


2022

ANNUAL REPORT

Buru Energy Limited Annual Report
For the year ended 31 December 2022

ABN 71 130 651 437



A kangaroo is sitting upright in a field of tall, golden-brown grass. The background features a vast, hazy landscape under a dramatic sky with layers of clouds in shades of orange, pink, and blue, suggesting a sunset or sunrise. The kangaroo is positioned in the lower-left quadrant of the frame, looking towards the right.

Buru recognises the Aboriginal People of this nation and their ongoing connection to culture and country.

We acknowledge Aboriginal Peoples as the Traditional Owners and Custodians of the world's oldest living culture and pay respects to their Elders past, present and emerging.

Aboriginal readers are warned that the following report may contain images of deceased persons.

CORPORATE REGISTER

Directors	Mr Eric Streitberg	Non-Executive Chairman
	Ms Joanne Kendrick	Independent Non-Executive Director
	Mr Malcolm King	Independent Non-Executive Director
	Mr Robert Willes	Independent Non-Executive Director
Chief Executive Officer	Mr Thomas Z Nador	
Company Secretary	Mr Paul Bird	
Registered and Principal Office	Address:	Level 2, 16 Ord Street, West Perth WA 6005
	Telephone:	+61 (08) 9215 1800
	Email:	info@buruenergy.com
	Website:	www.buruenergy.com
Share Registry	Link Market Services Limited	
	Address:	Level 12, QV1 Building 250 St Georges Terrace, Perth WA 6000
	Telephone:	1800 810 859 (within Australia) +61 1800 810 859 (outside Australia)
	Email:	registrars@linkmarketservices.com.au
	Website:	www.linkmarketservices.com.au
Auditors	KPMG	
	Address:	235 St George's Terrace, Perth WA 6000
Stock Exchange	Australian Securities Exchange	
	Address:	Exchange Plaza, 2 The Esplanade, Perth WA 6000
ASX Code	BRU	
Current Issued Capital	Fully paid ordinary shares	596,043,085
	Unlisted employee share options	7,200,000
Trading History	Share price range during 2022	\$0.08 to \$0.29
	Liquidity (annual turnover as % of average issued capital)	36.76%
	Average number of shares traded per day	~0.16 million

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ABOUT BURU ENERGY

WHO WE ARE

Buru Energy Limited (ASX:BRU; “Buru” or “the Company”) is a Western Australian energy company focused on exploration and production of gas and oil and development of new energy resources in Australia. The Company is headquartered in Perth with a regional operational office in Broome.

WHAT WE DO

The Company’s principal focus is the development of gas and oil resources in the northwest of Western Australia whilst participating in the new energy economy through its subsidiary companies involved in natural hydrogen and helium exploration, carbon capture and storage, and battery minerals exploration.

The Company’s gas and oil assets and tenements are located onshore in the Canning Basin in the southwest Kimberley region of Western Australia and the onshore Carnarvon Basin in Western Australia.

In the Kimberley, the Company owns and operates 50% of the conventional Ungani Oilfield project and between 60-100% of the conventional gas and condensate discovery at Rafael 1 (100% in EP 428 & 60% in EP 457). It also operates a basin-wide portfolio of exploration permits and licences spanning ~22,000 km², prospective for conventional and unconventional hydrocarbon resources, carbon capture and storage, and battery minerals exploration, with working interests ranging from 40% to 100%.

In the onshore Carnarvon Basin, the Company’s exploration licences and application areas across ~17,600 km² are prospective for conventional gas and oil and onshore carbon capture and storage with a working interest of 25%.

The Company also has significant exploration licence application areas in the Adelaide Superbasin of South Australia spanning ~30,000 km² that are prospective for natural hydrogen.

OUR VISION

The Company’s vision is to be a premier Australian diversified energy company, committed to business and financial success, and having a positive impact on society and the environment.



CHAIRMAN'S LETTER

“It has been a tumultuous and ultimately transformational year for the Company. Our continuing efforts to unlock the hydrocarbon potential of the Canning Basin have borne fruit with the discovery by the Rafael 1 exploration well of a potentially world class conventional gas and condensate accumulation.”

Dear Shareholders,

I am very pleased to be able to provide my Executive Chairman's review for 2022 noting that this will be my last review in this role as I have transitioned to a Non-Executive Chairman role as of 1 January 2023.

It has been a tumultuous and ultimately transformational year for the Company. Our continuing efforts to unlock the hydrocarbon potential of the Canning Basin have borne fruit with the discovery by the Rafael 1 exploration well of a potentially world class conventional gas and condensate accumulation.

The discovery was made as part of a major exploration program partly funded by Origin Energy. This program was a continuation of our previously successful long-term strategy to introduce major partners into the Canning Basin. Unfortunately, the change in strategic direction by Origin in the second half of 2022 brought field operations to a halt, and ultimately led to Origin's exit from the Basin.

This exit has given Buru an unparalleled opportunity to forge a new direction for the development of our Canning Basin assets capitalising on the significant expenditure by Origin on the recent drilling and seismic programs.

Our strategy of applying our technical expertise to adjacent energy activities has also borne fruit with the acquisition of additional exploration areas in the onshore Carnarvon Basin and significant progress on both our natural hydrogen business (2H Resources) and carbon capture and storage activity (GeoVault).

As part of our positioning for our longer-term future, Thomas Nador, our Chief Executive Officer joined us in the second half of the year and has made very substantial progress in developing our projects and ensuring that the investor community is aware of the value and potential of our assets.



As part of that restructure, I have made a structured transition to a Non-Executive Chairman role over the period from Thomas's engagement to the end of the year. This has ensured a seamless handover during a period of intense internal activity in the Company and substantial changes in the regulatory and corporate environment more generally.

I would especially like to thank the Buru staff who have provided an extraordinary level of technical excellence, corporate loyalty and personal engagement during a time of significant operational uncertainty.

My fellow Directors have also provided the wise counsel and strategic overview that is essential for an effective Board, and they have my thanks for their forbearance and support during my transition period.

There are many challenges still ahead for us to be able to fully realise the value of our assets, but it is pleasing to see a growing recognition that gas in particular will provide the essential underpinnings to the energy transition, and our Rafael discovery is well positioned to be a very significant contributor to this transition.

I look forward to a successful 2023 and thank our shareholders for their continued support.

Eric Streitberg
Non-Executive Chairman

27 March 2023

MESSAGE FROM OUR CEO

Dear Shareholders,

It is with much pride that I deliver my first report as Chief Executive Officer of Buru Energy.



My positive impressions of the business prior to taking on the role have been reinforced by what I have observed since my formal start – that is, your Company has great core energy assets well located for cost effective gas and oil exploration, development and production.

It also has credible exposure to energy transition business development opportunities via its wholly owned new energy subsidiaries; and the right team, skill-set and proprietary knowledge to integrate this diverse and exciting portfolio to generate shareholder value.

OUR CORE BUSINESS – GAS AND OIL EXPLORATION, DEVELOPMENT AND PRODUCTION

The last 12 months has seen Buru Energy make substantial progress on its strategy to become a premier Australian diversified energy company. Central to this strategy is natural gas, which is expected to play a pivotal role for decades as a balancer of energy transition and energy security, both domestically and internationally. With global primary energy demand expected to rise by 22% by 2050¹, natural gas is expected to increase its share in the energy mix, a partner of variable and intermittent renewables, and as a key ingredient in the production of petrochemicals and in particular in fertiliser production that is essential for the food security of the growing global population.

In light of this demand, the Company is aggressively pursuing the commercialisation of its operated, conventional gas and condensate discovery at Rafael 1 in the onshore Canning Basin of Western Australia, as well as the maturation of its prospect and lead inventory across its vast operated exploration tenement holdings in the Basin and world class endowment of tight gas resources.


The Rafael discovery was made in February 2022, and has been independently assessed to have the potential to hold gross recoverable volumes of over one TCF of gas and 20 million barrels of condensate, creating optionality for project development to support direct and feedstock uses of natural gas and condensate for both domestic and international markets. Engineering studies are underway to fully quantify the technical and commercial product-to-market options for this gas.

Looking ahead, planning for field operations are well advanced to support a structured appraisal program to delineate this potentially significant onshore gas and condensate resource, with a 3D seismic survey over the Rafael structure targeted for mid-2023 and appraisal drilling planned for 2024.

Our operations in the Canning Basin also included oil production from the Ungani Oilfield which continued to provide a stable revenue stream with approximately 95,000 barrels (net to Buru) of oil produced during the year. Unfortunately, production had to be suspended on 5 January 2023 due to the impact of ex-Tropical Cyclone Ellie on the Kimberley road infrastructure used for export of our oil, with the forward production plan under assessment at time of writing, pending the reinstatement of critical road infrastructure required for product transport.

The year also saw significant progress in expanding the Company's footprint and exploration licence areas outside of the Canning Basin as part of its longer term plan to apply the Company's deep understanding of the geology of the Canning Basin to similar underexplored areas onshore Australia. In July 2022, Buru Energy in joint venture with Mineral Resources Limited, was awarded EP 510, a strategically located exploration permit in the onshore Carnarvon Basin of Western Australia. The onshore Carnarvon Basin is underexplored and prospective for both gas and oil, and adjacent to the Tubridgi gas storage field, the Wheatstone LNG gas processing plant, and associated pipeline

¹Global Gas Outlook 2050, Gas Exporting Countries Forum (GECF), 2022 Edition



“With global primary energy demand expected to rise by 22% by 2050¹, natural gas is expected to increase its share in the energy mix”

infrastructure. Work is underway to prepare for a two well exploration drilling campaign in 2024, for which Buru Energy is fully carried by Mineral Resources Limited as operator. In January 2023 the Company has also been offered two additional exploration areas in partnership with Mineral Resources Limited in the Northern Carnarvon Basin and the Merlinleigh Sub-basin. The areas lie immediately to the south of the EP 510 permit.

INTEGRATED NEW ENERGY BUSINESSES

Buru Energy has committed to net zero carbon emissions from its current and future gas and oil operations by 2050 and is actively seeking to reduce or offset its Scope 1 and Scope 2 emissions. Further details of the Company's activities in this regard are set out in its Sustainability Report, that provides a detailed account of the Company's plans and performance against its Environmental, Social and Governance priorities.

In addition, the Company is leveraging its geological and commercial expertise as an incubator for its integrated energy subsidiaries that are focussed on creating value in energy expansion and transition businesses.

This incubation process will ensure that Buru Energy is an active and innovative part of the transformation of the energy sector and is well placed to generate shareholder value from the rapidly evolving transitional energy economy. The Company continues to review its capital structure to ensure its existing shareholders benefit from the current and future value accretive activities of these wholly owned subsidiaries, whilst attracting investment to support the commercialisation and expansion potential of these businesses.

The areas targeted by the Company as part of its new energy efforts are Carbon Capture and Storage (CCS), natural hydrogen and helium exploration and development, and energy storage mineral exploration. This portfolio recognises that in addition to natural gas and oil, all energy sources and technologies will be required to satisfy the world's growing energy needs while reducing greenhouse gas emissions.

The GeoVault subsidiary continued to build capability and understanding of the carbon capture and storage potential of Buru Energy's onshore Canning Basin and Carnarvon Basin holdings. The GeoVault business model not only provides the Company with its own potential carbon dioxide emission reduction/disposal options for its future developments but also a potential

MESSAGE FROM OUR CEO



Ungani crude oil loading at Wyndham Port

solution for third party emitters of carbon dioxide that currently have no line of sight to meeting their respective emissions reduction targets.

The 2H Resources subsidiary, focused on natural hydrogen and helium exploration and development, continued to make good progress toward securing tenure in South Australia where it intends on carrying out exploration activities for naturally occurring hydrogen. In June 2022, 2H Resources was advised by the South Australian Department for Energy that it is the preferred applicant for six exploration licences covering an area approximately the size of Belgium, including two gas storage licence areas. 2H Resources commissioned an independent third-party prospective resource assessment of the natural hydrogen potential of these application areas, the results of which demonstrated the very significant potential of these areas and will inform further planning and commercialisation activities.

Finally, the Battmin subsidiary, focused initially on its demonstration project involved in lead/zinc exploration in the Canning Basin in Joint Venture with Sipa Resources, successfully conducted its maiden drilling program in 2022. The results from the program validated the geological concept that carbonate sections in the Canning Basin are fertile for lead and zinc mineralisation, providing reinforcement that Buru Energy's extensive knowledge of petroleum systems provide valuable insights to mineral exploration. Following the assay results announced in January 2023, Battmin and Sipa Resources are conducting a detailed review of the results prior to evaluating potential follow up options for exploration in the Basin.

FINANCIAL AND CORPORATE

During the year, the Company successfully executed a capital raising via a rights issue to support its Rafael 3D seismic acquisition and testing program, initially planned for 2022. This program was subsequently placed on hold following Origin Energy's announcement in September 2022 of its intention on strategic grounds to exit upstream exploration activities over time including its joint venture interests with Buru Energy in the Canning Basin.

Origin Energy's intention to exit introduced uncertainty to the timing and form of the forward appraisal and commercialisation of the Rafael discovery. Subsequent to the reporting period, the Company acquired Origin Energy's Canning Basin Joint Venture interests, thereby resetting the Rafael development and appraisal process, and paving the way for the commercialisation and monetisation of the Rafael discovery.

As at year end, the Company remains debt free with approximately \$18 million in cash. The Company continues to exert control on its discretionary expenditure ahead of what it expects to be a capital intensive and transformative period of growth.

In closing, I would like to extend my appreciation to the Board, the executive team and our staff for not only welcoming me to Buru, but for their unwavering efforts in delivering results for the business. With a robust core gas and oil focussed business and significant exposure to new energy opportunities, your Company is well positioned for growth.

Thomas Z Nador
Chief Executive Officer

27 March 2023

MANAGEMENT TEAM



Mr Thomas Z Nador

Chief Executive Officer
BSc, PGDip Sc, MAICD

Thomas joined Buru Energy in September 2022 as Chief Executive Officer. Thomas is a globally experienced oil and gas executive with over 25 years' experience in various roles across the oil and gas value chain, mining and metals, pipelines and infrastructure developments. Thomas has been involved in the development of major oil and gas resources from discovery to production, managed significant pre- and post-merger integrations at an asset and corporate level, and has led large multidisciplinary and multicultural teams to deliver high value, complex and innovative programs of work.

Prior to joining Buru, Thomas held positions as Group Executive, Development with Beach Energy, Executive Vice President and Country Manager for InterOil Corporation in Papua New Guinea, and Development Manager, Project Interface Manager and Project Integration Manager for LNG projects at Woodside Energy.



Mr Paul Bird

Chief Financial Officer & Company Secretary
BSc, FCCA, AGIA

Paul is a Chartered Accountant and Governance Professional with over 25 years' experience, predominantly within the energy sector with ASX listed companies.

Paul joined Buru in October 2022 following his most recent role as Chief Financial Officer and Company Secretary of ASX listed Metgasco Ltd. He has held previous senior finance leadership roles with national oil companies, publicly listed and private oil companies in Australia, US, Europe and SE Australia.

Paul has been responsible for many aspects of finance and business administration, including financial control and reporting, corporate governance, debt and capital raising, treasury management, insurance and risk management, and tax planning. Paul is experienced in corporate acquisitions and divestments including business valuations and joint venture farm in/out transactions and adds significant strength and diverse capability to Buru.



Dr Kris Waddington

Chief Operating Officer
BSc, PhD, GAICD

Kris has 15 years' experience in the energy industry across health and safety, development, maintenance, production and operational aspects of the industry. He has specific expertise in risk management and implementing fit for purpose internal control systems for Company operations, ensuring Buru's activities are undertaken safely and cost effectively.

Kris has experience working with Joint Venture partners and integrating environmental and cultural heritage considerations into project planning and operations so that on-ground operations are executed with minimal impact on the environment while delivering benefits to local stakeholders and native title groups.

Kris is a strong believer of the importance of hydrocarbons for modern society but also understands that traditional oil and gas must be balanced with new forms of energy and carbon capture and storage to help the world transition towards net zero.

MANAGEMENT TEAM



Mr Frank Glass
**General Manager –
Exploration and New
Ventures**
*MSc (Structural
Geology)*

Frank joined Buru in July 2018 and has 32 years of experience in both technical and managerial roles in hydrocarbon exploration and production. For most of his career he was employed by Shell International and worked in various international locations, including USA, The Netherlands, Malaysia, Australia and UK. His roles included acting as Asia-Pacific regional exploration advisor, supervising and assuring technical and economic inputs into regional exploration projects for Shell International. As an independent consultant, Frank has advised regional oil and gas companies on technical aspects of commercial transactions and strategic decisions relating to exploration and early development projects. He is a member of the Petroleum Society of Australia, Petroleum Exploration Society of Great Britain, American Association of Petroleum Geologists, European Association of Geoscientists and Engineers and South East Asia Petroleum Exploration Society.



Mr Mark Devereux
**General Manager -
Subsurface and
Technical Integration**
BSc, PGDip Petroleum

Mark joined Buru in November 2013 and has more than 25 years of technical and managerial experience primarily in offshore exploration and entirely with operating companies.

He has previously worked for international operating companies including Arco, Mobil and OMV and also for former Australian independent Ampol Exploration Limited mostly on Australian exploration and new venture opportunities. Prior to joining Buru, Mr Devereux held the position of Exploration Manager for OMV's Australian exploration portfolio of 11 operated offshore permits for eight years. He is a member of the Society of Petroleum Engineers, American Association of Petroleum Geologists and Petroleum Exploration Society of Australia.

MANAGEMENT TEAM



Mr Alex Forcke
Corporate Advisor
BComm, MAICD

Alex, BComm (UWA), MAICD, is a public company executive with considerable financial and commercial experience gained in over 30 years in both the resources and investment banking industries.

Alex was the Executive Chairman of Adelphi Energy Limited, a successful ASX listed oil & gas explorer with US shale gas interests. He was also a long-standing Director of ARC Energy Limited in a commercial and financial executive role and more recently held a non-executive director role at Entek Energy before joining Buru in mid-2017. Prior to entering the oil and gas industry, Mr Forcke had established an international career in project finance and investment banking, including the position as WA State Manager and Director of Project and Specialised Finance for AIDC Ltd.



Mr Ibrahim Kale
Drilling and Completions Manager
BEng (Petroleum)

Ibrahim has over 15 years of international oil & gas experience working with major operators including Shell, Woodside, Apache, Quadrant & Beach. He has been responsible for roles including Drilling Manager, Drilling Supervisor, Lead Drilling Engineer, Senior Design Engineer & Operations Engineer. He has worked on a variety of onshore and offshore projects in field and office-based roles supporting Semi-Submersibles, Drill Ships, Jack-Ups, Tender Barges, Platforms, Hydraulic Workover Units & Land Rigs. Working in developed and developing countries with logistically challenging environments, harsh weather conditions, political issues, cultural and language barriers has developed his skills to implement fit for purpose management systems to deliver excellent HSE and operational performance through his unique leadership and management style.



OUR STRATEGY



Rafael 1 Gas Discovery

The Company's goal is to deliver material benefits to its shareholders, the Traditional Owners, the Government, and communities of the areas in which it operates. The Company plans to achieve this goal by successfully and responsibly exploring for and developing gas and oil resources, and ensuring it is part of the energy transition, in an environmentally and culturally sensitive manner.

The Company's strategy is focused on balancing its short-medium term returns from a hydrocarbon focused business with its longer-term business drivers via its new energy businesses.

OUR STRATEGY

In 2022, we continued to execute and deliver against a well-defined strategy.



FIND ENERGY RESOURCES SAFELY AND COMPETITIVELY

- Incurred no lost time injuries across operations.
- Discovered potentially major gas and condensate discovery at Rafael 1 in February 2022.
- Received independent resource assessment for Rafael with range between 260 bcf (2C) and 1 TCF (3C) of gas and 5.3 MMstb (2C) and 20.5 MMstb (3C) of condensate.
- Planning Rafael 3D seismic survey acquisition in 2023 and appraisal drilling in 2024.
- Secured new exploration licence areas in the prospective and underexplored onshore Carnarvon Basin of WA. Fully carried exploration drilling planned for 2024.



ENABLE OPPORTUNITIES THROUGH RIGHT PARTNERSHIPS AND FUNDING STRUCTURES

- Conducted successful 2021/2022 exploration program in the Canning Basin, partly funded by Origin Energy.
- Established partnership with Transborders Energy as part of suite of technical studies for potential Rafael gas commercialisation.
- In January 2023 acquired Origin Energy's Canning Basin Joint Venture interests with Buru Energy thereby resetting the Rafael development and appraisal process.



DEVELOP THROUGH OTHERS WHILST MAINTAINING MATERIAL INTEREST IN PRODUCING ASSETS

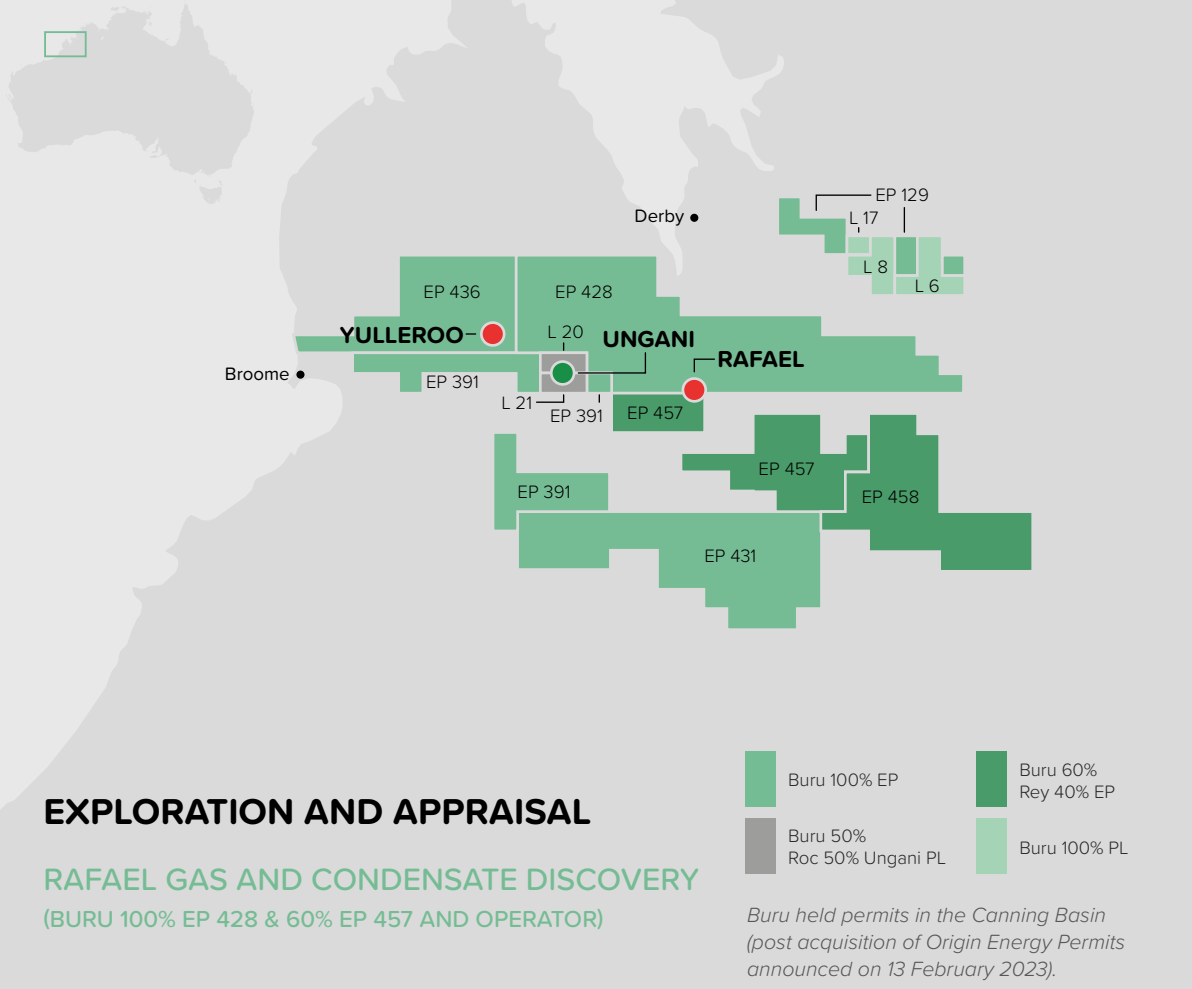
- Continued to receive revenue stream from Ungani Oilfield (50% Buru as Operator, 50% Roc Oil), from 189,000 barrels of oil (gross) exported to SE Asian market in 2022.
- Exploited maximum value from operations.



EVOLVE COMPLEMENTARY INTEGRATED ENERGY BUSINESSES

- Preferred applicant for six Exploration Licences for Natural Hydrogen exploration in South Australia (2H Resources).
- Progressed technical and commercial work across onshore Canning and Carnarvon Basins to underpin a Carbon Capture and Storage (CCS) business (GeoVault).
- Conducted maiden drilling program targeting Pb/Zn in Canning Basin (Battmin).

REVIEW OF OPERATIONS



EXPLORATION AND APPRAISAL

RAFAEL GAS AND CONDENSATE DISCOVERY

(BURU 100% EP 428 & 60% EP 457 AND OPERATOR)

Buru held permits in the Canning Basin (post acquisition of Origin Energy Permits announced on 13 February 2023).

The Rafael 1 well is located in Exploration Permit 428 in the Canning Basin, some 50 kilometres to the east of the Ungani Oilfield and some 150 kilometres east of Broome. The well was drilled in late 2021 and production tested in early 2022 after encountering gas in several zones.

The flow testing program undertaken during the year over the lower open hole part of the interpreted gas bearing Ungani Dolomite section returned very positive results with constrained flow rates of up to 7.6 mmscfd with high condensate content of ~40 barrels per mmscf and low level of inerts.

The overall gas composition has several significant benefits. In particular, the low level of CO₂ means that there is no need for additional high-cost processing infrastructure to reduce the level of carbon dioxide in the gas prior to its sale or use, and as a result there

should be no requirement for separate disposal of reservoir contained CO₂. The CO₂ content is very low compared to other natural gas reservoirs in Western Australia and there will be substantial emissions reduction benefits accrued during production of the resource.

Several areas of anomalous hydrogen concentrations were also noted during the drilling of the well and these will be further investigated as part of the ongoing analysis of the results from the well.

Initial analysis of the pressure data indicates that there is no evidence of reservoir depletion or reservoir boundaries within the radius of investigation of the flow test. This is very encouraging for assessment of the resource volumes, but longer test durations will be necessary to determine the limits of these parameters.

Most importantly, the reservoir pressure of some 6,200 psi measured from the static gradient survey indicates that there is potential for a substantial gas column to continue down dip from the gas column



Rafael 1 Ensign 963 drilling rig

intersected in the well. This gas column is interpreted to be potentially at least down to the extent of the currently interpreted structural closure which is mapped by Buru from the existing 2D seismic data to be up to 700 metres of vertical closure. There are a number of factors that could influence this calculation and further appraisal drilling will be required to identify the position of the gas/water contact and the extent of the gas column, and hence to confirm the potential resource volumes.

The other indication from the interpretation of the pressure data is that there is apparent near wellbore effects from invasion by drilling and completion fluids that has reduced the flow capacity of the tested zone. Experience in similar reservoirs indicates that this form of reservoir effect can be remedied by standard workover operations.

RAFAEL APPRAISAL PROGRAM

During the year, preparations were completed for the acquisition of a 3D seismic survey over the Rafael structure, and a further flow test of the Rafael 1 well, as part of a systematic appraisal of the discovery.

These activities were curtailed by the change of strategic direction by Origin Energy, Buru's 50% partner in the project. Subsequent to Origin's exit from the joint venture in January 2023 the seismic acquisition program is now planned for mid-2023.

INDEPENDENT RESOURCES REVIEW

Subsequent to the successful flow test of the well, ERCE Australia Pty Ltd (ERCE), a specialist resource assessment consulting group, was commissioned to undertake an independent assessment of the gas and liquids resources of the Rafael 1 discovery.

The assessment incorporated the technical evaluation of the Rafael 1 well results and the subsequent flow test of a limited part of the interpreted hydrocarbon column in the well.

REVIEW OF OPERATIONS

Defining initial Contingent Resources is a very important step forward in the route to commercialisation of the Rafael accumulation. There is a well-defined pathway of increasing certainty from Contingent Resources to Petroleum Reserves, and from Prospective Resources to Contingent Resources, and this independent review is a significant step forward in that process.

Buru also notes that in its opinion the early stage of definition of the resources appropriately incorporates a conservative approach to a number of the parameters in the assessment.

In summary, ERCE have assessed the accumulation to contain sufficient resources at the 3C level to have the potential for a major development project and at the 1C level sufficient resources to provide local Kimberley supply with a considerably reduced carbon footprint to current supply systems.

ERCE's evaluation assessed both the Contingent Resources in the Ungani Dolomite equivalent section and the Prospective Resources identified within the Upper Laurel Carbonate. The detailed results of ERCE's assessment and required disclosures and qualifications are set out in the ASX announcement dated 26 April 2022, and are summarised below:

Contingent Resources as of 12 April 2022

	Oil and Condensate (MMstb)			Gas (Bscf)		
	1C	2C	3C	1C	2C	3C
Gross Contingent Resources	1.2	5.3	20.5	59	260	1,024
Net Contingent Resources as at 31 Dec 2022	0.6	2.6	9.7	29	126	486
Net Contingent Resources after transaction*	1.2	5.0	18.4	58	245	921

* Transaction refers to Origin Transaction subsequent event (see ASX announcement dated 13/02/2023)

Notes

- Gross Contingent Resources represent a 100% total of estimated recoverable volumes within EP 428 and EP 457.
- Net Contingent Resources represent Buru's share of the Gross Contingent Resources based on its working interest in EP 428, which is 100% and EP 457, which is 60%, and the proportion of the volumes in the appropriate permit.
- These are unrisks Contingent Resources and are sub-classified as Development Unclassified, with a 60% Chance of Development (COD). Quantifying the COD requires consideration of both economic contingencies and other contingencies, such as legal, regulatory, market access, political, social license, internal and external approvals and commitment to project finance and development timing. As many of these factors are outside the knowledge of ERCE they must be used with caution.
- Contingent Resources volumes shown have had a shrinkage applied to account for removal of inert gases and CO₂ and include hydrocarbon gas only.
- No allowance for fuel and flare volumes has been made.

REVIEW OF OPERATIONS

COMMERCIALISATION

Contingent Resources are defined as those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the project is not yet considered mature enough for commercial development due to one or more contingencies.

Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s), and relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

The Company has substantially advanced pre-commercialisation activities for the Rafael discovery during the year including development option screening, economic analysis and continued engagement with Government and regulators. Buru also entered into an agreement with Transborders Energy (Transborders), to conduct a pre-feasibility study for a Kimberley based compact marinised LNG plant solution.

This solution potentially provides a faster, more capital efficient, and less complex regulatory LNG production pathway for Rafael gas than a concept involving transporting Rafael gas to the North West Shelf (NWS) for liquefaction and export.



Rafael 1 flow test

REVIEW OF OPERATIONS

OIL PRODUCTION

UNGANI OILFIELD PRODUCTION AND SALES

(L 20 & L 21 - BURU ENERGY 50% AND OPERATOR)

Buru holds a 50% interest in the Ungani Oilfield and is the Joint Venture operator of the field. The remaining 50% interest is held by Roc Oil (Canning) Pty Limited (ROC). Production from the Ungani Oilfield for the year ended 31 December 2022 totalled ~189,000 bbls at an average rate of ~517 bopd (Buru Energy's 50% share ~95,000 bbls).

Oil sales are facilitated by secure trucking, storage and export contracts, with the oil being trucked from the Ungani Oilfield to a storage tank at the Port of Wyndham where it is then sold FOB under a marketing agreement with BP Singapore Pte Limited (BP), primarily to SE Asian refineries. Gross sales of Ungani crude during the year totalled approximately 220,000 bbls from three liftings at Wyndham Port, these sales include oil inventory volumes measured at the beginning of the reporting period. Buru Energy's



Buru jacking platform workover crew and Ungani camp

share of revenue from the Ungani Oilfield for the year totalled ~A\$13,893,000 at an average received price of ~A\$127/bbl (2021: ~ A\$9,608,000 at an average received price of ~ A\$88/bbl).

Cost of sales totalled ~A\$7,308,000 at A\$77/bbl (2021: ~ A\$6,541,000 at A\$51/bbl) giving a gross profit from sales of Ungani crude net to Buru Energy of ~A\$6,585,000 before inventory adjustments and amortisation charges, at an average annualised margin of ~A\$51/bbl (2021: ~ A\$3,067,000 at ~ A\$37/bbl). The increase in costs per barrel is reflective of the higher fuel and shipping costs incurred during the reporting period.

UNGANI OILFIELD DEVELOPMENT

A maintenance well workover was undertaken to replace production tubing and install a larger submersible pump in the Ungani 5 well during the year. The larger pump resulted in an increased oil production rate from Ungani 5 due to its higher fluid capacity.

REVIEW OF OPERATIONS

OTHER ASSETS

BLINA OILFIELD

(L 6 & L 8 - BURU ENERGY 100%)

Decommissioning of the legacy Lennard Shelf assets was progressed during the year with the Sundown 3H and West Terrace 2 wells successfully decommissioned. Any future production from Lennard Shelf fields including the Blina Oilfield and any new discoveries will require installation of new production facilities meeting current regulatory and environmental standards.

YULLEROO GASFIELD

(EP 391 & EP 436 - BURU ENERGY 100%)

The Yulleroo Gasfield accumulation contains a substantial 2C tight gas resource that has been independently certified. It also forms part of the much larger prospective tight gas resource in the wider Canning Basin and also has potential for conventional gas resources. A technical review of the field was completed during the year and the well plan for an appraisal well targeting possible conventional reservoir was completed by the Buru drilling team. Further work on the accumulation will be considered in conjunction with the wider exploration and appraisal program in the basin.

CARNARVON BASIN

(EP 510 - BURU ENERGY 25%)

In October 2020, Buru Energy and Energy Resources Limited (EnRes), a wholly owned subsidiary of Mineral Resources Limited, applied for Release Area L20-1 as part of the 2020 State Government onshore Petroleum Acreage Release.

This strategically positioned block, near established oil and gas infrastructure including the Tubridgi gas storage field, the Wheatstone LNG gas processing plant and associated pipeline infrastructure, was offered to the Joint Venture in March 2021, and subsequently awarded to the Joint Venture by the WA Government on 28 July 2022 as EP 510.

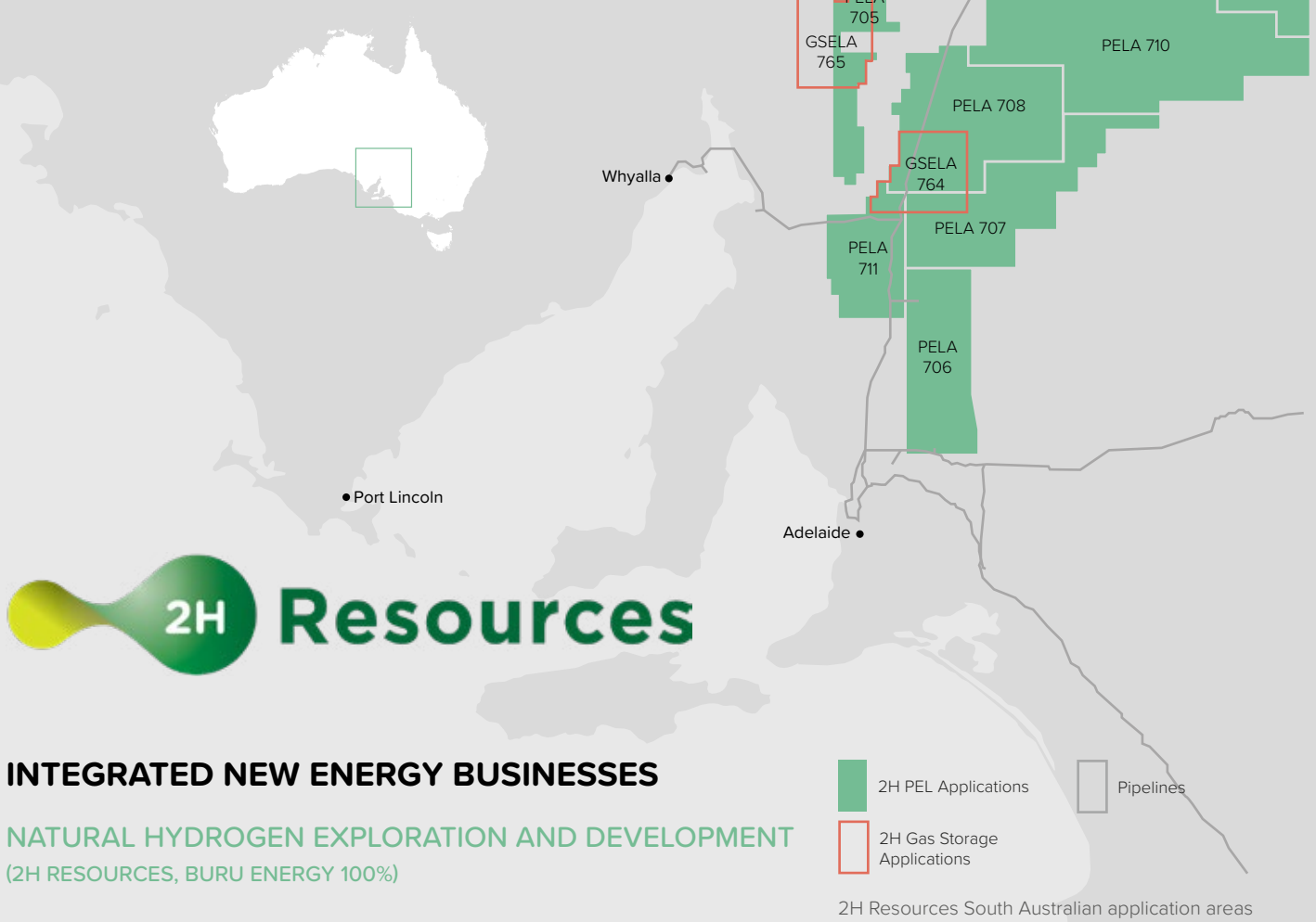
EnRes assumed operatorship of the permit coincident with this award, and as part of the farmout transaction executed between the parties on 24 May 2022, EnRes will carry Buru for the first two exploration wells to be drilled in the permit.

During the year, the Joint Venture continued planning activities in support of commencing drilling operations of these two exploration wells in CY 2024. These exploration wells will target highly prospective Palaeozoic aged structures geologically analogous to Buru's discoveries in the Canning Basin.



Ungani 5 well maintenance with Buru jacking platform system

REVIEW OF OPERATIONS



INTEGRATED NEW ENERGY BUSINESSES

NATURAL HYDROGEN EXPLORATION AND DEVELOPMENT

(2H RESOURCES, BURU ENERGY 100%)

Hydrogen from geological sources (natural hydrogen, gold or white hydrogen) is gaining an increasing share of exploration investment and activity globally. If found in commercially exploitable quantities, this naturally produced resource will be cost competitive against all forms of industrially manufactured hydrogen and could potentially support the energy transition as a low to no-carbon energy source.

2H Resources was established to apply the geological knowledge of its supporting shareholder Buru Energy in the exploration and appraisal of natural hydrogen and associated helium accumulations.

2H Resources has established an exploration portfolio in South Australia where the regulatory framework is in place for natural hydrogen exploration and is actively evaluating other areas where there is potential for natural hydrogen occurrences.

During the year, 2H Resources was confirmed as the preferred applicant for the granting of six South Australian Petroleum Exploration Licences (PEL) for hydrogen, and two Gas Storage Exploration Licences. The granting of the hydrogen exploration and gas storage licences to 2H Resources is subject to a valid land access agreement executed in accordance with the requirements of the Commonwealth *Native Title Act 1993* over any area where Native Title interests exist.



Buru Energy's expertise in subsurface geology and exploration provides the Company with competitive advantage to pursue natural hydrogen exploration via its wholly owned 2H Resources subsidiary.

Accordingly, 2H Resources has commenced engagement with Native Title groups covering the application areas as a precursor to the formal granting of the licences, and in parallel is conducting further geological and geophysical analysis of the licence application areas to improve the understanding of hydrogen trap mechanisms and prospectivity. Once the exploration licences are granted, 2H Resources plans to undertake on-ground initial prospecting work on these permits using in-house capabilities and technology, including hydrogen sensing equipment.

The presence of natural hydrogen was also confirmed in Buru Energy's Canning Basin permits during drilling operations at Currajong 1 (2021), detecting a zone of up to 6% hydrogen in mudgas over an interval of approximately six metres from 2,014 metres measured depth, providing an impetus for follow up in the Basin.

More details on natural hydrogen and the activities of 2H Resources are available on the 2H Resources website at [2HResources.com](https://www.2HResources.com).

REVIEW OF OPERATIONS



INTEGRATED NEW ENERGY BUSINESSES

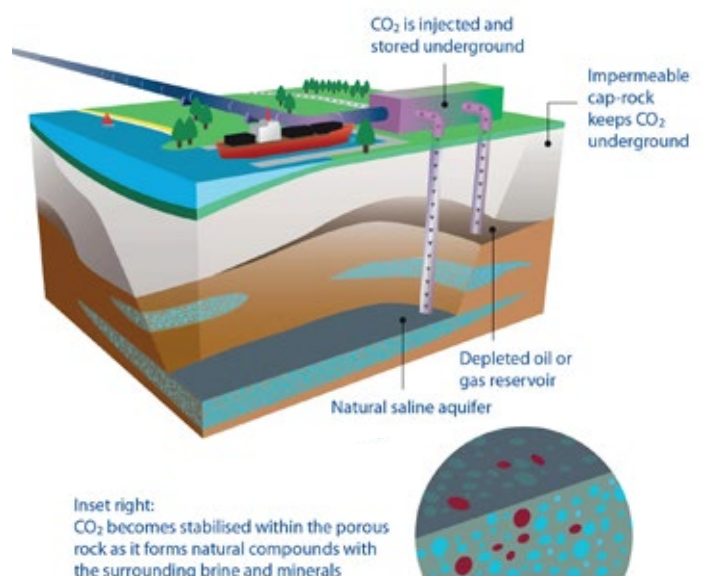
CARBON CAPTURE AND STORAGE

(GEOVAULT, BURU ENERGY 100%)

Carbon Capture and Storage (CCS) is the process of capturing carbon dioxide (CO₂) before it enters the atmosphere, transporting it, and storing it in underground geological formations.

CCS complements other emission reduction technologies by addressing emissions that currently cannot be avoided, including CO₂ emissions from industrial processes. With the proposed federal government reforms to the safeguard mechanism, including a proposed cap on the price of carbon, there is a clear business case for CCS to help meet Australia's decarbonisation goals.

Since early 2021 Buru has been actively progressing CCS technical and commercial activities through its GeoVault subsidiary, focusing its efforts on geological greenhouse gas (GHG) storage in the onshore Canning and Carnarvon Basins of Western Australia. The technical and operational skills required for the success of the GeoVault business are closely aligned to Buru's core business.



The process of Carbon Capture and Storage
Source: European Commission, DG TREN



Buru Energy recognises that CCS is a key component of any realisable path to net zero by 2050. Via its wholly owned subsidiary GeoVault, the Company is leveraging its existing onshore petroleum acreage and in-house capabilities to explore and develop CCS potential. This is underpinned by the knowledge gained from a long history of operating exploration and production assets in Western Australia.

In April 2022, Buru Energy was notified by the previous Commonwealth government that GeoVault was a successful applicant for a \$7 million Commonwealth Government Grant to support a feasibility study of GHG sequestration in the onshore Carnarvon Basin focused on exploration permit EP 510. The grant was part of a major Commonwealth Government initiative to facilitate the development of GHG storage hubs in Western Australia.

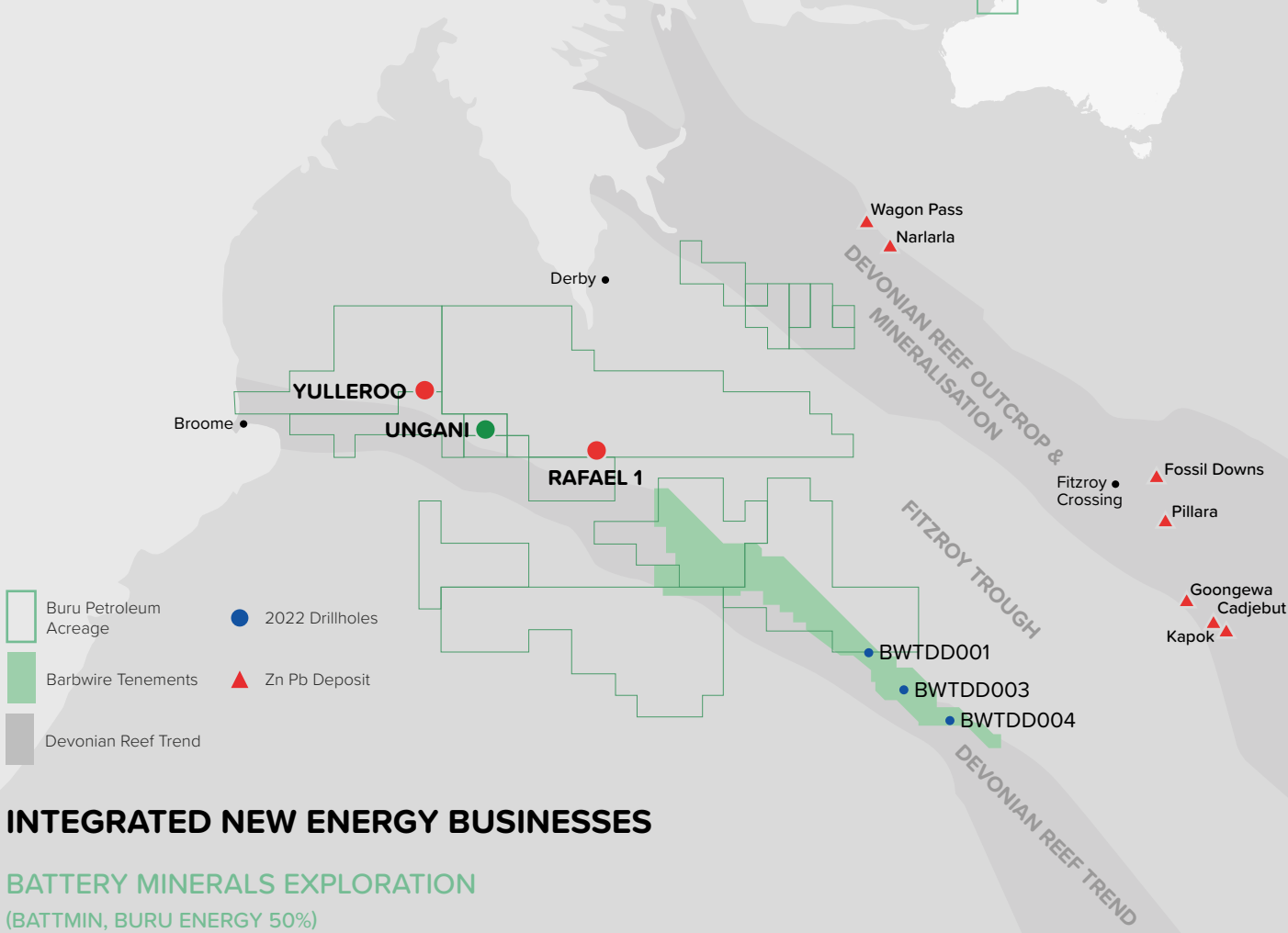
The Federal Budget handed down in October 2022 severely curtailed financial support for CCS and other low emissions technology programs, and as such the Commonwealth Grant Program under which the grant had been offered to GeoVault was cancelled.

Notwithstanding, work is continuing with Energy Resources Limited (EnRes, a wholly owned subsidiary of Mineral Resources Limited) to technically mature the CCS potential of the onshore Carnarvon area in and around the Joint Venture's EP 510 permit.

GeoVault personnel have also been actively engaged with Government to ensure appropriate legislative frameworks are in place for onshore GHG geological storage projects. GeoVault is also continuing with detailed technical reviews including capacity assessments to determine the GHG storage potential of areas in the Canning Basin held by Buru Energy.

More details on CCS and the activities of GeoVault are available on the GeoVault website at [GeoVault.com.au](https://www.geovault.com.au).

REVIEW OF OPERATIONS



INTEGRATED NEW ENERGY BUSINESSES

BATTERY MINERALS EXPLORATION
 (BATTMIN, BURU ENERGY 50%)

Battmin, a wholly owned subsidiary of Buru, was initially formed to apply the geological knowledge that Buru had acquired in its extensive petroleum exploration activity in the Canning Basin to the exploration for minerals formed by similar processes, and often in association with, oil and gas accumulations.

Battmin’s activities are currently focused on its joint venture with Sipa Resources Limited (“Sipa”) where during the year, the joint venture successfully completed a drilling program of three diamond core holes targeting zinc/lead mineralisation on the Barbwire Terrace in the central Canning Basin, and commenced assaying of the cores.

This activity was co-funded by the Western Australian government’s Exploration Incentive Scheme, with up to \$180,000 provided to the JV towards drilling costs.



Barbwire Terrace exploration program 2022

Base metal sulphides were visually observed in all three holes within large thicknesses of variably altered Pillara Limestone validating the geological concept with further evaluation and possible drilling planned. Subsequent to the end of the reporting period Sipa announced on 18th January 2023 that the assay results from the three diamond drill holes were not in line with initial observations, with the results returning low levels of zinc and lead. The JV will conduct a detailed review of the assay results prior to finalising its plans for any potential follow-up exploration at the project but is encouraged that the results validate the geological concept that the carbonate sections are fertile for lead and zinc mineralisation.

REVIEW OF OPERATIONS

CORPORATE

ENTITLEMENT ISSUE

On 7 June 2022 Buru announced it had completed a 1 for 6 non-renounceable pro-rata entitlement issue at a price of \$0.16 per share raising a total of \$9.2 million before costs. The rights issue was well supported by major shareholders and enabled all shareholders to subscribe for additional shares under a shortfall offer. The total number of shares issued by way of the entitlement issue and the placement of shortfall shares was some 57.6 million shares.

BURU MANAGEMENT RESTRUCTURING

On 13 May 2022, Buru appointed Mr Thomas Nador as Chief Executive Officer. As CEO, Mr Nador has responsibility for the Company's day to day operations and for delivery of its strategy. A structured handover of executive responsibilities from the Executive Chairman, Mr Eric Streitberg to Mr Nador was completed on 31 December 2022 with Mr Streitberg transitioning to the role of Non-Executive Chairman as of 1 January 2023.

On 8 July 2022, Buru announced that Mr Alex Forcke, Buru's General Manager – Commercial had assumed the role of Company Secretary on an interim basis following the resignation of the Company's Chief Financial Officer and Company Secretary, Mr Shane McDermott. An extensive externally facilitated search and assessment process for a replacement for the Chief Financial Officer and Company Secretary was subsequently completed, with Mr Paul Bird commencing in those roles on 10 October 2022. Mr Forcke has since resigned his position and has agreed to provide corporate advisory services on an ad hoc basis.



Core samples from Barbwire Terrace exploration program

REVIEW OF OPERATIONS

CORPORATE GOVERNANCE

The principles governing the actions of the Board and the employees of the Company are in accordance with the ASX core principles of corporate governance. The Company's full Corporate Governance Statement and Appendix 4G for the year ended 31 December 2022 has also been released and can be found on the Company's website.

The Company also has in place policies that cover the principal actions under its Corporate Governance Statement and these may also be found on the Company's website.

RISK MANAGEMENT

The Audit and Risk Committee oversees the establishment, implementation, and annual review of the Group's Risk Management System. Management has established and implemented the Risk Management System for assessing, monitoring, and managing all risks, including material business risks, for the Group (including sustainability risk). The Chief Executive Officer and the Chief Financial Officer have provided assurance, in writing to the Board, that the financial reporting risk management and associated compliance and controls have been assessed and found to be operating effectively. The operational and other risk management compliance and controls have also been assessed and found to be operating effectively.

Risk reporting includes the status of risks through integrated risk management programs aimed at ensuring risks are identified, assessed, and appropriately managed. The Audit and Risk Committee reports the status of material business risks to the Board on an annual basis.

The risks involved with oil and gas exploration generally and the specific risks associated with Buru Energy's activities in particular are regularly monitored and all exploration and investment proposals reviewed include a conscious consideration of the issues and risks of each proposal. The Company's executive and senior management have extensive experience in the industry and manage and monitor potential exposures facing the Company.

CLIMATE RELATED RISKS AND OPPORTUNITIES

The Board considers the potential impact of climate related risks in its oversight of the Company's strategy. The Company recognises that human activity, including fossil fuel combustion, is contributing to increased levels of carbon dioxide in the atmosphere and that modelling suggests this can lead to changes in the global climate.

The Company recognises that society is transitioning towards energy sources with low carbon dioxide emissions and supports this process. Even in the most ambitious energy transition scenarios, this process will be gradual. Natural gas and oil will continue to play an important role in the global economy for decades to come, and new sources of gas and oil supply are required for a sustainable energy transition. The Company therefore continues with a strategy of monetising its natural gas and oil assets through exploration, appraisal, development, and production.

The Company has committed to net zero carbon emissions from its current and future gas and oil operations by 2050 and is actively seeking to reduce or offset its Scope 1 and Scope 2 emissions, particularly in ways that directly benefit the Kimberley community. Buru has also implemented the Taskforce on Climate-related Financial Disclosures (TCFD) framework. The TCFD reporting and further information is included in the Company's Sustainability Report for the year ended 31 December 2022.

The Company also sees significant opportunity in leveraging its existing geological, engineering and commercial expertise to participate in the new energy economy. As part of this process, it has established businesses that are exploring for natural hydrogen and battery minerals. It is also establishing expertise and operational capability for carbon dioxide capture and storage services through its GeoVault subsidiary.

COVID-19 RELATED RISKS

Management of COVID related risks to Buru employees, contractors and local communities was an area of considerable focus during 2022. A wide range of strategies were implemented to mitigate the risks posed by COVID-19.

These included the employment of predominantly local workforces to limit the impact of border restrictions on field operations, the vaccination of personnel, premobilisation health screening including Rapid Antigen Testing, close contact tracing, and following government health directions regarding physical distancing, density limits and mask use. As a result of these measures, there were no instances of COVID-19 being contracted or transmitted at Buru sites during 2022 and no material impacts on operations.

REVIEW OF OPERATIONS



Nyikina Mangala elders visit to the Ungani Production Facility.

HEALTH, SAFETY AND ENVIRONMENT

Buru Energy is committed to protecting the health and safety of all personnel as well as the environment, cultural heritage, and communities in the vicinity of all its activities. As such, the Company's overarching HSE goal is Zero Harm to people and the environment during its activities. To ensure a strong focus on exemplary HSE performance, the Company has implemented a robust HSE Management System, which includes monitoring and reporting against various targets to meet the overarching goal of Zero Harm.

The Company's onshore operations are regulated by numerous agencies and authorities, principally the Department of Mines, Industry, Resources and Safety (DMIRS) under the *Petroleum and Geothermal Energy Resources Act 1967* (PGER Act) and the *Petroleum Pipelines Act 1969* and associated regulations. Other regulators include the Department of Water and Environmental Regulation (DWER) under the *Rights and Water and Irrigation Act 1914* and the *Environmental Protection Act 1986* and a number of other agencies and regulations.

Health, safety, and environmental approvals from the various agencies are required to be in place prior to undertaking any petroleum activities. During activities, the Company implements a structured internal HSE audit process to identify opportunities for improvement and measurement of HSE performance. Further, external audits and inspections are routinely undertaken by regulatory agencies to measure compliance against HSE approvals.

During 2022, Buru Energy was not aware of any material non-compliance with health, safety or environmental legislation or regulations. Further information on the Company's HSE performance for 2022 is included in the Company's Sustainability Report for the year ended 31 December 2022.

TRADITIONAL OWNER ENGAGEMENT

No petroleum activity can be conducted on the Company's licences and permits without the involvement and consent of the Traditional Owners of the areas, and Buru has never accessed an area without this consent.

A number of Nyikina Mangala, Yawuru and Warrwa Aboriginal employees work at the Ungani Oilfield operations and support our Kimberley operations more generally. The Company continues to comply with the relevant Ungani Traditional Owner agreements it has negotiated with appropriate Native Title Holders and is meeting its targets for Aboriginal employment. Buru also provides support for local Aboriginal ranger groups for key areas in which it operates and gives preference to contracting local Kimberley Aboriginal businesses to provide services subject to a competitive tender and selection process. Further information is included in the Company's Sustainability Report for the year ended 31 December 2022.

DIRECTORS' REPORT

The Directors present their report together with the consolidated financial statements of the Group comprising Buru Energy Limited (Buru Energy or Group) and its subsidiaries for the year ended 31 December 2022, and the auditor's report thereon. The remuneration report for the year ended 31 December 2022 on pages 36 to 41 forms part of the Directors' report.

DIRECTORS

The Directors of the Company at any time during or since the end of the financial year are:

Name, qualifications and independence status	Experience, special responsibilities, and other directorships
<p>Mr Eric Streitberg Non-Executive Chairman (Appointed 16 April 2008)</p> <p>Eric is a Fellow of the Australian Institute of Mining and Metallurgy and the Australian Institute of Company Directors, a member of the Society of Exploration Geophysicists, Petroleum Exploration Society of Australia and the American Association of Petroleum Geologists.</p> <p>He is a Certified Petroleum Geologist and Geophysicist and holds a Bachelor of Science (App. Geoph.) from the University of Queensland.</p>	<p>Eric has more than 40 years of experience in petroleum geology and geophysics, oil and gas exploration and oil and gas company management. He was a founding shareholder and held the position of Managing Director of ARC Energy Limited, which was transformed from a junior oil and gas exploration company into a mid-size Australian oil and gas producer. He was also the founding shareholder and Managing Director of Discovery Petroleum, which was a key participant in the renaissance of the Perth Basin as a significant gas producer until the takeover of that company in 1996. Prior to that he held various senior international exploration roles with Occidental Petroleum and BP. He was a founding shareholder and Non-Executive Director of Adelphi Energy Limited from 2005 until its takeover in 2010.</p> <p>Eric was previously a Director and Chair of the Australian Petroleum Production and Exploration Association (APPEA) and has also chaired the APPEA Exploration and Environment Committees. He is also a past Chair of the Marine Parks and Reserves Authority of Western Australia.</p> <p>Eric has been a Director since April 2008 and was the Executive Chairman from May 2014 to December 2022.</p>



Left to right: Malcolm King, Robert Willes, Joanne Kendrick, Eric Streitberg

DIRECTORS' REPORT

Name, qualifications and independence status	Experience, special responsibilities, and other directorships
<p>Mr Robert Willes Independent Non-Executive Director (Appointed 2 July 2014)</p> <p>Robert is a Graduate of the Australian Institute of Company Directors and member of the Association of International Petroleum Negotiators. He holds an Honours Degree in Geography from Durham University in the UK and has completed Executive Education Programmes at Harvard Business School in the USA and Cambridge University in the UK.</p>	<p>Robert has been a Director since July 2014 and has over 30 years of extensive international experience in the oil and gas and energy industries, covering senior commercial and leadership positions with BP as well as ASX and government board roles. His BP career included exploration & production, gas & power and global M&A, with responsibility for numerous complex deals such as divestments, farm-ins, asset swaps, new acreage bids, unitisations, gas and LNG sales.</p> <p>A former Managing Director of Challenger Energy Ltd and CEO of Eureka Energy Limited, Robert is also a director of the Mid West Port Authority and has served on a number of boards including the Australian Petroleum Production and Exploration Association, North West Shelf Gas Pty Ltd, North West Shelf Liaison Co. Pty Ltd, North West Shelf Australia LNG Pty Ltd, North West Shelf Shipping Services Co. Pty Ltd, Carbon Reduction Ventures Pty Ltd and Perth Centre for Photography.</p> <p>Robert is the Chair of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee.</p>
<p>Ms Joanne Kendrick Independent Non-Executive Director (Appointed 22 February 2021)</p> <p>Joanne is a Petroleum/Reservoir Engineer holding a Bachelor of Engineering (Hons) from the University of Adelaide and is a member of the Australian Institute of Company Directors.</p>	<p>Joanne is an experienced industry professional with more than 25 years experience in technical and executive roles with Woodside Petroleum, Newfield Exploration, Gulf Canada, Clyde Petroleum and Nido Petroleum.</p> <p>Joanne has been directly responsible for managing production operations, exploration drilling and development projects, capital raisings, asset transactions and joint venture interests throughout her career; including as Deputy Managing Director at ASX-listed Nido Petroleum for seven years.</p> <p>Joanne is currently a Non-Executive Director of 88 Energy Limited. She was previously the Managing Director of Blue Star Helium, a Perth-based helium exploration and development company focused on activities in North America.</p> <p>Joanne is a member of both the Audit & Risk and Remuneration & Nomination Committees.</p>
<p>Mr Malcolm King Independent Non-Executive Director (Appointed 22 February 2021)</p> <p>Malcolm has a Bachelor of Applied Science (Geology) degree from the University of Southern Queensland and a Master of Science (Petroleum Geology) from the University of Aberdeen, Scotland. He is a Member of Australian Institute of Company Directors and a Graduate of the Australian Institute of Company Directors Director Program.</p>	<p>Malcolm has 35 years of upstream oil and gas experience, mostly with Shell in technical, commercial and leadership roles across Asia and Australia. His Shell experience spans the exploration & production and gas & power businesses, participating in and leading exploration and M&A campaigns, and working extensively in LNG operations, business development and market development. More recently Malcolm led Senex Energy's commercial and business development functions for the Cooper Basin oil and Queensland coal seam gas businesses. He currently provides consulting services to the energy industry.</p> <p>Malcolm is the Chair of the Remuneration and Nomination Committee and a member of the Audit and Risk Committee.</p>

DIRECTORS' REPORT

BOARD AND COMMITTEE MEETINGS

The number of Board and Committee meetings and the number of meetings attended by each of the Directors of the Company during the year were:

Meeting	Board Meetings		Audit & Risk Committee Meetings		Remuneration & Nomination Committee Meetings	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Eric Streitberg	19	19	5	5	2	2
Robert Willes	19	18	5	4	2	2
Joanne Kendrick	19	19	5	5	2	2
Malcolm King	19	19	5	5	2	2

During the year a number of matters relating to CEO appointment, board composition and the transition of the Chairman to non-executive status were dealt with at the Board level at meetings of the full Board. These matters would ordinarily be dealt with at separate formal Remuneration and Nominations Committee meetings, however, all the members of the Remuneration and Nominations Committee were present at these Board meetings, and the resolutions arising from the consideration of the matters were approved by the Board and noted in the Board minutes.

DIRECTORS' REPORT

PRINCIPAL ACTIVITIES

The principal activity of the Group during the period was oil and gas exploration and production in the Canning Basin, in the northwest of Western Australia. The Group has also been progressing a number of initiatives to ensure it is part of the energy transition both through both internal Buru activity and through three subsidiaries, 2H Resources (natural hydrogen), GeoVault (Carbon Capture and Storage) and Battmin (battery minerals). Further information is included in the Review of Operations. There were no other significant changes in the nature of the Group's principal activities during the period.

REVIEW OF OPERATIONS

The Review of Operations for the year ended 31 December 2022 is set out on pages 14 to 27 and forms part of this Directors' Report.

OPERATING RESULTS

The consolidated loss of the Group after providing for income tax for the year ended 31 December 2022 was \$32,777,000 (31 December 2021: loss of \$10,751,000).

FINANCIAL POSITION

The net assets of the Group totalled \$19,756,000 as at 31 December 2022 (31 December 2021: \$43,453,000).

DIVIDENDS

The Directors do not propose to recommend the payment of a dividend for the period. No dividends have been paid or declared by the Company during the current period.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant change in the state of affairs of the Group occurred during the period other than the impairment assessment of the Ungani Oilfield asset, which resulted in an impairment expense of \$23,460,000 being recognised during the reporting period.

DIRECTORS' REPORT

AFTER BALANCE DATE EVENTS

On 3 January 2023 the Company announced Mr Eric Streitberg has agreed to assume the role of Non-Executive Chair of the Company effective 1 January 2023.

On 5 & 10 January 2023 the Company made consecutive announcements in relation to the impact of ex-Tropical Cyclone Ellie on its Ungani oil production and operations. The weather system has severely affected the central and west Kimberley with major flooding to the region causing road closures and potential road damage. Although Ungani production operations have not been directly affected, road closures have meant oil transport operations have been suspended. Consequently, operations at the Ungani Production Facility have also been suspended and Buru has safely demobilised its operations personnel from the field whilst it investigates oil transportation routes to Wyndham Port.

On 16 January 2023 the Company announced it was successful in its application with its partner Energy Resources Limited (EnRes, a wholly owned subsidiary of Mineral Resources Limited) for an additional two highly prospective petroleum exploration areas in the Northern Carnarvon Basin and the Merlinleigh Sub-basin. The L22-2 and L22-4 areas were part of the recent WA Government Petroleum Acreage Release 2 of 2022, and have been offered to the joint venture of EnRes as Operator (75%) and Buru (25%). The grant of the permits is subject to completion of Native Title agreements, and the joint venture looks forward to completing those with the relevant parties.

On 13 February 2023 the Company announced Origin Energy Limited (Origin Energy), via its wholly owned subsidiary Origin Energy West Pty Ltd (Origin), will assign its interests in its joint venture exploration permits in the Canning Basin (including the Rafael conventional gas and condensate discovery), to a wholly owned subsidiary of Buru Energy Limited (Buru) for a future, capped reimbursement of costs linked to gas production success. As part of the agreement, Origin will provide Buru with up to \$4 million of the required funding for the Rafael 3D seismic survey which is planned to be acquired in the 2023 operating season. Buru resumes its position as the dominant net acreage holder and operator in the Canning Basin, with ownership of a net 22,500 sq kms of permits including 100% of EP 129, EP 391, EP 428, EP 431 and EP 436; and 60% of the EP 457 and EP 458 permits it shares with Rey Resources Ltd (Rey).

No other significant events have occurred subsequent to balance date that in the opinion of the directors has significantly affected, or may significantly affect in future financial years:

- The Group's operations; or
- The results of those operations; or
- The Group's state of affairs.

LIKELY DEVELOPMENTS

The Group's likely developments in its operations in future financial years and the expected results of those operations have been included generally in the Review of Operations. Other than as disclosed elsewhere, disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed.

DIRECTORS' REPORT

ENVIRONMENTAL REGULATIONS

Buru Energy is subject to environmental regulation under relevant Australian and Western Australian legislation in relation to its oil and gas exploration and production activities. DMIRS is the primary regulator in Western Australia for petroleum activities though the Group's activities are also regulated by DWER. The Directors actively monitor compliance with these regulations. As at the date of this report, the Directors are not aware of any material breaches in respect of the regulations.

DIRECTORS' INTERESTS

The relevant interest of each Director in the shares or options issued by the Company, as notified by the Directors to the ASX in accordance with s205G(1) of the *Corporations Act 2001*, at the date of this report were as follows:

Directors	Ordinary Shares	Unlisted Options
Eric Streitberg	21,425,409	-
Robert Willes	224,000	-
Malcolm King	77,700	-
Joanne Kendrick	-	-
Total	21,727,109	-

SHARE OPTIONS

At the date of this report, the unissued shares of the Company under option were as follows:

Date of Expiry	Exercise Price	Number of shares under Option
31 December 2023	\$0.23	7,200,000

All share options are over ordinary shares in the Company. All options are unlisted, held by employees of the Company and expire on the earlier of their expiry date or within 30 days from termination of the employee's employment or at a date determined by the Remuneration and Nomination Committee. These options do not entitle the holder to participate in any share issue of the Company or any other body corporate. Further details about options granted to senior executives during the financial year are included in the Remuneration Report on pages 36 to 41. No options have been granted since the end of the reporting period.

DIRECTORS' REPORT

INDEMNIFICATION AND INSURANCE OF OFFICERS

The Company has agreed to indemnify Directors and officers of the Company and its controlled entities against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors and officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

During the year, the Company has paid insurance premiums of \$232,870 (2021: \$213,620) in respect of Directors' and officers' liability. The premiums cover current and former Directors and officers, including senior executives of the Company and Directors and secretaries of its controlled entities. The insurance premiums relate to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave from any Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the period.

NON-AUDIT SERVICES

During the period, the Company's auditor did not perform any other services in addition to their statutory full year audit, half year review, Joint Venture audits and royalty audits. During the year ended 31 December 2022, the amount paid or payable to the Group's auditor (KPMG Australia) for statutory and other audit and review services totalled \$95,767 (2021: \$88,667).

QUALIFIED PETROLEUM RESOURCES EVALUATOR STATEMENT

Except where otherwise noted, information in this Annual Report related to exploration and production results and petroleum resources is based on, and fairly represents, information and supporting documentation prepared by Mr Eric Streitberg who is a Qualified Petroleum Resources Evaluator. Mr Streitberg who is an employee and Director of Buru Energy Limited 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 consents to the inclusion of the information in this document.

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 42 and forms part of the Directors' Report for the year ended 31 December 2022.

ROUNDING OFF

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the Consolidated Financial Statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of Directors.



Mr Eric Streitberg
Non-executive Chairman

Perth
27 March 2023



Mr Robert Willes
Non-executive Director

Perth
27 March 2023

REMUNERATION REPORT - AUDITED

FOR THE YEAR ENDED 31 DECEMBER 2022

PRINCIPLES OF REMUNERATION - AUDITED

The Directors present their Remuneration Report for Buru Energy for the year ended 31 December 2022. This remuneration report outlines the remuneration arrangements of the Company's Directors and other key management personnel (KMP) in accordance with the requirements of the *Corporations Act 2001* and its Regulations. In accordance with section 308(3C) of the *Corporations Act 2001*, the Remuneration Report has been audited and forms part of the Directors' Report.

KMP have the authority and responsibility for planning, directing and controlling the activities of the Group and comprise the Directors, executives and senior management in accordance with s300A of the *Corporations Act 2001*.

Remuneration levels for KMP are competitively set to attract and retain appropriately qualified and experienced Directors and executives. The remuneration structures explained below are designed to reward the achievement of the Company's strategic objectives and achieve the broader outcome of the creation of shareholder value. The Company's remuneration structures take into account:

- the capability and experience of KMP; and
- the Group's corporate, operational and financial performance.

Remuneration packages include a mix of fixed and variable remuneration, and short and long term performance based incentives.

FIXED REMUNERATION

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any FBT charges related to employee benefits), as well as employer contributions to superannuation funds. Remuneration levels are reviewed annually by the Remuneration and Nomination Committee through a process that considers individual, segment and overall performance of the Group. In addition, external consultants may provide analysis and advice to ensure the Directors, executive and senior management remuneration is competitive in the market place. Remuneration is also reviewed on promotion.

PERFORMANCE LINKED REMUNERATION

Performance linked remuneration includes both short term and long term incentives, and is designed to reward KMP for meeting or exceeding the Company's expectations and agreed objectives. Any short term incentive (STI) is an 'at risk' bonus provided in the form of cash, while any long term incentive (LTI) is provided under the Employee Share Option Plan (ESOP). The LTIs are structured to ensure that incentives are appropriately aligned to sustainable shareholder value creation.

SHORT TERM INCENTIVE BONUSES

All STI bonuses are subject to the Board's discretionary approval. The payments of any STI bonuses are based on the fulfilment of key performance indicators (KPIs) and individual achievements. The KPIs are designed to promote shareholder value creation and include financial and non-financial measures. The financial and non-financial KPIs include base and stretch targets related to health and safety results, production levels, exploration outcomes, cost control and sustainability outcomes.

REMUNERATION REPORT - AUDITED

FOR THE YEAR ENDED 31 DECEMBER 2022

LONG-TERM INCENTIVE BONUSES

The Remuneration and Nomination Committee considers that an LTI scheme structured around equity-based remuneration is necessary to attract and retain the highest calibre of professionals to the Group, whilst preserving the Group's cash reserves. The purpose of these schemes is to align the interests of KMP with shareholders and to reward, over the medium term, KMP for delivering value to shareholders through share price appreciation.

Options are issued under the ESOP in accordance with the thresholds set in the plan approved by shareholders. The number of options available to be issued under the ESOP is limited to 5% of the total number of ordinary shares in the Company. The options are issued for no consideration and vest immediately. All options refer to options over ordinary shares of Buru Energy Limited which are exercisable on a one for one basis.

CONSEQUENCES OF PERFORMANCE ON SHAREHOLDER WEALTH

The Board considers that the most effective way to increase shareholder wealth is through the successful exploration and development of the Group's gas and oil exploration permits and development of new energy resources in Australia. The Board considers that the Group's LTI schemes incentivise KMP to achieve these outcomes by providing rewards, over the short and long term that are directly correlated to delivering value to shareholders through share price appreciation. The Company's relative share price performance is the primary measure when the Board considers the effectiveness of STI and LTI remuneration consequences on shareholder wealth.

SERVICE CONTRACTS

The employment contract with the Executive Chairman, Mr Eric Streitberg, ended on 31 December 2022 as part of the planned transition to a Non-Executive role.

The employment contract with the Chief Executive Officer, Mr Thomas Nador, is unlimited in term but capable of termination with three months' notice by either party, or by payment in lieu thereof at the discretion of the Company. Six months of base salary and pro-rated STI and LTI entitlements are payable upon termination by either party in the event of a change in control of the Company.

Employment contracts with all other current non-Director KMP are unlimited in term but capable of termination notice by either party, or by payment in lieu thereof at the discretion of the Company. Notice periods vary between one to three months.

The Remuneration & Nomination Committee determined the amount of remuneration payable to KMP under each agreement. KMP are also entitled to receive their contractual and statutory entitlements including accrued annual and long service leave, together with any superannuation benefits, on termination of employment. Remuneration levels are reviewed each year to take into account cost-of-living changes, any change in the scope of the role performed by KMP and any changes required to meet the principles of the Group's remuneration policy.

SERVICES FROM REMUNERATION CONSULTANTS

There were no services received from remuneration consultants during the period.

NON-EXECUTIVE DIRECTORS

Total fixed remuneration for all Non-executive Directors, last voted upon by shareholders at the 2012 Annual General Meeting, is not to exceed \$600,000 per annum. The Non-executive Directors' base fee is \$96,000 plus statutory superannuation per annum. The Chairman's base fee is ordinarily \$150,000 plus statutory superannuation per annum, up until 31 December 2022 the current Chairman, Mr Streitberg, was not eligible for this remuneration as he was not acting in a non-executive capacity. An additional fee of \$7,400 plus statutory superannuation per annum is payable for Non-executive Directors being a member of a Committee and the fee for chairing a Committee is \$14,600 plus statutory superannuation.

REMUNERATION REPORT - AUDITED

FOR THE YEAR ENDED 31 DECEMBER 2022

KEY MANAGEMENT PERSONNEL REMUNERATION - AUDITED

Details of the nature and amount of each major element of remuneration of each director of the Company and other key management personnel of the consolidated entity are:

		Short term			Non-monetary benefits (A)	Total	Post-employment		Other long term	Share-based payments		s300A(1)(e)(i) proportion of remuneration performance related	s300A(1)(e)(vi) value of share based payments as a proportion of remuneration
		Salary & Fees	Annual leave	STI cash bonus (C)			Super-annuation benefits	Long service leave accrued		Termination benefits	ESOP (B)		
Non-executive Directors													
Mr R Wiles, NED	2022	118,000	-	-	-	118,000	12,095	-	-	-	-	130,095	0%
	2021	118,000	-	-	-	118,000	11,505	-	-	-	-	129,505	0%
Ms J Kendrick, NED	2022	110,800	-	-	-	110,800	11,357	-	-	-	-	122,157	0%
	2021	92,693	-	-	-	92,693	9,083	-	-	-	-	101,776	0%
Mr M King, NED	2022	118,000	-	-	-	118,000	12,095	-	-	-	-	130,095	0%
	2021	98,846	-	-	-	98,846	9,685	-	-	-	-	108,531	0%
Ms S Tough, NED (Retired May 2021)	2022	-	-	-	-	-	-	-	-	-	-	-	0%
Ms E Howell, NED (Retired March 2021)	2021	22,256	-	-	-	22,256	2,114	-	-	-	-	24,370	0%
	2022	-	-	-	-	-	-	-	-	-	-	-	0%
2021	29,500	-	-	-	-	29,500	2,803	-	-	-	-	32,303	0%
Total Non-executive Directors' Remuneration	2022	346,800	-	-	-	346,800	35,547	-	-	-	-	382,347	0%
	2021	361,295	-	-	-	361,295	35,190	-	-	-	-	396,485	0%

REMUNERATION REPORT - AUDITED

FOR THE YEAR ENDED 31 DECEMBER 2022

		Short term			Total	Post-employment			Other long term	Termination benefits	Share-based payments	s300A(1)(e)(i) proportion of remuneration performance related	s300A(1)(e) share based payments as a proportion of remuneration
		Salary & Fees	Annual leave	STI cash bonus (C)		Non-monetary benefits (A)	Super-annuation benefits	Long service leave accrued					
Executive Directors	Mr E Streiberg, Executive Chairman (up until 31 December 2022)	2022	440,386	38,462	247,500	24,485	77,238	15,727	-	-	-	843,798	0%
	2021	492,420	38,766	-	22,215	49,126	4,426	-	-	-	-	606,953	0%
Total Directors' Remuneration		2022	787,186	38,462	247,500	24,485	112,785	15,727	-	-	-	1,226,145	
		2021	853,715	38,766	-	22,215	84,316	4,426	-	-	-	1,003,438	
Executives													
Mr T Nador, Chief Executive Officer (Appointed August 2022)	2022	168,590	12,821	-	-	19,115	167	-	-	-	-	200,693	0%
	2021	-	-	-	-	-	-	-	-	-	-	-	0%
Mr P Bird, Chief Financial Officer & Company Secretary (Appointed October 2022)	2022	61,385	5,481	-	-	6,906	60	-	-	-	-	73,832	0%
	2021	-	-	-	-	-	-	-	-	-	-	-	0%
Mr K Waddington, Chief Operating Officer	2022	300,843	25,538	131,540	6,596	47,342	10,548	-	-	-	-	522,407	0%
	2021	318,379	25,538	-	6,424	32,370	11,230	-	-	57,266	-	451,207	13%
Mr A Forcke, General Manager – Commercial (Resigned October 2022) ¹	2022	283,769	22,885	33,915	8,453	33,906	5,014	-	-	-	-	387,942	0%
	2021	339,150	27,462	-	8,788	34,808	3,904	-	-	76,355	-	490,467	16%

REMUNERATION REPORT - AUDITED

FOR THE YEAR ENDED 31 DECEMBER 2022

		Short term			Post-employment		Other long term		Share-based payments		s300A(1)(e)(i) proportion of remuneration performance related	s300A(1)(e)(ii) share based payments as a proportion of remuneration
		Salary & Fees	Annual leave	STI cash bonus (C)	Non-monetary benefits (A)	Super-annuation benefits	Long service leave accrued	Termination benefits	ESOP (B)	Total		
Mr S McDermott, Chief Financial Officer & Company Secretary (Resigned July 2022)	2022	143,388	11,115	27,455	1,636	18,033	2,738	-	-	204,365	13%	0%
	2021	272,883	22,231	-	5,739	28,178	5,914	-	-	373,122	10%	10%
Total Executive Officer Remuneration	2022	957,975	77,840	192,910	16,685	125,302	18,527	-	-	1,389,239		
	2021	930,412	75,231	-	20,951	95,356	21,048	-	-	1,314,796		
Total Directors and Executive Officer Remuneration	2022	1,745,161	116,302	440,410	41,170	238,087	34,254	-	-	2,615,384		
	2021	1,784,127	113,997	-	43,166	179,671	25,474	-	-	2,318,234		

Notes in relation to the table of KMP remuneration

- Non-monetary benefits to KMP relate to the provision of car parking, life insurance and salary continuance insurance.
 - No options were issued during this reporting period.
 - During the year, the Remuneration & Nomination Committee approved a bonus payment associated with the 2021 Short Term Incentive Scheme, no amounts of bonuses were forfeited given they were determined on a discretionary basis.
- 1 A Forcke resigned as the Company's General Manager – Commercial in October 2022 and is currently engaged as a Corporate Advisor on a as required basis.

REMUNERATION REPORT - AUDITED

FOR THE YEAR ENDED 31 DECEMBER 2022

LOANS TO KEY MANAGEMENT PERSONNEL

There were no loans outstanding at the end of the period to key management personnel or their related parties.

SHARES HELD BY KEY MANAGEMENT PERSONNEL

KMP	Held at 1 Jan 22	Ceased to be a Director of Buru	Exercise of options	Purchased	Sold	Held at 31 Dec 22
Mr E Streitberg	21,425,409	-	-	-	-	21,425,409
Mr R Willes	192,000	-	-	32,000	-	224,000
Mr M King	66,600	-	-	11,100	-	77,700
Mr T Nador	-	-	-	300,000	-	300,000

J Kendrick, K Waddington and P Bird did not hold any shares during this period.

ANALYSIS OF SHARE BASED PAYMENTS - ESOP

The movement during the period by number of options granted under the ESOP to KMP during the period is detailed below.

KMP	Held at 1 Jan 22	Granted as remuneration	Exercised	Lapsed / Forfeited	Held at 31 Dec 22	Vested during the year	Vested and exercisable
Mr K Waddington	750,000	-	-	-	750,000	-	750,000

No options have been granted since the end of the financial year. All options were provided at no cost to the recipients and expire on the earlier of their expiry date or 30 days after the termination of the individual's employment or at a date determined by the Board. All options vested immediately and were exercisable from the grant date. During the reporting period, no shares were issued on the exercise of options previously granted as remuneration.

AUDITOR'S INDEPENDENCE DECLARATION



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Buru Energy Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Buru Energy Limited for the financial year ended 31 December 2022 there have been:

- i. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. No contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Jane Bailey

KPMG

Jane Bailey
Partner
Perth
27 March 2023

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

<i>in thousands of AUD</i>	Note	31 December 2022	31 December 2021
Current Assets			
Cash and cash equivalents	11a	17,922	23,723
Trade and other receivables	9	913	919
Inventories	10	1,323	2,035
Total Current Assets		20,158	26,677
Non-Current Assets			
Oil and gas assets	6	-	22,028
Exploration and evaluation expenditure	7	10,197	9,501
Property, plant and equipment	8	3,777	3,349
Total Non-Current Assets		13,974	34,878
Total Assets		34,132	61,555
Current Liabilities			
Trade and other payables	14	2,048	8,953
Lease liabilities	8	1,291	1,249
Provisions	15	2,194	1,776
Total Current Liabilities		5,533	11,978
Non-Current Liabilities			
Lease Liabilities	8	2,472	790
Provisions	15	6,371	5,334
Total Non-Current Liabilities		8,843	6,124
Total Liabilities		14,376	18,102
Net Assets		19,756	43,453
Equity			
Contributed equity	12	295,971	286,891
Reserves		550	565
Accumulated losses		(276,765)	(244,003)
Total Equity		19,756	43,453

The notes on pages 47 to 76 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2022

<i>in thousands of AUD</i>	Note	31 December 2022	31 December 2021
Revenue	2	13,893	9,608
Cost of sales		(7,308)	(6,541)
Movement in crude inventories		(702)	1,521
Amortisation of oil and gas assets	6	(2,675)	(2,949)
Gross profit / (loss)		3,208	1,639
Exploration and evaluation expenditure		(7,032)	(9,241)
Impairment of oil and gas expenditure	6	(23,460)	-
Impairment of right-of-use assets	8	(1,774)	-
Increase in provisions against inventories		-	(32)
Corporate and administrative expenditure	3	(3,905)	(2,743)
Share based payment expenses	16	-	(565)
Results from operating activities		(32,963)	(10,942)
Net finance income / (expense)	4	186	191
Profit / (loss) before income tax		(32,777)	(10,751)
Income tax expense	5	-	-
Total comprehensive income / (loss)		(32,777)	(10,751)
Earnings / (loss) per share (cents) and diluted earnings / (loss) per share (cents)	13	(5.74)	(2.15)

The notes on pages 47 to 76 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

<i>in thousands of AUD</i>	Share capital \$	Share based payment reserve \$	Accumulated losses \$	Total equity \$
Balance as at 1 January 2021	271,857	528	(233,780)	38,605
Comprehensive loss for the period				
Loss for the period	-	-	(10,751)	(10,751)
Total comprehensive loss for the period	-	-	(10,751)	(10,751)
Transactions with owners recorded directly in equity				
Issue of ordinary shares, net of transaction costs	15,034			15,034
Share based payment transactions	-	565	-	565
Share options forfeited	-	(528)	528	-
Total transactions with owners recorded directly in equity	15,034	37	528	15,599
Balance as at 31 December 2021	286,891	565	(244,003)	43,453

<i>in thousands of AUD</i>	Share capital \$	Share based payment reserve \$	Accumulated losses \$	Total equity \$
Balance as at 1 January 2022	286,891	565	(244,003)	43,453
Comprehensive loss for the period				
Loss for the period	-	-	(32,777)	(32,777)
Total comprehensive loss for the period	-	-	(32,777)	(32,777)
Transactions with owners recorded directly in equity				
Issue of ordinary shares, net of transaction costs	9,080			9,080
Share based payment transactions	-	-	-	-
Share options forfeited	-	(15)	15	-
Total transactions with owners recorded directly in equity	9,080	(15)	15	9,080
Balance as at 31 December 2022	295,971	550	(276,765)	19,756

The notes on pages 47 to 76 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

<i>in thousands of AUD</i>	Note	31 December 2022	31 December 2021
Cash flows from operating activities			
Cash receipts from sales		13,893	9,608
Cash receipts from JobKeeper Payment scheme	3	-	119
Payments to suppliers and employees		(10,152)	(8,690)
Payments for exploration and evaluation		(8,462)	(6,990)
Net cash outflow from operating activities	11b	(4,721)	(5,953)
Cash flows from investing activities			
Interest received		213	77
Receipts from sale of plant and equipment		12	15
Payments for capitalised exploration and evaluation		(1,715)	(3,286)
Payments for oil and gas development		(7,304)	(2,478)
Net cash outflow from investing activities		(8,794)	(5,672)
Cash flows from financing activities			
Proceeds from the issue of share capital (net of cost)		9,079	15,034
Payments for lease liabilities		(1,324)	(1,241)
Net cash inflow from financing activities		7,755	13,793
Net increase/(decrease) in cash and cash equivalents		(5,760)	2,168
Cash and cash equivalents at the beginning of the period		23,723	21,428
Effect of exchange rate changes on cash and cash equivalents		(41)	127
Cash and cash equivalents at end of the period	11a	17,922	23,723

The notes on pages 47 to 76 are an integral part of these consolidated financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

BASIS OF PREPARATION

Buru Energy Limited (Buru Energy or the Company) is a for profit company domiciled in Australia. The address of the Company's registered office is Level 2, 16 Ord Street, West Perth, Western Australia. The consolidated financial statements of the Company as at, and for the year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the Group) and the Group's interest in jointly controlled entities. The Group is primarily involved in the exploration and production of gas and oil and development of new energy resources in Australia.

This section sets out the basis upon which the Group's financial statements are prepared as a whole. Significant accounting policies and key judgements and estimates of the Group that summarise the measurement basis used and assist in understanding the financial statements are described in the relevant note to the financial statements or are otherwise provided in this section. The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements of the Group comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB). The financial statements were approved by the Board of Directors on 27 March 2023. The accounting policies have been applied consistently by Group entities to all periods presented in these consolidated financial statements. The consolidated financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position:

- Financial assets are measured at fair value; and
- Share-based payments are measured at fair value.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the Consolidated Financial Statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

BASIS OF CONSOLIDATION

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated financial statements are presented in Australian dollars, which is each of the Group entities' functional currency. Transactions in foreign currencies are translated to Australian dollars at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Information about assumptions and estimation uncertainties in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are:

- Note 5 – Recognition of tax losses
- Note 6 – Oil and gas assets
- Note 7 – Exploration and evaluation expenditure
- Note 8 – Right-of-use assets
- Note 15 – Provisions
- Note 16 – Measurement of share-based payments

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

RESULTS FOR THE YEAR

This section explains the results and performance of the Group including additional information about those individual line items in the financial statements most relevant in the context of the operations of the Group, including accounting policies that are relevant for understanding the items recognised in the financial statements and an analysis of the Group's result for the year by reference to key areas, including operating segments, revenue, expenses, employee costs, taxation and earnings per share.

1. SEGMENT INFORMATION

An operating segment is a component of Buru Energy that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of Buru Energy's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer, Chief Financial Officer and other executives to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. Segment results that are reported to the Chief Executive Officer and Chief Financial Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and head office expenses. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

The Group has only one reportable geographical segment being Australia. The reportable operating segments are based on the Group's strategic business units: oil production, exploration and energy transition. The following summary describes the operations in each of the Group's reportable operating segments:

- Oil Production: Development and production of the Ungani Oilfield.
- Exploration: The exploration program is focused on the following:
 - the Rafael area where the Rafael 1 exploration well was drilled in 2021 with a subsequent successful flow test of gas to surface;
 - the Yulleroo area where gas resources have been identified in the Laurel Formation;
 - several other prospects along the Ungani oil trend;
 - the Lennard Shelf area including the shut-in Blina and Sundown Oilfields;
 - the Carnarvon basin where during the year, Buru accepted an offer for a 50% interest in block L20-1; and
 - evaluation of the other areas in the Group's portfolio.
- Energy Transition: The Company is progressing a number of initiatives to ensure it is part of the energy transition through three subsidiaries, 2H Resources (natural hydrogen), GeoVault (Carbon Capture and Storage) and Battmin (Battery Minerals).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Information regarding the results of each reportable segment is included below. Performance is measured in regard to the Group and its segments principally with reference to earnings before interest and tax, and capital expenditure on exploration and evaluation assets, oil and gas assets, and property, plant and equipment. The unallocated segment represents a reconciliation of reportable segments revenues, profit or loss and assets to the consolidated figures.

Profit or loss	Oil Production		Exploration		Energy Transition		Unallocated		Total	
	Dec 22	Dec 21	Dec 22	Dec 21	Dec 22	Dec 21	Dec 22	Dec 21	Dec 22	Dec 21
<i>in thousands of AUD</i>										
External revenues	13,893	9,608	-	-	-	-	-	-	13,893	9,608
Cost of sales	(7,308)	(6,541)	-	-	-	-	-	-	(7,308)	(6,541)
Movement in crude inventories	(702)	1,521							(702)	1,521
Amortisation of oil and gas assets	(2,675)	(2,949)	-	-	-	-	-	-	(2,675)	(2,949)
Gross Profit / (Loss)	3,208	1,639	-	-	-	-	-	-	3,208	1,639
Exploration and evaluation expenditure	-	-	(5,973)	(8,187)	(1,059)	(1,054)	-	-	(7,032)	(9,241)
Impairment of right-of-use assets	(1,774)								(1,774)	-
Impairment of oil and gas expenditure	(23,460)								(23,460)	-
Increase in provisions against inventories	-	-	-	(32)	-	-	-	-	-	(32)
Depreciation expense	-	-	-	-	-	-	(808)	(1,386)	(808)	(1,386)
Corporate and administrative expenditure	-	-	-	-	-	-	(3,097)	(1,357)	(3,097)	(1,357)
Share based payment expenses	-	-	-	-	-	-	-	(565)	-	(565)
EBIT	(22,026)	1,639	(5,973)	(8,219)	(1,059)	(1,054)	(3,905)	(3,308)	(32,963)	(10,942)
Net finance income / (expense)	-	-	-	-	-	-	186	191	186	191
Reportable segment profit / (loss) before tax	(22,026)	1,639	(5,973)	(8,219)	(1,059)	(1,054)	(3,719)	(3,117)	(32,777)	(10,751)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Total Assets	Oil Production		Exploration		Energy Transition		Unallocated		Total	
	Dec 22	Dec 21	Dec 22	Dec 21	Dec 22	Dec 21	Dec 22	Dec 21	Dec 22	Dec 21
<i>in thousands of AUD</i>										
Current assets	1,064	1,776	259	259	-	-	18,835	24,642	20,158	26,677
Oil and gas assets	-	22,028	-	-	-	-	-	-	-	22,028
Exploration and evaluation assets	-	-	10,197	9,501	-	-	-	-	10,197	9,501
Property, plant and equipment	-	-	-	-	-	-	3,777	3,349	3,777	3,349
Total Assets	1,064	23,804	10,456	9,760	-	-	22,612	27,991	34,132	61,555
Capital Expenditure	5,881	5,649	696	9,501	-	-	-	8	6,577	15,158
Total Liabilities										
Current liabilities	2,349	4,331	1,581	5,220	-	-	1,603	2,427	5,533	11,978
Lease liabilities (Non-current)	653	553	546	158	-	-	1,273	79	2,472	790
Provisions (Non-current)	2,559	1,641	3,549	3,328	-	-	263	365	6,371	5,334
Total Liabilities	5,561	6,525	5,676	8,706	-	-	3,139	2,871	14,376	18,102

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

2. REVENUE

<i>in thousands of AUD</i>	31 Dec 2022	31 Dec 2021
Sales of crude oil	14,604	9,575
Timing effect of revenue	(711)	33
	13,893	9,608

ACCOUNTING POLICY

Revenue is recognised when a customer obtains control of the goods or services. Under the existing contract, the sale of oil is recognised on Free on Board (FOB) terms, whereby the customer obtains control of the oil as it is loaded onto the vessel. Revenue from the sale of crude oil in the course of ordinary activities is recognised in the income statement at the consideration in the contract received or receivable. The price received FOB Wyndham represents the realised Brent linked oil price less the buyer's marine transport discount. Contract terms for crude sales allow for a final price adjustment after the date of sale, based on average Brent Platts in the month the crude is sold and final volume. The adjustment between the provisional and final price is separately disclosed as timing effect of revenue. Payment terms for invoices are thirty days from the Bill of Lading date.

3. CORPORATE AND ADMINISTRATIVE EXPENDITURE

<i>in thousands of AUD</i>	31 Dec 2022	31 Dec 2021
Corporate and other administration expenses	3,905	2,743

The above expense excludes share-based payments disclosed at note 16.

JobKeeper payments, which totalled \$119,000 was offset against Corporate and administrative expenditure in the previous year (2021). Total personnel expenses for the 2022 year including STIS bonus amounted to \$7,953,000, (2021: \$5,478,000) prior to amounts received under the JobKeeper payment scheme and Joint Venture reimbursements. Net personnel expenses are included in Cost of Sales, Exploration and Evaluation Expenditure and Corporate and Administrative Expenditure.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

4. NET FINANCE INCOME / (EXPENSE)

<i>in thousands of AUD</i>	31 Dec 2022	31 Dec 2021
Finance Income		
Interest income on bank deposits and receivables	95	55
	95	55
Finance Expense		
Interest income / (expense) on lease liabilities	132	9
Net foreign exchange gain / (loss)	(41)	127
	91	136
Net finance income / (expense) recognised in profit or loss	186	191

ACCOUNTING POLICY

Finance income comprises interest income on funds invested (including financial assets). Interest income is recognised as it accrues in profit or loss, using the effective interest method. All borrowing costs are recognised in profit or loss using the effective interest method. Foreign currency gains and losses are reported on a net basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

5. TAXATION

<i>in thousands of AUD</i>	31 Dec 2022	31 Dec 2021
Current income tax		
Current income tax charge	-	-
Adjustments in respect of previous current income tax	-	-
	-	-
Deferred income tax		
Tax relating to origination and reversal of temporary differences	-	-
	-	-
Total income tax expense reported in equity	-	-
Numerical reconciliation between tax expense and pre-tax accounting profit		
Accounting profit / (loss) before tax	(32,777)	(10,751)
Income tax (expense) / benefit using the domestic corporation tax rate of 30%	9,833	3,225
(Increase) / decrease in income tax due to:		
Non-deductible expenses	(12)	(181)
Temporary differences and tax losses not brought to account as a DTA	(9,820)	(3,045)
Tax losses utilised	-	-
Income tax benefit / (expense) on pre-tax loss	-	-

ACCOUNTING POLICY

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

UNRECOGNISED NET DEFERRED TAX ASSETS

Net deferred tax assets have not been recognised in respect of the following items.

<i>in thousands of AUD</i>	31 Dec 2022	31 Dec 2021	Movement
Deferred tax assets			
Accruals	33	15	18
Provisions	426	2,151	(1,725)
Development expenditure	8,417	3,770	4,647
Exploration expenditure	(3,059)	(2,850)	(209)
Lease liabilities	1,129	612	517
Tax losses	56,883	53,615	3,268
Unrealised foreign exchange	5	(17)	22
	63,834	57,296	6,538
Deferred tax liabilities			
Property, plant and equipment	(358)	(293)	(65)
Investments in listed entities	-	(24)	24
Rehabilitation	2,158	(516)	2,674
Lease assets	(771)	(615)	(156)
	1,029	(1,448)	2,477
Net DTA not brought to account	64,863	55,848	9,015

ACCOUNTING POLICY

Deferred tax is not provided for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, nor differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. In accordance with the group's accounting policies for deferred taxes, a deferred tax asset is recognised for unused tax losses only if it is probable that future taxable profits will be available to utilise those losses. Determination of future taxable profits requires estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. This includes estimates and judgements about oil and gas prices, reserves, exchange rates, future capital requirements, future operational performance and the timing of estimated cash flows. Changes in these estimates and assumptions could impact on the amount and probability of estimated taxable profits and accordingly the recoverability of deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not yet probable that future taxable profit will be available against which the Group can utilise the benefits.

TAX CONSOLIDATION

The Company and its 100% owned entities have formed a tax consolidated group. Members of the consolidated entity have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly owned controlled entities on a pro-rata basis. The agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At balance date, the possibility of default is remote.

TAX EFFECT ACCOUNTING BY MEMBERS OF THE CONSOLIDATED GROUP

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidated group. Deferred taxes are allocated to members of the tax consolidated group in accordance with a group allocation approach which is consistent with the principles of AASB 112 Income Taxes. The allocation of taxes under the tax funding agreement are recognised as an increase/decrease in the controlled entities intercompany accounts with the tax consolidated group head entity, Buru Energy. In this regard, Buru Energy has assumed the benefit of tax losses from the member entities. The nature of the tax funding agreement is such that no tax consolidation contributions by or distributions to equity participants are required.

GOODS AND SERVICES TAX

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

6. OIL AND GAS ASSETS

<i>in thousands of AUD</i>	31 Dec 2022	31 Dec 2021
Carrying amount at beginning of the period	22,028	19,328
Development expenditure	4,107	5,649
Amortisation expense	(2,675)	(2,949)
Impairment of oil and gas assets	(23,460)	-
Carrying amount at the end of the period	-	22,028

ACCOUNTING POLICY

Oil and gas assets are measured at cost less amortisation and impairment losses. The assets' useful lives are reviewed, and adjusted if appropriate, at each reporting date. The carrying amount of oil and gas assets is reviewed bi-annually. Gains and losses on disposals are determined by comparing proceeds with the carrying amount and included in the profit or loss. Oil and gas assets are amortised over their estimated life according to the rate of depletion of the proved and probable hydrocarbon reserves. When no reserves are certified, oil and gas assets are amortised on a straight-line basis over their estimated useful life until such time when reserves are certified. Retention of petroleum assets is subject to meeting certain work obligations/commitments.

The estimated quantities of proved and probable hydrocarbon reserves and resources reported by the Group are integral to the calculation of amortisation (depletion) and assessments of possible impairments. Estimated reserves and resources quantities are based upon interpretations of geological and geophysical models and assessment of the technical feasibility and commercial viability of producing the reserves and resources. Management prepares estimates which conform to guidelines prepared by the Society of Petroleum Engineers. These assessments require assumptions to be made regarding future development and production costs, commodity prices, exchange rates and fiscal regimes. The estimates of reserves and resources may change from period to period as the economic assumptions used to estimate the reserves can change from period to period, and as additional geological data is generated during the course of operations. The Ungani Oilfield does not currently have certified reserves and is therefore currently being amortised on a straight-line basis over the remaining life of the Oilfield.

IMPAIRMENT RECORDED AGAINST THE UNGANI OILFIELD

The Ungani 8 well was spudded on 18 December 2021. During January 2022, the well was drilled to a total measured depth of 2,605 metres into the Ungani Dolomite at a hole angle of some 76 degrees, substantially as planned. As the drill string was being retrieved prior to running the 9 $\frac{1}{8}$ inch casing it became stuck in the upper part of the Laurel Shale. Despite extensive efforts to recover the drill string it was unable to be freed. It was subsequently backed off at a depth of 2,206 metres measured depth and the remaining drill string was retrieved. Subsequent to analysis of the options for the forward program for the well it was agreed that ROC would undertake a sidetrack to complete the well as a sole risk operation. The Ungani 8 sidetrack was drilled to a measured depth of 2,473 metres in the Ungani Shale with a further incident of stuck pipe and the well was suspended. All costs undertaking the sidetrack were borne by ROC.

An impairment of \$7,354,000 was recorded in June 2022 being Buru's share of costs associated with the Ungani 8 well incurred and previously capitalised as Oil and Gas Assets.

In December 2022, the Company conducted a strategic review of the recoverable amount of the Ungani Oilfield Cash Generating Unit (CGU) due to the high cost environment, and identified an impairment trigger. The impairment assessment required management to make estimates regarding

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

the present value of future cash flows and determine a Value in Use (VIU). These estimates require significant management judgement and assumptions about expected production and sales volumes, oil prices, operating costs, future capital expenditure, rehabilitation costs and allocation of corporate costs. These estimates and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying amount of the assets may be further impaired or the impairment charge reversed with the impact recorded in the Consolidated Income Statement.

The basis for the estimates used to determine the recoverable amount of the Ungani Oilfield is set out below:

- Estimated production volumes are based on the estimated life of the asset as determined by management (2 years). The production rates used over the life of the asset in the VIU determinations range between 400 bopd and 550 bopd gross to the Joint Venture (Company's share 50%).
- The oil prices used in the VIU determinations are derived from a range of prices published by market commentators. Prices are adjusted for premiums and discounts based on the nature and quality of the product. The nominal Brent oil prices (US\$/bbl) used were:

	2023	2024
Oil price (US\$/bbl)	\$94	\$87

- The forecast foreign exchange rates used in the VIU determinations was \$0.70 (US\$:AU\$) and was derived from rates published by market commentators.
- A pre-tax nominal discount rate of 14% was used. The discount rate was derived from the Company's estimated pre-tax nominal weighted average cost of capital (WACC), with appropriate adjustments made to reflect risks specific to the CGU, that are not in the underlying cash flows.

The determination of VIU for the Ungani Oilfield was most sensitive to oil prices, foreign exchange rates and production volumes. The assessment also highlighted the increase in unit costs and low netback per barrel due to material increase in shipping, fuel and trucking costs during the year.

The result of the assessment indicated that the asset was unlikely to recover its pre-impairment carrying value and a further non-cash impairment of \$16,106,000 was recorded to fully impair the Ungani assets at 31 December 2022 based on a VIU discounted cash flow approach.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

7. EXPLORATION AND EVALUATION EXPENDITURE

<i>in thousands of AUD</i>	31 Dec 2022	31 Dec 2021
Carrying amount at beginning of the period	9,501	-
Exploration assets additions	696	9,501
Impairment of exploration expenditure	-	-
Movement in rehabilitation provision for exploration assets	-	-
Carrying amount at the end of the period	10,197	9,501

ACCOUNTING POLICY

Exploration and evaluation expenditure in respect of each area of interest is accounted for using the successful efforts method of accounting. The successful efforts method requires all exploration and evaluation expenditure to be expensed in the period it is incurred, except the costs of drilling successful wells and the costs of acquiring interests in new exploration assets, and appraisal costs relating to determining development feasibility, which are capitalised as an asset.

An exploration/appraisal well is unsuccessful if no recoverable hydrocarbons are identified, or the Board considers that the hydrocarbons are not commercially viable. Where hydrocarbon resources exist, the costs of successful wells may remain capitalised where further appraisal of the discovery is planned. If this further appraisal does not lead to the discovery of commercially recoverable reserves, all these costs would be impaired. Exploration and evaluation expenditure is accumulated on a well-by-well basis and may be carried forward at the end of a reporting period, pending determination.

An area of interest refers to an individual geological area where the presence of oil or a natural gas field is considered favourable or has been proved to exist, and in most cases will comprise an individual prospective oil or gas field. Exploration and evaluation expenditure is recognised in relation to an area of interest when the rights to tenure of the area of interest are current and either:

- such expenditure is expected to be recovered through successful development and commercial exploitation of the area of interest or, alternatively, by its sale; or
- the exploration activities in the area of interest have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

The Rafael 1 exploration well was capitalised during the 2021 year with initial results from the well suggesting potential for a substantial accumulation of high quality gas to be present in the structure.

Buru is undertaking a structured pre-commercialisation program for the discovery including detailed economic analysis, engagement with Government and regulators and potential customers, together with feasibility analysis of development options and capital requirements. Although the exploration or/and appraisal activities at Rafael 1 have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves, significant further exploration operations are planned at Rafael 1 over the coming years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Where an ownership interest in an exploration and evaluation asset is exchanged for another, the transaction is recognised by reference to the carrying value of the original interest. Any cash consideration paid, including transaction costs, is accounted for as an acquisition of exploration and evaluation assets. Any cash consideration received, net of transaction costs, is treated as a recoupment of costs previously capitalised with any excess accounted for as a gain on disposal of non-current assets. The carrying amounts of the Group's exploration and evaluation assets are reviewed at each reporting date to determine whether any of the following indicators of impairment exists:

- tenure over the licence area has expired during the period or will expire in the near future, and is not expected to be renewed; or
- substantive expenditure on further exploration for and evaluation of resources in the specific area is not budgeted or planned; or
- exploration for and evaluation of resources in the specific area has not led to the discovery of commercially viable quantities of resources, and the Group has decided to discontinue activities in the specific area; or
- sufficient data exists to indicate that although a development is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or from sale.

Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, and any resultant impairment loss is recognised in the income statement. When a discovered oil or gas field enters the development phase the accumulated exploration and evaluation expenditure is transferred to oil and gas assets. Determining the recoverability of exploration and evaluation expenditure capitalised requires estimates and judgements as to future events and circumstances, in particular, whether successful development and commercial exploitation or sale of the respective area of interest is likely. Critical to this assessment are estimates and assumptions as to the timing of expected cash flows, exchange rates, commodity prices and future capital requirements. If, after having capitalised the expenditure, a judgement is made that recovery of the expenditure is unlikely, an impairment loss is recorded in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

8. PROPERTY, PLANT AND EQUIPMENT (PPE)

<i>in thousands of AUD</i>	Plant and equipment	Right-of-use assets	Other	Cultural assets	Total
Cost					
Carrying amount at 1 Jan 2021	1,406	4,536	-	877	6,819
Additions	8	1,195	-	-	1,203
Disposals	(35)	-	-	-	(35)
Balance at 31 Dec 2021	1,379	5,731	-	877	7,987
Carrying amount at 1 Jan 2022	1,379	5,731	-	877	7,987
Additions	-	3,010	-	-	3,010
Disposals	(21)	-	-	-	(21)
Impairment	-	(1,774)	-	-	(1,774)
Balance at 31 Dec 2022	1,358	6,967	-	877	9,202
Depreciation					
Carrying amount at 1 Jan 2021	(895)	(2,392)	-	-	(3,287)
Depreciation for the period	(95)	(1,291)	-	-	(1,386)
Disposal	35	-	-	-	35
Balance at 31 Dec 2021	(955)	(3,683)	-	-	(4,638)
Carrying amount at 1 Jan 2022	(955)	(3,683)	-	-	(4,638)
Depreciation for the period	(91)	(717)	-	-	(808)
Disposal	21	-	-	-	21
Balance at 31 Dec 2022	(1,025)	(4,400)	-	-	(5,425)
Carrying amounts					
At 31 December 2021	424	2,048	-	877	3,349
At 31 December 2022	333	2,567	-	877	3,777

ACCOUNTING POLICY

Items of PPE are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Gains and losses on disposal of an item of PPE are determined by comparing the proceeds from disposal with the carrying amount of PPE and are recognised net in profit or loss. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group, and its cost can be measured reliably. The costs of the day-to-day servicing of PPE are recognised in profit or loss as incurred. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of PPE, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

The estimated useful lives for the current and comparative period are as follows:

- plant & equipment 10 – 30 years
- right-of-use assets 1 – 4 years
- other 3 – 20 years
- cultural assets not depreciated

The useful life, residual value and the depreciation method applied to an asset are reassessed at least annually. Heritage and cultural assets with the potential to be maintained for an indefinite period through conservation, restoration and preservation activities are considered to have an indefinite life and not depreciated.

The Group's accounting policy under AASB 16 as lessee is as follows:

For any new contracts entered into as a lessee, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Group assesses whether the contract meets three key evaluation criteria which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Right-of-use assets and lease liabilities

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate of 3.00%. As at the end of the reporting year, the Group's current lease liabilities were \$1,291,000 (2021: \$1,249,000) and non-current lease liabilities were \$2,472,000 (2021: \$790,000). \$1,774,000 was impaired at the end of the year to reduce the book value of right-of-use assets associated with the Ungani assets, consistent to the treatment applied in Note 6.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term. Lease liabilities are shown directly on the statement of financial position (current and non-current).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

9. TRADE AND OTHER RECEIVABLES

<i>in thousands of AUD</i>	31 Dec 2022	31 Dec 2021
Accrued income	-	-
Interest receivable	93	19
Joint operation receivables	366	-
GST receivable	100	235
Prepayments	347	207
Insurance refund receivable	-	452
Other receivables	7	6
Total	913	919

The Group's exposure to credit and currency risks and impairment losses related to trade receivables are disclosed in note 23.

10. INVENTORIES

<i>in thousands of AUD</i>	31 Dec 2022	31 Dec 2021
Materials and consumables at net realisable value	259	259
Petroleum products at cost	1,064	1,776
	1,323	2,035

ACCOUNTING POLICY

Inventories are valued at the lower of cost or net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is determined as follows:

- Materials and consumables, which include drilling and production materials and consumables, are valued at the cost of acquisition which includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition; and
- Petroleum products, comprising extracted crude oil stored in tanks and pipeline systems, are valued using the full absorption cost method.

Materials and consumables are accounted for on a FIFO basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

11. (A) CASH AND CASH EQUIVALENTS

<i>in thousands of AUD</i>	31 Dec 2022	31 Dec 2021
Bank balances	5,209	9,509
Term deposits available at call	12,713	14,214
Cash and cash equivalents in the statement of cash flows	17,922	23,723

The Group's exposure to interest rate risk and sensitivity analysis for financial assets is disclosed in note 23.

(B) RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

<i>in thousands of AUD</i>	Note	31 Dec 2022	31 Dec 2021
Cash flows from operating activities			
Income / (Loss) for the period		(32,777)	(10,751)
Adjustments for:			
Depreciation	8	808	1,386
Amortisation on development expenditure	6	2,675	2,949
Increase in provisions against inventories		-	32
Impairment of oil and gas assets	6	23,460	-
Impairment of right-of-use assets	8	1,774	-
(Gain) / loss on asset disposal		(11)	(23)
Share based payment expenses		-	565
Insurance refund receivable	9	-	452
Net finance (income) / costs	4	(186)	(191)
Operating loss before changes in working capital and provisions		(4,257)	(5,581)
Changes in working capital			
Change in trade and other receivables		(613)	1,001
Change in trade and other payables		(2,018)	(716)
Change in inventories		712	(1,281)
Change in provisions		1,455	624
Cash used in operating activities		(464)	(372)
Net cash outflow from operating activities		(4,721)	(5,953)

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FOR THE YEAR ENDED 31 DECEMBER 2022

12. CAPITAL AND RESERVES

Share capital

	Ordinary Shares 31 Dec 2022 No.	Ordinary Shares 31 Dec 2021 No.
Fully paid shares on issue at the beginning of the period	538,442,991	432,074,241
Issued under Institutional Placement – 6 May 2021	-	100,000,000
Issued under Share Purchase Plan – 10 June 2021	-	6,368,750
Issued under non-renounceable entitlement offer & shortfall offer – 7 June 2022	55,350,094	-
Issued under shortfall placement – 8 June 2022	2,250,000	-
On issue at the end of the period – fully paid	596,043,085	538,442,991

The Company does not have authorised capital or par value in respect of its issued shares. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

On 7 June, Buru announced the results of its 1 for 6 non-renounceable pro-rata entitlement offer of fully paid ordinary shares in Buru at an offer price of \$0.16 per new share. Eligible shareholders who applied for their entitlements in full were also able to apply for additional shares offered under the Entitlement Offer, (that were not validly applied for by other shareholders under their respective entitlements), under a Shortfall Offer (Shortfall Offer). The combined proceeds of the Entitlement and Shortfall Offers and a placement to new investors (Placement) was approximately \$9.2 million (before costs), resulting in the issue of 57,600,094 new shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

13. EARNINGS / (LOSS) PER SHARE

<i>in thousands of AUD</i>	31 Dec 2022	31 Dec 2021
Earnings / (loss) attributable to ordinary shareholders	(32,777)	(10,751)
Basic and diluted earnings / (loss) per share		
Weighted average number of ordinary shares		
	31 Dec 2022 No.	31 Dec 2021 No.
Issued ordinary shares at beginning of the period	538,442,991	432,074,241
Effect of shares issued	32,660,190	69,038,973
Weighted average number of ordinary shares at the end of the period	571,103,181	501,113,214
Basic and dilutive loss per share calculated using the weighted average number of ordinary shares at the end of the period (cents)	(5.74)	(2.15)

The Group presents basic and diluted earnings or loss per share (EPS or LPS) data for its ordinary shares. Basic EPS or LPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS or LPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

The Company's potential ordinary shares, being 7,200,000 options, are not considered dilutive as the options were 'out of the money' as at 31 December 2022.

14. TRADE AND OTHER PAYABLES

<i>in thousands of AUD</i>	31 Dec 2022	31 Dec 2021
Trade payables	504	750
Accruals	1,493	5,398
Joint Venture cash calls received in advance	-	2,797
Other payables	51	8
	2,048	8,953

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 23.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

15. PROVISIONS

<i>in thousands of AUD</i>	31 Dec 2022	31 Dec 2021
Current		
Provision for annual leave	886	1,141
Provision for long-service leave	222	142
Provision for site restoration	1,085	493
	2,194	1,776
Non-Current		
Provision for long-service leave	262	365
Provision for site restoration	6,109	4,969
	6,371	5,334
Movements in the site restoration provision		
<i>in thousands of AUD</i>	31 Dec 2022	31 Dec 2021
Opening balance	5,462	4,872
Provision used during the period	(130)	(192)
Change in estimate of provision	1,862	782
Balance at the end of the period	7,194	5,462

ACCOUNTING POLICY

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and that the obligation can be measured reliably. The site restoration provision is in respect of the Group's obligation to rectify environmental liabilities relating to exploration and production in the Canning Basin in accordance with the requirements of DWER and DMIRS. The provision is derived from an annual internal review of the liabilities. These liabilities are also reviewed by independent external consultants as and when required. Due to the long-term nature of the liability, there is significant uncertainty in estimating the costs that will be incurred at a future date. Changes to estimated future costs are recognised in the statement of financial position by adjusting the rehabilitation asset and liability. The rehabilitation is expected to continue to occur progressively.

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted at 3% to determine its present value, and the fair value of any related assets is deducted. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

16. SHARE-BASED PAYMENTS

<i>Fair value expensed in thousands of AUD</i>	31 Dec 2022	31 Dec 2021
Employee Share Option Plan expense	-	565
	-	565

ACCOUNTING POLICY

The grant date fair value of share-based payments granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group. When the Company grants options over its shares to employees of subsidiaries, the fair value at grant date is recognised as an increase in the investments in subsidiaries, with a corresponding increase in equity over the vesting period of the grant. The fair value of share options granted under the Employee Share Option Plan are measured using the Black Scholes valuation model. Measurement inputs include share price on a measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information) weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value. No options were granted to employees of the Company under the terms of the Employee Share Option Plan (ESOP) during the reporting period.

Employee Share Option Plan (ESOP)

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price (\$)	Number of options
Outstanding unlisted options as at 1 January 2022	0.23	7,400,000
Forfeited during the period ended 31 December 2022	0.23	(200,000)
Outstanding as at 31 December 2022	0.23	7,200,000

The unlisted share options outstanding as at 31 December 2022 have a weighted average exercise price of \$0.23 (Dec 2021: \$0.23), and a weighted average contractual life of 1 year (Dec 2021: 2 years).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

17. GROUP ENTITIES

Parent entity	Country of incorporation	Ownership interest	Ownership interest
Buru Energy Limited	Australia		
Subsidiaries		31 Dec 2022	31 Dec 2021
Royalty Holding Company Pty Limited	Australia	100%	100%
Buru Operations Pty Limited	Australia	100%	100%
Noonkanbah Diamonds Pty Limited	Australia	100%	100%
Buru Fitzroy Pty Limited	Australia	100%	100%
Battmin Pty Ltd	Australia	100%	100%
2H Resources Pty Limited	Australia	100%	100%
GeoVault Pty Limited	Australia	100%	100%

Buru Energy Limited is the head entity of the tax consolidated group and all subsidiaries are members of the tax consolidated group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

18. PARENT ENTITY DISCLOSURES

As at, and throughout the year ended 31 December 2022 the parent company of the Group was Buru Energy Limited.

<i>in thousands of AUD</i>	Company 12 months ended 31 Dec 2022	Company 12 months ended 31 Dec 2021
Result of the parent entity		
Total comprehensive profit / (loss) for the period	(31,093)	(9,030)
Financial position of the parent entity at year end		
Current assets	20,482	27,017
Total assets	34,132	61,475
Current liabilities	5,533	11,898
Total liabilities	14,376	18,022
Total equity of the parent entity at year end		
Share capital	295,971	286,891
Reserves	550	565
Accumulated losses	(276,765)	(244,003)
Total equity	19,756	43,453

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

19. JOINT OPERATIONS

A joint arrangement is an arrangement over which two or more parties have joint control. Joint control exists only when decisions about the relevant activities - i.e. those that significantly affect the returns of the arrangement and require the unanimous consent of the parties sharing control of the arrangement. In accordance with AASB 11, the arrangements have been classified as joint operations (whereby the jointly controlling parties have rights to the assets and obligations for the liabilities relating to the arrangement) as opposed to a joint venture because separate vehicles have not been established through which activities are conducted. The Group therefore recognises its assets, liabilities, and transactions, including its share of those incurred jointly, in its consolidated financial statements.

The consolidated entity has an interest in the following joint operations as at 31 December 2022 whose principal activities were oil and gas exploration, development and production.

Permit/Joint Operation	December 2022 Beneficial Interest	December 2021 Beneficial Interest	Operator	Country
L20	50.00%	50.00%	Buru Energy Ltd	Australia
L21	50.00%	50.00%	Buru Energy Ltd	Australia
EP 129 ³	50.00%	50.00%	Buru Energy Ltd	Australia
EP 391 ²	50.00%	50.00%	Buru Energy Ltd	Australia
EP 428	50.00%	50.00%	Buru Energy Ltd	Australia
EP 431	50.00%	50.00%	Buru Energy Ltd	Australia
EP 436 ²	50.00%	50.00%	Buru Energy Ltd	Australia
EP 457 ¹	40.00%	40.00%	Buru Fitzroy Pty Ltd	Australia
EP 458 ¹	40.00%	40.00%	Buru Fitzroy Pty Ltd	Australia
E04/2674	50.00%	50.00%	Sipa Resources Ltd	Australia
E04/2684	50.00%	50.00%	Sipa Resources Ltd	Australia
EP 510 (formerly L20-1) ⁴	25.00%	50.00%	Energy Resources Ltd	Australia

1 The transfer of each 20% interest to Origin Energy in these permits was registered by DMIRS on 7 Jan 2022

2 Origin Energy's interests in EP 391 and EP 436 exclude the Yulleroo Gasfield Area

3 Buru's interest in EP 129 exclude the Backreef Area

4 On 24 May 2022 Buru and EnRes executed a farmout transaction agreement pursuant to which EnRes will assume the operatorship of the permit and be assigned a 25% interest from Buru such that the permit interests will be Buru 25% and EnRes 75% and operator.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

20. CAPITAL AND OTHER COMMITMENTS

<i>in thousands of AUD</i>	31 Dec 2022	31 Dec 2021
Exploration expenditure commitments		
<i>Contracted but not yet provided for and payable:</i>		
Within one year	127	302
One year later and no later than five years	1,865	1,993
	1,992	2,295

The commitments are required in order to maintain the petroleum exploration permits in which the Group has interests in good standing with the Department of Mines, Industry Regulation & Safety (DMIRS), and these obligations may be varied from time to time, subject to approval by DMIRS.

21. CONTINGENCIES

There were no material contingent liabilities or contingent assets for the Group as at 31 December 2022 (31 Dec 2021: nil).

22. RELATED PARTIES

Key management personnel compensation

The key management personnel compensation comprised:

<i>in AUD</i>	31 Dec 2022	31 Dec 2021
Short term employee benefits	2,343,043	1,941,290
Post-employment benefits	238,087	179,672
Long term employee benefits	34,254	25,474
Share-based payments	-	171,798
	2,615,384	2,318,234

Individual directors and executives compensation disclosures

Information regarding individual Directors and executives compensation and some equity instruments disclosures as required by Corporations Regulations 2M.3.03 is provided in the Remuneration Report section of the Directors' report on pages 36 to 41.

Apart from the details disclosed in this note, no Director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at the end of the period.

Other related party transactions

No other related party transaction has occurred during the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

23. FINANCIAL RISK MANAGEMENT

Credit risk

The carrying amount of the Group's financial assets represents the Group's maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

<i>in thousands of AUD</i>	Note	Carrying amount	
		31 Dec 2022	31 Dec 2021
Cash and cash equivalents and term deposits at call	11a	17,922	23,723
Trade and other receivables	9	913	919
		18,835	24,642

The Group's cash and cash equivalents and term deposits at call are held with bank and financial institution counterparties, which are rated at least AA-, based on rating agency Fitch Ratings.

Trade and other receivables include accrued income on sales of Ungani crude, accrued interest receivable from Australian accredited banks, JV receivables, insurance refund receivables and tax amounts receivable from the Australian Taxation Office. The Group has elected to measure loss allowances for trade and other receivables at an amount equal to the 12 month Expected Credit Loss (ECL). When determining the credit risk of a financial asset, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both the quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, including forward-looking information. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group considers a financial asset to be in default when the financial asset is more than 90 days past due.

As at 31 December 2022, no receivables were more than 30 days past due. The Group has always received full consideration for all Ungani sales within thirty days and there is no reason to believe that this will not continue going forward. No receivables are considered to have a material credit risk.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. This is monitored through rolling cash flow forecasts. The Group maintains sufficient cash to safeguard liquidity risk. The following are contractual maturities of trade and other payables (excluding provisions) and loans and borrowings.

<i>in thousands of AUD</i>	31 Dec 2022		31 Dec 2021	
	Less than 1 year	1 - 5 years	Less than 1 year	1 - 5 years
Lease liabilities	1,291	2,472	1,249	790
Trade and other payables	2,048	-	8,953	-
	3,339	2,472	10,202	790

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Market risk

Market risk is the risk that changes in market prices, such as currency rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk on sales that are denominated in a currency other than the functional currency of the Group (AUD). All sales of crude oil are denominated in US dollars. The Group does not hedge its foreign currency exposure.

The Group's exposure to foreign currency risk at balance date was as follows, based on notional amounts:

<i>in thousands</i>	31 Dec 2022		31 Dec 2021	
	AUD	USD	AUD	USD
Cash and cash equivalents	119	81	112	81
Accrued income	-	-	-	-
Gross balance sheet exposure	119	81	112	81

The average exchange rate from AUD to USD during the period was AUD 1.0000 / USD 0.6947 (Dec 2021: AUD 1.0000 / USD 0.7514). The reporting date spot rate was AUD 1.0000 / USD 0.6775 (Dec 2021: AUD 1.0000 / USD 0.7256). A 10 percent strengthening of the Australian dollar against the USD over the period would have increased the loss after tax for the financial period by \$1,392,000 (Dec 2021: increased loss after tax by \$969,000). A 10 percent weakening of the Australian dollar against the USD over the period would have decreased the loss after tax for the financial period by \$1,392,000 (Dec 2021: decreased loss after tax by \$969,000). This analysis assumes that all other variables remain constant.

Commodity price risk

The Group is exposed to commodity price fluctuations through the sale of Ungani crude at a differential against the dated Brent crude. The Group does not hedge its commodity price exposure and the Group did not enter into any commodity derivative contracts during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Interest rate risk

At balance date the Group's exposure to market risk for changes in interest rates relate primarily to the Group's short term cash deposits. The interest rate risk is only applicable to interest revenue as the Group does not have any short or long term borrowings. The Group constantly analyses its exposure to interest rates, with consideration given to potential renewal of the terms of existing deposits. Fixed rate instruments are term deposits held with bank and financial institution counterparties and are available at call, therefore the fair value approximates the carrying amount.

At the reporting date the Group's interest-bearing financial instruments were as follows:

<i>in thousands of AUD</i>	Carrying amount	
	31 Dec 2022	31 Dec 2021
<i>Fixed rate instruments</i>		
Cash and cash equivalents with fixed interest	12,713	14,214
Total fixed interest bearing financial assets	12,713	14,214

<i>in thousands of AUD</i>	Carrying amount	
	31 Dec 2022	31 Dec 2021
<i>Variable rate instruments</i>		
Cash and cash equivalents with variable interest	5,209	9,509
Total variable interest bearing financial assets	5,209	9,509

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss after tax by \$52,090 (2021: \$95,090). This analysis assumes that all other variables remain constant.

Capital management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern, so as to maintain future exploration and development of its projects. Capital consists of share capital of the Group. In order to maintain or adjust its capital structure, Buru Energy may in the future return capital to shareholders, issue new shares, borrow funds from financiers or farm-down / sell assets. Buru Energy's focus has been to maintain sufficient funds to fund exploration and development activities.

24. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The Group has adopted all accounting standards and interpretations that had a mandatory application for this reporting period which did not have material impact.

25. STANDARDS ISSUED BUT NOT YET EFFECTIVE

No new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

26. SUBSEQUENT EVENTS

On 3 January 2023 the Company announced Mr Eric Streitberg has agreed to assume the role of Non-Executive Chair of the Company effective 1 January 2023.

On 5 & 10 January 2023 the Company made consecutive announcements in relation to the impact of ex-Tropical Cyclone Ellie on its Ungani oil production and operations. The weather system has severely affected the central and west Kimberley with major flooding to the region causing road closures and potential road damage. Although Ungani production operations have not been directly affected, road closures have meant oil transport operations have been suspended. Consequently, operations at the Ungani Production Facility have also been suspended and Buru has safely demobilised its operations personnel from the field whilst it investigates oil transportation routes to Wyndham Port.

On 16 January 2023 the Company announced it was successful in its application with its partner Energy Resources Limited (EnRes, a wholly owned subsidiary of Mineral Resources Limited) for an additional two highly prospective petroleum exploration areas in the Northern Carnarvon Basin and the Merlinleigh Sub-basin. The L22-2 and L22-4 areas were part of the recent WA Government Petroleum Acreage Release 2 of 2022, and have been offered to the joint venture of EnRes as Operator (75%) and Buru (25%). The grant of the permits is subject to completion of Native Title agreements, and the joint venture looks forward to completing those with the relevant parties.

On 13 February 2023 the Company announced Origin Energy Limited (Origin Energy), via its wholly owned subsidiary Origin Energy West Pty Ltd (Origin), will assign its interests in its joint venture exploration permits in the Canning Basin (including the Rafael conventional gas and condensate discovery), to a wholly owned subsidiary of Buru Energy Limited (Buru) for a future, capped reimbursement of costs linked to gas production success. As part of the agreement, Origin will provide Buru with up to \$4 million of the required funding for the Rafael 3D seismic survey which is planned to be acquired in the 2023 operating season. Buru resumes its position as the dominant net acreage holder and operator in the Canning Basin, with ownership of a net 22,500 sq kms of permits including 100% of EP 129, EP 391, EP 428, EP 431 and EP 436; and 60% of the EP 457 and EP 458 permits it shares with Rey Resources Ltd (Rey).

No other significant events have occurred subsequent to balance date that in the opinion of the directors has significantly affected, or may significantly affect in future financial years:

- The Group's operations; or
- The results of those operations; or
- The Group's state of affairs.

27. AUDITORS' REMUNERATION

	31 Dec 2022	31 Dec 2021
Audit services		
KPMG Australia: Audit and review of financial reports	90,000	83,000
KPMG Australia: Audit of Joint Venture reports	3,267	3,267
KPMG Australia: Audit of Traditional Owner Royalty Statements	2,500	2,500

All amounts payable to the Auditors of the Company were paid or payable by the parent entity.

DIRECTORS' DECLARATION

- 1 In the opinion of the Directors of Buru Energy Limited ('the Company'):
 - (a) the consolidated financial statements and notes that are contained on pages 43 to 76 and the Remuneration report in the Directors' report, set out on pages 36 to 41, are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance, for the financial period ended on that date; and
 - (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
 - (b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
- 2 The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer, for the year ended 31 December 2022.
- 3 The Directors draw attention to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:



Mr Eric Streitberg
Non-executive Chairman

Perth
27 March 2023



Mr Robert Willes
Non-executive Director

Perth
27 March 2023

INDEPENDENT AUDITOR'S REPORT



Independent Auditor's Report

To the shareholders of Buru Energy Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Buru Energy Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the **Group's** financial position as at 31 December 2022 and of its financial performance for the year ended on that date; and
- Complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated Statement of financial position as at 31 December 2022;
- Consolidated Statement of comprehensive income or, Consolidated Statement of changes in equity, and Consolidated Statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for Opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

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INDEPENDENT AUDITOR'S REPORT



Valuation of oil and gas assets	
Refer to Note 6 to the Financial Report	
The key audit matter	How the matter was addressed in our audit
<p>The valuation of the Ungani oilfield was a key audit matter due to the significance of the impairment expense recorded and the significant judgement required by us in evaluating the Group's impairment indicator assessment and the resultant impairment testing.</p> <p>Following identification of an impairment indicator and subsequent impairment testing, the Group recognised an impairment in the Ungani oilfield CGU. The total impairment expense for the financial year was \$25.2 million, with \$7.5 million of the expense recorded in the first half of the year and the remaining \$17.7 million recorded during the period ended 31 December 2022. The impairment indicator arose as a result of a strategic review driven by increased costs and operational challenges at the Ungani oilfield.</p> <p>The Group prepared a value in use model (the model) to estimate the recoverable amount of the Ungani oilfield which resulted in a full impairment of the Ungani oilfield. The model uses forward-looking assumptions which can be prone to greater risk for potential bias, error and inconsistent application. These conditions necessitate additional audit effort and scrutiny by us, in particular to address the objectivity of inputs and their consistent application.</p> <p>We focused on the significant forward-looking assumptions the Group applied in their model, including:</p> <ul style="list-style-type: none"> • Forecast oil price (discounted for freight) and foreign exchange rate; and • Forecast production volume, production costs and life of the field. <p>We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> • Tested the design and implementation of the Group's control being Board approval of the Group's assessment of impairment indicators; • Evaluated the appropriateness of the Group's assessment of the cash generating unit (CGU) and impairment indicators against accounting standard requirements; • Considered the appropriateness of the value in use model method applied by the Group, for impairment testing purposes, specifically considering whether fair value less cost of disposal (FVLCD) would result in a materially higher recoverable amount; • Compared the forecast operating cash flows, production and sales volumes contained in the model to Board approved budgets; • Working with our valuation specialists, we assessed the model methodology and compared forecast oil and exchange rates to published views of market commentators and obtained third party quotes for freight cost; • Considered the sensitivity of the model by varying key assumptions, such as forecast oil prices, foreign exchange rate and the forecast production volume, to focus our audit procedures; • We used our knowledge of the Group and our industry experience to challenge the consistency of forecast operating cash flows, production and sales volumes based on the Group's past performance; • Obtained a copy of the Group's external contingent resources report to assess the feasibility of the forecast production quantities within the model; • Recalculated the impairment charge and assessed the allocation against the individual assets comprising the CGU; and • We assessed the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.

INDEPENDENT AUDITOR'S REPORT



Other Information

Other Information is financial and non-financial information in Buru Energy Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- Preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- Assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- To obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- To issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

INDEPENDENT AUDITOR'S REPORT



Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Buru Energy Limited for the year ended 31 December 2022, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 36 to 41 of the Directors' Report for the year ended 31 December 2022.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Jane Bailey

Jane Bailey

Partner

Perth

27 March 2023

ADDITIONAL ASX INFORMATION

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below.

The distribution of ordinary shares ranked according to size as at 28 February 2023 was as follows:

Category	Ordinary Shares	%	No of Holders	%
100,001 and Over	504,914,108	84.71	763	11.62
10,001 to 100,000	78,080,673	13.10	2,139	32.56
5,001 to 10,000	7,434,514	1.25	975	14.84
1,001 to 5,000	5,246,076	0.88	1,761	26.81
1 to 1,000	367,714	0.06	931	14.17
Total	596,043,085	100.00	6,569	100.00
Unmarketable Parcels	4,584,760	0.77	2,482	37.78

ADDITIONAL ASX INFORMATION

The 20 largest ordinary shareholders of the ordinary shares as at 28 February 2023 were as follows:

Rank	Name	Number of ordinary shares	%
1	BIRKDALE ENTERPRISES PTY LTD	48,294,092	8.10
2	CHEMCO PTY LTD	22,944,444	3.85
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	19,979,146	3.35
4	COOGEE RESOURCES PTY LTD	18,666,667	3.13
5	AUSTRALIA HOLDINGS PTY LTD	12,000,000	2.01
6	WANDJI INVESTMENTS LIMITED	9,572,400	1.61
7	BNP PARIBAS NOMINEES PTY LTD	8,630,070	1.45
8	MR ERIC CHARLES STREITBERG	8,398,003	1.41
9	TAPERSLEE PTY LTD	8,148,772	1.37
10	CITICORP NOMINEES PTY LIMITED	6,565,266	1.10
11	MAJOR DEVELOPMENT GROUP PTY LTD	5,851,228	0.98
12	TWINSOUTH HOLDINGS PTY LTD	5,060,000	0.85
13	PARAMON HOLDINGS PTY LTD	5,060,000	0.85
14	MR ILIA LAKAEV & MRS GLORIA LAKAEV	5,000,000	0.84
15	FLEXIPLAN MANAGEMENT PTY LTD	4,492,829	0.75
16	NEWECOMY COM AU NOMINEES PTY LIMITED	4,330,627	0.73
17	CHARRINGTON PTY LTD	4,238,001	0.71
18	AMK INVESTMENTS (WA) PTY LTD	4,233,183	0.71
19	JH NOMINEES AUSTRALIA PTY LTD	4,000,000	0.67
20	SINO PORTFOLIO INTERNATIONAL LIMITED	3,820,588	0.64
Total twenty largest shareholders		209,285,316	35.11
Balance of register		386,757,769	64.89
Total register		596,043,085	100.00

ADDITIONAL ASX INFORMATION

The following interests were registered on the Company's register of Substantial Shareholders as at 28 February 2023:

Shareholder	Number of ordinary shares	%
Birkdale Enterprises Pty Ltd	48,294,092	8.10
Chemco Pty Ltd	41,611,111	6.98

VOTING RIGHTS

ORDINARY SHARES

At a general meeting of shareholders:

- (a) On a show of hands, each person who is a member or sole proxy has one vote.
- (b) On a poll, each shareholder is entitled to one vote for each fully paid share.

UNLISTED OPTIONS

There are no voting rights attached to the unlisted options.

ADDITIONAL ASX INFORMATION

OTHER INFORMATION

Buru Energy Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

The Company is listed on the Australian Securities Exchange. ASX Code: BRU

The Company and its controlled entities schedule of interests in permits as at 28 February 2023 were as follows:

PERMIT	TYPE	OWNERSHIP	BURU INTEREST	OPERATOR
L6 ¹	Production licence	100.00%	Buru Energy Ltd	Buru Energy Ltd
L8	Production licence	100.00%	Buru Energy Ltd	Buru Energy Ltd
L17	Production licence	100.00%	Buru Energy Ltd	Buru Energy Ltd
L20	Production licence	50.00%	Buru Energy Ltd	Buru Energy Ltd
L21	Production licence	50.00%	Buru Energy Ltd	Buru Energy Ltd
EP 129 ¹	Exploration permit	100.00% ³	Buru Energy Ltd	Buru Energy Ltd
EP 391	Exploration permit	100.00% ³	Buru Energy Ltd	Buru Energy Ltd
EP 428	Exploration permit	100.00% ³	Buru Energy Ltd	Buru Energy Ltd
EP 431	Exploration permit	100.00% ³	Buru Energy Ltd	Buru Energy Ltd
EP 436	Exploration permit	100.00% ³	Buru Energy Ltd	Buru Energy Ltd
EP 457	Exploration permit	60.00% ³	Buru Fitzroy Pty Ltd	Buru Fitzroy Pty Ltd
EP 458	Exploration permit	60.00% ³	Buru Fitzroy Pty Ltd	Buru Fitzroy Pty Ltd
E04/2674	Exploration permit	50.00%	Battmin Pty Ltd	Sipa Resources Pty Ltd
E04/2684	Exploration permit	50.00%	Battmin Pty Ltd	Sipa Resources Pty Ltd
EP 510 (formerly L20-1) ²	Exploration permit	25.00%	Buru Energy Ltd	Energy Resources Ltd
L22-2	Exploration permit	25.00%	Buru Energy Ltd	Energy Resources Ltd
L22-4	Exploration permit	25.00%	Buru Energy Ltd	Energy Resources Ltd

¹ Buru's interest in L6 and EP 129 exclude the Backreef Area

² On 24 May 2022 Buru and Energy Resources Ltd (EnRes) executed a farmout transaction agreement pursuant to which EnRes will assume the operatorship of the permit and be assigned a 25% interest from Buru such that the permit interests will be Buru 25% and EnRes 75% and operator.

³ Subject to regulatory approvals following the lodgment of the instruments of transfer of the permits with the Department of Mines, Industry Regulation and Safety (DMIRS).



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