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ASX: BRU

ASX Announcement

2 September 2013

Corporate Presentation

Please find attached Buru Energy Limited's ("**Buru**") latest corporate presentation.

This presentation and further information on the Company is available on the Buru website at www.buruenergy.com.

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Powering the Kimberley



www.buruenergy.com

2 September 2013

Buru Energy - Unique Investment Proposition

✓ Dominant and strategic land position

- Very large contiguous acreage (~64,000 sq km)
- Huge onshore Superbasin
- Buru operates all key acreage

✓ Highly prospective acreage with material value, near term cash flow & significant upside

1. Ungani Oilfield: Significant conventional oil discovery

- Phase 1 production 2013
- Full field development 2014
- Numerous on-trend conventional oil prospects

2. Laurel Wet Gas: Potential world scale onshore resource

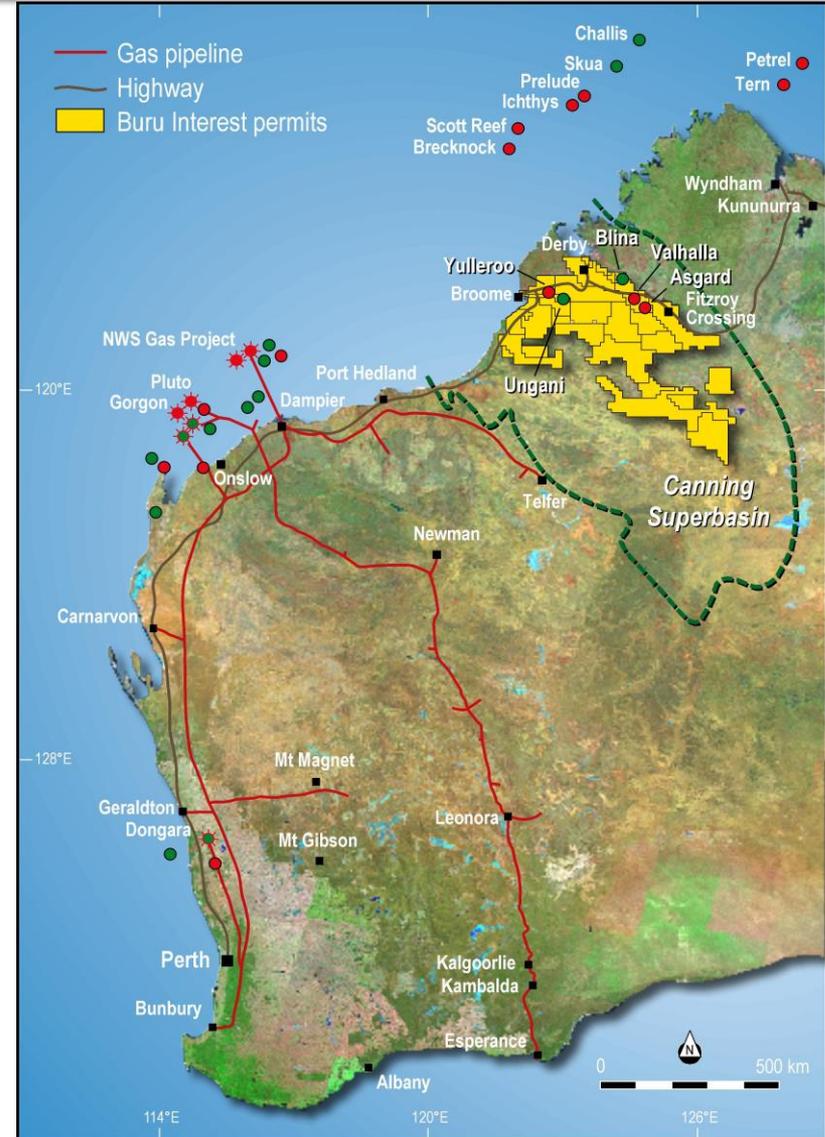
- Core area covered by State Agreement – allows systematic evaluation
- Pathway to commercialise Laurel Wet Gas (including gas sales contract with Alcoa)
- High liquids content with conventional “sweetspots”

3. Exploration: Focused high upside program with new rig

- Extensive portfolio of other exploration opportunities in varied play types

✓ World Class international partner - 50/50 JV with Mitsubishi

✓ Management – experienced management and board



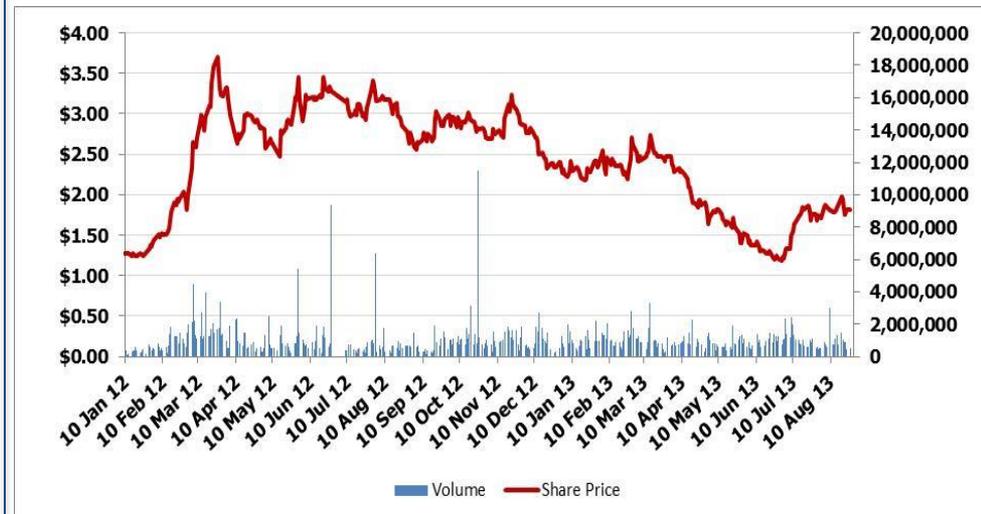
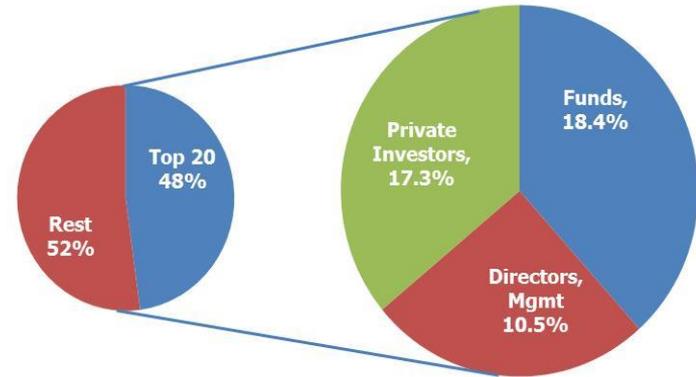
Location of Buru's permits in the Canning Superbasin

Company Overview

Corporate details	
Index	S&P/ASX 200
ASX Code	BRU
Shares on issue	~295M
Current share price	~A\$1.73
Market capitalisation	~A\$512M
Cash on hand	~A\$70M (no debt)

- **Share Register** – Tightly held, recent placement has assisted greater representation by institutional investors
- **Average Daily Volume** - ~1M shares traded (3 month)

Shareholder spread



Experienced Board and Proven Management Team

	<p>Graham Riley Independent Chairman</p>	<ul style="list-style-type: none"> • Previously founding Non-Executive Director of ARC Energy Limited and Adelphi Energy Limited • Former Chairman of Giralia Resources NL, and responsible for the spin-off of five independently listed commodity-specific exploration projects, until acquired by Atlas Iron Limited in early 2011 • Former non executive of Red Hill Iron Limited and Target Energy Limited • Non-Executive Chairman of Entek Energy Limited and Non-Executive Director of Gascoyne Resources Limited • Extensive experience and prior association with petroleum exploration in the Canning Superbasin • Over 10 years experience in commercial law serving as Partner of Legal firm Downing & Downing
	<p>Dr Keiran Wulff Managing Director</p>	<ul style="list-style-type: none"> • More than 25 years experience in petroleum, oil and gas industry • Former Exploration Manager and Group Chief Operating Officer - Head of the Middle East business unit of Oil Search Limited for 17 years • Extensive experience and expertise in the development process from an exploration company to major oil and gas production company
	<p>Eric Streitberg Executive Director</p>	<ul style="list-style-type: none"> • Founding shareholder. More than 38 years' experience in petroleum geology, geophysics and management of petroleum exploration and production companies • Former Managing Director of ARC Energy Limited for 10 years and CEO and Managing Director of Discovery Petroleum NL for 7 years • Previously a founding Non-Executive Director of Adelphi Energy Limited, an early participant in the Eagle Ford unconventional gas and oil play in Texas • Extensive worldwide project management expertise in technical and managerial roles
	<p>Hon Peter Jones Non-Executive Director</p>	<ul style="list-style-type: none"> • More than 30 years involvement in the Western Australian resources sector across business and government • Former Non-Executive Director and Chairman of a number of listed companies, including founding Chairman of ARC Energy Limited • Extensive experience in various government bodies, including roles as Chairman of the Australian Defence Housing Authority and the Water Corporation of Western Australia • Previously a member of the Western Australian Parliament for over 10 years, serving in several senior ministerial positions including Minister for Resources Development, Mines, Fuel and Energy
	<p>Austin Miller Non-Executive Director</p>	<ul style="list-style-type: none"> • More than 20 years experience in the oil and gas industry • Previously Executive General Manager Investment and Strategy for Oil Search Limited • Extensive experience across a range of strategy, commercial, financial and business development functions • Formerly investment banker with Merrill Lynch and HSBC James Capel in Australia and Asia specializing in the oil and gas sector where he worked on a material number of major corporate, asset and capital markets transactions in the region

Acreage Overview

A major long term position with tenure certainty

Regional Acreage

- Continuous basin wide coverage of 640km by 250km (~450 miles by ~150 miles)
- Net 64,000 sq kms
- Generally 50% equity and operatorship

Unique Portfolio

- Acreage as large as core Cooper Basin areas
- Proven oil and gas systems
- Multiple play types with high potential

Active acreage management – State Agreement

Unique Agreement

- Longer term tenure (+25 years) enables full evaluation and recognises investment to date by JV

Work Program

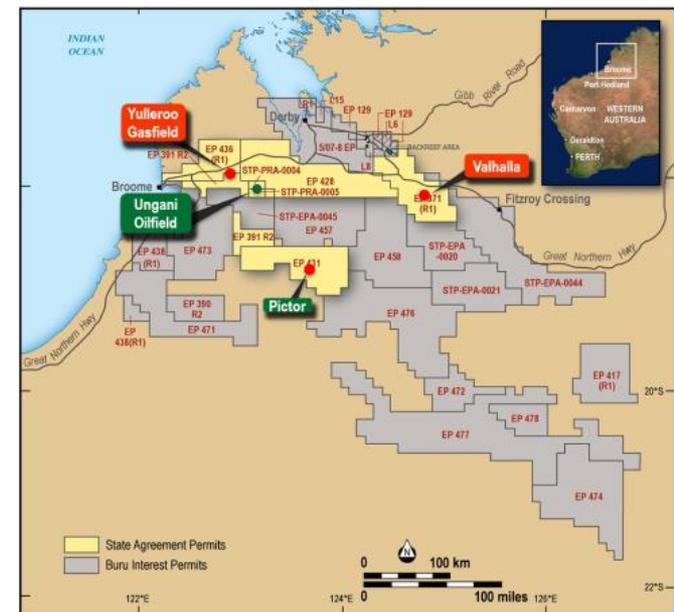
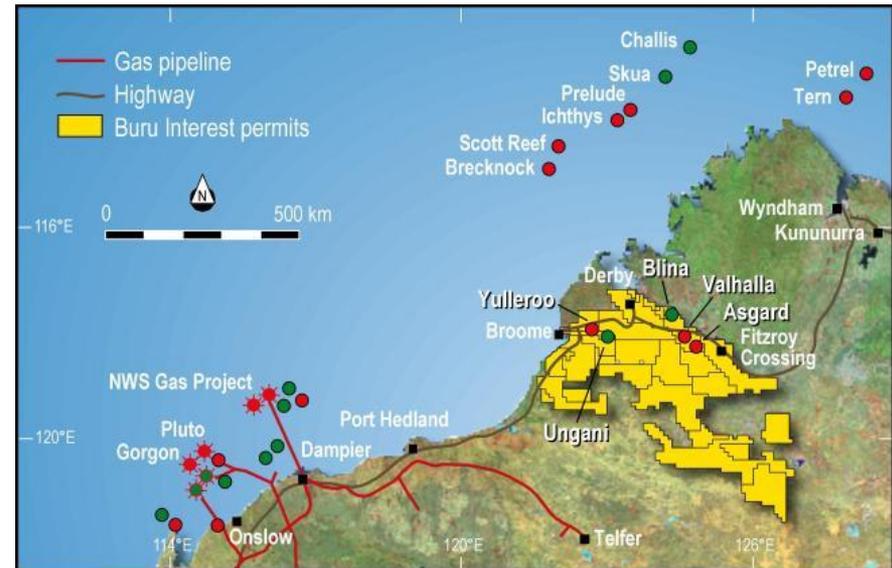
- Offsetting across permits
- Systematic appraisal allows optimal development planning

Project Facilitation

- Commitment to major domestic gas project and pipeline
- Strong alignment of State Govt with JV

Continued Compliance

- Commitment to Native Title, environmental, heritage, and safety compliance



Balanced Portfolio with Major Growth

High Value Near Term Oil Cash Flow + Major Gas Appraisal & Exploration

Oil



Gas



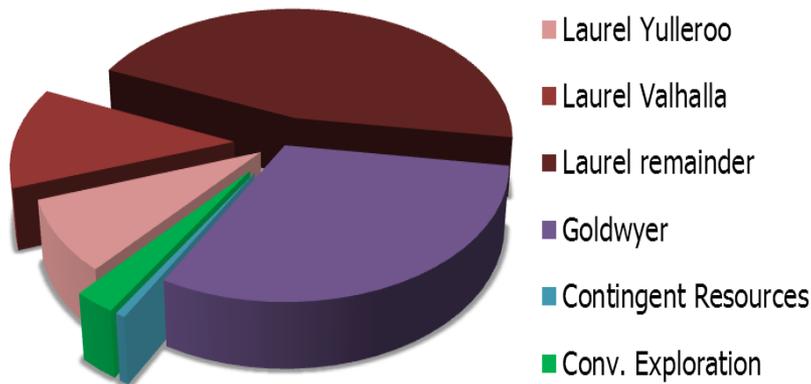
Exploration

- **Ungani** - Significant new field oil discovery
- 2012 long term test confirms >10mmbo rec. P50
- Ungani only production phased increase to ~5,000 bopd end 2014
- **Upside Follow-up**
- Seismic along trend and major drilling planned
- High potential for cluster development of additional discoveries

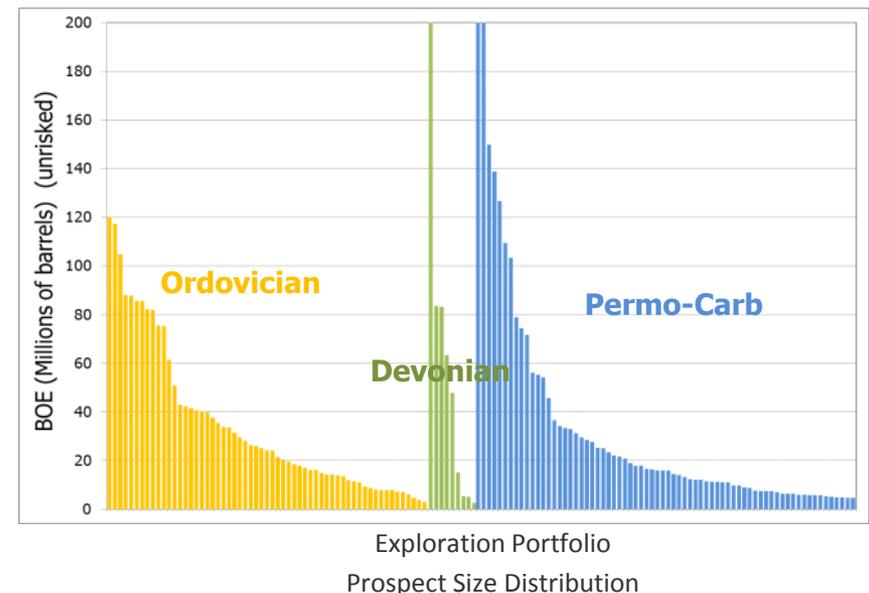
- **Laurel Fm** - Regional basin centered continuous accumulation of wet gas
- **Next Steps** - 2013–2015 systematic appraisal program ahead of FDP
- **Resources** - 47 TCF gas net to Buru in Laurel Formation and net 56 TCF in total (*independent estimates*)
- **Goldwyer Shale** - Potential world class resource of tight oil and gas confirmed by EIA

- **Regional Prospectivity** - Wide range of plays covering oil, gas and gas liquids
- **Major portfolio** - Independent review of conventional prospectivity identified over 150 prospects ranging up to +200mmbo potential
- **Major program** - Seismic program and studies to support continuous drilling program with dedicated rig

Total Resources (contingent and prospective) net to Buru (BOE)



10.7 Billion BOE
(includes 56 TCF gas)



Geology - Highly Prospective & Underexplored

Three major petroleum systems

Ungani Oil Trend

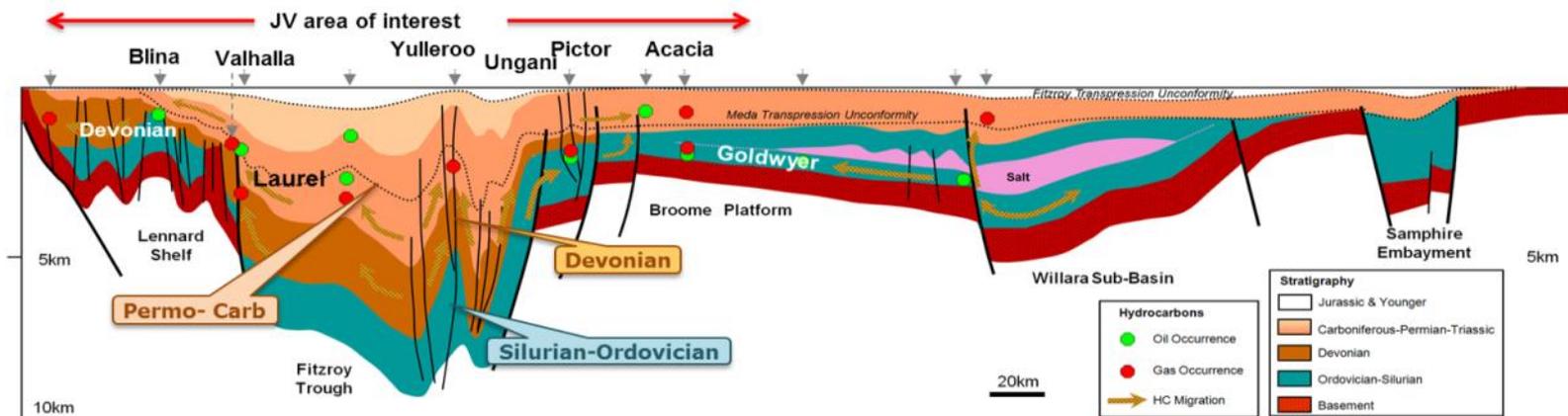
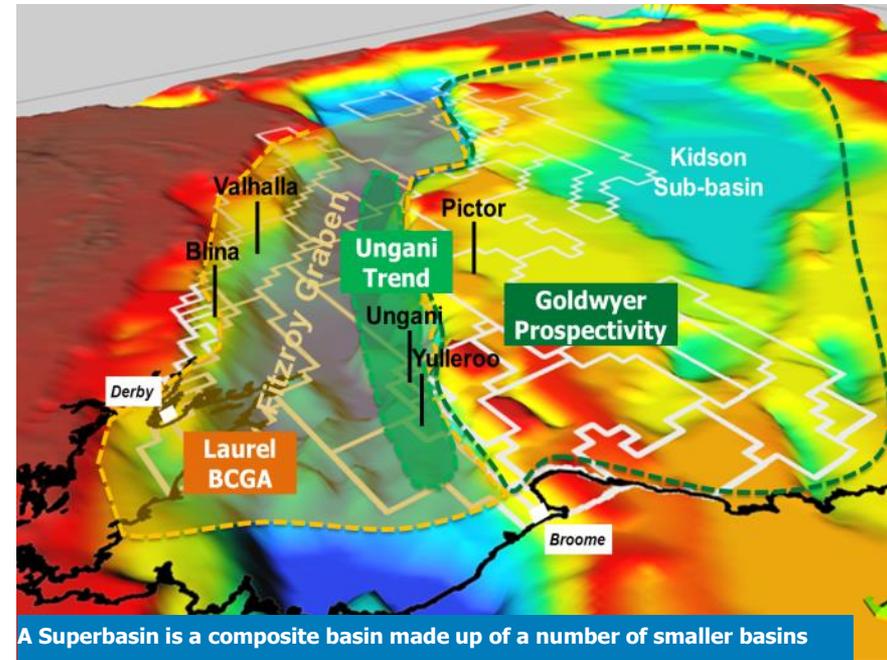
- High quality conventional reservoirs
- Prolific oil source rocks
- Well defined prospects

Laurel Formation

- Basin-wide tight gas accumulation
- Continuity defined by current wells
- Identified potential for high porosity/high deliverability reservoirs

Goldwyer/ Acacia

- Underexplored with huge shale oil and wet gas potential
- Large scale conventional oil potential in the Acacia Sandstone
- Adjacent areas taken up by majors



Ungani Oilfield - Development and Funding

– Phase 1

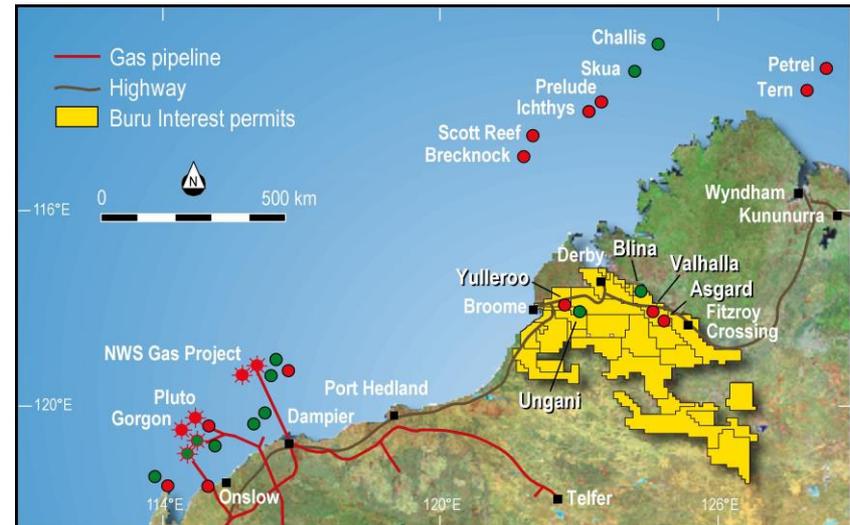
Background

- **Discovered in late 2011 and successfully appraised**
 - Buru (operator) 50% / Mitsubishi 50%
- **Substantial oil column (+50m)**
 - Very high quality conventional dolomite reservoir
- **High quality oil**
 - 37 deg API, sweet, high yield crude
- **Production**
 - Early Production test confirms high quality reservoir
- **Resources**
 - 10 mmbbls gross potential recoverable resources
 - Upside of up to 20 mmbbls will be evaluated by 3D seismic & appraisal well

Development process

- Phase 1 (pre-FID) Planned production to restart shortly:

- 3D seismic being acquired over Ungani and Ungani North
- Workover of the Ungani 1 and 2 wells
- Ungani North 1 test planned
- Existing facilities being upgraded
- Ungani 3 vertical appraisal well planned for December
- Oil trucked to Northwest export point (location under negotiation)
- Planning for up to 3,000 bopd production in 2014 increasing to 5,000 bopd with target 7,500 bopd
- Staged FID to be taken at completion of Ungani 3 well
- Buru's share of Phase 1 costs (estimated at net \$10 million) to be refunded by Mitsubishi post the FID decision expected to be in the first quarter of 2014



Location of Ungani oilfield



Aerial view of current Ungani Oilfield facilities

Ungani Oilfield - Development and Funding

– Phase 2



Development process Phase 2 (post-FID) – Planned production increase:

- Facilities expanded and optimised
 - Dedicated water recycle well drilled
 - Establishment of permanent high volume export route
 - All weather operation with pipeline to highway & loading bay
- Staged FID process for full field recovery and production
 - First horizontal well from either Ungani 3 well bore or the central pad
 - Two additional horizontal wells required for full reserves recovery
 - Possible additional water recycle well
- Target production up to 3,000 bopd during 2014, increasing to over 5,000 bopd (and possibly up to 7,500 bopd) by the end of 2014

Development Funding:

- Initial pre-FID expenditure (~\$10 million Buru share) funded from cash reserves
- At first stage FID, Mitsubishi refunds this expenditure to Buru
- Post FID decision - further funding from a combination of Mitsubishi funding (up to \$27.5 million including pre-FID payment) and Reserve Base Loan Facility
- Field will be strongly cash generative through all phases



Buru engineers testing Ungani crude oil



BRT road train delivering Ungani oil to BP refinery

Ungani Oil Trend and Regional Exploration

Ungani Oil Trend Background

- Ungani conventional oil discovery is a “play opener” in a very underexplored part of the basin
 - Conventional oil discovery in a vugular dolomite reservoir
 - Petroleum system is prolific and structures are readily imaged
 - Area of Prospectivity (Ungani Oil Trend) covers over 120 kms by 40 kms (+1 million acres)
- Ungani North discovery proves petroleum system is extensive
- Recent acreage acquisition (Fitzroy Blocks) gives coverage over the whole play

Ungani Trend Exploration Program

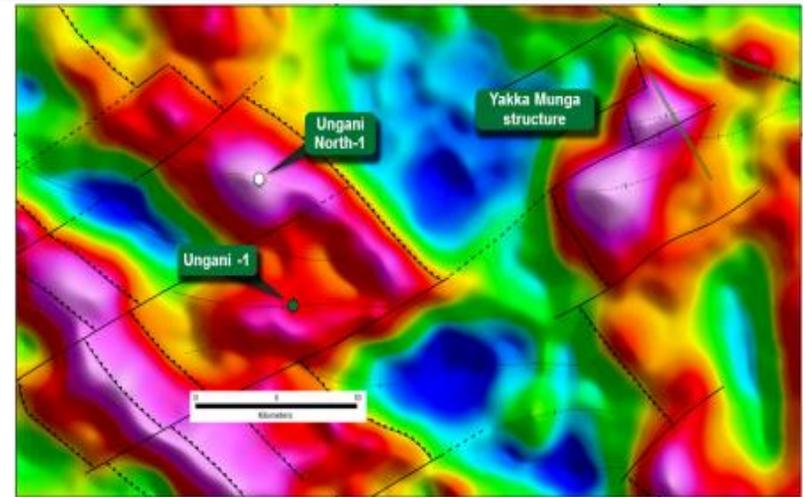
- Relatively sparse seismic data on the trend has identified numerous prospects and leads
- +600 km 2D seismic program along trend planned following completion of the Ungani 3D seismic survey
- Drilling of oil targets is planned for early in the 2014 dry season immediately after the first appraisal wells on Ungani

Regional exploration

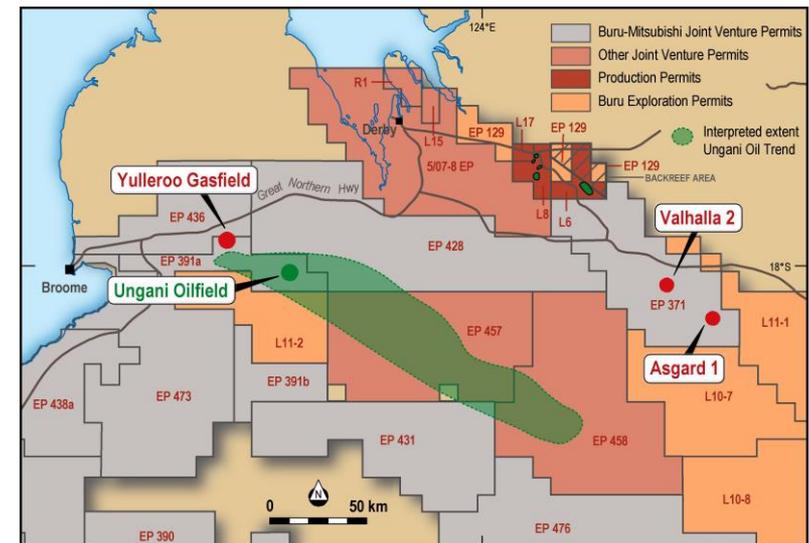
- Extensive seismic and airborne geophysical surveys planned
- Asset acquisitions and general regional GandA activity

Funding

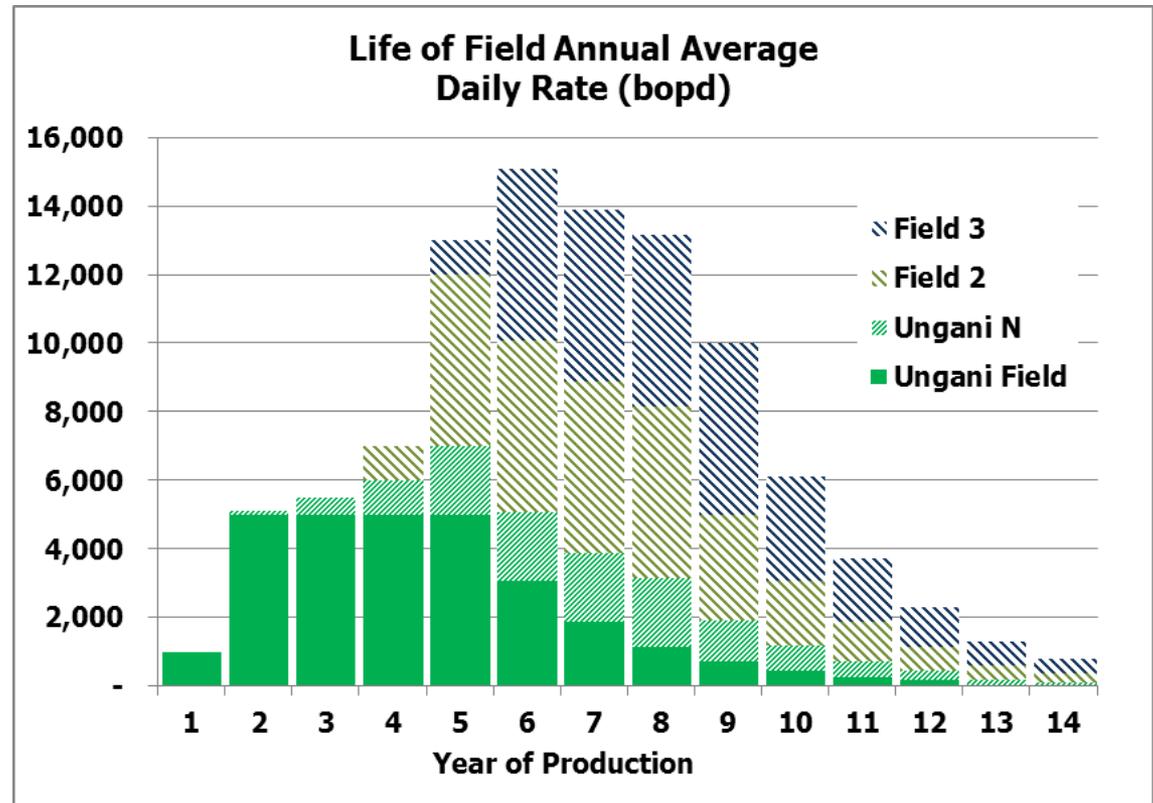
- Buru’s share of this combined program is estimated at \$42 million



Geophysical image of Ungani area



Location of Ungani oil trend



Independently Verified Potential

Massive tight gas and unconventional oil potential

The US Energy Information Agency (“EIA”) identifies the Canning Superbasin as the largest “shale” or unconventional gas potential in Australia

Independent Resource review of Goldwyer Shale

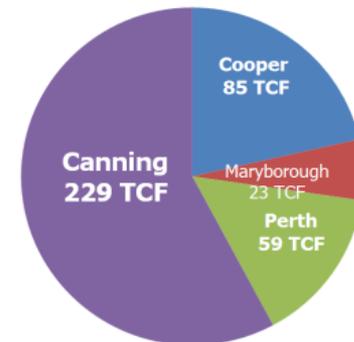
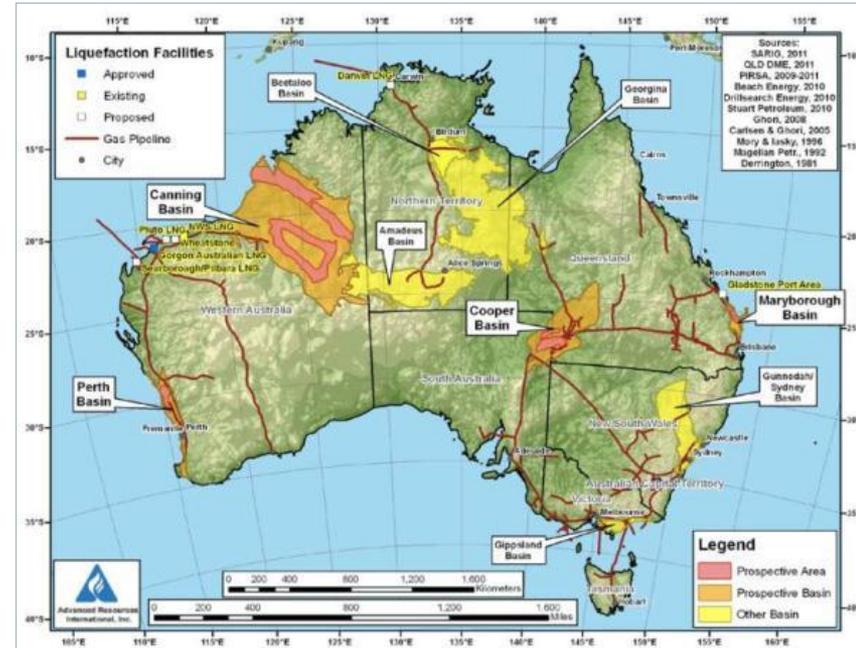
- Recent EAI update confirms Canning as having highest potential in Australia
- NSAI independent estimate of unrisks Median Prospective Recoverable Resources net to Buru (Goldwyer Shale only):
 - 7.2 TCF of gas
 - 4 billion barrels of oil

Independent review of Laurel Formation tight gas resources

- Laurel Formation resources net to Buru:
 - +47 TCF of gas; and
 - +1 billion bbls of liquids

Other unconventional plays under evaluation

- Gogo Shale** - source for Blina Field oils
- Noonkanbah Shale** - best source rock in the basin outside Ungani oil source
- Bongabinni** - localised high quality source rock



EIA estimate of prospective resources by basin (shale resources only) – not including tight gas

Laurel Basin Centred Wet Gas System

Background - Potential World Class Accumulation

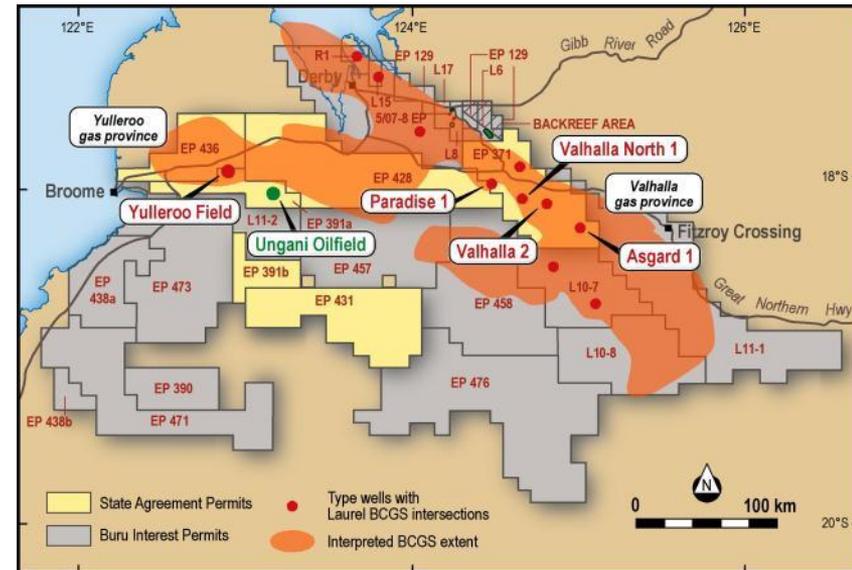
- **Potential +47 TCF** gas net to Buru (independent estimates of prospective resources)
- **Defined** by Buru/MC JV drilling of six wells
- **Extensive overpressure** at drillable depths
- **Sweet gas** with low CO₂, no H₂S and interpreted high liquids content
- **Conventional reservoir** sections also encountered
- **Tenure secured**

Appraisal Process (next steps)

- **Specialist Alliances** - access to world class expertise
- **Evaluation program** for phased commercialisation
- **Stimulation and test plan** for up to five of the wells with flow back to ascertain long term deliverability
- **Conventional reservoirs** testing under consideration
- **Contractors** available with sufficient pumping capacity
- **Long lead**, technical and operational planning currently underway
- **Time frames** involved means the appraisal program will now be undertaken in the first half of 2014

Funding

- The overall cost of the program is estimated at \$54 million (\$27 million Buru share)
- Alcoa will release \$20 million from the escrow funding to pay a substantial part of Buru's share of costs



Location of Laurel Basin Centred Gas System in the Canning Superbasin



Ensign Rig 32 drilling the Yulleroo 3 well

Delivering Full Value of the Laurel BCGS

Systematic derisking of the project through a series of inter-related processes

Commerciality Drivers

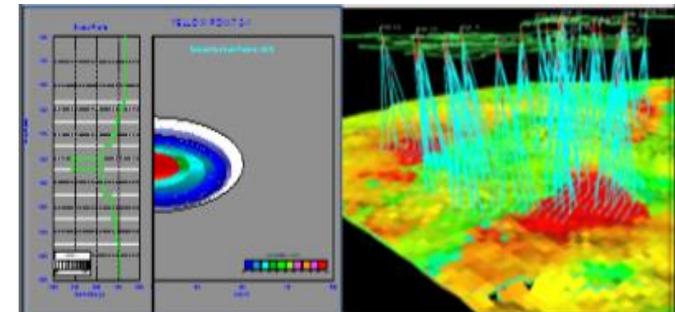
- Gas price
- Gas liquids content
- Completed well cost
- Gas deliverability
- Initial flow rates
- Recovery per well (EUR)
- Scalability

Laurel Formation has right characteristics

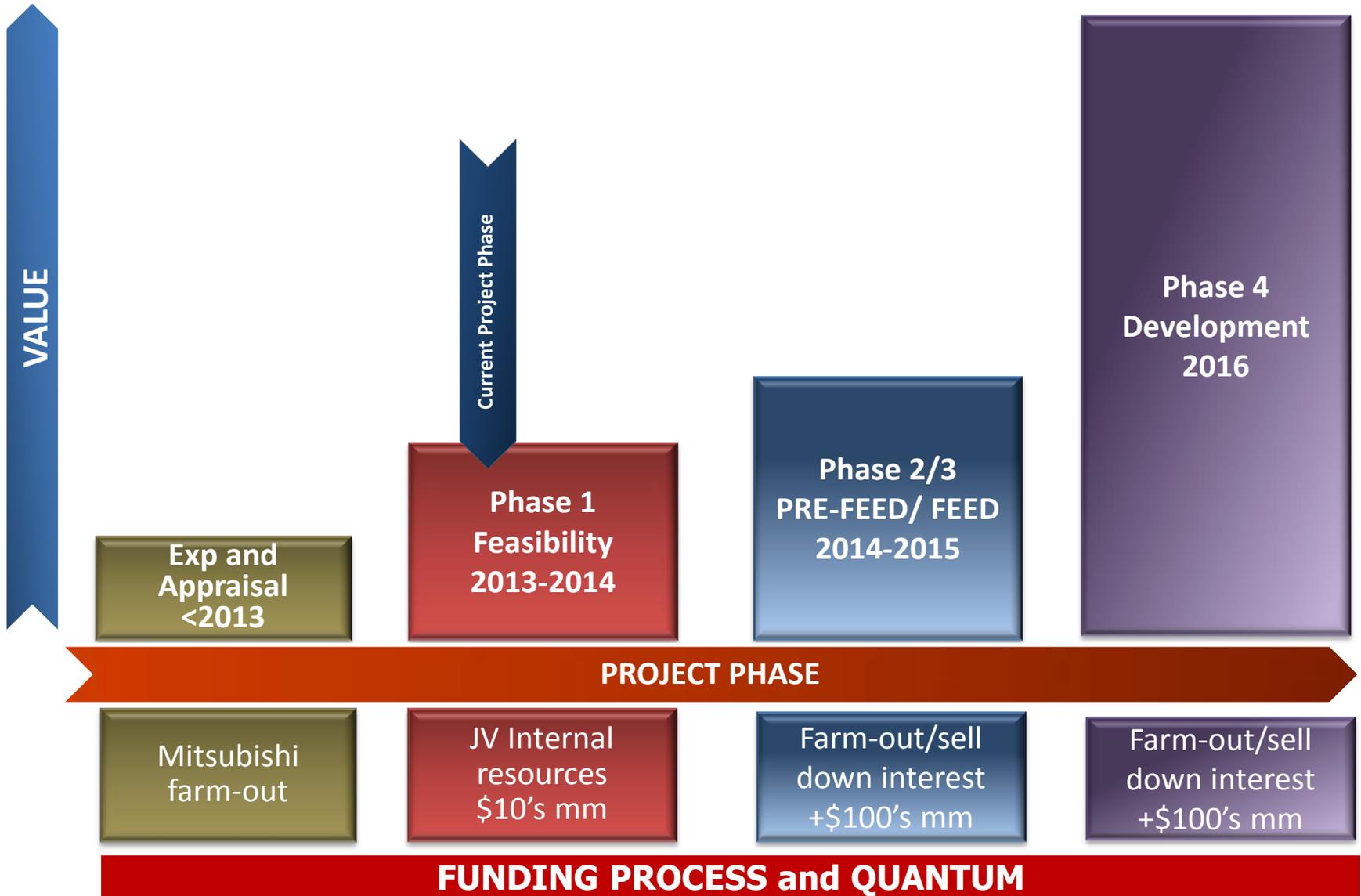
- Numerous well intersections prove resource size
- Independent technical reviews confirm resources
- Trial frac of Yulleroo 2 to confirm parameters proved:
 - Good gas quality
 - Deliverability
 - High liquids content
 - Promising flow rates

LAUREL BCGS Commerciality highly achievable

- High gas prices
- High liquids content
- Well costs can be driven down as in all projects
- Engagement of world class contractors with proven expertise – equipment is available
- Focus on full alignment with Traditional Owners



Laurel Gas - Clear Value Realisation Path



Major Oil and Gas Potential – Goldwyer Shale

Buru/Mitsubishi JV prime acreage

Upside

- Another accumulation of world class scale
- Buru acreage on flank of Kidson basin
- Geological setting doesn't overlap Laurel

Resource

- **+7 TCF** and **+4 Bn bbls** oil net to Buru with (independent estimates of prospective resources) with recent EIA upgrade

Shale reservoir

- Classic “Bakken” style shale reservoir
- Thick organic rich shales with good oil and wet gas shows and oil recoveries

Resource definition

Well defined

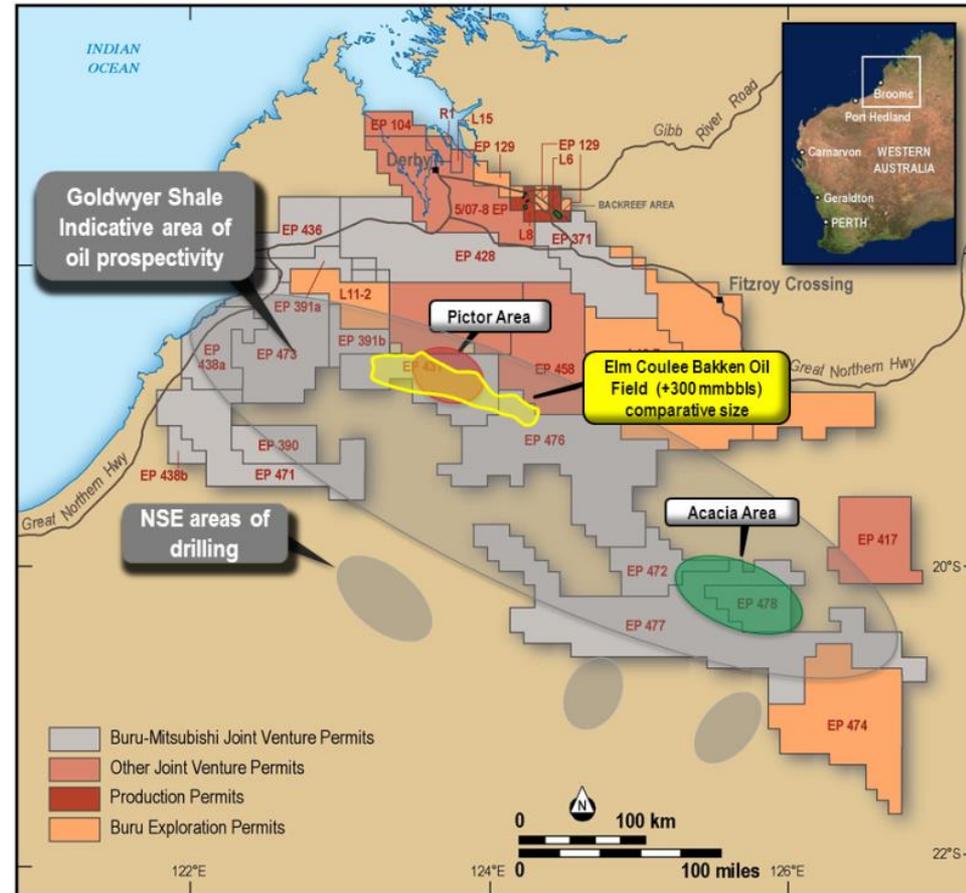
- Many wells on Buru's acreage with extensive cores, logs and sample analyses by Buru and other JV's

High quality

- Gas and oil recoveries from adjacent formations prove the generative potential

Next steps

- Identifying high potential sweet spots
- Preparing full technical package for potential partnering



Canning Superbasin Goldwyer prospectivity

New Drilling Rig Contracted - Huisman LOC 400

Background

- Huisman LOC 400 rig is a step change in drilling technology for Buru and Western Australia
- Careful and deliberate decision by Buru through extensive tendering and evaluation process
- The rig is capable of drilling both deep vertical wells and long reach horizontal wells
- Rigorous process to ensure right rig and the right commercial structure
- Full support from manufacturers
- It is specifically designed as a Low Operating Cost (LOC) rig with many state of the art improvements over traditional rigs
- As with previous Buru rig contracts, the rig contract is for an initial four wells with continued program at Buru's option
- Contract held by Advanced Energy Services (AES) local Western Australian Company with backing of Calenergy (a subsidiary of MidAmerican, a Berkshire Hathaway company)
- The rig is currently undergoing acceptance trials in Kwinana and will be available to Buru in the December quarter of 2013 after completing initial work for other operators

Rig Specs

- The rig is fully automated and modularised with a small footprint and is capable of quick and efficient moves
- Rig up and rig down in less than 30% of conventional rig times
- Depth capability of in excess of 5,000 metres with 360 ton hook load capacity
- Automated system means fewer crews and much safer and more efficient operation



A Huisman LOC 400 rig on location



Buru's License to Operate

Committed to taking a leading position with Traditional Owners



Listening to residents near our operations helps us to form strong relationships and find ways to address local concerns.

Buru engages with the Traditional Owners

- Respect for cultural and traditional values
- Create jobs and help build skills among local communities
- An appropriate sharing of the social benefits that arise from successful and profitable activity

Activity to date has been aligned

- Buru is very active in the Canning and has overall good relations with Traditional Owners
- Parties now fully engaged and have resolved past issues
- Full engagement to ensure future activities are issue free

Seeking to develop further alignment

- Business development & training
- Material opportunities in operational roles
- Capability building for increasing responsibilities
- Program to gain broad agreement on 2 year program aligned with TO issues/concerns
- Active operational & social monitoring program with Indigenous personnel
- Indigenous participation in future planning



Committed to License to Operate Excellence

Community and Environment

Context

- Industry regulations being appropriately strengthened
- Buru has moved quickly to build capability to ensure highest performance
- Social/Community focus on the industry is intense
- Requires deep and full engagement to explain and educate especially in areas of new activity

Community Engagement

- Open and transparent meetings
- Full disclosure of activity
- Continuous community liaison

Environment

- Education programs based on facts
- Support independent expert advice (e.g. CSIRO)
- Extensive baseline studies & mapping
- Continuous, comprehensive and transparent monitoring



2013 Program and Milestones

Getting ready

2 year drilling program

- Intensive two year drilling program recently completed
- Buru and Mitsubishi strongly aligned on next two year program

Fit for purpose drilling rig

- Contract executed for drilling rig for two year program
- Fit for purpose - drive well costs down and improve safety and reliability

Traditional Owner agreements

- Forging long term alignment
- Building capability to deliver projects and businesses

Getting it done

Ungani Focus

- Export system
- 3D seismic
- Development wells
- Full production +5,000 bopd end 2014

Ungani cluster exploration

- Seismic and drilling 2013
- Ungani North test program

Frac and flow test program

- Five wells suitable for frac tests
- Programs and logistics being finalised
- Internal approvals underway
- Timing being finalised



Fully Funded Forward Program

<p>Capital Funding Program</p>	<p>Total +\$100 million new funding</p> <p>Project Funding:</p> <ul style="list-style-type: none"> • Up to \$27.5 million non-dilutive funding from Mitsubishi Corporation for Ungani Oilfield development • \$20 million from Alcoa through the release of funds on escrow for Laurel Wet Gas appraisal program • \$30 million Reserve Base Loan Facility term sheet from NAB for Ungani Oilfield development <p>New Equity:</p> <p>\$35 million fully underwritten Institutional Placement and accompanying Share Purchase Plan</p>
<p>Fully Funded Forward Program</p>	<ul style="list-style-type: none"> • Ungani Oilfield – \$92 million gross, \$46 million net, for Ungani Oilfield full field development at up to 7,500 bopd • Laurel Wet Gas – \$54 million gross, \$27 million net, for appraisal, including stimulation and flowtesting, of up to five wells in the Yulleroo and Valhalla regions • Ungani Oil trend and regional exploration – \$42 million net for extensive 2D seismic and geophysical programs, and drilling of four exploration wells • Drilling rig – contracting of state-of-the-art Huisman LOC 400 drilling rig
<p>Equity Raising</p>	<ul style="list-style-type: none"> • +\$35 million via an Institutional Placement at \$1.65 • The Institutional Placement was fully underwritten by Deutsche Bank AG • Accompanying non-underwritten Share Purchase Plan (capped at \$5 million)



Funding Sources and Uses (August 2013 – December 2014)



Comments

- The following tables represent current estimates of programs and budgeted expenditures net to Buru for the period from August 2013 to December 2014 and should be read in conjunction with the statement set out below
- The potential proceeds received from the Share Purchase Plan are not included in this funds statement
- The Company intends to bring the Ungani Oilfield back into production in the December quarter of 2013 and maintain production during 2014. This production is expected to generate significant net cash flow. The operating costs and sales proceeds related to this planned production are not included in this statement
- Amounts have been rounded for the purposes of this statement

Sources of Funds to December 2014	
Cash on hand at 31 July	\$44M
Ungani Oilfield Development funding (Mitsubishi)	\$27.5M
Laurel Wet Gas appraisal funding (Alcoa)	\$20M
Reserve base Loan Facility	\$30M
Gross Institutional Placement proceeds	\$35M
Total	\$156.5M

Uses of Funds to December 2014	
Ungani Oilfield development	\$46M
Laurel Wet Gas appraisal program	\$27M
Ungani Oil Trend and regional exploration	\$42M
Existing operations/G&A/Corporate	\$16M
Working capital and available cash (1)	\$25.5M
Total	\$156.5M

Notes

- (1) Includes \$11.5 million in excess cash assuming the full \$30 million Reserve Base Loan Facility is drawn down
- All amounts rounded for the purposes of this statement
- All of Buru'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. Although Buru believes that the costs and programs set out in this table are reasonable, they will be affected by some or all of these factors.

Buru Energy : A Material & Sustainable Growth Story

2013

BUILDING THE PLATFORM FOR FULL VALUE DELIVERY & LONG TERM GROWTH

- ✓ Safety & Risk management
- ✓ JV program alignment
- ✓ Capability Building
- ✓ Oil Development
- ✓ Tight Gas Validation program
- ✓ Major seismic program
- ✓ Securing fit-for-purpose rig
- ✓ Prioritising high value exploration
- ✓ Cost & Logistics Optimisation program

2014

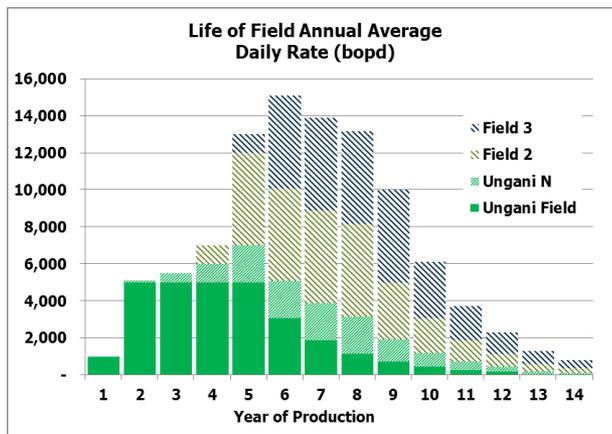
**MATERIAL CASH FLOW
MAJOR DERISKING OF GAS &
CONTINUOUS HIGH VALUE
EXPLORATION DRILLING**

- HSE Excellence
- Material cash flow
- Major Tight Gas program of Strategic importance to WA
- Targeted Gas farmout
- Ongoing High Value Exploration
- Strong Community Engagement
 - Major contracts available to Indigenous company
 - Active community employment in field developments

2015

**TARGETED OIL EXPANSION,
CONFIRMING GAS VIABILITY,
MULTI-RIG APPRAISAL &
EXPLORATION GROWTH**

- HSE Excellence
- Material cash flow
- Near Field Oil Tie-ins
- Major Gas Program with strong JV
- Multi well exploration program
- Traditional Owner Engagement
 - Major contracts available to Indigenous company
 - Active community employment in field developments



Disclaimer

This document has been prepared by Buru Energy Limited ABN 71 130 651 437 ("**Buru**"). This presentation contains certain statements which may constitute "forward-looking statements". It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including, but not limited to:

- price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve and resource estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delays or advancements, approvals and cost estimates.

All of Buru'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. Although Buru believes that the expectations raised in this presentation are reasonable there can be no certainty that the events or operations described in this presentation will occur in the timeframe or order presented or at all.

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All dates in this presentation are for calendar years unless stated FY for financial year. All references to \$ are in Australian currency, unless stated otherwise.

Competent Person's Statement

The information pertaining to reserves and resources contained in this presentation is based on information compiled by Mr Eric Streitberg who is a full time employee of Buru. Mr Streitberg consents to the inclusion of the information in the form and context in which it appears.

Mr Streitberg has over 40 years' experience in petroleum geology and geophysics, oil and gas exploration, and oil and gas company management. He is a Fellow of the Australian Institute of Mining and Metallurgy, a member of the Australian Institute of Company Directors, a member of the Society of Exploration Geophysicists and the Petroleum Exploration Society of Australia, and is a Certified Petroleum Geologist of the American Association of Petroleum Geologists. Information in this presentation has been disclosed to the ASX pursuant to the ASX Listing Rules.



**Buru is the Future of Onshore Oil and Gas Production
in Western Australia**