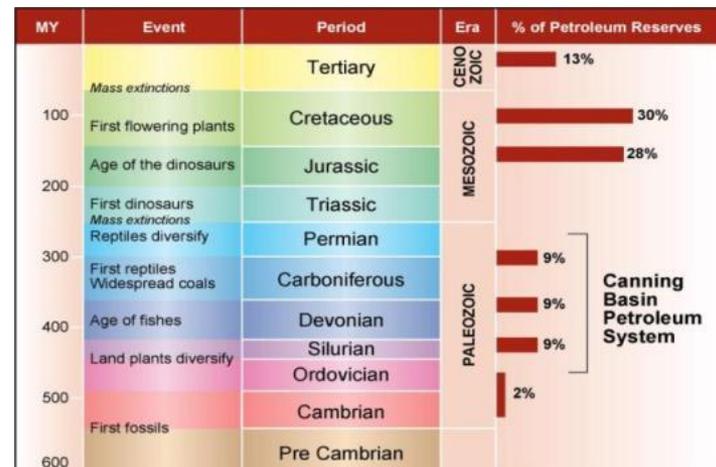
## Overview

- Paleozoic rocks hold about 27% of world oil reserves or 700 to 1,000 billion barrels
- There are more than 131 giant and supergiant oil and gas fields with Paleozoic source and reservoir, similar to the Canning Superbasin
- The Canning Superbasin is one of the few Paleozoic basins without major discovered oil and gas reserves and is one of the least explored in a stable developed country
- The Canning Superbasin is a huge frontier basin and the largest onshore basin in Australia (~150 million acres)
- Well density per 10,000 sq km (2.5 million acres)
  - Canning 4 wells
  - US Paleozoic basins 500 wells
- Canning Superbasin drilling density represents one well per 500,000 acres

*Paleozoic basins with giant reserves*



*World petroleum systems*



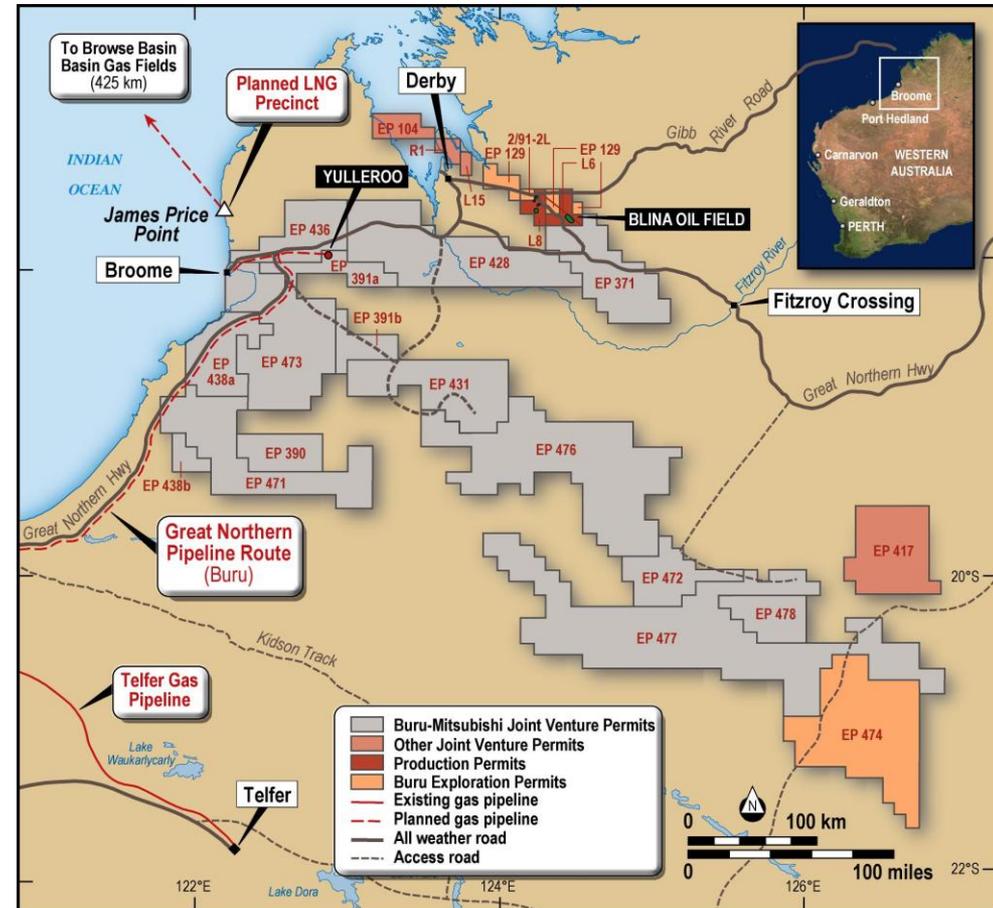
# Canning Superbasin Background

**Buru's permits are well positioned for exploration access and early production of discoveries**

## Overview

- Two regional centres (Broome and Derby) provide support infrastructure, airline access etc
- The Kimberley is the size of France with a population of 41,000 people. Half the population are of Aboriginal or Torres Strait descent and 40% live in Broome
- Good all weather roads provide access year round to Buru's existing producing fields and near field exploration areas
- Access to the Fitzroy River drainage basin is restricted during the monsoon (hurricane) season from December to May, but outside this area year round access is possible
- Buru has production facilities and an operational base in the basin at the Blina Field
- The planned Great Northern Pipeline will provide an export route for gas to the southwest domestic markets
- The planned James Price Point LNG precinct lies immediately to the west of Buru's permits

*Canning Superbasin infrastructure*



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

### Sporadic drilling history

- Only some 170 wildcats have been drilled in an area nearly 3/4 the size of Texas or Alberta
- Very little drilling since the 80s oil price and stockmarket crashes

### Current aggressive exploration and appraisal program

- Buru has revived exploration in the Superbasin
- Since late 2006 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

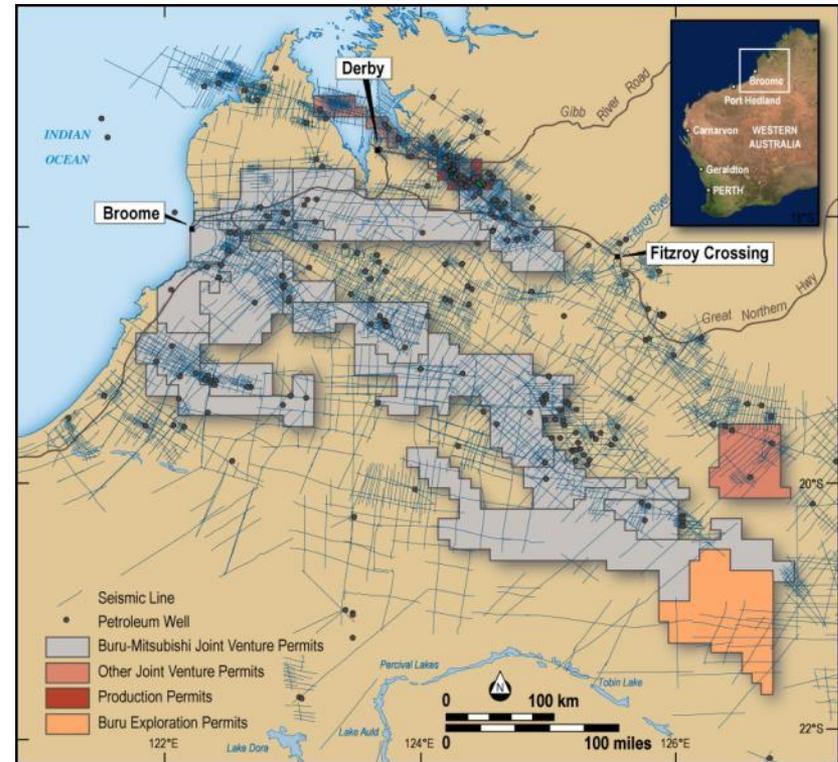
### Access to rigs

- Buru has two third party rigs under contract (4,000m and 3200m) and owns its own workover/shallow drilling rig (2500m)

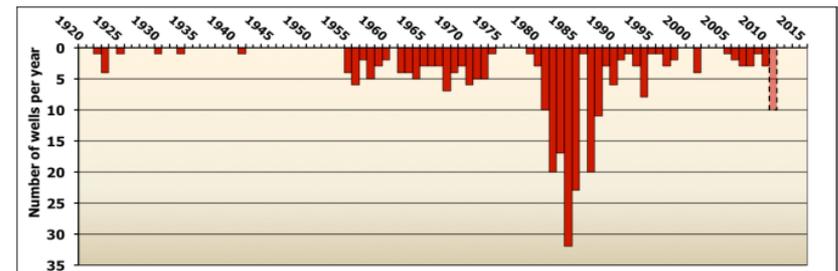
### Good but limited infrastructure

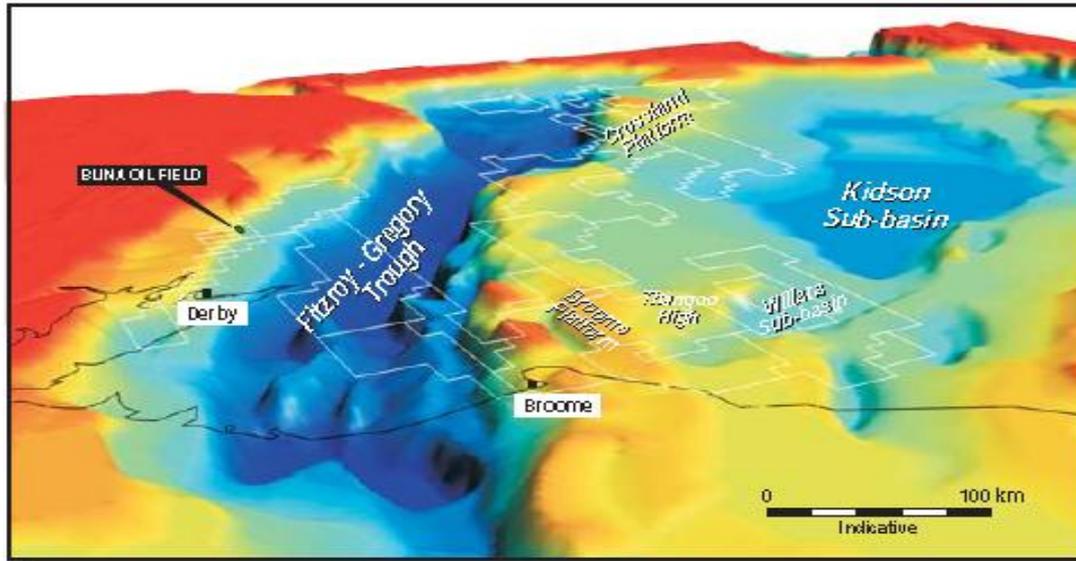
- 10 land rigs operating in Australia requiring careful forward operations planning
- 5 hydraulic stimulation spreads in Australia

*The Canning Superbasin seismic and wells*



*The Canning Superbasin drilling history*





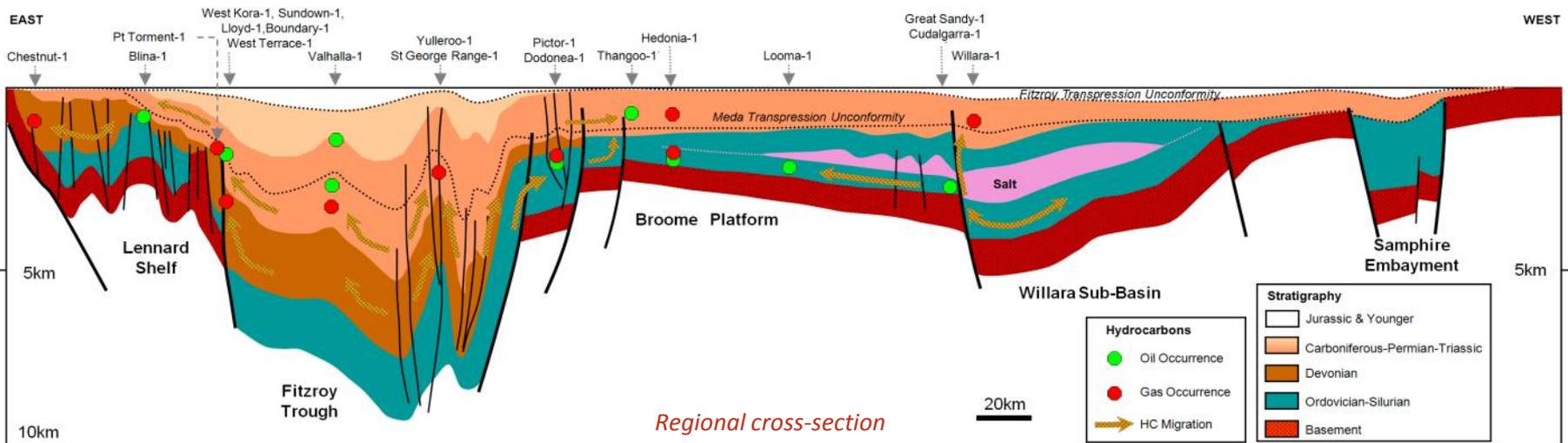
*Perspective view of depth to basement*

**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

**Devonian:** Widespread source rocks with basin flanking reefal development. Existing oil production from the first discovery in the basin (Blina) drilled by North American consortium in 1981

**Carboniferous-Permian:** Organic rich shales and coarse clastics provide good reservoir/seal. Yulleroo wet gas field and oil in the Blina area and several untested discoveries



*Regional cross-section*

## Current production operation is small scale oil production

### Oil production

- Buru has established production operations with oil infrastructure, storage and supply yards and owns a workover/shallow drilling rig
- Production from Blina and associated oilfields:
  - Original reserves of all fields ~3 mmbbls
  - Discovered 1981 - first production in 1983 at ~1,000 bopd
  - Current production 50 bopd with workover program aiming to increase production to +100 bopd
- Robust economics:
  - Field opex ~\$10/bbl
  - Trucking costs to Perth ~\$25/bbl
  - Current A\$ oil price ~\$105

### New oil discoveries

- Buru's existing infrastructure allows quick "test" production from any oil discoveries
- Extended production test could commence in weeks from discovery

### Gas field appraisal

- Buru's infrastructure and operations staff facilitate early testing of gas accumulations
- Yulleroo-2 gas well currently on test production



*Blina oil production facility*



*Blina beam pump and seismic vibrator*



*Yulleroo testing operations*

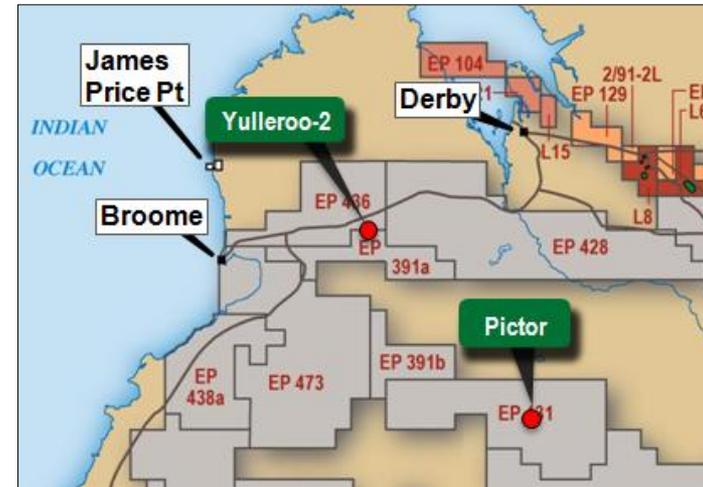
**Yulleroo wet gas field has major resources and is on the pathway to development. Pictor Field appraisal is also planned for 2011**

## Yulleroo Field

- *Conventional/tight gas resource* – discovered in 1967, not appraised until 2008 when new technology and markets made it potentially commercial. Subsequent reservoir stimulation by Buru in 2010
- *Ongoing evaluation of the field during 2012* – 2010 stimulation of existing well (Yulleroo-2) limited by pressure, program was pinpoint stimulation in three zones. Good results achieved so far with high quality gas and obvious high liquids content
- *Resource estimates* – independent review confirms gross mean recoverable resources of 352 PJ (332 BCF) recoverable gas and 13.4 mmbbls liquids (Buru interest - 50%)
- *Clear commercialisation pathway* – acquiring 3D seismic 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 BCF will trigger export pipeline construction

## Pictor Field appraisal planned

- Gas and oil recoveries from Nita Formation carbonate reservoir in 1990
- Buru calculated contingent resources of ~10 mmbbls of oil and modest gas reserves
- Appraisal with potential horizontal well in the 2011 drilling program



*The Canning Superbasin Yulleroo and Pictor location*

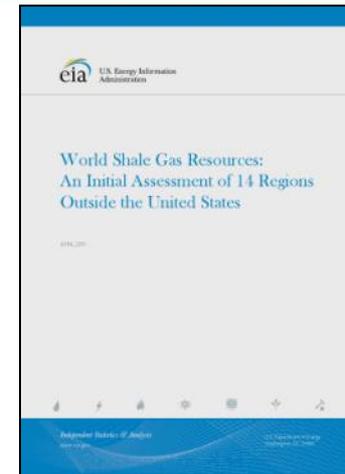
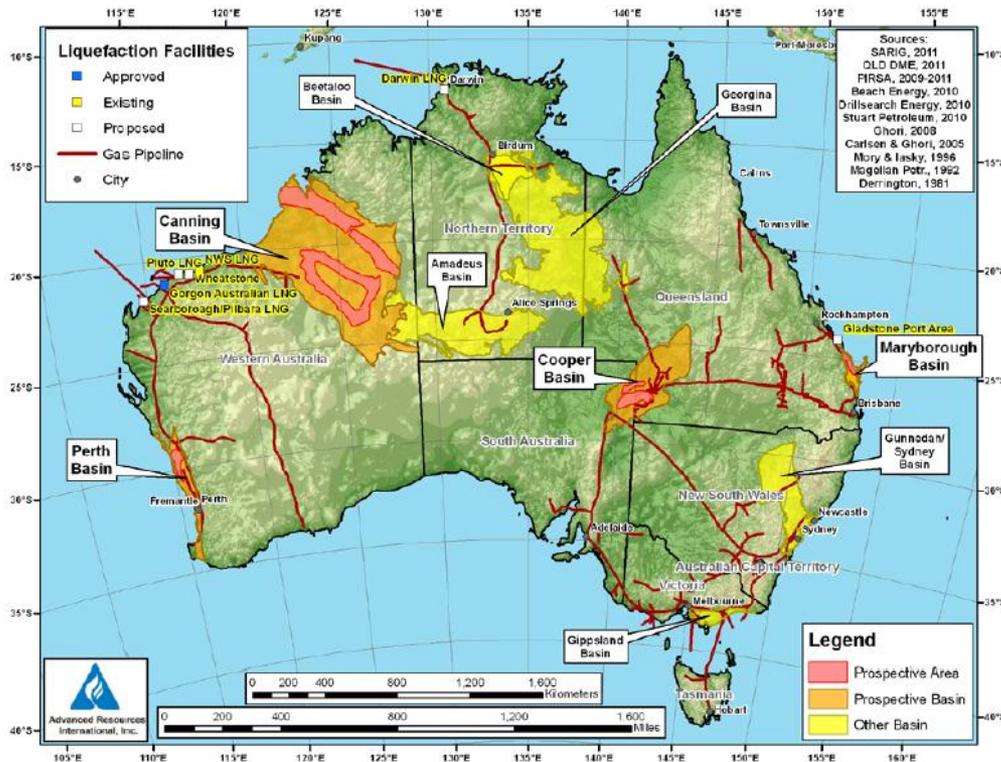


*Yulleroo-2 clean-up flare*

# Canning Superbasin – Unconventional 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)
- EIA have 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 – Unconventional Resources

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

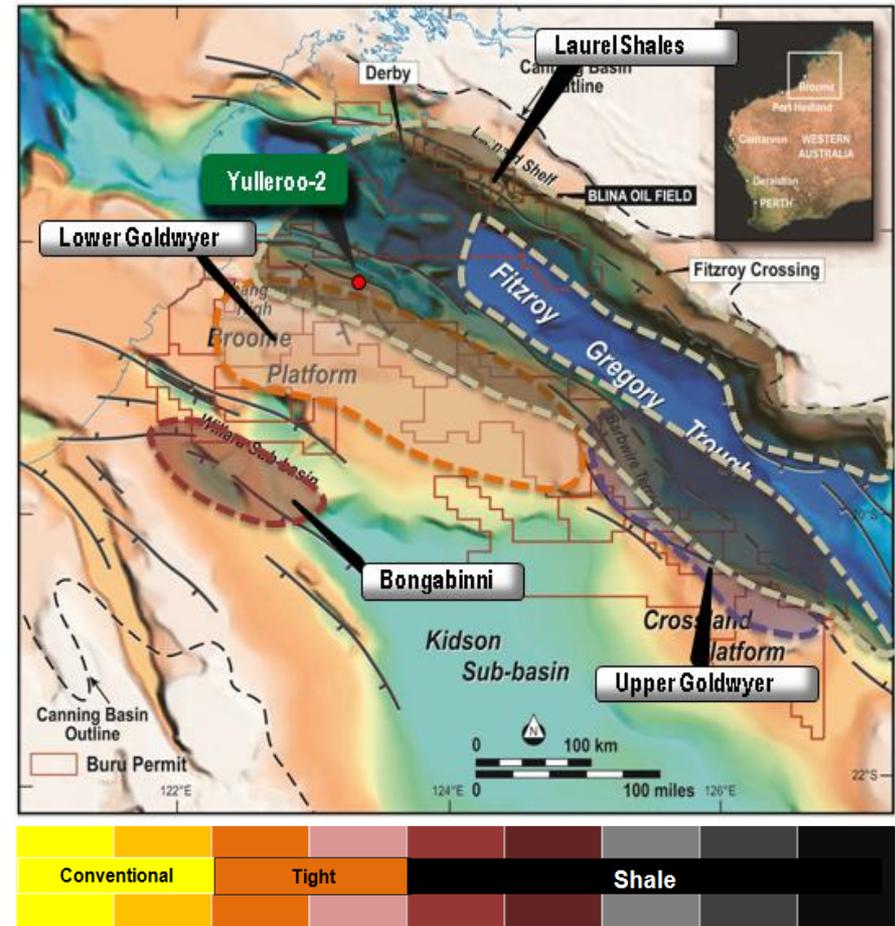
## Resources

- 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 metres), possible “basin centered” accumulation with high liquids – Analogue to Granite Wash fields in the US
- *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
- *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

Unconventional resources in the Superbasin

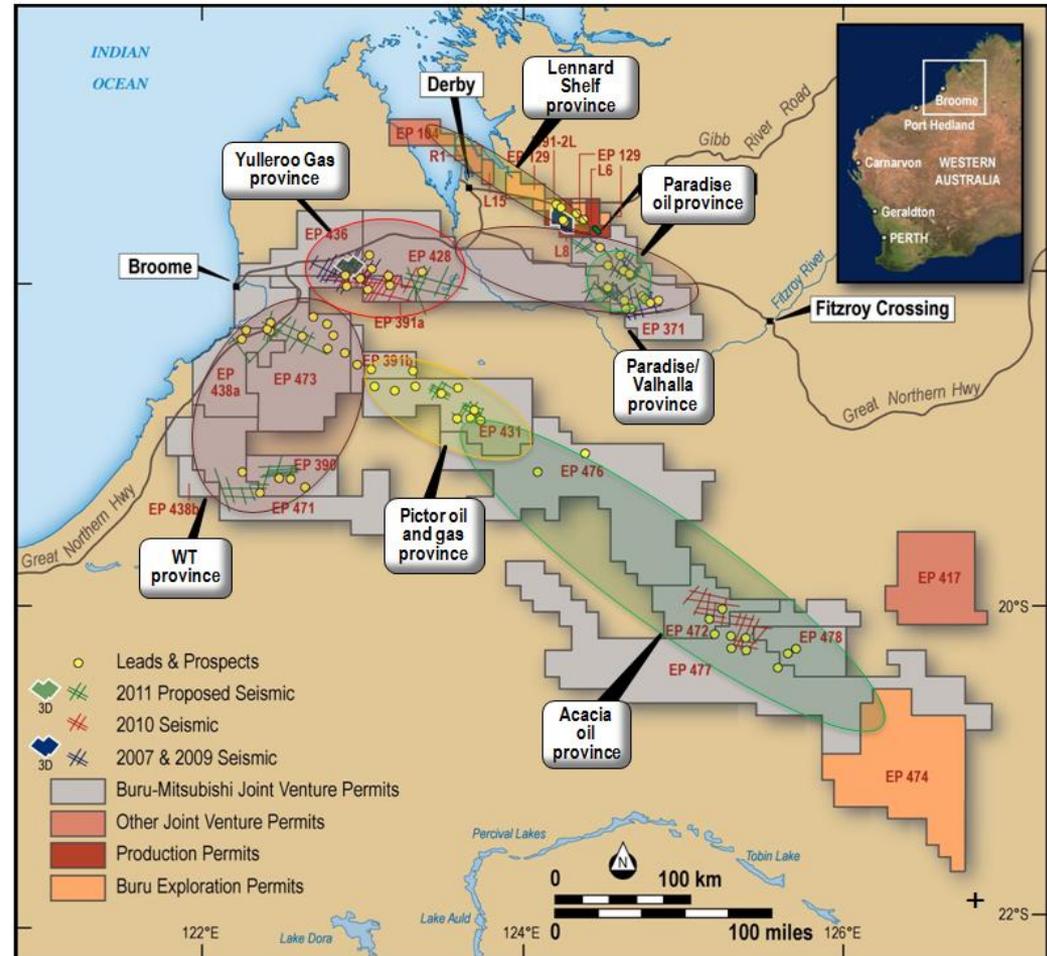


# Canning Superbasin – Conventional Resources

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

## Conventional overview

- Buru's re-evaluation has broken 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 Billion barrels of oil
    - 2.4 TCF of gas
    - Average Probability of Success – 17%



*Conventional resources and exploration provinces in the Superbasin*

## Aggressive 2011 program of up to 10 wells commenced in early June

### Rigs and timing

- Ensign Rig #32 under contract for up to 6 wells and Century Rig #7 under contract for up to 4 wells
- Ensign Rig #32 spudded first well in first week of June and Century Rig #7 expected to be mobilised in mid-June with spud date in late June or early July
- Well order and timing is subject to weather and operational constraints

### Indicative drilling program – Buru & Mitsubishi

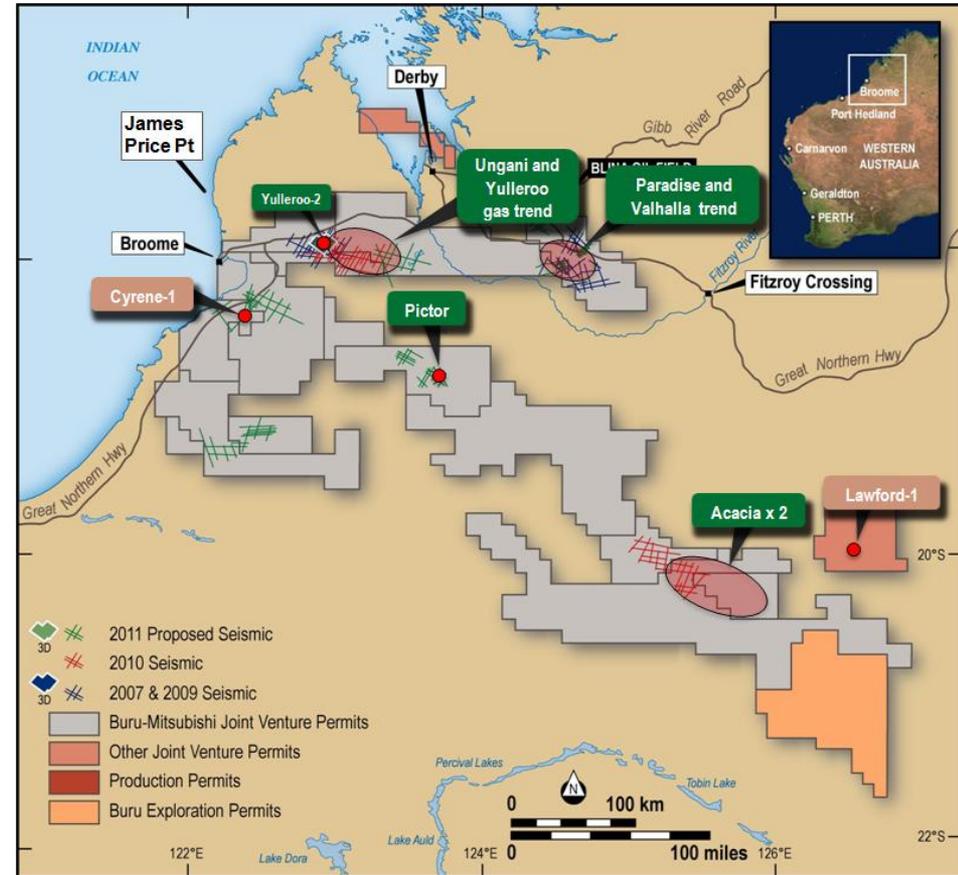
- Valhalla-2 and Paradise Deep in the Paradise/Valhalla province testing the Laurel formation conventional and unconventional gas play and the Grant-Anderson oil play identified in the Paradise-1 well in 2010
- Two wells in the Yulleroo gas province will test highly prospective large gas and condensate targets indicatively, Ungani-1 and Jackaroo-1
- Pictor East-1 is an appraisal/exploration well of the Pictor-1 oil and gas discovery in the Pictor oil and gas province and the Acacia oil province trend
- Two wells are planned for prospects in the Acacia oil province, each targeting very significant oil accumulations, subject to weather and access constraints
- A further shallow well is being considered for the Paradise oil province to test the Grant-Anderson oil play

### Other joint ventures

- The Cyrene-1 well is under consideration for drilling in EP438 with Empire Oil & Gas
- The Lawford-1 well in EP417 is planned for deepening and testing with New Standard Energy

### Seismic programs

- Extensive seismic programs including Yulleroo 3D for 2012 prospect confirmation

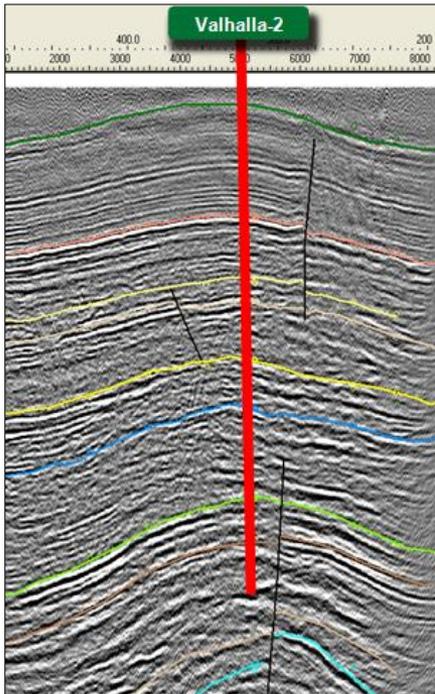


2011 exploration and appraisal program

## Planned first four wells have high impact potential in proven play types

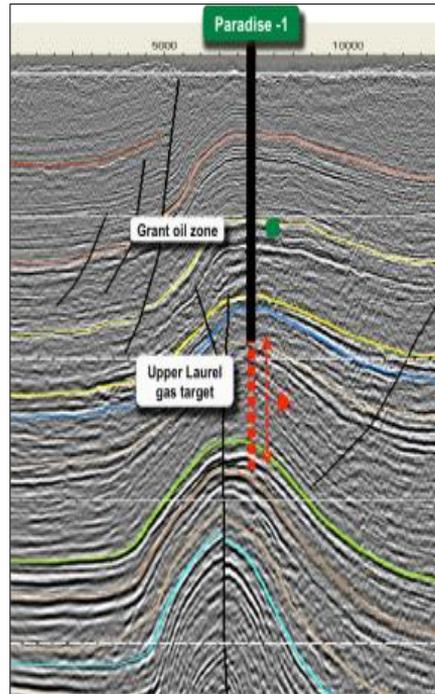
### Valhalla-2

Targeting multiple conventional and unconventional gas reservoirs with the potential for more than 300 BCF of recoverable gas on a P50 basis



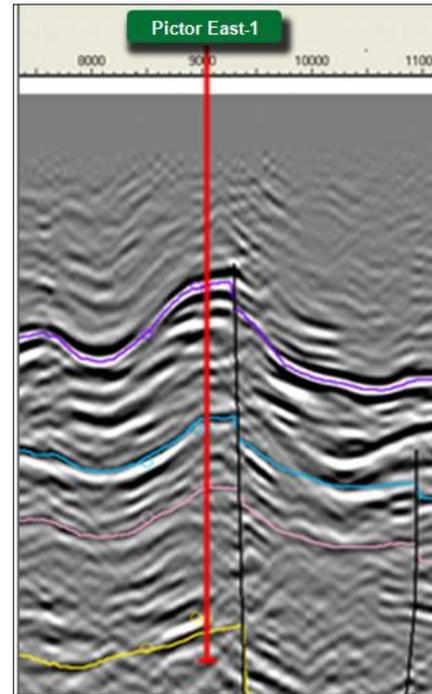
### Paradise-1

Will test the Upper and Lower Laurel conventional gas reservoirs with the potential for ~200BCF of recoverable gas and ~6mmbbls of condensate on a P50 basis



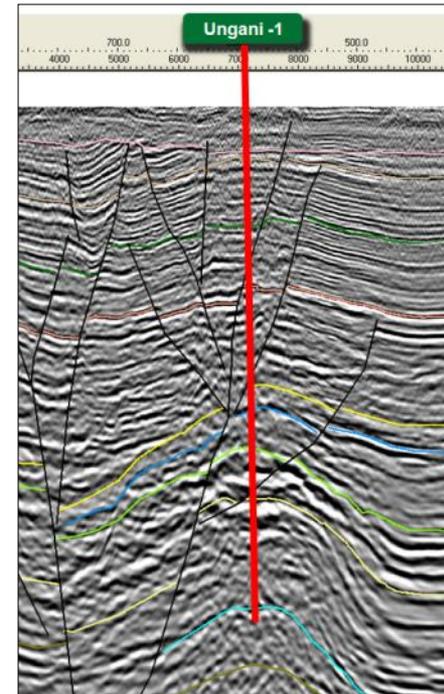
### Pictor East-1

Will evaluate the Nita Formation reservoir which tested oil and gas in Pictor-1, plus the Acacia deeper reservoir. Contingent resources of ~10 mmbbls of oil



### Ungani-1

Testing a large gas target (+200BCF) in the Laurel Formation which is productive at nearby Yulleroo, together with a large shallow oil play in the Anderson Fm



## 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 (“GNP”) (~250/300 PJ )
- First 400PJ of gas will be sold into Buru’s existing take-or-pay contract with Alcoa, with remainder available for spot sale or export

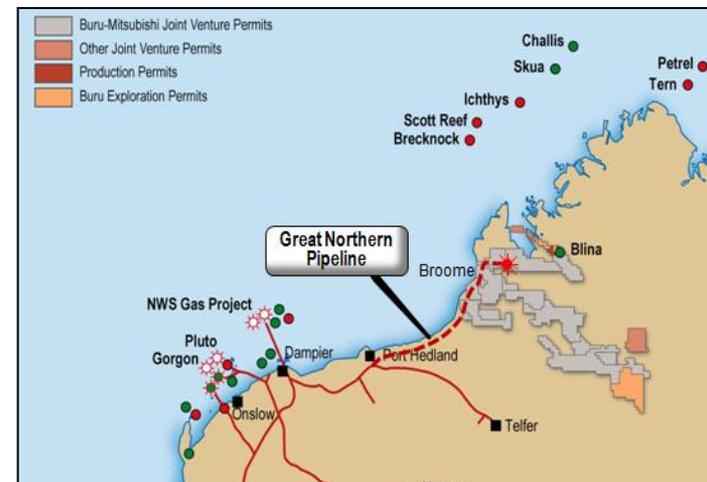
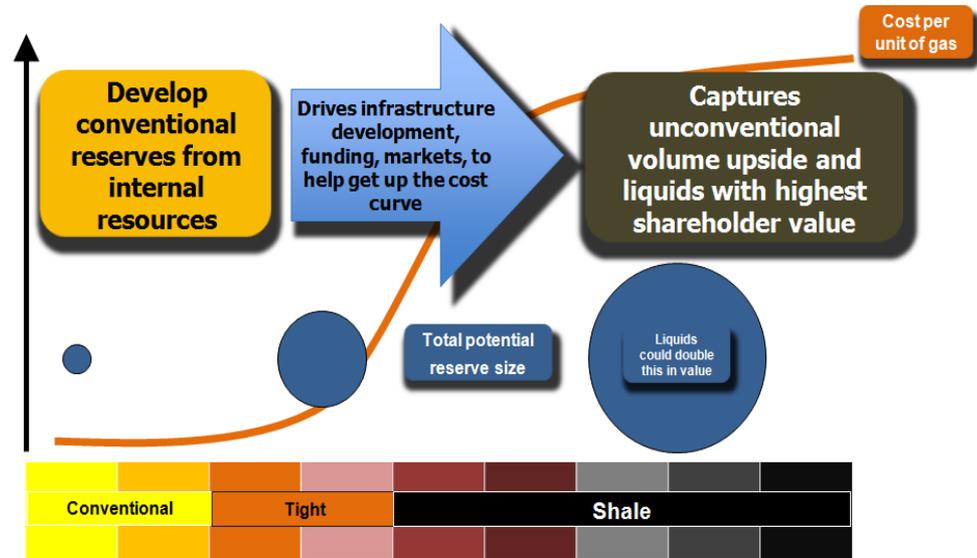
### Unconventional gas

- 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
- LNG hub at James Price Point being developed

### Liquids

- Liquids (condensate, LPG and oil) from the gas production sold into local and international markets
- Initial 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

Pathway to commercialisation



Location of Buru’s proposed Great Northern Pipeline

## 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 40-50 bopd with workovers underway
- Modest remaining oil reserves in existing fields

### Contingent resources

- Yulleroo field independently assessed to hold 352PJ (332 BCF) of sales gas and 13.4 mmbbls of associated liquids (on a gross basis). Currently being flow tested with appraisal program under consideration for late 2011
- Pictor field estimated by Buru to hold 10 mmbbls of oil and modest amounts of gas. Appraisal well planned for mid to late 2011

### 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 BBO

### Exploration prospects - 2011 Exploration and appraisal program

- 2 rigs under contract for 2011 with up to 10 wells planned to be drilled
- Conventional prospect portfolio of +100 identified prospects
- Unrisked potential of 2.4 TCF of gas and 1.46 billion barrels of oil

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
<b>Total</b>	<b>5,473</b>	<b>68,732</b>	-	Reserves and Resources	-
<b>Buru Current Share</b>	<b>4,737</b>	<b>67,366</b>	-	Reserves and Resources	-

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

## Important notice

This document has been prepared by Buru Energy Limited ABN 71 130 651 437 ("Buru").

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# Corporate Presentation

June 2011

