

23 Sep 2019

Share Price: **\$0.28**
12mth Price Target: **\$0.40**

BURU ENERGY LTD (BRU)

Day Trip to the Canning Basin

We had the opportunity this week to visit Buru Energy Limited's ('BRU' or the 'Company') Ungani Oil Field in the Canning Basin (about a 1.5-hour drive East from Broome). The focus on site at the moment is to a) upgrade the field facilities to handle up to 3,000bopd, b) install an expandable liner in Ungani 6H with the Jacking Platform and c) bring in a coiled tubing unit to drill the horizontal sections of both Ungani 6H and Ungani 7H.

Horizontals targeting a doubling of Production

Last reported production was circa 1,000bopd and on the back of these horizontal completions the Company expects production to at least double. We had forecast average production of 1,650bopd in CY20. Both wells now seem likely to be completed in October and will be on line for the whole of CY20. There is still completion risk, and the reservoir has proved challenging historically, so we believe it is prudent to remain conservative. Post the site visit, we have increased our CY20 forecast to 1,850bopd, still below Company expectations. Obviously, the successful testing of both these wells (should get indicative results in November) will be crucial to achieving the desired boost to production.

Post the completion of the Ungani horizontal wells, BRU will likely recomplete the Blina well to test potential by passed oil in the Yellowdrum formation (BRU 100%). The next exploration well to be drilled immediately following the current Ungani 7H well will be the Miani prospect (formerly known as Hotdog) on the Lennard Shelf (BRU 100%). Miani, Yulleroo and Blina are part of a firm program. The Miani Prospect is a large Hydrothermal Dolomite feature on the Lennard Shelf. The Blina Oil field was discovered in 1981, the first in the Canning Basin. The produced reservoirs consist of dolomitised limestones forming part of a buried Late Devonian reefal bank. The lower zone of the field has produced over 400,000 barrels. BRU believes there is potential in the tighter upper Yellowdrum reservoir section which has not been adequately tested or produced. The Yellowdrum section is the equivalent of the Ungani Dolomite, with over 40m of level closure. BRU also believes that the Yulleroo Gasfield has potential for conventional gas resources with high liquids content. Several prospective zones have been identified and BRU have proposed to test these later this year utilising the Jacking Platform.

Our 12-month forward valuation and target price for BRU is now A\$0.40 per share (down 5c due to higher near-term capital expenditure than we had forecast). Our valuation contains a risked value (24c per share) for future conventional exploration potential along with a minimal value for the Goldwyer unconventional oil potential and Laurel Formation gas potential based on a peer value for similar early stage resource plays. The key catalyst over the next 12 months that we expect will drive the current price up towards our target is primarily the firm exploration program, aided hopefully by a sustained recovery in Ungani production towards 2,000bbl/d.

On the basis of the upside to our 12-month target price and pipeline of catalysts we continue to rate BRU a Speculative Buy.

Brief Business Description:

BRU is an oil producer and explorer with a core focus on the Canning Basin. Key asset is the Ungani Oil Field.

Hartleys Brief Investment Conclusion

BRU generates cash flow from oil sales from the Ungani Oil Field with additional upside potential from further development. BRU has an extensive exploration acreage position.

Chairman & CEO:

Eric Streitberg Executive Chairman

Substantial Shareholders:

Birkdale Enterprises Pty Ltd 8%
Chemco Pty Ltd 8%
E C Streitberg 5%

Company Address:

16 Ord Street
West Perth
WA 6872

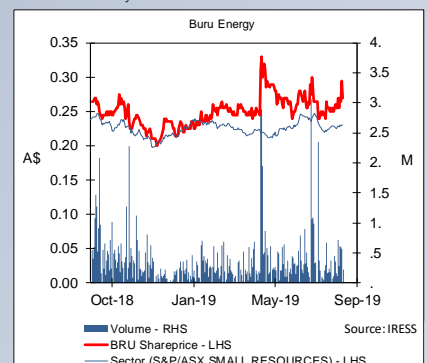
Issued Capital: 432m
- fully diluted 441m
Market Cap: \$121.0m
- fully diluted \$123.6m
Debt (end Dec 2019e) \$2.0m
Cash (end Dec 2019e) \$40.0m

	FY17A	FY18A	FY19F
Prod ('000 bbl)	133	402	365
Op Cash Flw	-\$4m	-\$1m	\$4m
Free Cash Flw	-\$13m	\$50m	-\$21m
NPAT* (A\$m)	-\$10m	-\$6m	-\$4m
EPS (\$c, bas)*	(2.3)	(1.5)	(0.8)
P/E (basic)*	-12.0x	-19.2x	-33.8x
EV / EBIT	-9.2x	-12.0x	-17.6x
EV / EBITDA	-20.6x	-61.5x	99.5x
N.D. / equity	-12%	-60%	-40%

Net Cash End \$7.9m \$57.0m \$36.0m

*normalised

Source: Hartleys Research



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Industrials and Energy Analyst
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Hartleys has provided corporate advice within the past 12 months and continues to provide corporate advice to Buru Energy Limited, for which it has earned gross fees. The analyst recently visited site at the expense of BRU, with all associated costs covered by BRU.

SUMMARY MODEL

Buru Energy Limited							23 September 2019						
BRU							Speculative Buy						
Share Price							Company Information						
\$0.280													
Key Market Information													
Share Price							\$0.280						
Market Capitalisation							\$121m						
Issued Capital							432m						
Issued Capital (fully diluted inc. ITM options)							441m						
Options							9.4m						
EV							\$85m						
Net Debt (end Dec 2019e)							-\$36m						
Valuation													
12 Month Price Target	\$ ps						0.40						
P&L													
	Unit	2016A	2017A	2018A	2019F	2020F							
Net Revenue		0.2	7.9	19.9	14.7	29.5							
COGS		(1.4)	(4.2)	(10.4)	(6.6)	(12.2)							
EBITDAX		(9.1)	(4.1)	(1.4)	0.9	8.5							
Depreciation/Amort		(4.0)	(5.1)	(5.7)	(5.7)	(8.1)							
EBIT		(13.1)	(9.2)	(7.1)	(4.8)	0.3							
Net Interest		(1.2)	(1.1)	0.6	1.2	0.8							
Pre-Tax Profit		(14.3)	(10.3)	(6.4)	(3.7)	1.1							
Tax Expense		-	-	-	-	-							
NPAT		(14.3)	(10.3)	(6.4)	(3.7)	1.1							
Abnormal Items		(19.5)	4.1	36.2	-	-							
Reported Profit		(33.8)	(6.2)	29.7	(3.7)	1.1							
Balance Sheet													
		2016A	2017A	2018A	2019F	2020F							
Cash		21.1	16.9	64.0	40.0	36.6							
Other Current Assets		3.3	4.3	5.1	3.5	6.8							
Total Curr. Assets		24.3	21.2	69.1	43.5	43.4							
Property, Plant & Equip.		26.8	59.8	33.9	48.2	40.1							
Exploration		22.0	6.4	6.0	9.8	18.4							
Investments/other		0.1	0.0	0.0	0.0	0.0							
Tot Non-Curr. Assets		48.8	66.2	40.0	58.0	58.5							
Total Assets		73.2	87.3	109.0	101.5	101.9							
Payables		0.6	8.8	3.7	2.8	4.0							
ST Debt + other		1.3	6.7	5.0	4.0	2.0							
Total Curr. Liabilities		1.9	15.4	8.6	6.8	6.0							
Long Term Borrowings		11.0	2.3	2.0	-	-							
Other		4.1	5.6	4.1	4.1	4.1							
Total Non-Curr. Liabil.		15.1	7.8	6.1	4.1	4.1							
Total Liabilities		16.9	23.2	14.7	10.9	10.1							
Net Assets		56.2	64.1	94.3	90.7	91.8							
Cashflow													
		2016A	2017A	2018A	2019F	2020F							
EBITDA		(9.1)	(4.1)	(1.4)	0.9	8.5							
Chg WC		(5.3)	7.1	(5.9)	0.7	(2.0)							
Interest		(1.2)	(1.1)	0.6	1.2	0.8							
Tax		-	-	-	-	-							
Other		5.7	(5.8)	5.4	1.3	2.9							
Gross Cash Flow		(9.9)	(3.9)	(1.2)	4.0	10.1							
Capex		(5.8)	(10.4)	(12.8)	(25.0)	(11.5)							
Other		15.5	1.5	64.0	-	-							
Free Cash Flow		(0.3)	(12.8)	50.0	(21.0)	(1.4)							
Share Issuance		0.0	13.6	0.0	0.0	0.0							
Debt Issuance		(12.5)	(5.0)	(2.9)	(3.0)	(2.0)							
Dividend		0.0	0.0	0.0	0.0	0.0							
Other		(0.0)	0.0	0.0	0.0	0.0							
Net Change in Cash		(12.8)	(4.2)	47.2	(24.0)	(3.4)							
Ratio Analysis													
	Unit	2016A	2017A	2018A	2019F	2020F							
Free Cash Flow / share	A¢	(0.1)	(2.9)	11.3	(4.8)	(0.3)							
Cashflow Multiple	X	(394.9)	(9.7)	2.5	(5.9)	(88.3)							
Earnings Per Share	A¢	(3.2)	(2.3)	(1.5)	(0.8)	0.3							
Price to Earnings Ratio	X	(8.6)	(12.0)	(19.2)	(33.8)	111.8							
EV / EBIT	X	(6.5)	(9.2)	(12.0)	(17.6)	246.1							
EV / EBITDA	X	(9.3)	(20.6)	(61.5)	99.5	10.0							
Interest Cover	X	na	na	2.2	na	na							
Net debt / Equity	%	na	na	na	na	na							
Directors													
Eric Streitberg	Executive Chairman						Level 2						
Eve How ell	NED						16 Ord Street						
Robert Willes	NED						West Perth						
Shane McDermott	Head of Finance & Company Secretary						WA 6872						
							www.buruenergy.com						
Substantial Shareholders													
							m shares	%					
Birkdale Enterprises Pty Ltd							35.1	8.1%					
Chemco Pty Ltd							33.3	7.7%					
E C Streitberg							21.2	4.9%					
Production Summary													
	Unit	Pre-16	2016A	2017A	2018A	2019F							
Oil	'000 bbl	597	23	133	402	365							
Price Assumptions													
	Unit	2015A	2016A	2017A	2018A	2019F							
Oil	A\$/bbl	69.60	58.56	68.00	88.00	84.99							
Share Price Valuation (NAV)													
A\$ m			Un-risked	Risking	Risked	cps							
Ungani			62.1	100%	62.1	14.1							
Other Exploration			843.0	10%	84.2	19.1							
Gas Option			875.0	3%	21.9	5.0							
Net Debt & Corp.					8.4	1.9							
Valuation						40							
Petroleum Tenements													
Permit			JV Partner		% Interest								
L6*					100%								
L8					100%								
L17					100%								
L20			Roc Oil		50%								
L21			Roc Oil		50%								
EP129*					100%								
EP391			Roc Oil		50%								
EP428			Roc Oil		50%								
EP431					100%								
EP436			Roc Oil		50%								
EP457			Rey Resources 40%		60.0%								
EP458			Rey Resources 40%		60.0%								
*Excluding Backreef Area													
Analyst : Aiden Bradley							Last updated						
Phone: +61 8 9268 2876							September 23, 2019						
Sources: IRESS, Company Information, Hartleys Research													

HIGHLIGHTS

We had the opportunity this week to visit Buru Energy Limited's ('BRU' or the 'Company') Ungani Oil Field in the Canning Basin (about a 1.5-hour drive East from Broome and relatively easily accessible).

The focus on site at the moment is to a) upgrade the field facilities to handle up to 3,000bopd, b) install an expandable liner in Ungani 6H with the Jacking Platform and c) bring in a coiled tubing unit to drill the horizontal sections of both Ungani 6H and Ungani 7H.

Figure 1 is the NDG 405 drilling rig on location, completing operations on Ungani 7H. It is located beside Ungani 4, whose pumpjack is in the background.

Fig. 1: BRU's Jacking Platform



Source: BRU and Hartleys Research

Figure 2 shows the Ungani 1 and 2 wells and in the background the upgraded handling facilities which are nearing completion.

Fig. 2: *Ungani 1&2 and Production Facilities*



Source: BRU and Hartleys Research

Figure 3 shows BRU's jacking platform being prepared to install the liner at Ungani 6H. When both horizontal wells are complete, the coiled tubing until will arrive to complete the horizontal sections of each well.

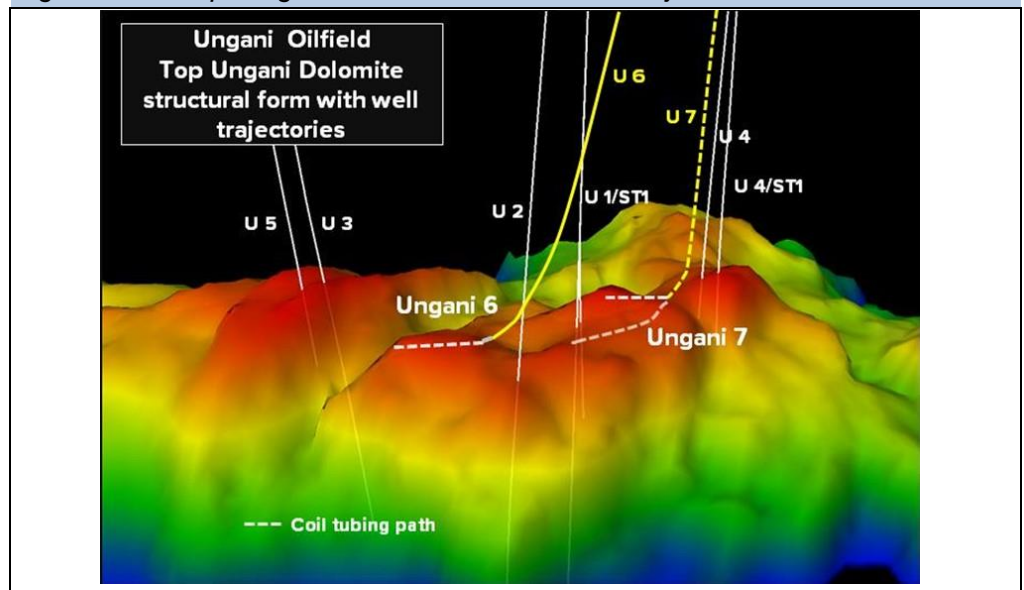
Fig. 3: *BRU's Jacking Platform*



Source: BRU and Hartleys Research

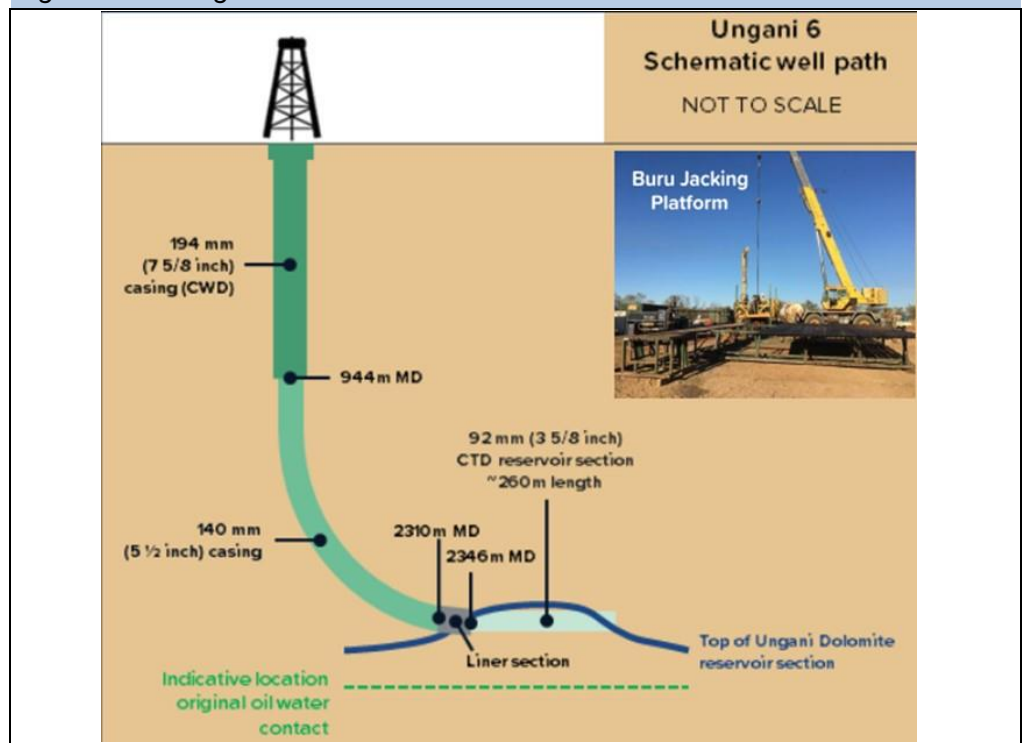
Last reported production was circa 1,000bopd and on the back of these horizontal completions the Company expects production to at least double. We had forecast average production of 1,650bopd in CY20. Both wells now seem likely to be completed in October and will be on line for the whole of CY20. There is still completion risk, and the reservoir has been challenging historically, so we believe it is prudent to remain conservative. Post the site visit, we have increased our CY20 forecast to 1,850bopd, still below Company expectations. Obviously, the successful testing of both these wells (should get indicative results in November) will be crucial to achieving the desired boost to production. The two horizontal wells are being designed for maximised drainage, with the carbonate reservoir sections drilled horizontally and underbalanced to minimise fluid invasion

Fig. 4: Top Ungani Dolomite and Well Trajectories



Source: BRU

Fig. 5: Ungani 6 Schematic Well Path

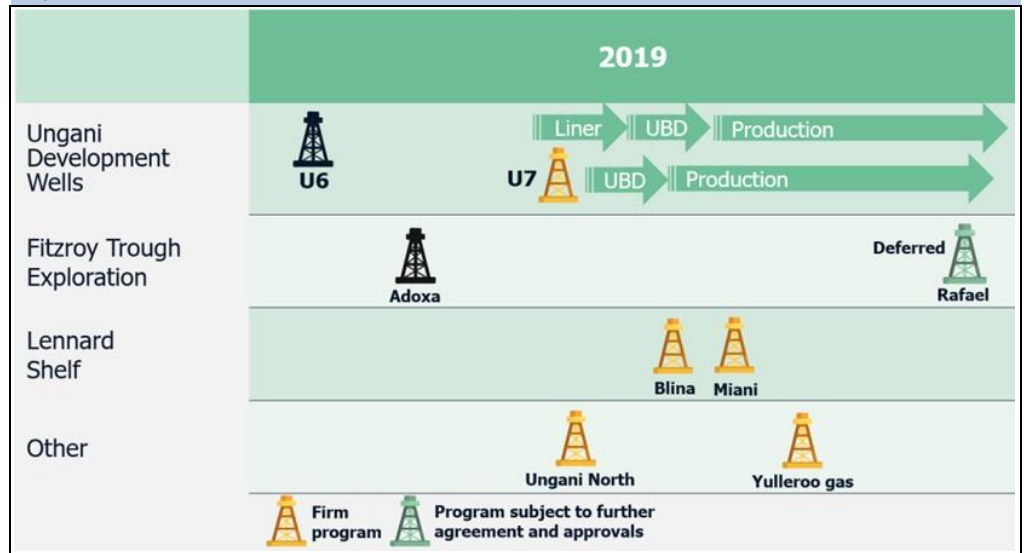


Source: BRU

Exploration Plans

Once the Ungani 6H and 7H wells are complete, the focus will return to the high potential exploration portfolio.

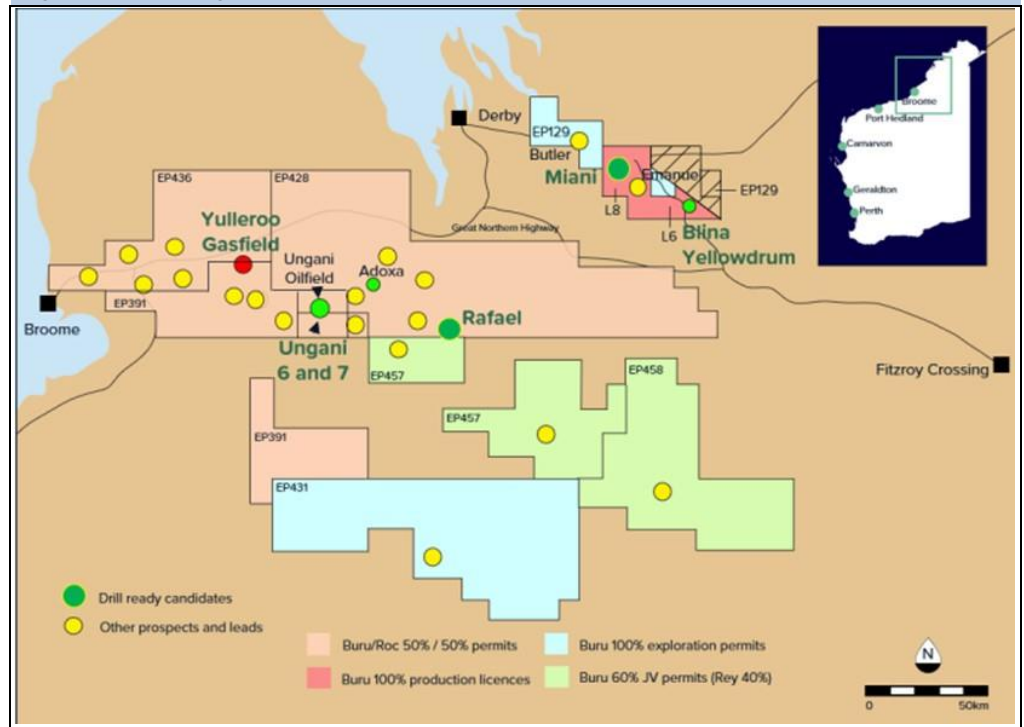
Fig. 6: BRU Activity Timeline



Source: BRU

The exploration acreage contains a variety of play types (carbonates and clastics) and petroleum systems. The 'Ungani' dolomite play is proven to extend over 150kms. BRU are also testing the conventional potential of their liquid's rich tight gas portfolio. The Adoxa-1 well while disappointing versus pre-drill expectations, highlighted the significant basin-wide potential of the Reeves sandstone.

Fig. 7: Ungani Area Well Locations

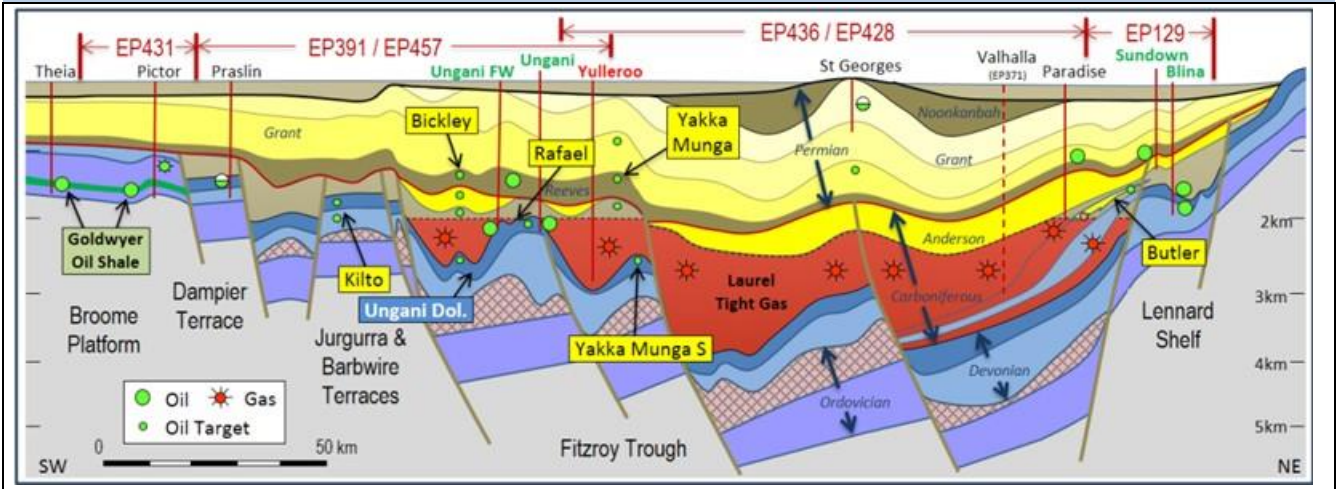


Source: BRU

Post the completion of the Ungani horizontal wells, BRU will recomplete the Blina well to test potential by passed oil in the Yellowdrum formation (BRU 100%). The next well

to be drilled will be the Miani prospect (formerly known as Hotdog) on the Lennard Shelf (BRU 100%). Miani, Yulleroo and Blina are part of a firm program.

Fig. 8: BRU Exploration Prospects – Cross Section

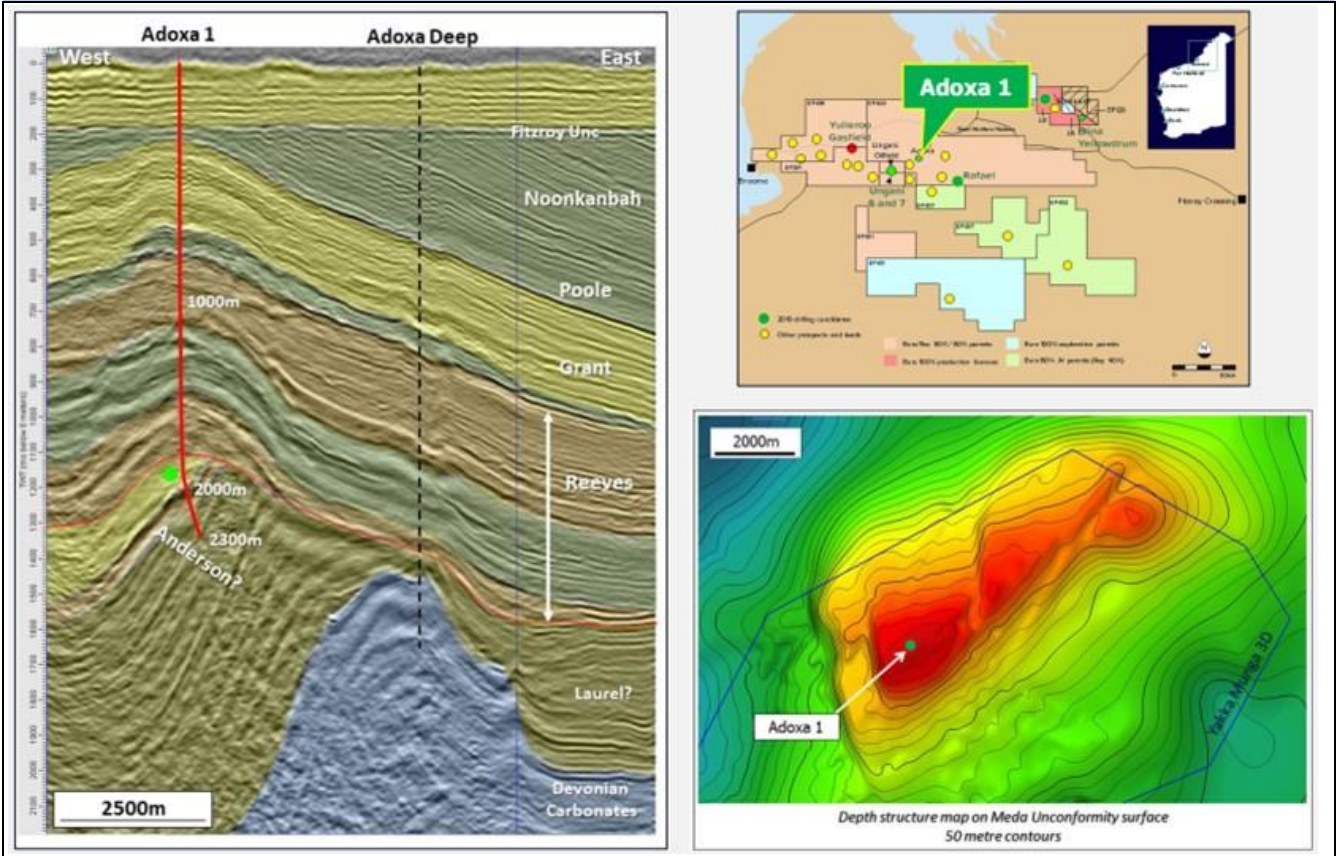


Source: BRU

Adoxa-1 – Reeves and Anderson Plays

Adoxa-1 (formerly Yakka Munga) was planned to be drilled to a total depth of some 2,400m with its principal objectives being the Reeves Formation sandstones from which oil was tested in the Ungani Far West 1 well. The JV partners had agreed that Adoxa-1 would not be one of the 4 wells to be drilled as part of their farm-in agreement. While the well result itself was below pre-drill expectations, there were oil shows in good quality sands, with a potential oil zone at circa 1,900m. This zone will be production tested later in 2019. The thick sealing units encountered and good quality sands has 'enhanced' a number of possible follow up Reeves targets. There is additionally a large Ungani like dolomite structure which could be targeted by a follow up well.

Fig. 9: Adoxa 1 (Yakka Munga Structure)

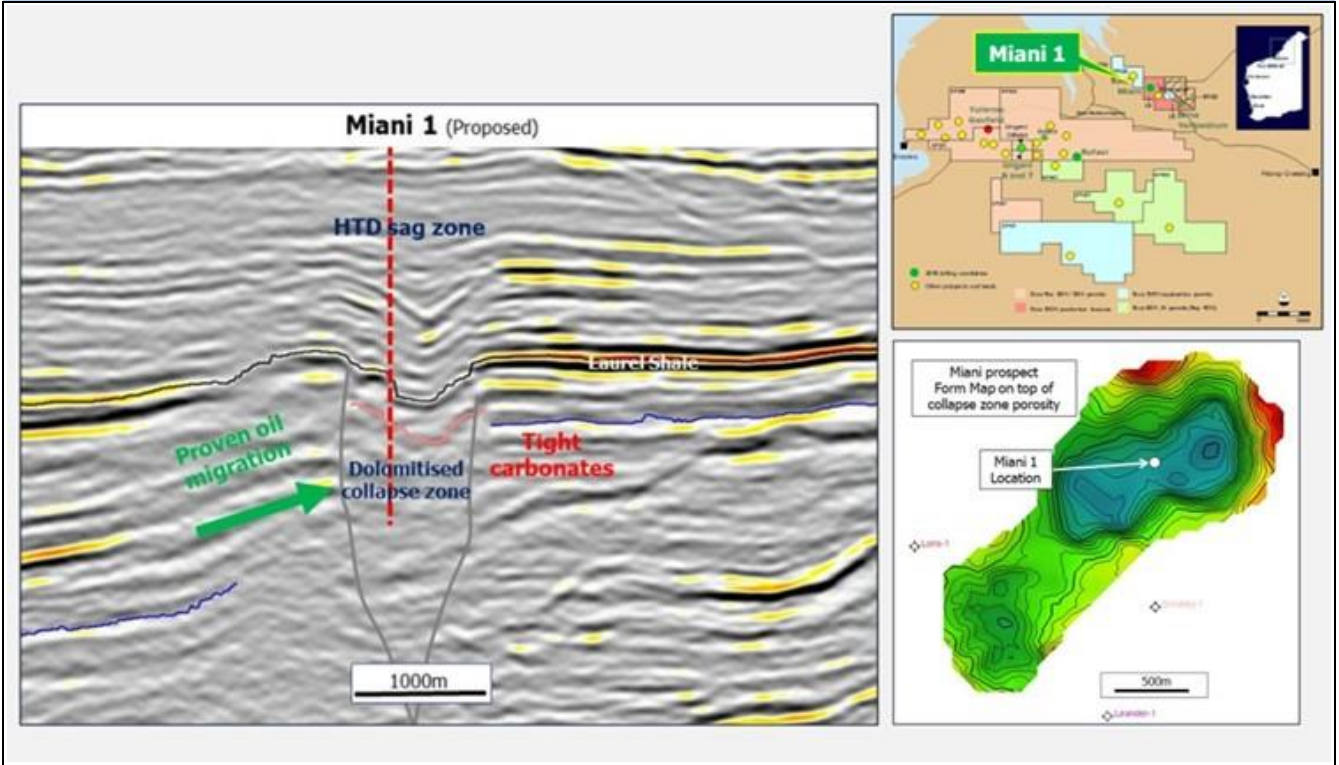


Source: BRU

Miani Prospect

The Miani Prospect will be drilled as the final well in the 2019 drilling campaign, expected to be spudded in late September. The Miani Prospect is a large Hydrothermal Dolomite feature on the Lennard Shelf. The Nullara reefal carbonates at this location have been extensively altered to produce a 'sag' feature and are well defined by 3D seismic with a number of follow-up lookalike targets. This sag feature is flanked by tight carbonates as demonstrated by adjacent wells. Hydrocarbons are expected to be sourced by Laurel hydrocarbons from the adjoining basin, the same mechanism as for the Sundown Field which is in close proximity. BRU holds 100% of the L8 production license which includes the Miani prospect.

Fig. 10: Miani

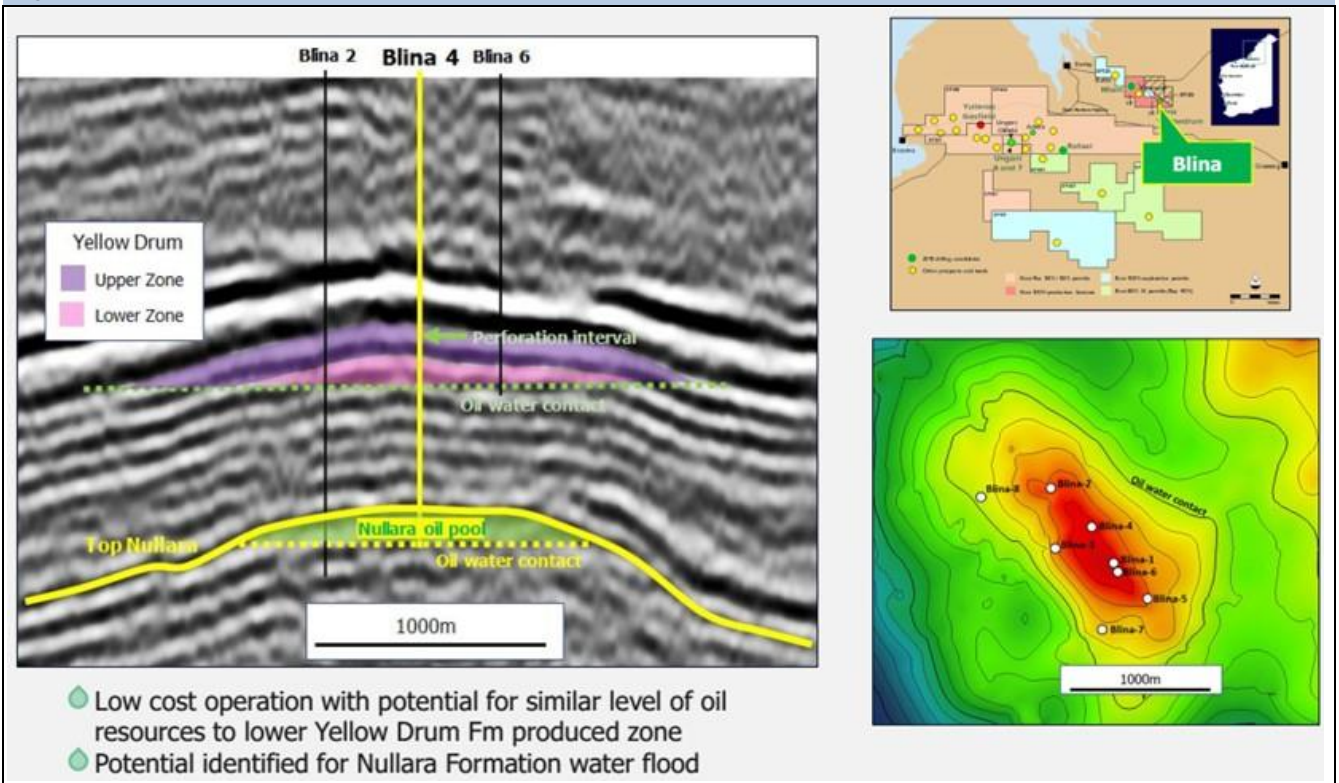


Source: BRU

Blina Yellowdrum

The Blina Oil field was discovered in 1981, the first in the Canning Basin. The produced reservoirs consist of dolomitised limestones forming part of a buried Late Devonian reefal bank

Fig. 11: Blina



Source: BRU

The lower zone of the field has produced over 400,000 barrels. BRU believes there is potential in the tighter upper Yellowdrum reservoir section which has not been adequately tested or produced. The Yellowdrum section is the equivalent of the Ungani Dolomite, with over 40m of level closure.

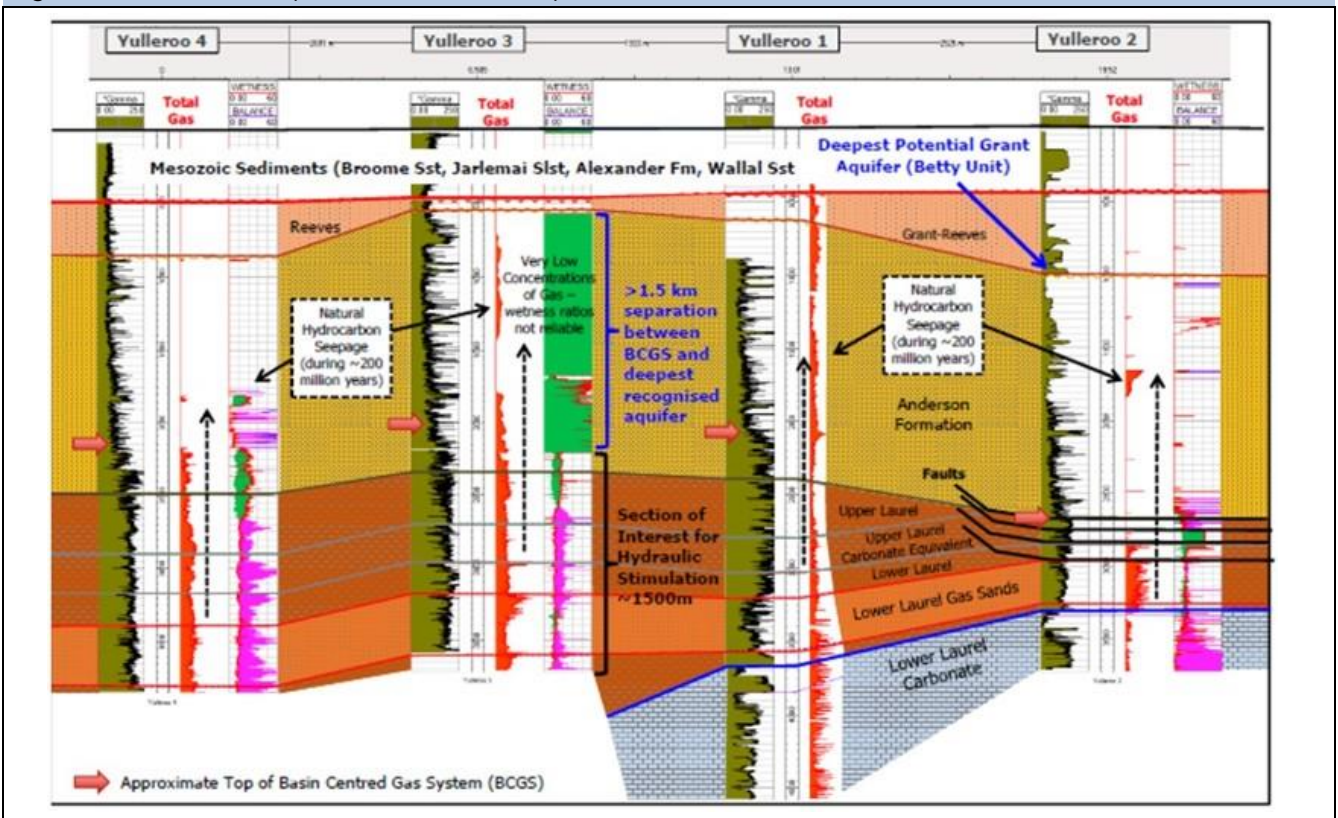
The proposed work program is to re-enter the Blina 4 well and perforate this upper zone at a relatively modest cost to BRU. If successful a similar level of oil resources could be produced as the lower zone. BRU owns 100% of the Blina production license.

Yulleroo Gas Field

Subsequent to the 2017 asset swap with Mitsubishi, BRU retained a 100% interest of the Yulleroo Gasfield and any unconventional gas resources in the other areas of the basin outside EP 371.

While originally targeted as a BCG play, which was tested by the Yulleroo1-4 wells, BRU also believes that the Yulleroo Gasfield has potential for conventional gas resources with high liquids content. Several prospective zones have been identified and BRU are considering testing these later this year utilising the Jacking Platform.

Fig. 1: Yulleroo (Western Province)

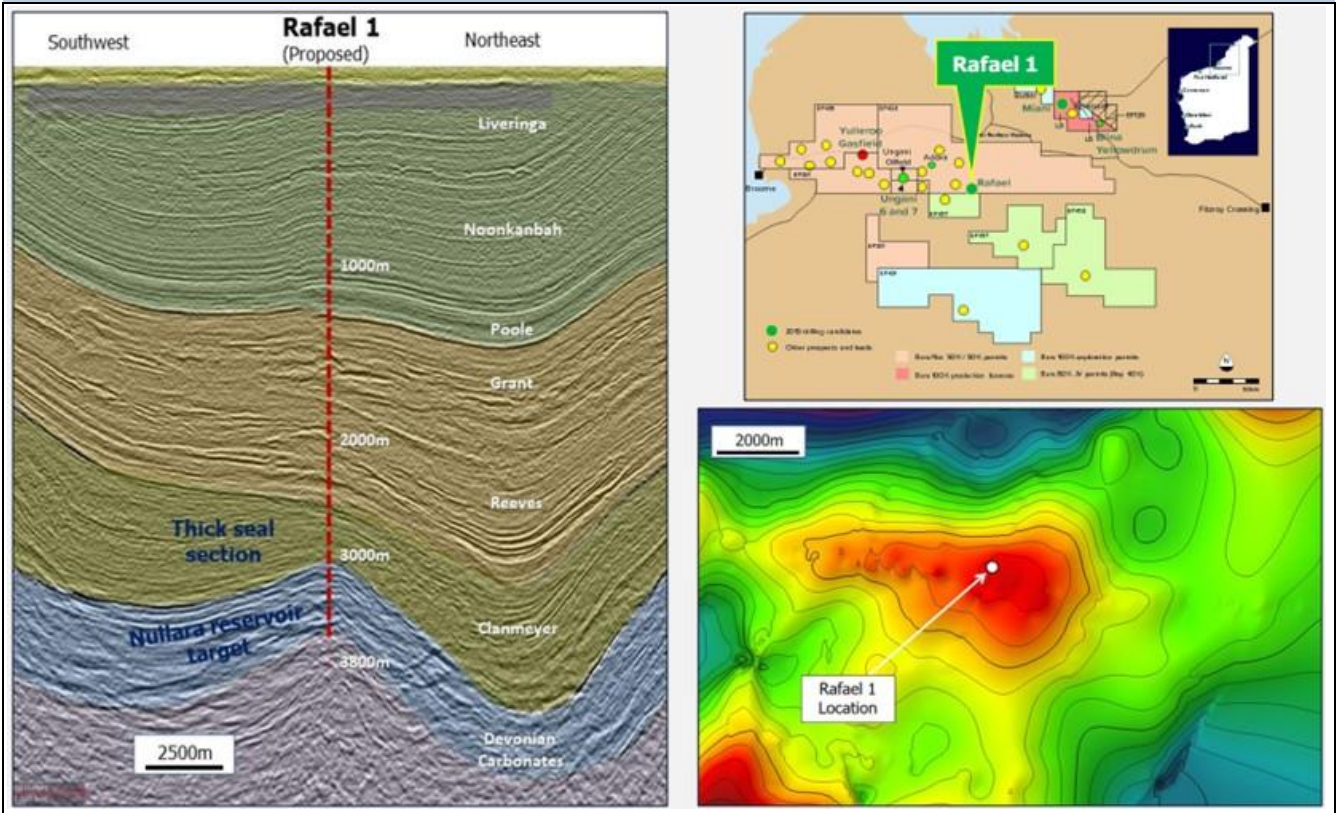


Source: BRU

Rafael-1 – Deferred

BRU has decided to defer the drilling of the Rafael prospect, also in EP 428, beyond the current 2019 drilling campaign due to funding considerations by the Joint Venture.

Fig. 2: Rafael 1



Source: BRU

Rafael is a very large well-defined carbonate prospect (over 300 metres of closure), located 50km to the east of Ungani. The prospect has a similar structural setting to Ungani and is estimated to be 16 times larger. The Rafael target carbonate reef is likely to be the Nullara Formation, the same age of reefs that hosts the Blina oil field on the northern edge of the basin. BRU have indicated that there is well developed porosity in the dolomites within this Nullara section in a number of wells in the basin, whilst the Gogo oil source is proven to be present in the area.

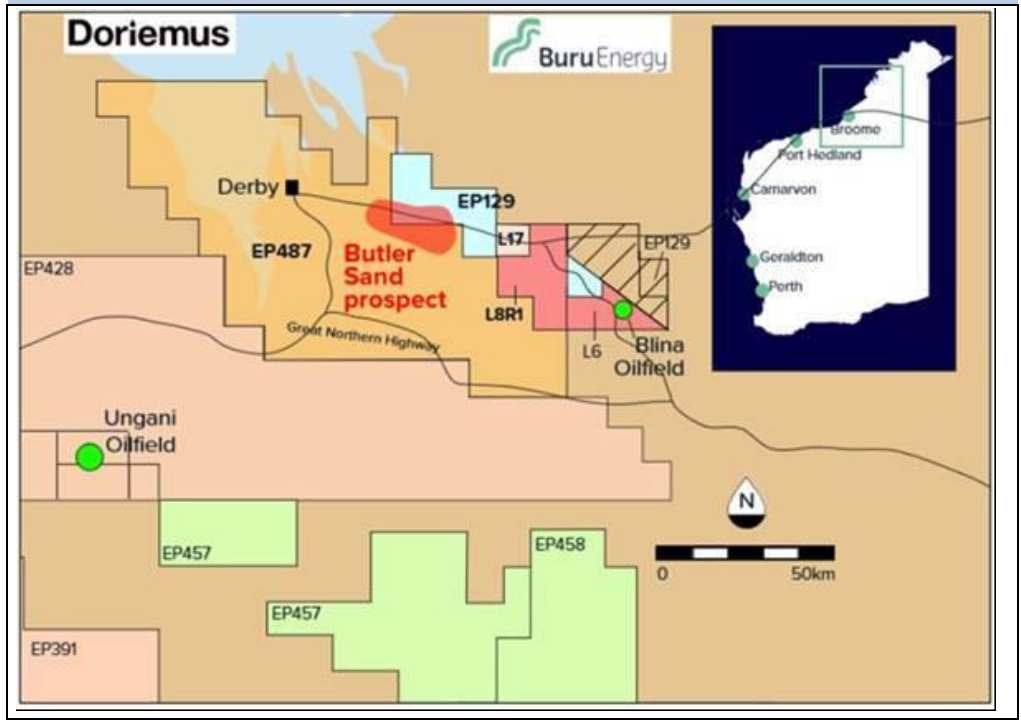
Butler Prospect

Doriemus Plc (DOR.asx) announced in August that it received a notice of termination of the relevant EP 487 Farmout Agreement from Rey Resources Limited (REY.asx). The termination ceases the right of DOR to earn an interest in EP 487. DOR had hoped to drill the Butler target later this year. As a result, BRU no longer include the Butler well in its activity timeline.

The Butler prospect 'straddles' permits EP 487 (REY 100%) and EP 129 (BRU 100%) in the northern Canning Basin. An independent assessment by ERCE has found that the Butler prospect has the potential to host a gross unrisked mean Prospective Resource of 3.14Tcf of recoverable gas, with an associated 42 million barrels of condensate. ERCE have further identified that the regionally pervasive Basin Centered Gas System ("BCGS") accumulation in the Laurel Formation is also likely to be present in the permits.

A gross unrisks Prospective recoverable gas resource of 5.2Tcf has been attributed to the Laurel Formation BCGS in EP 487, EP 129 and the adjacent L17 and L82. ERCE have assigned the Butler Sand prospect an overall chance of geological success of 16% and have assigned a geological chance of success of 77% to the Laurel BCGS.

Fig. 3: Butler Sand Prospect



Source: BRU and Doriemus

Fig. 4: Butler Prospective Recoverable Gas Resources

Permit	Butler Sand Gross Unrisks Prospective Gas Resources (Bscf)				Company Equity Interest	Butler Sand Net Unrisks Prospective Gas Resources (Bscf)				COS
	1U	2U	3U	Mean		1U	2U	3U	Mean	
EP487	385	1,055	2,410	1,264	Doriemus 50%	193	528	1,205	632	16%
EP129	581	1,567	3,564	1,875	Buru 100%	581	1,567	3,564	1,875	
Total	966	2,622	5,973	3,139						

Source: BRU and Doriemus

Summary

In summary, BRU’s exploration programme retains at least three firm exploration wells/tests (Miani, Yulleroo and Blina). We value BRU’s ‘risks’ conventional and unconventional at just over 24c per share (unchanged). This compares to our updated base value for Ungani and Corporate of 16c per share (down from 21c per share, due to higher near-term capital expenditure than we had forecast previously). The Ungani 6 and 7 wells if successful could boost the value of this field, we assume only a further circa 4mmbbl of oil (100%) is recovered from this field over its life. The unrisks value of BRU’s exploration portfolio is well in excess of \$1bn, so the market is heavily risking its potential.

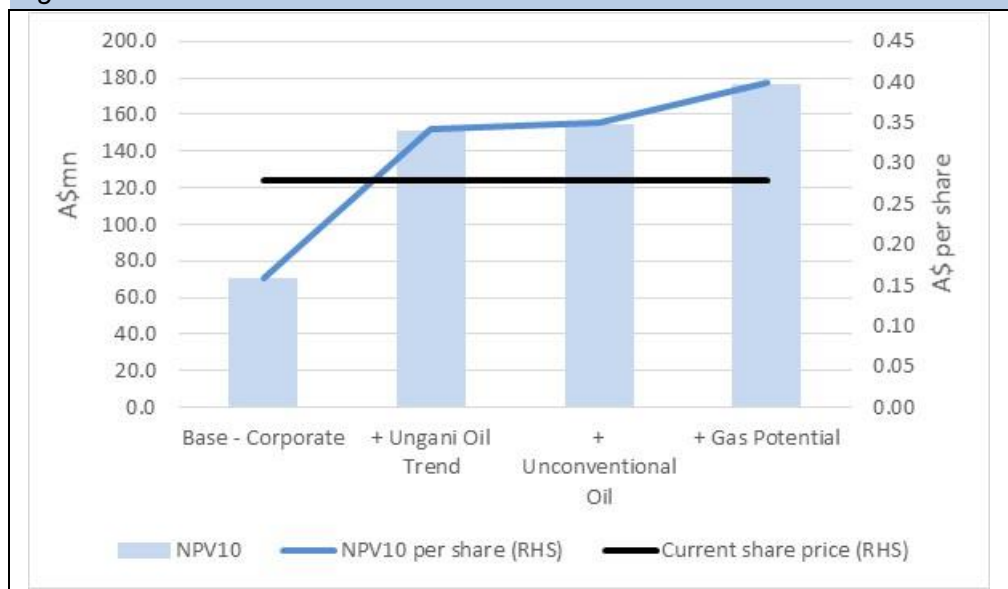
RECOMMENDATION, VALUATION & RISKS

INVESTMENT THESIS & RECOMMENDATION

Our 12-month forward valuation and target price for BRU is now A\$0.40 per share (down 5c due to higher near-term capital expenditure due to sole risk projects). Our valuation contains a risked value (24c per share) for future conventional exploration potential along with a minimal value for the Goldwyer unconventional oil potential and Laurel Formation gas potential based on a peer value for similar early stage resource plays.

The key catalyst over the next 12 months that we expect will drive the current price up towards our target is primarily the firm exploration program, aided hopefully by a sustained recovery in Ungani production towards 2.000bb/d. On the basis of the upside to our 12-month target price and pipeline of catalysts we continue to rate BRU a Speculative Buy.

Fig. 5: BRU Valuation – Base Case



Source: Hartleys Research

RISKS

BRU is an oil and gas exploration and production company exclusively focused on the Canning Basin. The key risks for BRU (like most junior oil & gas companies) is a combination of exploration success and performance of the production assets (if any). Other risks are earnings disappointments given the industry is volatile and earnings can disappoint due to cost overruns, project delays, cost inflation, environmental regulations, resource estimate errors. Although some disappointments can be short term and are only a timing issue, other disappointments can be materially value destructive and can sometimes overhang stocks for a long period of time (for example over-estimating long-term flow rates). Such disappointments can be very difficult to predict and share price reactions can be severe and immediate upon disclosure by the company.

High financial leverage (if it exists at that time) would add to the problem. Investing in explorers is very risky given the value of the company (exploration value) in essence

assumes that the market will recognise a portion of potential value before the results of an exploration program are known, conscious that the ultimate chance of success is low (typically 1%-20%) and that failure is much more likely, in most cases.

Fig. 6: Key assumptions and risks for valuation

Assumption	Risk of not realising assumption	Risk to valuation if assumption is incorrect	Comment
Ungani Production, Reserves and Exploration Upside.	Moderate to High	High	We assume that Ungani production averages 1,850bopd in CY20. This is reliant on a successful outcome for Ungani 6 and 7. We also assume total recovery of circa 5.0mmbbl, below the circa 2C of 6m reported in 2016. While we feel (post farm out, Ungani drilling and recent rise in oil prices) that our exploration value is conservative, the repeatability of the success at Ungani remains untested.
Capital Commitments	Moderate	High	Drilling and completion costs have historically been very high in the Canning Basin but reduced in recent years due to the downturn in the industry and availability of lower cost services and equipment. The current cost of Ungani wells are A\$4.5-6.0m to drill and complete (less than half what we estimate it would have cost at the peak of the last cycle). Going forward capital costs are likely to rise and fall with prevailing oil prices.
Oil Price and currency Forecasts	Moderate	High	The Ungani Oilfield and hence BRU is highly leveraged to the oil price. Our long run Brent oil price remains US\$75/bbl and AUD / USD of US\$0.71. A rising AUD would impact BRU negatively as they have a significant proportion of their cost base in AUD.
Western Australian drilling legislation	Moderate	Moderate	BRU is currently exclusively focused on the Canning Basin in Western Australia. Hence it is at risk from changes to Petroleum Legislation and Title issues in the Canning Basin itself. Fracture stimulation is currently heavily regulated in WA, until a Government led review is complete. This will directly impact BRU's ability to explore its Goldwyer Unconventional Oil and Laurel Formation Gas potential.

Conclusion

The Company continues to drill new development, appraisal and near field exploration targets with the target of increasing Ungani field production in the near term towards 2,000bopd, the longer-term goal of 3,000bopd looks increasingly unlikely. Compared to this our assumptions are conservative, but likely warranted given the results to date. We believe there is more upside when compared to downside risk to our Ungani field assumptions, however, performance to date has been below expectations. Looking forward the focus will shift to drilling some potential very high impact exploration targets, which the market does not seem to be valuing highly, offering potential material upside to the share price upon success.

Source: Hartleys Research

SIMPLE S.W.O.T. TABLE

Strengths	<p>Extensive acreage position in the prospective Canning Basin.</p> <p>Production from the already discovered Ungani Oil Field.</p> <p>Experienced Management Team.</p> <p>Single Basin focus.</p> <p>Basin is relatively underexplored, providing a number of early stage prospective plays.</p> <p>Strong Balance Sheet.</p>
Weaknesses	<p>Basin is relatively underexplored with a number of uncertainties.</p> <p>Remains a relatively small player.</p>
Opportunities	<p>Leverage to rising oil prices.</p> <p>3-6 conventional oil and gas prospects to be tested over the next 12-18 months.</p> <p>Unconventional oil potential looks promising in the Goldwyer Formation.</p> <p>Laurel Formation unconventional gas play still looks prospective, likely to get free kick from work undertaken by former JV partner.</p> <p>Given quality of gas source rocks in the Basin, we expect commercial scale conventional gas fields to exist.</p>
Threats	<p>Highly leveraged to international oil prices.</p> <p>Exposure to the USD / AUD exchange rate.</p> <p>Western Australian drilling legislation (e.g. fracture stimulation ban) and land access issues (e.g. Native Title issues).</p> <p>R&D Grant re-assessments are impacting other explorers.</p>

Source: Hartleys Research

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Hartleys Recommendation Categories

Buy	Share price appreciation anticipated.
Accumulate	Share price appreciation anticipated but the risk/reward is not as attractive as a "Buy". Alternatively, for the share price to rise it may be contingent on the outcome of an uncertain or distant event. Analyst will often indicate a price level at which it may become a "Buy".
Neutral	Take no action. Upside & downside risk/reward is evenly balanced.
Reduce / Take profits	It is anticipated to be unlikely that there will be gains over the investment time horizon but there is a possibility of some price weakness over that period.
Sell	Significant price depreciation anticipated.
No Rating	No recommendation.
Speculative	Share price could be volatile. While it is anticipated that, on a risk/reward basis, an investment is attractive, there is at least one identifiable risk that has a meaningful possibility of occurring, which, if it did occur, could lead to significant share price reduction. Consequently, the investment is considered high risk.
Buy	Share price could be volatile. While it is anticipated that, on a risk/reward basis, an investment is attractive, there is at least one identifiable risk that has a meaningful possibility of occurring, which, if it did occur, could lead to significant share price reduction. Consequently, the investment is considered high risk.

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