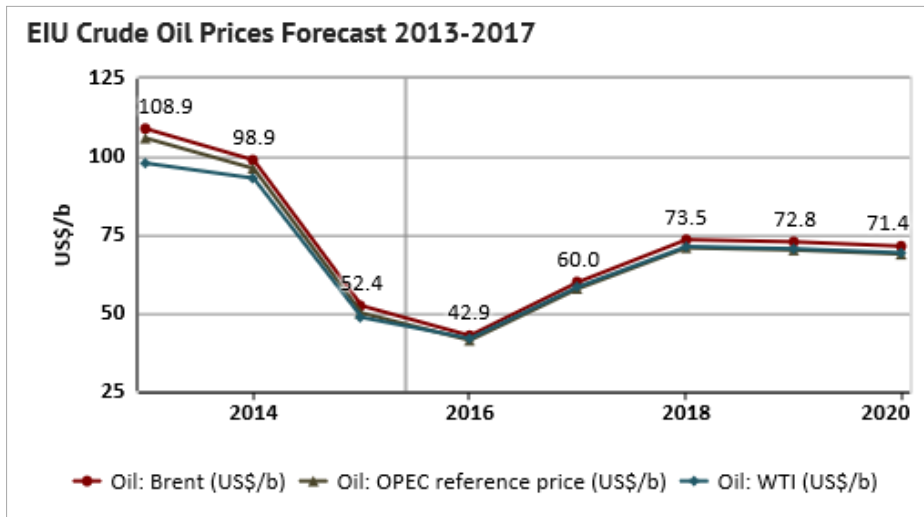
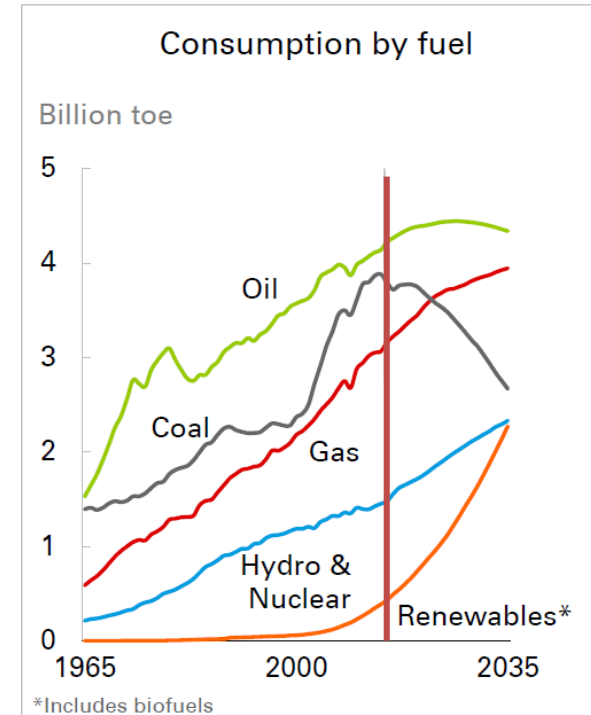
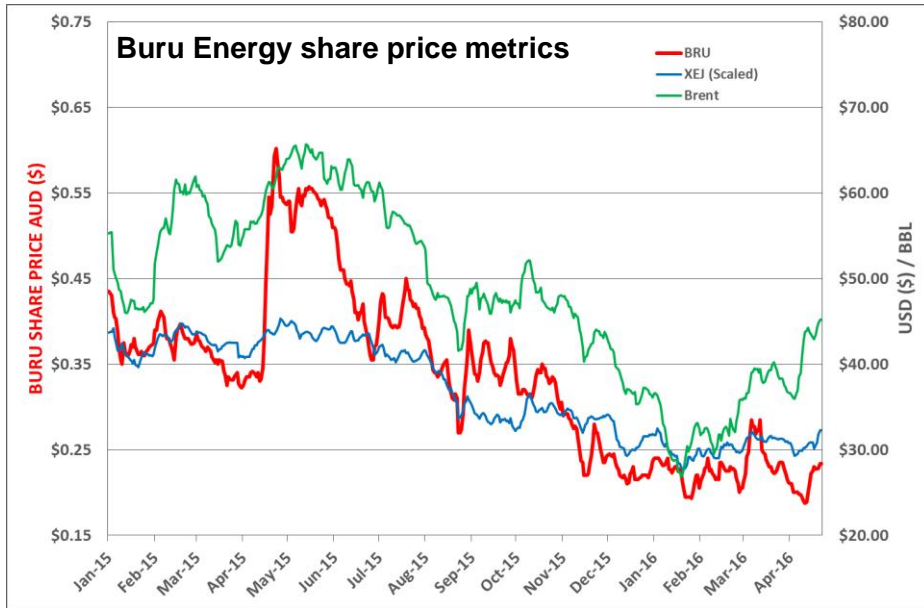






# 2016 AGM – Operations Update



### Conclusions

- Global demand for energy continues to rise
  - to power increased levels of activity as the world economy continues to grow
- Fuel mix changes significantly
  - coal losing, renewables gaining, and oil and gas combined holding steady
- Growth rate of carbon emissions slows sharply
  - but not by enough without further policy changes

2016 Energy Outlook 87 © BP p.l.c. 2016

- **Sole Focus** on the Canning Superbasin in Northwest Western Australia
- **Secure strategic acreage position** of gross ~33,200 sq kms / 8.2 million acres (4.1 million net acres)
- **High equities** of ~50% in all core permits
- Major international partner – **Mitsubishi Corporation**
- **Operator** of all core permits with ~30 staff in Perth/ Broome/ Kimberley
- Significant **conventional oil** field and exploration trend
- **Multi TCF tight gas resource** with high liquids content and Contingent Resources
- Experienced local operator with **strong Government and community links**





## Oil

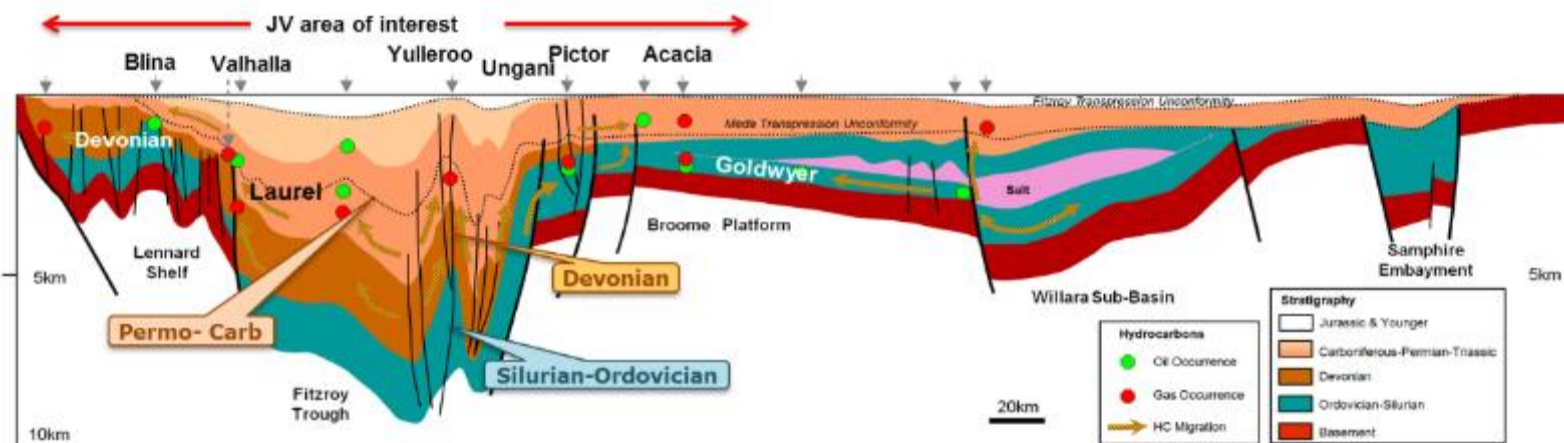
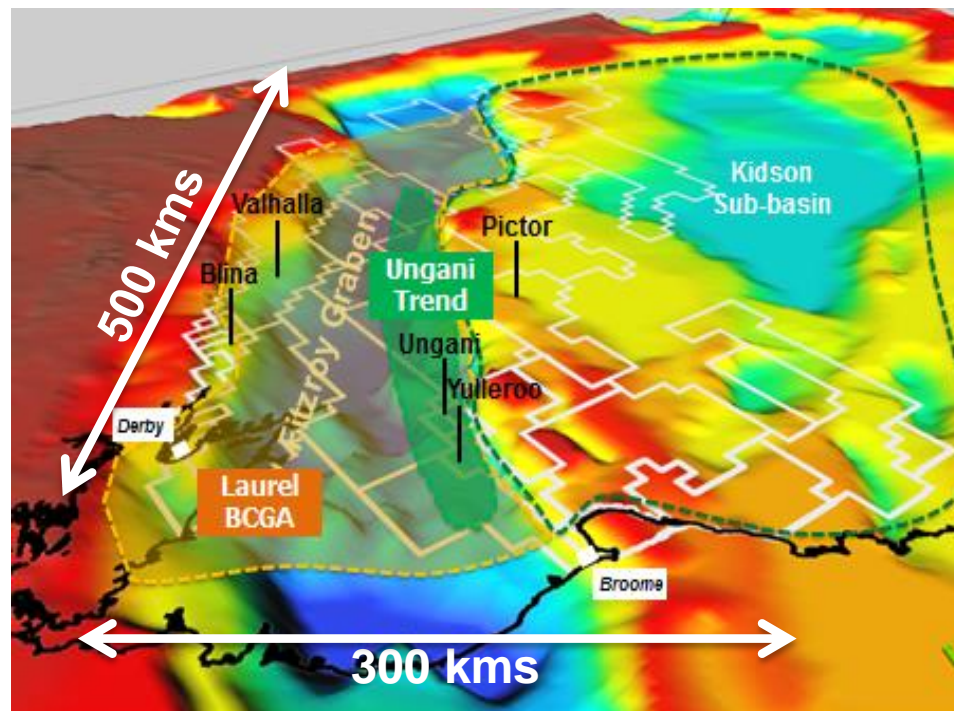
- High quality conventional reservoirs
- Two petroleum systems
- Well defined prospects with systematic exploration program

## Gas

- Basin - wide tight gas accumulation
- Frac program confirms accumulation technical viability

## Experienced Operator

- Working in the basin since 2006
- Unravelling the geology
- Step by step process



## 2015 – A unique operating window

### Drilling costs reduced by over 50%

- Technology and process innovation
- Stepping away from “old” oilfield technology
- Performance shared with contractors
- Two rigs contracted Atlas Rig 2 and DDH1 Rig 31

### Other services cost competitive and better technology

- Stimulation services very keenly priced
- Seismic costs also at very competitive levels

### Extensive Program undertaken in 2015

- 6 wells
- 3D seismic ~ 400 sq kms
- 2D Seismic 163 kms

## 2016 – Challenging Climate

- Probably only the big contractors will survive
- The Atlas rig is in liquidation, DDH1 out of the oil business
- Seismic and fracking contractors in very difficult environment



*DDH Rig 31*



*Atlas Rig 2*

# How do we move forward?

## Extensive high prospectivity portfolio that needs focused exploration

### Overall Process

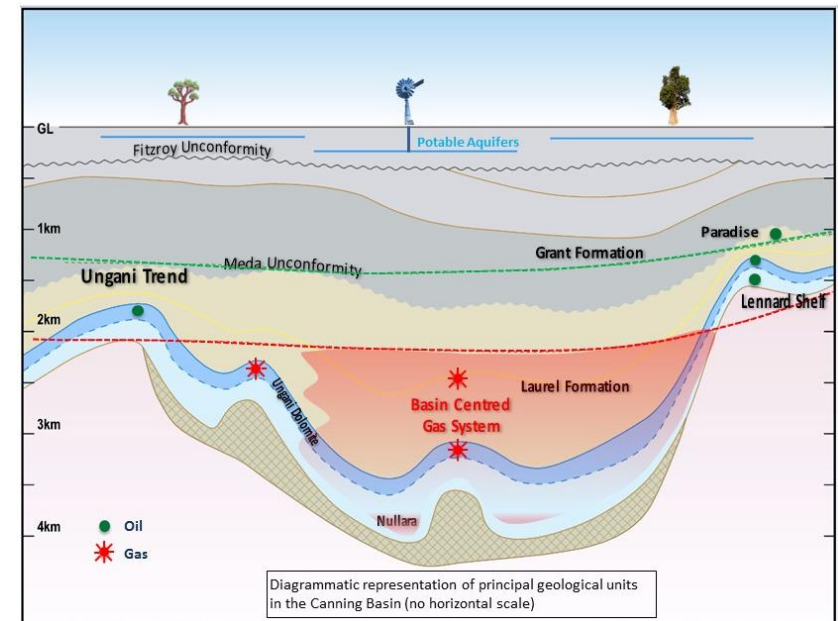
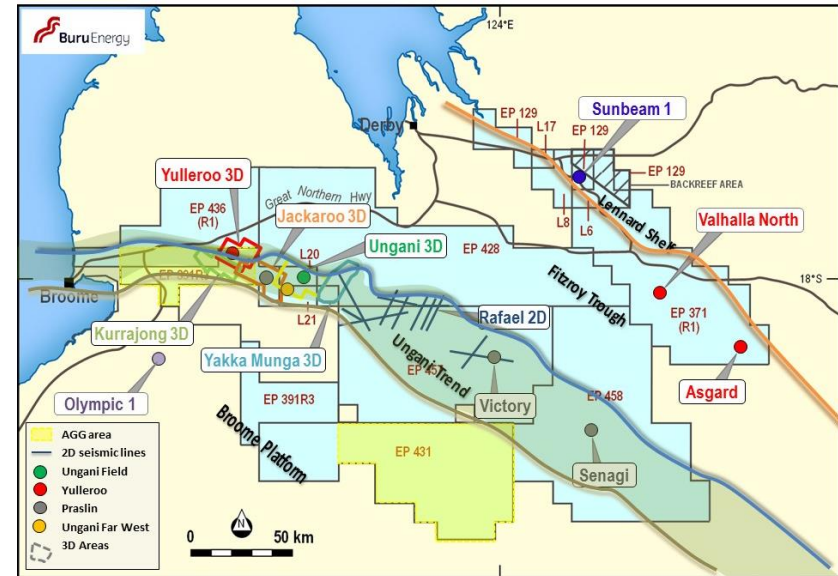
- Initial exploration focused on gas - identified Laurel BCGS
- Play opening Ungani Oilfield discovered in late 2011
- Regional exploration on Broome Platform for Goldwyer Shale play

### Systematic exploration

- Initial regional drilling program guided by 2D seismic and regional interpretation
- Airborne Gravity regional tool for focus of next phase
- Extensive 3D seismic surveys over prospective areas for the next phase of exploration

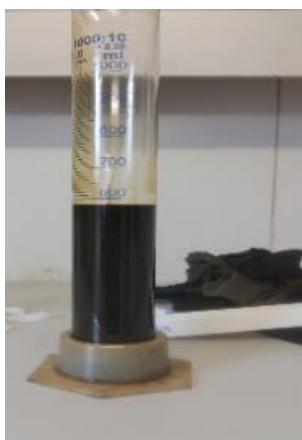
### Acreeage management – a major focus

- Continuous high grading process
- State Agreement provides security of tenure

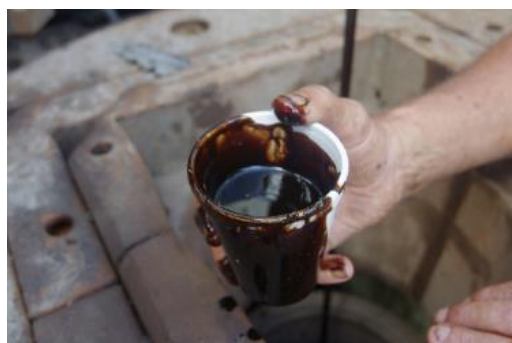




Activity	Funding	Results and comments
Sunbeam 1	Buru 100%	Shallow commitment well - dry
Olympic 1	Quadrant 100%	Broome Platform farmin well – good Goldwyer shale but conventional target dry
Praslin 1	Buru 50%	Jackeroo 3D – oil shows and excellent reservoir
Victory 1	Buru 41.67%	Wildcat on 2D seismic – good shows at Anderson level and new shale seal identified
Senagi 1	Buru 41.67%	Wildcat on 2D seismic – Excellent reservoir in Ungani Dolomite – minor shows
Ungani FW 1	MC 100%	Oil discovery in Anderson Formation and Ungani Dolomite
Ungani North 1	Buru 50%	Oil recovery on testing operation
Seismic	Buru 50%	3D - Yakka Munga (203 sq kms)/ Kurrajong (196 sq kms); 2D – 163kms



Ungani North 1 - Oil sample



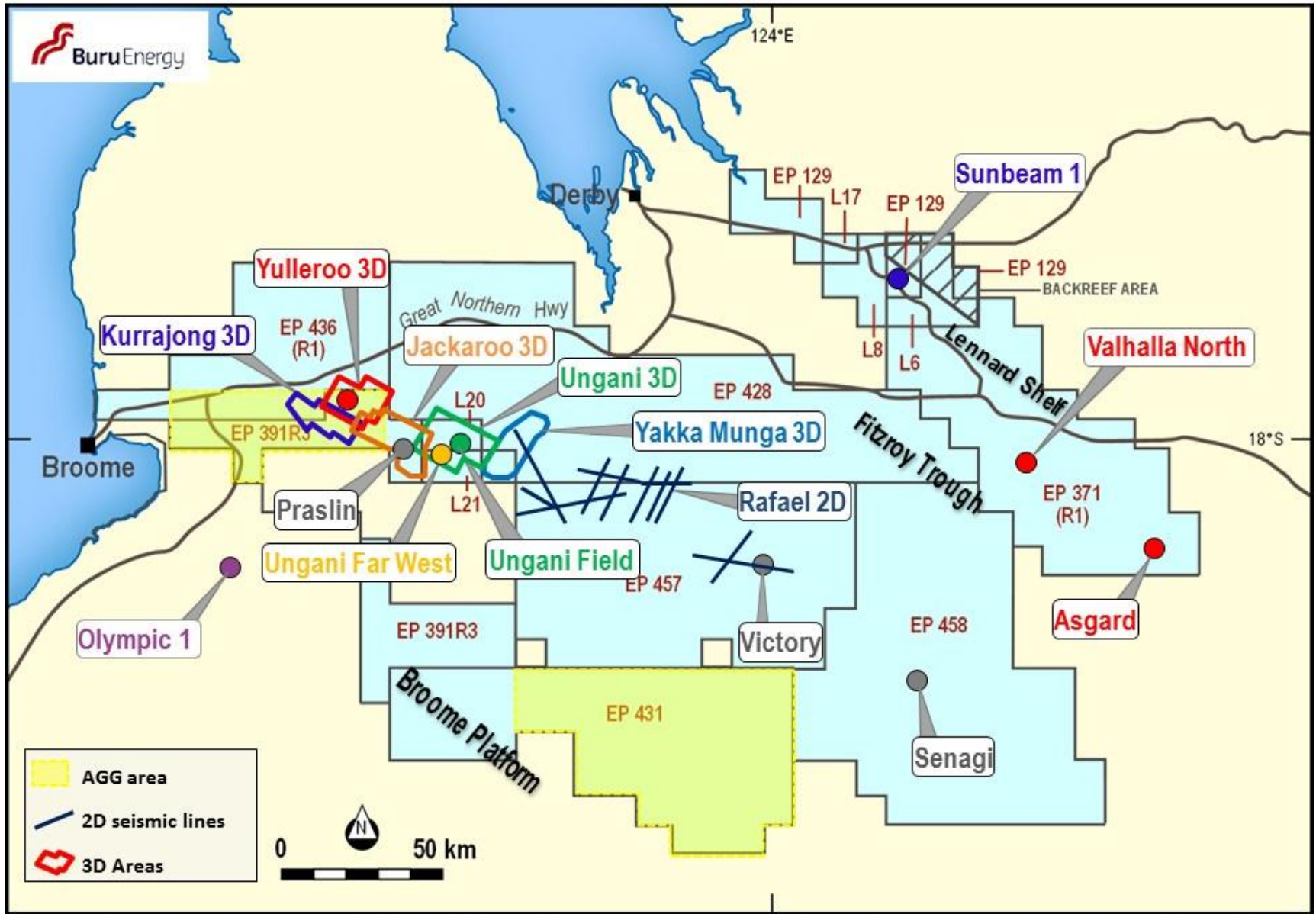
UFW 1 Anderson oil – Informal oil sample



UFW 1 – Ungani Dolomite Oil Sample



UFW 1 – Ungani Dolomite core







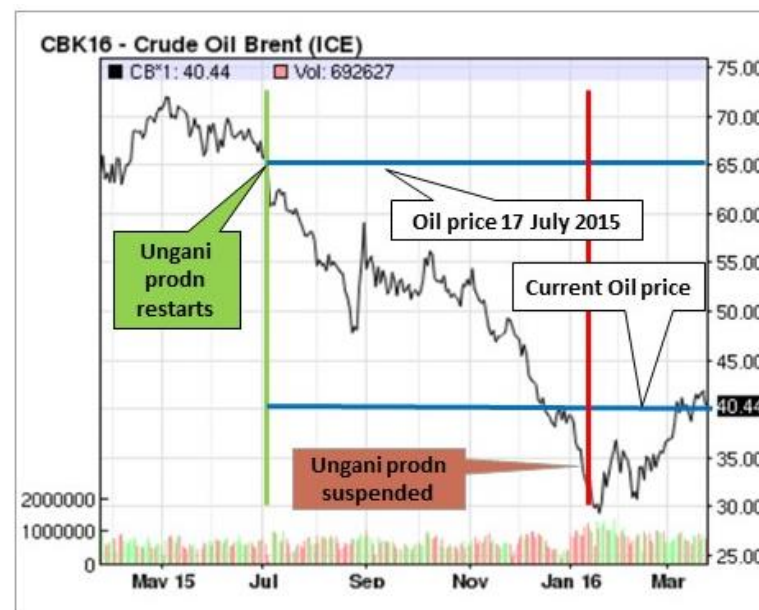
# Oil Business

## Current Status

- Excellent reservoir performance confirmed by extended production test and recent production
- Production to date ~600,000 bbls gross
- Sales to southeast Asian refiners high quality sought after product
- Production Licence Start Date 16 July 2015
- Production suspended 26 January 2016
- Suspension cost minimal – positioned for a quick restart

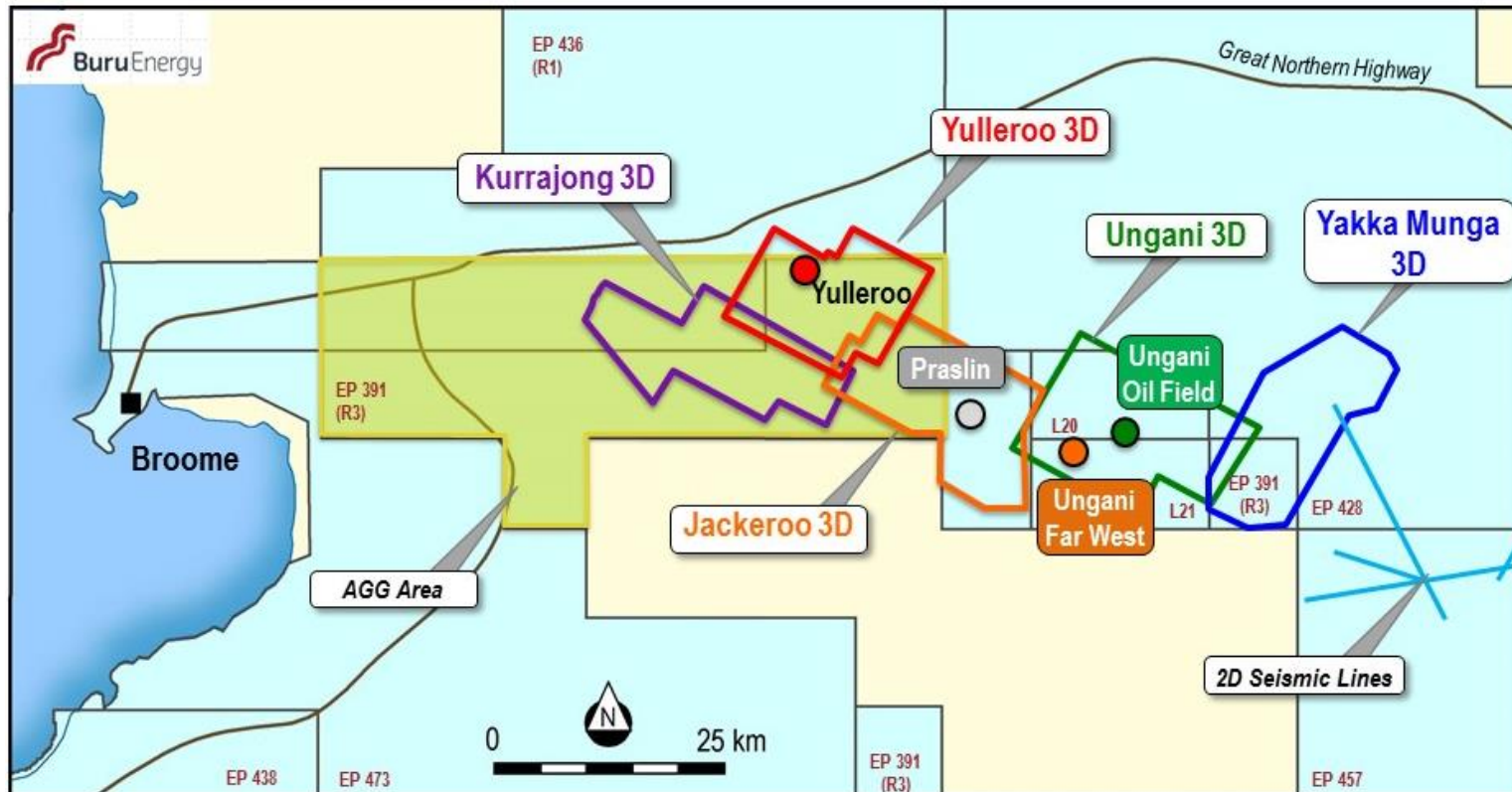
## Restart Parameters

- Dependent on cost and price
- Objective is to restart at acceptable margin
- Oil price needs to be high enough to provide buffer to price swings
- Costs being reviewed in detail, export system only one part of the equation



## Regional Review Underway

- 5 years of intensive exploration completed
- Wealth of data from current drilling program
- Extensive 3D seismic surveys
- JV program to re-evaluate all data to define best targets for next drilling campaign
- Focused on Ungani trend
- Also focused on new plays from the Anderson discovery in Ungani FW1



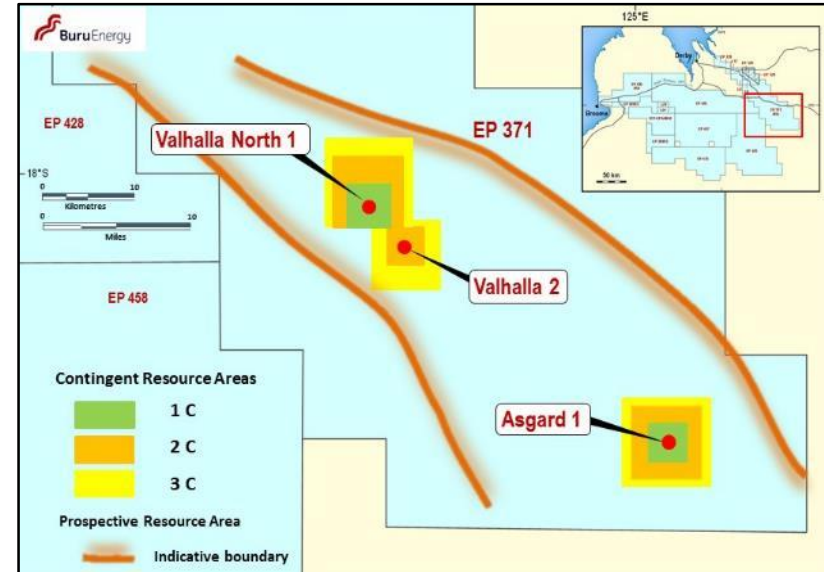




# Gas Resources

## Valhalla and Asgard

- Accumulation on the northeastern side of the Basin
- Accumulation defined by Buru wells and fracs
- Recent fracs produced strong flows (0.5 to 2.0mmcf/d) per zone
- Operationally successful with full co-operation of local Traditional Owners
- No discernible effects on the environment
- Updated resource report provided by DeGolyer and McNaughton
- Substantial Contingent Resources defined



Unrisked Gross Contingent Resources (gross – Buru 50%)			
Product	1C (MMbbl/BCF)	2C (MMbbl/BCF)	3C (MMbbl/BCF)
Condensate	9	32	66
Natural Gas	455	1,533	2,981
<b>Total BOE</b>	<b>85</b>	<b>288</b>	<b>563</b>

BOE refers to Barrels of Oil Equivalent – gas quantities are converted to BOE using 6,000 cubic feet of gas per barrel. Quoted estimates are rounded to the nearest whole BOE.

Evaluation date 31 March 2016. Probabilistic method.

Qualified petroleum reserves and resources evaluator requirements are detailed in Buru Energy's ASX release of 18 April 2016. Buru Energy is not aware of any new information or data that materially affects the information included in that ASX release and all material assumptions and technical parameters underpinning the estimates in that release continue to apply and have not materially changed.

The estimates of contingent resources are the statistical aggregates of unconventional resources



## Valhalla and Asgard

- Substantial Prospective Resources which can be systematically converted to Contingent Resources

Product	Unrisked				Risked
	Low (MMbbl/BCF)	Best (MMbbl/BCF)	Mean (MMbbl/BCF)	High (MMbbl/BCF)	Mean (MMbbl/BCF)
Condensate	79	191	232	445	83
Natural Gas	5,607	11,482	13,024	22,368	5,234
<b>Total BOE</b>	<b>1,014</b>	<b>2,105</b>	<b>2,403</b>	<b>4,173</b>	<b>956</b>

Evaluation date 31 March 2016. Probabilistic method.

Qualified petroleum reserves and resources evaluator requirements are detailed in Buru Energy's ASX release of 18 April 2016. Buru Energy is not aware of any new information or data that materially affects the information included in that ASX release and all material assumptions and technical parameters underpinning the estimates in that release continue to apply and have not materially changed.

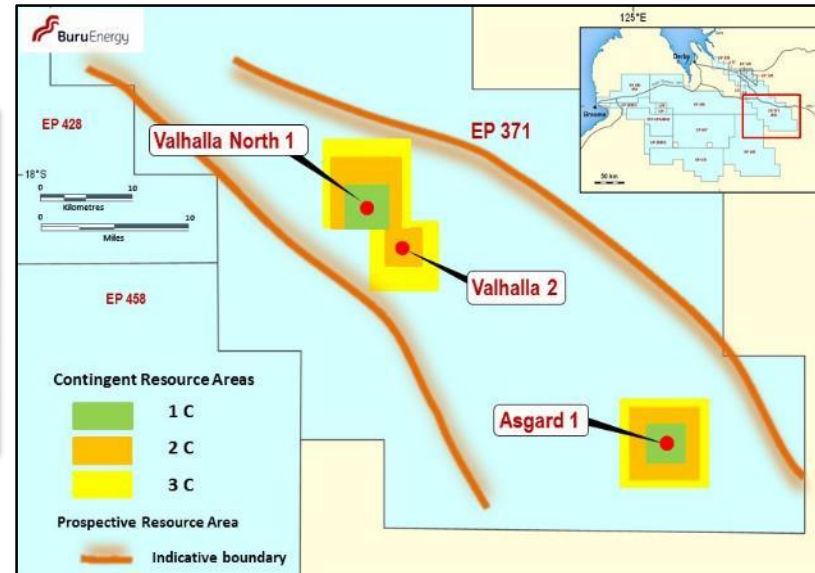
The low, best, high and mean case estimates in this table are P90, P50, P10 and mean respectively.

Pg (chance of geological success) has not been applied to the unrisked volume estimates in this table.

BOE refers to Barrels of Oil Equivalent – gas quantities are converted to BOE using 6,000 cubic feet of gas per barrel. Quoted estimates are rounded to the nearest whole BOE.

The mean is the average of the probabilistic resource distribution.

The unconventional prospective resources are based on the statistical aggregation method



Yulleroo 2 cleanup flow 2010

## Yulleroo

- Currently negotiating fracking protocol with Traditional Owners
- Timing of further work dependent on operational considerations
- Evidence of conventional pay in Yulleroo 3
- Trial small scale frac of Yulleroo 2 in 2010 produced rates up to 1.8 mmcf/d and high condensate content
- Previous resource estimate of Yulleroo field confirms substantial contingent resources





# Corporate

## Current Situation

- Cash: End of March quarter ~A\$30.8M
- Debt: Unsecured Alcoa repayments \$12.5mm
- Costs: Major cost reduction made in staffing and operations. G&A costs reduced by two thirds
- Commitments: Relatively low level

## Forward Funding

### Ungani development

- Relatively low cost - main cost is wells
- Mitsubishi Funding agreement reset (\$27.5M) with full carry through end 2016 of up to \$9M
- Any export system revision must be off balance sheet

### Oil exploration

- Wider exploration via excess cash from Ungani and internal sources

### Gas exploration, appraisal and development

- Laurel farm-in partner planned to be introduced this year





## Philosophy and practice

- Education programs based on facts
- Support of independent expert advice for communities
- Extensive baseline studies & mapping
- Continuous, comprehensive and transparent monitoring

## Independent Review process for fracking

### Wider program

- Government reviews consistent that there is very low risk if properly regulated
- Independent inquiries into fracking recently undertaken in WA (Nov 2015) and NT (Nov 2014)

### Buru Energy facilitated processes

- 3 independent scientific reviews on fracking carried out to ensure Traditional Owners were well informed
- All reviews agreed the environmental risk is extremely low

## Community Support

- Noonkanbah people fully engaged





## Philosophy and practice

- Operate in the lowest impact way possible
- Be environmentally responsible
- Be prepared to counter the myths and scaremongering

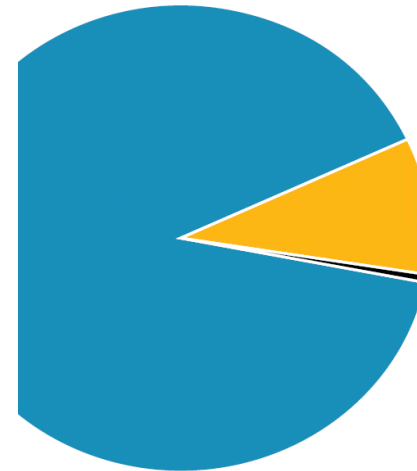
## One example of scaremongering – “*frac fluid is full of toxic chemicals*”

The facts:

- TGS 15 frac campaign used non-toxic fluids
- Fluid is both non-toxic and biodegradable
- Independent testing shows frac fluid to be 30 times less toxic than swimming pool water

## The proof by demonstration

- Fully certified and controlled process undertaken to provide sample of exact constituents used at Valhalla and Asgard
- No better way to demonstrate this than to drink it



**90% water**

**9.5% proppant**

to hold the openings in the rock formation for gas to escape

**0.5% chemical additives**

to improve transportation of proppant and prevent bacteria and corrosion









## A number of written questions have been received from shareholders as set out below.

These questions relate to the TGS gas program and the ASX releases of 20 Nov 2015, 22 December 2015 and 18 April 2016

Q1: Can you please advise the timing of when results of stage 6 of the operations [the Initial Flowback Operations] will be released to market?

A: *We are currently working through the very large amount of data collected during the program and expect to be able to supply a detailed update in the next 3 weeks.*

Q2: Do you have any indication of the cost of Phase 7 of the program [Longer term flowtest operations to confirm deliverability and decline rates]. What are the assumptions on which this costing is based (number of wells, horizontal, vertical)?

A: *We would expect that recompletions of the existing wells to provide zonal isolation will allow this to be undertaken. It will not be necessary to drill additional wells. The costs will be heavily dependent on the availability of equipment and we are currently working to quantify both timing and costs of the program.*

Q3: There are a number of similarities between the current resource [at Valhalla] and the Nappamerri Trough resource which Beach farmed out to Chevron in February 2013. Are you able to comment on whether there are material differences in the results to date, which would give the market comfort that there is a greater probability that Phase 7 will be successful? I realise that this may not be possible to answer.

A: The Valhalla accumulation is of similar size to the Nappamerri Trough and is under Buru's licence. The Valhalla gas is low CO<sub>2</sub> (inside pipeline specs), has high liquids content and is at normal oilfield temperatures. The Nappamerri Trough is reported to have very high CO<sub>2</sub> (~30%), to be at abnormally high temperatures, and to have minor liquids content.

Q4: Is there any update in relation to Yulleroo and any testing to determine if there is conventional gas in that area. What are the next steps and what are the options in relation to financing of these next steps?

A: The Company is currently negotiating with Traditional Owners in the Yulleroo area for a protocol for its operations at Yulleroo. Financing of any test of a conventional zone would be possible from existing cash reserves.

Q5: Do you have a timing on the program for the next year.

A: As set out in the previous slides we are currently reviewing both the TGS data and the data from the oil exploration program before we make a decision on timing and scope for the forward program.







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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.