

Buru Energy kicks off major exploration program in the Canning Basin

Highlights

- Continuous drilling program set to commence mid-May targeting conventional oil prospects
- Two rig program of five to seven wells with revolutionary drilling techniques for the basin to slash costs by more than half
- Prospects range from semi-appraisal to high upside conventional oil exploration plays
- Fully-funded program aimed at unlocking significant value in Buru Energy's highly prospective Canning Basin acreage
- Key Native Title Agreements signed for Ungani oilfield – a first for the Kimberley
- Commercial oil production set to start at Ungani in mid-July, generating cash flow
- Geophysical program to confirm further drilling prospects for 2016 exploration program
- Key environmental approvals in place and rehabilitation and restoration program on track
- Program is the culmination of 12 months of intensive prospect generation, completion of native title negotiations, and finalisation of agreements with JV partners
- Continuous news flow being generated over coming months

Buru Energy (ASX: BRU) is pleased to announce that it is about to start one of the biggest exploration programs in the Company's history, targeting numerous conventional oil prospects in the Canning Basin in Western Australia's northwest.

The wells will range from semi-appraisal wells to highly leveraged exploration prospects. Two rigs have been contracted to ensure the program is able to be carried out in the 2015 dry season, with four wells targeting prospects on the Ungani trend. More details of these wells are set out below.

Buru Energy has taken a revolutionary approach to the drilling program taking advantage of technologies developed for large scale programs on the east coast of Australia and in the USA. This approach includes controlling the Company's cost exposure through the use of fixed price contracts which is expected to reduce costs to less than half those of previous drilling campaigns.

The drilling campaign will also coincide with the start of commercial oil production at Ungani, where agreements were recently finalised with the three Native Title groups.

Buru Energy Executive Chairman Eric Streitberg said the drilling program marked the start of the next chapter in Buru Energy's growth strategy.

"This year's program is the culmination of twelve months of intensive preparation, innovative planning, and negotiations with all of our stakeholders".

"We have taken the view that the current market climate is perfect for us to get out in the field and drill some high impact conventional exploration wells."

“The potential of the program is very high, the targets are highly prospective, and the continuous nature of the drilling program means we will be generating drilling news flow for many months.

At the same time we are planning to be generating positive cash flow from the start of commercial oil production at Ungani.

The upside of this exploration program and the progress at Ungani makes this a pivotal period in the growth and development of Buru.”

The following Operations Update sets out the Company's 2015 exploration and development program in detail and includes a presentation which will be made at the Company's Annual General Meeting on 29 April 2015, and which provides more details on various aspects of the program including prospect details and a drilling schedule.

Buru Energy Operations Update

2015 Exploration Program

During the last twelve months, the Company has been preparing for a major 2015 dry season drilling program which has included the acquisition of 3D and 2D seismic data, extensive prospect mapping and geological interpretation, finalisation of Native Title Agreements and the selection of appropriate drilling rigs.

This work has resulted in a suite of prospects from which the Company will drill five firm wells, and up to seven in total, in a continuous drilling program focused on the Ungani trend.

Additional 2D and 3D seismic data will also be acquired together with an extensive aerogravity survey.

Drilling program

The Ungani trend wells that have been agreed by the joint venture include Ungani FW, Praslin, Victory and Senagi. Details of these wells are set out in the attached presentation.

In addition to these Ungani trend wells, Olympic 1, a high impact test of the Broome Platform prospectivity will be drilled by DDH1 Rig 31 as part of the Apache funded Coastal exploration program. Further additional optional wells are Wright 1 - an Ungani trend well, Ophir 1 - an updip test of the Paradise 1 oil discovery and Emanuel 1 the test of the deep Sunbeam prospect. These optional wells are subject to rig availability and, where appropriate, final joint venture approvals.

There is also the potential to drill immediate appraisal wells of a discovery.

The program contains an excellent mix of play types and risks, ranging from semi-appraisal at the Ungani field to a very high impact wildcat at Victory 1.

The program will commence with the Olympic 1 well being drilled by DDH1 Rig 31 with an anticipated spud date of mid-May, followed by the first of the Ungani trend wells to be drilled by Atlas Rig 2 with an anticipated spud date of mid-June.

Further details of each well will be released prior to its spud.

Geophysical program

Continued acquisition of seismic and aerogravity data is essential to the systematic exploration of the Canning Basin. The high quality 3D data acquired along the Yulleroo to Ungani trend is particularly important for the further exploration of Ungani style prospects. The 2015 program will include the acquisition of the Yakka Munga 3D seismic survey across the very large regional Yakka Munga high to the north of Ungani and over the Bickley trend to the east of Ungani. This 3D survey is of similar size to the existing Ungani and Jackaroo 3D surveys and should provide technically robust drilling locations for the 2016 program.

2D data will also be acquired over the Raphael prospect, a large, very attractive conventional gas target with an Ungani Dolomite reservoir target, and a number of other prospective areas.

Apart from identifying good quality oil drilling targets for the 2015 program, the work over the last year has identified a number of highly attractive conventional gas targets. These prospects are generally deeper than the depth capacity of the rigs being used for the 2015 program so are potential targets for the 2016 program using a larger rig.

2015 Drilling Rigs

The Company has made a step change in drilling processes with the contracting for the 2015 drilling program of two specialised drilling rigs, DDH1 Rig 31 and Atlas Rig 2.

These rigs are specifically designed to have a low environmental and operational footprint as well as efficient move and rig up capability. The Company recently used DDH1 Rig 31 to drill the Commodore and Sunbeam wells with excellent operational and cost results.

Atlas Rig 2 was specifically designed to drill CSG wells and most recently worked for Origin and APLNG in Queensland. It is a specialised rig which can drill to in excess of 2,800 metres. Most importantly for this program, both contractors are able to offer fixed price mobilisation, drilling, and moving contracts. This means the performance of the rigs is the responsibility of the contractor who has the ability to control it, rather than being the responsibility of the Company.

This is a revolutionary departure from standard oilfield practice and is an outcome that has been driven by developments in the CSG and shale gas industries.

The Company is also using more appropriate ancillary service providers for its logging and evaluation work which again provide fixed price contracts.

These step changes have resulted in decreases in drilling costs of at least 50%, giving the Company the ability to drill many more wells and hence increase its chances of exploration success.

Laurel Formation Tight Gas Pilot Exploration Program (TGS15)

All government and regulatory approvals for this program are in place subsequent to the Minister upholding the EPA decision that Buru Energy's "small scale, limited duration 'proof of concept' exploration proposal is unlikely to have a significant effect on the environment". Traditional Owner agreement for the eastern wells program has been received from the Noonkanbah community and preliminary work was carried out on these wells in late 2014. This work included "mini fracs" or DFIT's to confirm rock properties, and this data confirmed the experimental work that had been carried out previously and the suitability of the rocks for a frac test.

The Company is currently reviewing and rebidding all aspects of the planned fracking program in light of the much improved contractor rates, and a decision on timing will be made in due course.

2016 exploration program

The extensive geophysical surveys that have been undertaken in previous years have identified a suite of high value targets. These include the prospects being drilled by the 2015 wells and a number of high potential conventional gas wells. This year's surveys will build on these previous surveys and are aimed at maturing further Ungani trend prospects through systematic 3D seismic surveys, and maturing additional conventional gas prospects for future drilling through 2D seismic data acquisition.

The work done to date has demonstrated the Company has a deep and varied prospect portfolio that will sustain continued extensive drilling campaigns.

Ungani Oilfield development

The development of the Ungani Oilfield will now proceed through the grant of the Production License and the Consent to Operate. The Company is well advanced in the process of procuring these approvals and has a target start date for production of mid-July.

One of the requirements for obtaining a Consent to Operate is the upgrade of the Ungani production facilities from test production status. This is a relatively simple engineering process and is expected to cost some \$2 million. Buru Energy's share of this expenditure will be met by the funding agreement with Mitsubishi as set out below.

Production will initially restart at some 1,250 bopd with continued export through Wyndham. The target production rate is some 3,000 bopd and this will require further investment in separators, pumps and potentially in wells, depending on the success of Ungani FW. The potential for export through Broome Port continuing to be investigated in detail.

Ungani Oilfield production and resources

The recent period of extended production testing (EPT) at the Ungani oilfield resulted in the production of some 470,000 barrels of oil and the acquisition of valuable production and pressure data. The field is exhibiting very favourable production characteristics but the resources of the field are still subject to some uncertainty primarily due to the dual porosity nature of the reservoir. Final production and pressure build up data which has been interpreted since the conclusion of the EPT is now giving good convergence between dynamic and static modelling.

The Company has undertaken internal resource estimates incorporating the EPT data, the reprocessed 3D seismic data and the results of the Ungani 3 well. Buru Energy's estimate of the original contingent resources of the Ungani Field is currently as follows. Buru's share is 50% of these estimates:

Ungani Oilfield Original Contingent Recoverable Resources (100%WI, MMstb)		
1C	2C	3C
3.9	6.1	9.4

NOTE – the full Contingent Resources Statement in accordance with ASX listing rules is set out in the attachment.

These resource numbers are considered to be conservative and further data and analysis, and in particular the testing of the Ungani 3 well, will be incorporated as they come to hand. The conversion of the Contingent Resources to Reserves will require, amongst other things, the approval of the Ungani Field Management Plan which is currently being finalised, and the grant of the Production Licence.

Environmental programs

The Company has a very proactive environmental compliance and monitoring program and has received environmental approvals for all key upcoming activities. The environmental monitoring programs include extensive ground water monitoring involving indigenous landholders, and flora and fauna surveys and monitoring, including a very active and innovative Bilby monitoring program in association with Murdoch University. The long term ground water monitoring program has shown no evidence of any influence from petroleum activities in the areas we operate in.

The Company also has an extensive program of rehabilitation of existing well sites and legacy production areas. This has recently included the Yulleroo well sites with this work being completed by a local indigenous contractor overseen by senior Yawuru Traditional Owners.

The other area of focus for the Company's rehabilitation programs is the legacy site known as the Blina/Sundown area.

The Company took the decision to cease production from the area in 2013 in order to address the legacy issues in the Blina/ Sundown area which has been under the previous ownership of seven different companies since the discovery of oil in the area in 1981. These works have included the rehabilitation of interceptor and evaporation ponds. An ongoing water monitoring program has not detected any evidence of effects from petroleum operations on the groundwater in the area.

Corporate

General

Much of the work undertaken during the last year was to prepare the Company for this year's program and to ensure a solid foundation had been laid for the future. This has included major staff and management changes and an intense focus on cost control and operational innovation.

Major achievements also included the recent share placement to ensure a robust balance sheet for this year's program, the conclusion of the agreements with the Native Title parties for the Ungani Oilfield development, and the dismissal of the Fitzroy River royalty litigation against the Company.

The Company is now very well positioned to move forward and add value for shareholders from a much improved base.

Funding

The Company is in a strong cash position with some \$43 million on hand at the end of the March quarter.

Discussions with Alcoa in relation to the current gas sales agreement are ongoing. Under the current arrangements with Alcoa, some \$22 million is currently in escrow and these funds are still available for gas evaluation programs. This amount is not included in the cash figure set out above.

The 2013 Ungani Development Funding Agreement with Mitsubishi contained obligations for the parties to review the terms of the agreement after the results of the Ungani 3 well were known, and when the scope of the development was more clearly defined. This review has now been completed and both parties have now executed a binding agreement. This agreement includes a full carry of Buru Energy's costs for the development of Ungani (including the Ungani FW well) through to the end of 2016. The total funding available to Buru during this phase of the development is \$9 million. The remainder of the funding (in total \$27.5 million including the first tranche of \$9 million) is in two future tranches subject to production hurdles of 3,000 bopd and 5,000 bopd.

Visit www.buruenergy.com for information on Buru Energy's current and future activities.

For inquiries please contact Buru Energy:

Telephone: +61 8 9215 1800

Freecall: 1800 337 330

Email: info@buruenergy.com

About Buru Energy

Buru Energy Limited (ASX: BRU, S&P/ASX300) is a Western Australian oil and gas exploration and production company headquartered in Perth with an operational office in Broome. The Company's petroleum assets and tenements are located onshore in the Canning Basin in the southwest Kimberley region of Western Australia. Its flagship high quality conventional Ungani Oilfield project is owned in 50/50 joint venture with Mitsubishi Corporation. As well as Ungani, the Company's portfolio includes potentially world class tight gas resources.

The company's goal is to deliver material benefits to its shareholders, the State of Western Australia, the Traditional Owners of the areas in which it operates, and the Kimberley community, by successfully exploring for and developing the petroleum resources of the Canning Basin in an environmentally and culturally sensitive manner.

Ungani Oilfield: Resources statement

Overview of resource estimation process

The resource estimation for the field is still subject to some uncertainty due to the dual porosity nature of the reservoir, however, final production and pressure build up data since the conclusion of the EPT is now giving good convergence between dynamic and static modeling. The estimates of the Contingent Resources of the field set out below have been calculated using probabilistic methods.

Contingent resource estimates (in accordance with ASX Section 5.33)

5.33.1 The Ungani Field is the subject of two applications for onshore Production Licences STP-PRA-004 and STP-PRA-005.

5.33.2 The Ungani Field has been the subject of an Extended Production Test over a period of more than 12 months and has produced over 470,000 barrels of oil in that time from two wells.

5.33.3

- a) The analytical procedures used included the analysis of extensive pressure and buildup data, material balance calculations, volumetric determinations from 3D seismic data, PVT analysis, core and petrophysical analysis.
- b) The key contingency required for conversion of the resources to reserves is the grant of a Production Licence and Consent to Operate.
- c) Further work to be undertaken on the field is acquisition of additional production and pressure data and potentially further drilling, however, the key contingency is the grant of the licences as set out in b).

The currently estimated Contingent Resources for the field are as follows. Note that these are estimates of original recoverable volumes and production to date is some 470,000 barrels. Buru's share is 50% of these estimates.

Ungani Oilfield Original Contingent Recoverable Resources (100%WI, MMstb)		
1C	2C	3C
3.9	6.1	9.4

Competent Persons Statement: Information in this presentation related to petroleum resources of the Ungani Oilfield is based on information compiled by Dr Stuart Weston who is a consultant to Buru Energy Limited. Dr Weston has over 19 years experience in petroleum exploration and engineering, holds a Bachelor Degree in Physics, a PhD in Petroleum Engineering and is a member of SPE. Dr Weston is qualified in accordance with ASX Listing Rules and consents to the inclusion of the information in this document.

Competent Persons Statements

Information in this release related to petroleum resources of the Ungani Oilfield is based on information compiled by Dr Stuart Weston who is a consultant to Buru Energy Limited. Dr Weston has over 19 years experience in petroleum exploration and engineering, holds a Bachelor Degree in Physics, a PhD in Petroleum Engineering and is a member of SPE. Dr Weston is qualified in accordance with ASX Listing Rules and consents to the inclusion of the information in this document.

Information in this release related to exploration and production results is based on information compiled by Eric Streitberg who is an employee of Buru Energy Limited. Mr Streitberg is a Fellow of the Australian Institute of Mining and Metallurgy and the Australian Institute of Company Directors, and a member and Certified Petroleum Geologist of the American Association of Petroleum Geologists. He has over 40 years of relevant experience. Mr Streitberg is qualified in accordance with ASX Listing Rules and consents to the inclusion of the information in this document.

A flag on a pole, featuring the BuruEnergy logo and the text "BuruEnergy" in white, set against a blue background. The flag is positioned in the upper left quadrant of the slide.

Delivering Western Australia's Energy Future

Corporate Update

28 April 2015

www.buruenergy.com

Important Notice and Disclaimer

Disclaimer

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

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

All of Buru Energy's operations and activities are subject to joint venture, regulatory and other approvals and their timing and order may also be affected by weather, availability of equipment and materials and land access arrangements, including native title arrangements.

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

No representation or warranty, expressed or implied, is made by Buru Energy or any other person that the material contained in this presentation will be achieved or prove to be correct. Except for statutory liability which cannot be excluded, each of Buru Energy, its officers, employees and advisers expressly disclaims any responsibility for the accuracy or completeness of the material contained in this presentation and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this presentation or any error or omission there from. Neither Buru Energy nor any other person accepts any responsibility to update any person regarding any inaccuracy, omission or change in information in this presentation or any other information made available to a person nor any obligation to furnish the person with any further information.

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

Competent Person's Statements

Information in this presentation related to petroleum resources of the Ungani Oilfield is based on information compiled by Dr Stuart Weston who is a consultant to Buru Energy Limited. Dr Weston has over 19 years experience in petroleum exploration and engineering, holds a Bachelor Degree in Physics, a PhD in Petroleum Engineering and is a member of SPE. Dr Weston is qualified in accordance with ASX Listing Rules and consents to the inclusion of the information in this document.

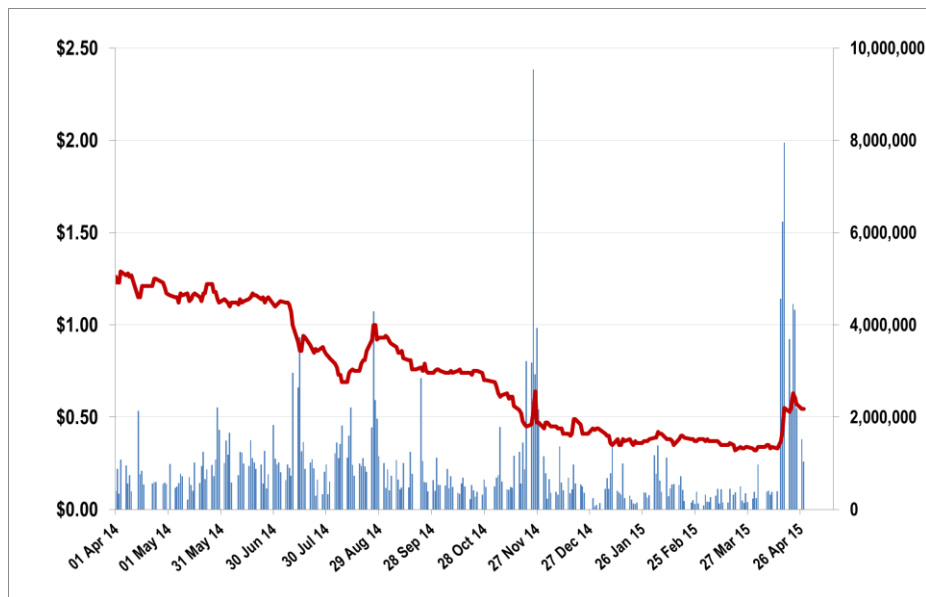
Information in this presentation related to exploration and production estimates and results is based on information compiled by Eric Streitberg who is an employee of Buru Energy Limited. Mr Streitberg is a Fellow of the Australian Institute of Mining and Metallurgy and the Australian Institute of Company Directors, and a member and Certified Petroleum Geologist of the American Association of Petroleum Geologists. He has over 40 years of relevant experience. Mr Streitberg is qualified in accordance with ASX Listing Rules and consents to the inclusion of the information in this document.

Corporate Overview

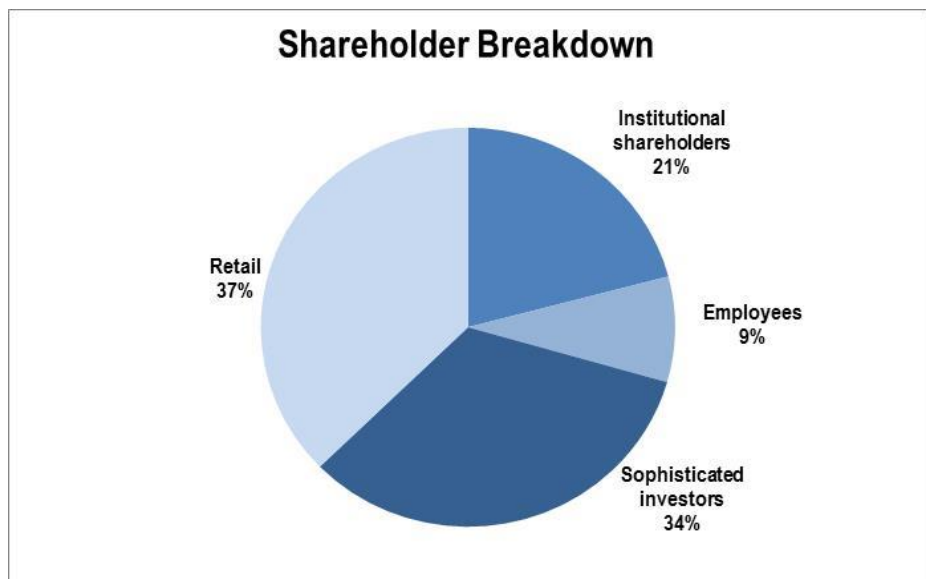
Company	
Formed	2008
Ticker	ASX:BRU
Index	S&P/ASX300
Shares on issue	340 million
Share price	~\$0.55
Market Cap	~\$187 million
Cash on hand	~\$43 million (at 31 Mar)
Net Acreage	45,620 sq km 11.2 million acres
Key Partners	Mitsubishi, Apache

Board	
Eric Streitberg	Executive Chairman
Eve Howell	Non Executive Director
Robert Willes	Non Executive Director

12 month share price



Shareholder Breakdown



Our Business

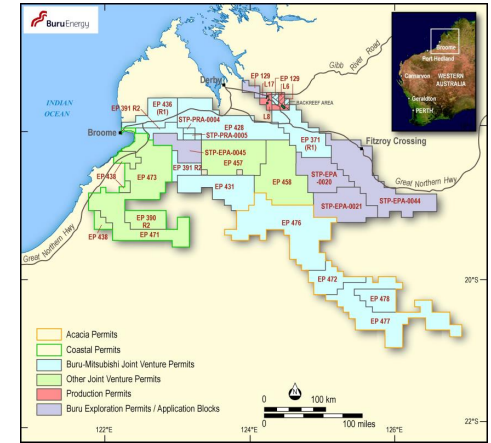
Overview

- Unique whole of basin position (~45,000 sq kms net)
- Highly prospective and underexplored basin
- Generally 50% equity and operatorship
- Major partners in Mitsubishi and Apache
- Multiple play types with high potential
- Extensive portfolio of opportunities

2015 value drivers

- Pivotal moment for the oil business
- Funding in place
- TO agreements secured
- Ungani being prepared for commercial production
- Costs driven down
- 5 to 7 well oil exploration program starting mid May
- Significantly increased conventional gas potential
- Tight gas fundamentals remain strong
- 3D and 2D seismic and AGG to develop additional prospects for 2016

A very exciting program !



2015 Focus

Core areas

- Focus on areas that have the highest prospectivity and lowest risk

Value delivery

- Current climate ideal for realigning the business back to basics
- Step by step approach through concluding agreements and renegotiations
- Value and costs focused management team

Costs reductions due to downturn provide window of opportunity

Drilling costs more than halved - a revolution in technology and process

- Reductions made possible by stepping away from “old” oilfield technology
- Cost and efficiency drivers captured from US unconventional and Australian CSG drilling practices
- Contractor confidence, skills and experience means a revolution in how contracts are administered
- Fixed price transfers the performance risk to the contractor where it belongs and can be properly managed

Support services also rationalised

- Technological revolution to keep up with cost pressures
- Downsizing of equipment for onshore fit for purpose by independent contractors



Drilling Program

Two rig program to achieve objectives

- **DDH1:** drilled Commodore 1 and Sunbeam 1, proved concept and cost reduction
- **Atlas Rig 2:** Purpose built rig from Cooper Basin and CSG work in QLD
- Both rigs on fixed price mobilisation, drilling and moving contracts

DDH1 Rig 31

- Drilled Commodore and Sunbeam
- UDR5000 highly mobile mineral rig which has been converted for oil and gas operations
- Depth capacity 2,000 metres
- Continuous coring mode through reservoir sections
- Currently planned to drill two wells - Olympic and Senagi

Atlas Rig 2

- Highly mobile purpose built rig
- Atlas a subsidiary of Titan Energy, ASX listed company
- Recently drilling 1,000 to 1,600 metre wells for Origin, APLNG in QLD
- Capable of wireline coring and drilling laterals
- Greater depth and pulling capacity than DDH1 Rig 31 (+2,800 metres)
- Ideal rig for Ungani style prospects
- Potentially capable of drilling medium depth conventional gas wells



DDH Rig 31



Atlas Rig 2

Ungani Oilfield: Under Development

Extended production testing completed

Excellent reservoir performance confirmed by EPT

Production during EPT ~470,000 bbls (gross – Buru 50%)

Current development status

- **Traditional owner agreements:** signed for Production Licence
- **PL Applications to Government:** completed, subject to final royalty negotiations
- **Consent to Operate:** requires FMP, safety case, environmental plans etc, all in preparation
- **Target start date:** July 2015

Resources

Resource estimation process

- Still subject to some uncertainty due to the dual porosity nature of the reservoir, however, final production and pressure build up data since the conclusion of the EPT is now giving good convergence between dynamic and static modeling.

Buru's internal resource estimates

- Buru's view of the Contingent Resources of the Ungani Field are as follows, in millions of barrels - Buru's share is 50% of the following estimates.

Ungani Oilfield Original Contingent Recoverable Resources (100%WI, MMstb)		
1C	2C	3C
3.9	6.1	9.4

Note: The full contingent resource statement in accordance with ASX listing rules is set out on the following page.



Ungani Oilfield: Resources Statement

Overview of resource estimation process

The resource estimation for the field is still subject to some uncertainty due to the dual porosity nature of the reservoir, however, final production and pressure build up data since the conclusion of the EPT is now giving good convergence between dynamic and static modeling. The estimates of the Contingent Resources of the field set out below have been calculated using probabilistic methods.

Contingent resource estimates (in accordance with ASX Section 5.33)

5.33.1 The Ungani Field is the subject of two applications for onshore Production Licences STP-PRA-004 and STP-PRA-005.

5.33.2 The Ungani Field has been the subject of an Extended Production Test over a period of more than 12 months and has produced over 470,000 barrels of oil in that time from two wells.

5.33.3

- a) The analytical procedures used included the analysis of extensive pressure and buildup data, material balance calculations, volumetric determinations from 3D seismic data, PVT analysis, core and petrophysical analysis.
- b) The key contingency required for conversion of the resources to reserves is the grant of a Production Licence and Consent to Operate..
- c) Further work to be undertaken on the field is acquisition of additional production and pressure data and potentially further drilling, however, the key contingency is the grant of the licences as set out in b).

The currently estimated Contingent Resources for the field are as follows. Note that these are estimates of original recoverable volumes and production to date is some 470,000 barrels. Buru's share is 50% of these estimates.

Ungani Oilfield Original Contingent Recoverable Resources (100%WI, MMstb)		
1C	2C	3C
3.9	6.1	9.4

Competent Persons Statement: Information in this presentation related to petroleum resources of the Ungani Oilfield is based on information compiled by Dr Stuart Weston who is a consultant to Buru Energy Limited. Dr Weston has over 19 years experience in petroleum exploration and engineering, holds a Bachelor Degree in Physics, a PhD in Petroleum Engineering and is a member of SPE. Dr Weston is qualified in accordance with ASX Listing Rules and consents to the inclusion of the information in this document.

Ungani: Way Forward

Production Optimisation

- Current upgrades increase efficiency and reduce operating costs
- Minimise wet weather downtime - field pipeline/road/loadout
- Optimise shipping export route
- Continued staged development process
- Ungani North, Ungani 3 and Ungani FW to provide additional production and/or water disposal
- Production restart at 1,250 bopd via Wyndham export
- 3,000 bopd next production goal

Development Funding

- Principal costs are artificial lift, water disposal, additional wells and port facilities upgrade
- Mitsubishi development funding (for up to \$27.5M) renegotiated as per contract post Ungani 3 results and EPT analysis.
- Agreement reached for initial \$9M cover of Buru's costs with restart date target. Remainder of funding subject to production hurdles over the next four years of 3,000 bopd and 5,000 bopd
- Funding is non-dilutive and off balance sheet and replaces long term gas development funding under original 2010 farmin agreement



Ungani field truck loadout



Ship loading at Wyndham

Oil: Conventional Prospects

Ungani Trend

Background

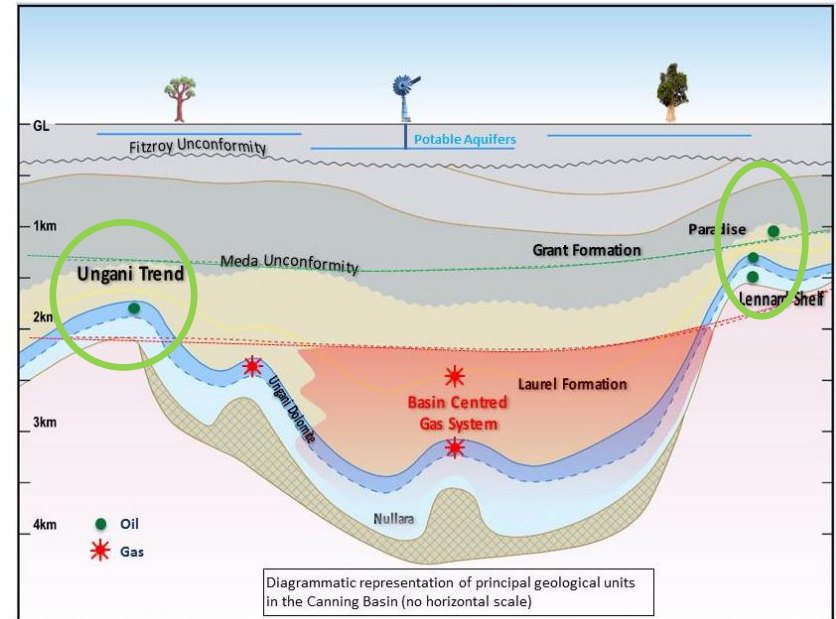
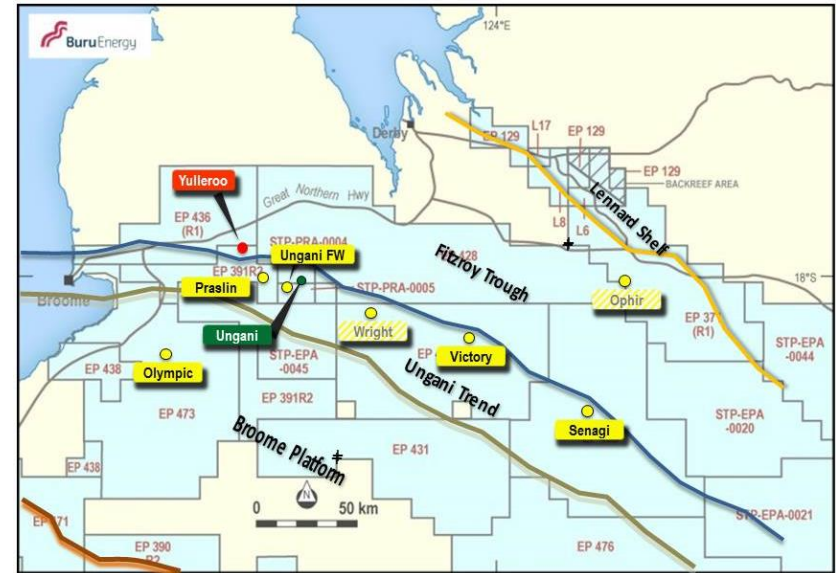
- Conventional vuggy dolomite reservoir discovered in 2011
- Ungani North proved extensive petroleum system
- Structures are readily imaged by geophysics
- Trend covers over 120 kms by 40 kms (+1 million acres)
- No exploration drilling has been carried out since Ungani North in 2012

2015 program

- Detailed mapping of the whole trend has identified an extensive prospect portfolio
- Recent Jackaroo 3D has identified numerous prospects, relatively small but low risk. 2015 drilling program will test at least one of these
- Other wells will test the regional extent of the play

Other Conventional Oil Plays

- **Paradise area** - Ophir 1 - updip test of Paradise oil discovery planned, many additional prospects in that area
- **Coastal Province** - second well in Apache funded program (Olympic 1) will be spudded shortly



Ungani Trend Program

Firm and JV Committed Wells

Ungani FW 1 (TD 2,500m) (Buru 50% equity) (Atlas Rig 2)

- Currently planned as subsidiary Ungani closure
- Short tie in if successful
- Dual purpose well - will test the continuity of reservoir, water disposal point if no oil
- Paid for by MC as part of Ungani development funding

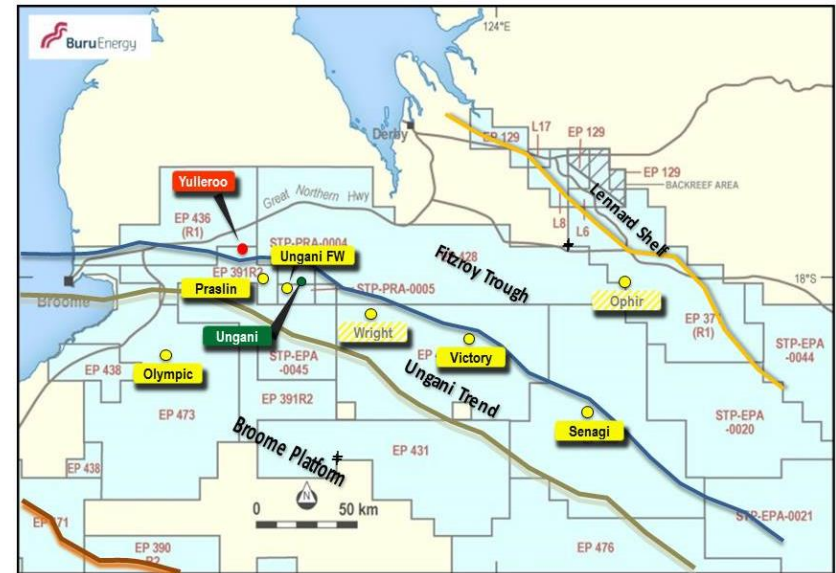
Praslin 1 (TD 2,800m) (Buru 50% equity) (Atlas Rig 2)

- Ungani trend well with high chance of success
- Located in high quality Jackaroo 3D volume
- Relatively small but regional upside and potential for gas as well as oil
- Numerous followups in the 3D area

Victory 1 (TD 2,400m) (Buru 37.5% equity) (Atlas Rig 2)

- Ungani trend well in EP 457
- 2D seismic control over large structure
- Additional prospects in the area
- Large prospect with high upside

Note that drilling order of the Ungani trend wells is dependent on operational requirements to optimise the program logistics. further information on each prospect will be supplied at the time of drilling of each of the wells.



Senagi 1 (TD 1,200m) (Buru 37.5%) (DDH1 Rig 31)

- Ungani trend well in EP 458
- Shallow well following up offset oil shows in good reservoir
- Additional prospects along trend

Contingent Wells on Ungani trend

Wright 1 (TD 1,800m) (Buru 37.5%) (Atlas Rig 2)

- Ungani trend well in EP 457
- Large structure with high upside but could benefit from more seismic
- Additional prospects along trend

Other Conventional Oil Wells

Firm Wells

Olympic 1 (TD 1,350m) (Buru 25% - fully carried) (DDH Rig 31)

- Coastal Block well
- Funded 100% by Apache
- Large structure with good seismic control
- Good Goldwyer source rocks in the oil window and proven reservoir
- Higher risk but major play opener if successful

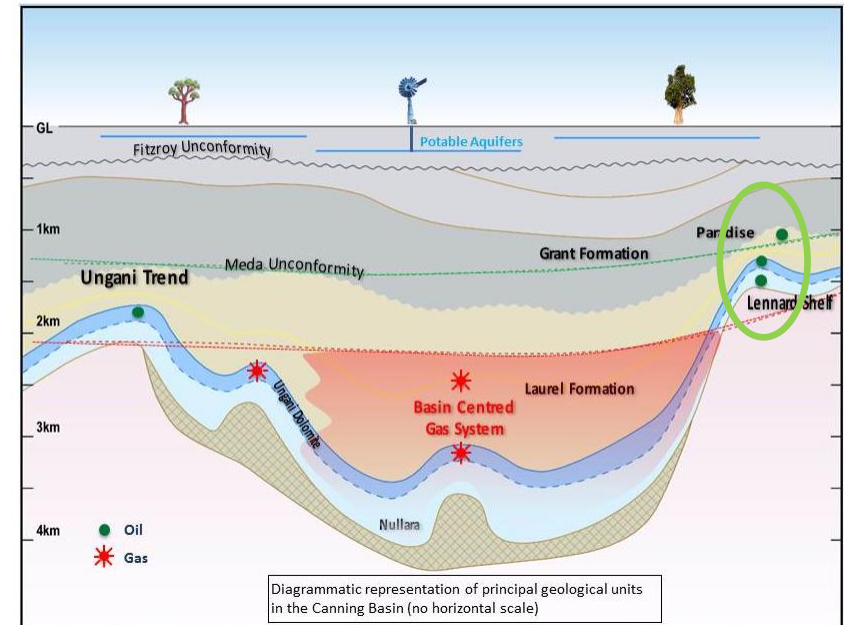
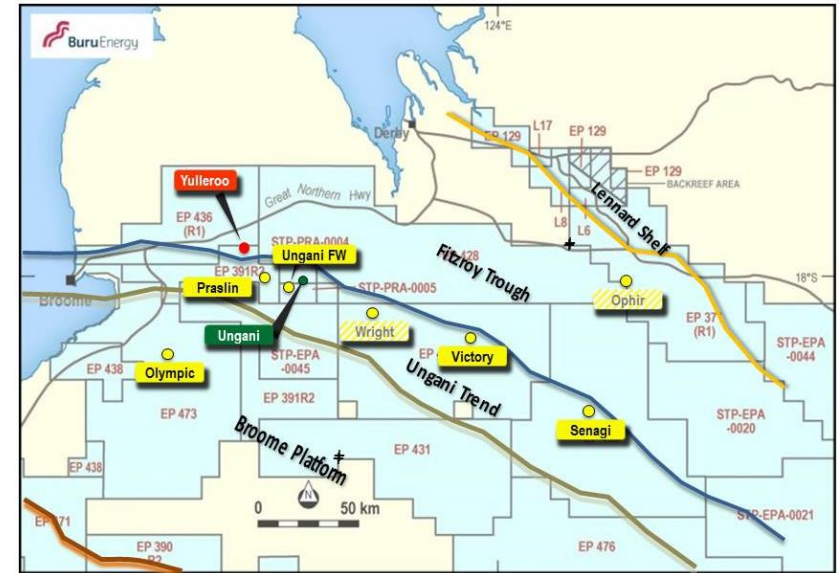
Contingent Wells

Ophir 1 (TD 1,000m) (subject to JV approval) (Buru 50%)

- Updip to oil discovery in Paradise 1
- Potential for shallow Laurel gas
- New play type different to Ungani trend
- Many additional prospects if successful

Emanuel 1 (TD 1,800m) (subject to rig availability) (Buru 100%)

- 100% Buru well
- Deep target in shallow Sunbeam well
- Play opener if successful



Conventional Gas (2016 program)

New Geological Concepts Enhance Prospectivity

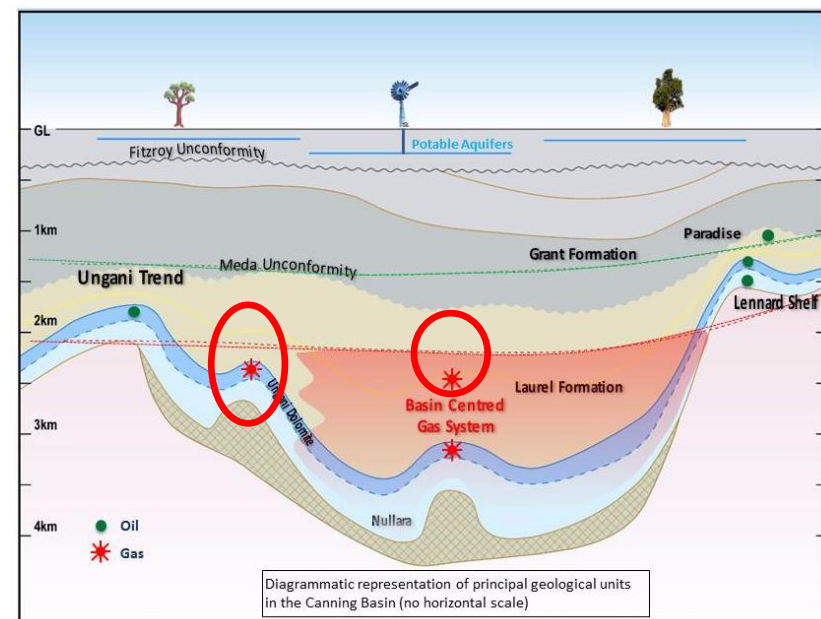
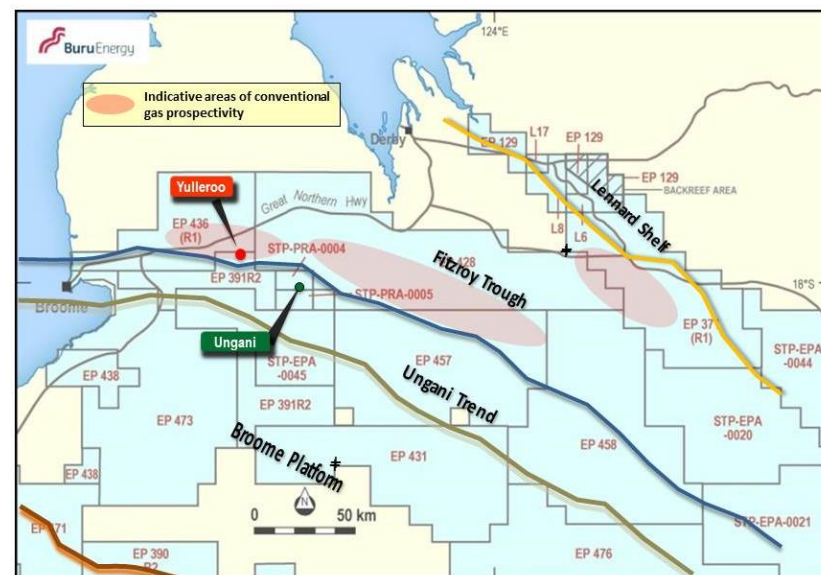
- Work over the last two years has defined much higher conventional gas potential than previously recognised
- Ungani style prospects in the gas window particularly attractive
- Possible oil as well as gas given the high oil generative capacity of the section

Upside

- Conventional gas projects cheaper and quicker to develop
- Prospects of scale to support pipeline development or local power and petrochemical projects
- Current portfolio contains numerous prospects
- Additional upside and prospects likely to be defined by 2015 3D program over Bickley and Yakka Munga and 2D over Raphael

Evaluation program

- Requires bigger rig than in use for 2015 program
- Will need to drill several prospects to justify rig mobilisation and give higher chance of success
- Ideal farmout program



Laurel Gas

Resource

- +100 TCF in the BCGS and +1Bn bbls oil (gross) - with 47 TCF gas net to Buru (**independent estimates of prospective resources)

Tight Gas Pilot Exploration (Frac) Program

Regulatory Approvals

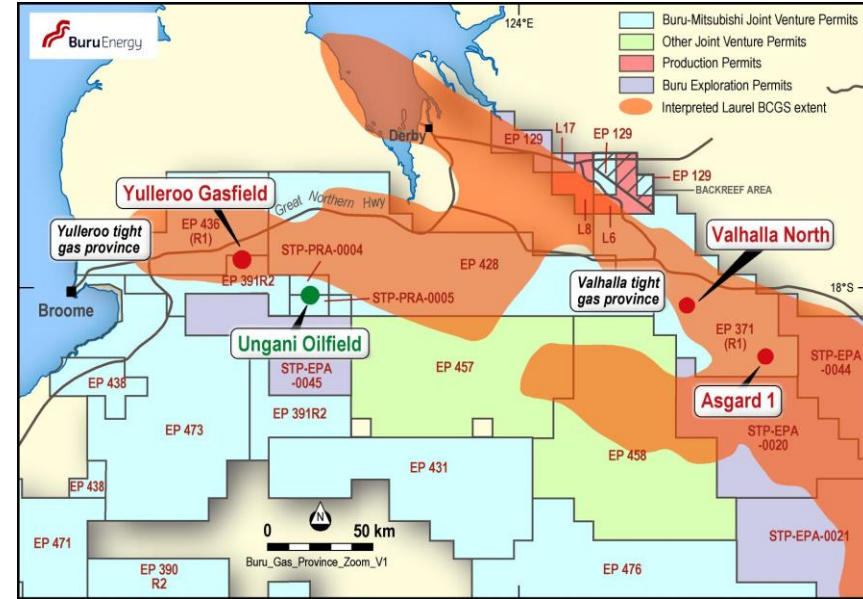
- WA Environment Minister upheld EPA decision that: Buru's "small scale, limited duration 'proof of concept' exploration proposal is unlikely to have a significant effect on the environment"
- DMP approvals subsequently received for Environment Plan, Operational Plan and Safety Plan

Traditional Owners

- Agreement for eastern wells program received from Noonkanbah community, preliminary work carried out in late 2014
- Yawuru community discussions ongoing
- Nyikina Mangala community review process in progress (TGS program is not on NM areas)
- Protest camp established at the entrance to the Yulleroo access road. This action has had no material impact on operations.
- Well damage investigation not yet concluded

Operational

- Preliminary work completed for program
- Currently reviewing contracts and operations in light of industry downturn
- Timing dependent on a number of factors



Product	Prospective Resources (net to Buru)		
	Low Case (MMbbl/TCF)	Best Estimate Case (MMbbl/TCF)	High Case (MMbbl/TCF)
Condensate	226	1,177	4,717
Natural Gas	12	47	150

Values have been rounded to the nearest TCF and MMbbl

** Refer to ASX Release dated 8 February 2013 (Evaluation date). Deterministic method used.
The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) 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.

Geophysics

Targeted Programs for 2016 Exploration

Seismic acquisition

Using technologically advanced “nodal” systems with lower environmental footprint and better data.

Costs have also come down significantly due to industry downturn.

3D

Systematic exploration with 3D on Ungani Trend

Yakka Munga 3D (200 sq kms) targeting:

- Bickley structure - Conventional Ungani lookalike with potential gas upside
- Yakka Munga structure – regional high with multiple targets

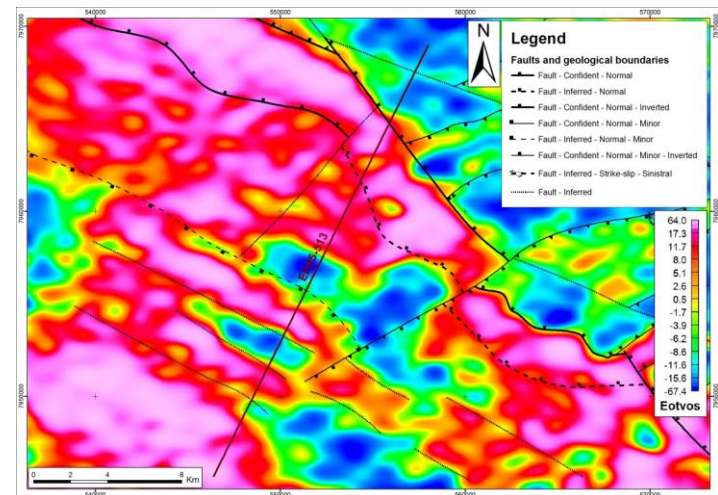
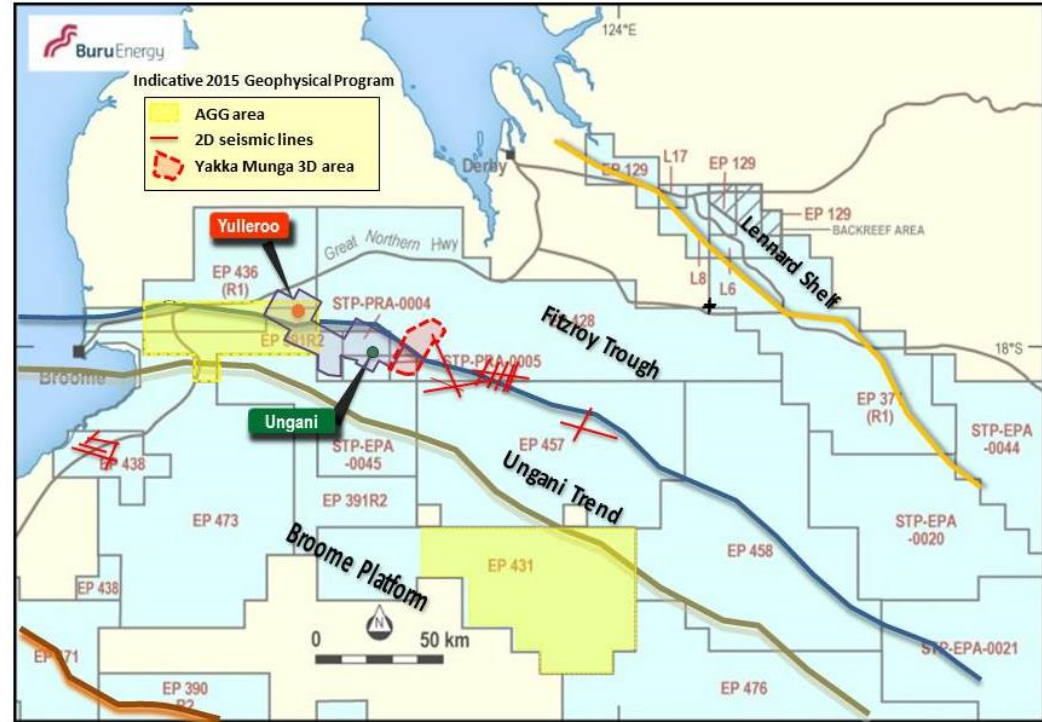
2D

Prospect oriented 2D surveys targeting:

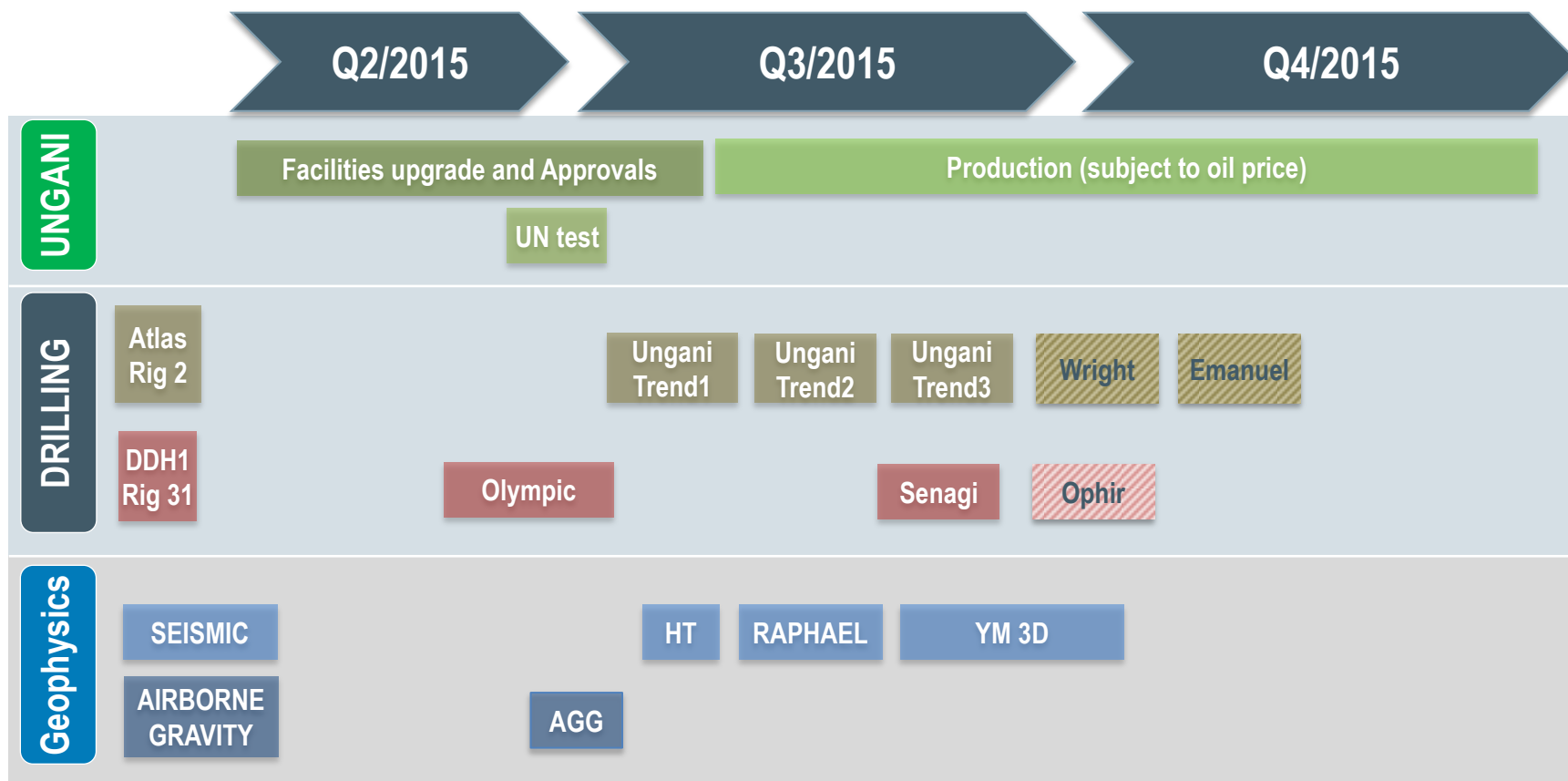
- Ungani style structures
- Conventional gas prospects

Aerogravity

- Excellent regional exploration tool
- Previous surveys have provided detailed geological data for prospect mapping
- Extensive surveys infilling previous grids



2015 Program – Indicative Timeline



Note: Note that drilling order of the Ungani trend wells is dependent on operational requirements to optimise the program logistics. All of Buru Energy's operations and activities are subject to joint venture, regulatory and other approvals and their timing and order may also be affected by weather, availability of equipment and materials and land access arrangements, including native title arrangements. The order of drilling of these wells and the timing of acquisition of seismic is also dependent on operational matters.

Environment and Community

Committed to ensuring:

Exemplary environmental performance

- Minimising impact on the environment and communities
- Continuous improvement processes
- Environmental performance exceeding regulatory requirements
- Transparency
- Proactive actions:
 - extensive ground water monitoring involving indigenous landholders
 - flora and fauna surveys and monitoring
 - very active and innovative Bilby monitoring program in association with Murdoch University.
 - long term ground water monitoring program which has shown no influence from petroleum activities in the areas we operate in.
 - extensive program of rehabilitation of existing well sites and legacy production areas.

Community engagement

- Engagement with the Traditional Owners to ensure:
 - Respect for cultural and traditional values
 - Meaningful employment opportunities
 - An appropriate sharing of the social benefits from our projects
 - Recent agreements a first for the Kimberley
- Engagement with the wider community to:
 - Provide local employment and business opportunities
 - Ensure minimum impact on local communities from operations



Funding

Current Situation

Cash end of March 2015 quarter ~\$43M, budgeting for +\$28M at year end

Ungani development

- Relatively low cost - main cost is wells
- Broome Export facility - off balance sheet funding
- Cash flow positive at current oil prices
- Mitsubishi Funding agreement reset (\$27.5M) with full carry through end 2016 of up to \$9M Buru share with production hurdles in future tranches

Oil exploration program

- Olympic 1 well funded via Apache farm-in
- Ungani FW which is included in the MC funding for Ungani development
- Ungani trend oil wells funded from internal resources
- 2D seismic funded internally
- 3D seismic funded internally

Laurel Tight Gas pilot program

- Funded from Alcoa escrow agreement (under negotiation)

Forward Funding

Oil exploration

- Wider exploration via excess cash from Ungani and internal sources

Conventional Gas exploration

- Funded through farmout/internal resources

Tight Gas appraisal and development

- Laurel farm-in partner planned to be introduced after flow testing



Buru Energy value drivers

- ✓ Pivotal moment for the Buru Energy oil business
- ✓ Funding in place
- ✓ Traditional Owner agreements secured
- ✓ Ungani being prepared for commercial production
- ✓ Costs driven down
- ✓ 5 to 7 well oil exploration program starting mid May
- ✓ Significantly increased conventional gas potential
- ✓ Tight gas fundamentals remain strong
- ✓ 3D and 2D seismic and AGG to develop additional prospects for 2016

A very exciting program !

