



Buru Energy Limited
ABN 71 130 651 437

Interim Financial Report
For the six months ended 30 June 2024

BURU ENERGY LIMITED
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BURU ENERGY LIMITED
DIRECTORS' REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2024

The Directors present their report together with the condensed consolidated interim financial statements of the Group comprising Buru Energy Limited (Buru, Buru Energy or the Company) and its subsidiaries for the six month period ended 30 June 2024 and the auditor's independent review report thereon.

Directors

The Directors of the Company in office at any time during or since the end of the period are as follows:

- Mr Eric Streitberg – Non-Executive Chair (retired 15 August 2024)
- Mr David Maxwell – Non- Executive Chair (appointed as director 29 July 2024, assumed Chair role 15 August 2024)
- Ms Joanne Williams – Non-Executive
- Mr Robert Willes – Non-Executive
- Mr Malcolm King – Non-Executive

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 internal Buru activity and through three subsidiaries, GeoVault (carbon capture and storage), 2H Resources (natural hydrogen and helium), and Battmin (battery minerals). Further information is included in the Review of Operations. There were no significant changes in the nature of the Group's principal activities during the period.

Review of Operations

Rafael Deep Gas and Condensate Discovery (EP 428 – Buru Energy 100% interest and Operator)

During the reporting period, the partner selection process for Buru's 100% owned Rafael conventional gas and condensate discovery was deferred to allow for specialist technical evaluations to be completed on the Rafael 3D seismic survey data, resulting in the delay of on-ground Rafael appraisal activities to the 2025 operating season.

The interpretation of the Rafael 3D seismic data has confirmed the high confidence that recoverable gas and condensate volumes at the 1C contingent resource level will support a standalone Rafael Phase 1 development.

The pre-Front End Engineering Design (pre-FEED) package for the Rafael Phase 1 development was delivered to Buru by GHD Pty Ltd on budget and schedule. The study has delivered an added level of design maturity, and associated cost and schedule information that underpins confidence in the commercialisation pathway for Rafael gas and condensate.

In addition to the work by GHD Pty Ltd, ongoing value enhancement work by Buru and third-party technology providers has identified the potential for an even smaller footprint and significantly lower capital cost development project to monetise the Rafael gas and condensate resource via highly modularised Liquefied Natural Gas (LNG) technology. This project is being designed to help meet the forecast energy needs of the Kimberley, significantly reducing the reliance on imported LNG and diesel fuel to support electricity generation, and the broader energy needs of the region. Buru will continue to refine the development concept to support a planned decision to enter FEED in 2025.

Rafael Shallow Prospect (EP 428 – Buru Energy 100% interest and Operator)

On 24 April 2024 Buru announced that following the interpretation of the Rafael 3D seismic survey data, it has identified a high potential, relatively shallow oil prospect in EP 428, partially overlying the Rafael 1 gas and condensate accumulation. Named Rafael Shallow, the structure is of considerable size (18 sq kms), has over 125 metres of vertical closure, a robust top seal, and is an ideal candidate for low cost drilling and accelerated commercialisation.

The target reservoirs in the closure are the Poole Sandstones and Grant Formation at less than 1,200 metres depth, sealed by the thick organic rich shales of the regionally extensive Noonkanbah Formation. The Poole and Grant reservoirs are clastic (sandstone) reservoirs similar to the previously discovered shallow oil pools on the Lennard Shelf in the vicinity of the legacy Blina Oilfield.

BURU ENERGY LIMITED
DIRECTORS' REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2024 (CONT'D)

Buru's internal assessment of the Rafael Shallow Prospective Resource volumes indicates a range of between 3.2 MMstb (low estimate) and 79 MMstb (high estimate) of recoverable liquids with a Best Estimate of 19 million barrels recoverable¹:

Prospective Resources	Low	Best	High
Recoverable Liquids (million barrels)	3.2	19	79

On 20 May 2024, Buru commenced a process to identify possible funding partners to participate in the drilling of this prospect and engaged with several third parties who showed an interest in partnering with Buru to drill the Rafael Shallow well.

¹Refer to ASX Release dated 24 April 2024 for full definitions and disclosures. Prospective Resources relate to 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. Buru is not aware of any new information or data that materially affects this assessment and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Ungani Oilfield - L20 & L21 (*Buru Energy 30%² interest and Operator*)

During the reporting period Buru executed a Deed of Settlement, Termination and Release with Roc Oil Company Pty Limited (ROC) for ROC's share of liability for costs associated with future decommissioning activities for Production Licences L 20 and L21. A settlement of \$3.4 million was received on 12 March 2024 by Buru in relation to this Deed.

Buru entered into a Farm-in Agreement (FIA) with Sabre Energy Pty Ltd (Sabre) on 17 June 2024, for a 70% interest in the Ungani Oilfield production and exploration assets in Petroleum Production Licences L 20 and L 21. The FIA involves a transaction whereby Sabre will contribute \$1.0 million towards the costs associated with the recommencement of production operations at the Ungani Oilfield. Under the FIA Sabre will further assume an agreed proportion of the future abandonment costs in relation to the Ungani Oilfield, thereby significantly reducing Buru's current abandonment liabilities. Sabre will also provide a \$5.0 million carry towards the costs of drilling the Mars well in the L 20 production licence.

The completion of the FIA is subject to certain contractual obligations being met by Sabre, for further details please refer to the ASX announcement made on 17 June 2024.

²Subject to regulatory approvals of transfer of the permits with the Department of Energy, Mines, Industry Regulation and Safety (DEMIRS) and satisfaction of FIA obligations.

Other Exploration Areas

EP 458 (Rey Resources 100% and Operator)

The EP 458 exploration permit lies in the Canning Basin in a remote area to the east of the main prospectivity trends. As a result of previous exploration activity in the area by Buru, the permit is considered to have low prospectivity, with Buru having identified no drillable targets to be able to fulfil the drilling commitment in the next permit year. Therefore, Buru issued a notice of withdrawal to Rey Resources (Rey) under the EP 458 Joint Operating Agreement with effect from 1 January 2024, with Buru assigning its 60% interest and Operatorship of the permit to Rey.

Yulleroo Gasfield (Within EP 391 & EP 436 - Buru Energy 100% interest and Operator)

The Yulleroo Gasfield accumulation contains a substantial 2C tight gas resource that has been independently certified. It forms part of the much larger prospective tight gas resource in the wider Canning Basin and also has potential for conventional gas resources. Further analysis of the potential for a well targeting conventional sands in the accumulation continues to be undertaken.

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DIRECTORS' REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2024 (CONT'D)

Lennard Shelf including Blina Oilfield (L6 & L8 - Buru 100% interest and Operator)

Decommissioning of the legacy Lennard Shelf assets continued during the reporting period. Any future production from Lennard Shelf fields including the Blina Oilfield and any new discoveries will require installation of new equipment meeting current regulatory and environmental standards.

Integrated Energy Projects

Natural hydrogen exploration and development – 2H Resources

2H Resources was established to apply the geological knowledge of its supporting shareholder Buru Energy in the exploration and appraisal of natural hydrogen (White or Gold Hydrogen) and helium accumulations. If found in commercially exploitable quantities, natural hydrogen 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.

South Australia Projects

- 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.
- 2H Resources has been confirmed as the preferred applicant for the granting of seven South Australian Petroleum Exploration Licences for hydrogen exploration that are geologically on trend with legacy hydrogen discoveries, and two Gas Storage Exploration Licences.
- An independent third-party Hydrogen Prospective Resource estimate from RISC Advisory for these Petroleum Exploration Licence applications has confirmed the very significant potential of these areas (Refer to ASX release of 23 January 2023) which reinforces 2H Resources' view of the value opportunity associated with this venture.
- The granting of the hydrogen exploration and gas storage licences to 2H Resources is subject to the completion of land access agreements in accordance with the requirements of the Commonwealth Native Title Act 1993 over any area where Native Title interests exist. Negotiations for these agreements continued during the reporting period and are ongoing.

Western Australia Projects

- 2H Resources has applied for six Special Prospecting Authorities with Acreage Option (SPA-AO's) under the Petroleum and Geothermal Energy Resources Act 1967 (PGERA) in Western Australia.
- These applications have been accepted by the Department of Energy, Mines, Industry Resources and Safety (DEMIRS) in accordance with the PGERA as being valid and are under assessment.
- These applications are the result of extensive geological research undertaken by the 2H Resources technical team and follow the removal of the reservation on SPA-AO's imposed by the Western Australian Government between 2021 and 2023.
- Upon the completion of the Assessment stage which includes Native Title negotiations and granting of the SPA-AO, 2H Resources will have six months to undertake a soil gas sampling program which will seek to identify areas of anomalously high gas flux which will then be high-graded for future exploration.
- During the reporting period, the 2H Resources team commenced trialling of specialist spot sampling equipment in preparation for its soil gas sampling program associated with the WA SPA-AO areas.

Carbon Capture and Storage (CCS) - GeoVault

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.

Since early 2021 Buru has been progressing CCS technical and commercial activities through its GeoVault subsidiary, with a focus on onshore geological greenhouse gas (GHG) storage.

GeoVault aims to be a pre-eminent operator in the identification, development and operation of GHG storage projects in Australia. Leveraging Buru's considerable geological intellectual property, GeoVault is in the process of building a GeoVault-operated inventory of geologically suitable storage formations matched to projects requiring storage.

BURU ENERGY LIMITED
DIRECTORS' REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2024 (CONT'D)

During the reporting period GeoVault has completed an initial assessment of the geological greenhouse gas (GHG) storage potential for areas in and around Buru's petroleum licences and permits that has been independently validated by RISC Advisory. This assessment is in support of the commercialisation pathway for Buru's 100% owned, low reservoir CO₂ Rafael conventional gas and condensate discovery in the onshore Canning Basin of Western Australia.

In addition to providing direct benefits to Buru and its Rafael development, this storage capacity will be made available to companies seeking to reduce their GHG emissions as part of the transition to a lower carbon future.

Battery Minerals Exploration - Battmin

Battmin's activities remain focused on its Barbwire Terrace project in the central Canning Basin in joint venture with Sipa Resources Limited ("Sipa"), where the JV is targeting zinc/lead mineralisation in carbonate sections along a Devonian Reef Trend.

During the reporting period, the Joint Venture continued to refine the objectives and forward work plans for the Barbwire Terrace project, which include plans for an on-ground gravity survey to support potential drilling in late 2025.

Corporate

An Unmarketable Parcel Share Sale Facility (Facility) was launched from 8 May until 20 June 2024. 1,947 shareholders participated in the facility, leading to a 34% reduction in the number of Buru shareholders to approximately 4,000.

Buru held its Annual General Meeting (AGM) on 30 May 2024, all resolutions put to shareholders were decided by poll and approved. At the AGM, Mr. Eric Streitberg announced his intention to retire as non-executive Chair and Director of Buru Energy after a period of 16 years at the helm of the Company.

After Balance Date Events

Appointment of Non-Executive Director

On 29 July 2024, Buru announced that that Mr David Maxwell had been appointed as a Non-executive Director of the Company effective immediately. The Board also agreed for Mr Maxwell to be offered the role of Non-executive Chair upon the retirement of the current Chair, Mr Eric Streitberg on 15 August 2024.

Farm-in Agreement for the drilling of the Rafael Shallow oil target

On 5 August 2024, Buru announced that it had entered into a Farm-in Agreement (FIA) with Sabre Energy Pty Ltd (Sabre) for the drilling of the high impact Rafael Shallow oil target in EP 428 in Western Australia's onshore Canning Basin (the Transaction).

Key details of the Transaction are as follows:

- Sabre will carry Buru for A\$6 million of the costs associated with the drilling and testing of the Rafael Shallow exploration well to earn a 50% interest in a commercial discovery and subsequent Production Licence, with Buru retaining 50% interest and Operatorship. The A\$6 million cost contribution represents a full carry of the well by Sabre, based on Buru's current estimate of drilling costs.
- Subject to a commercial discovery being declared, Sabre will pay Buru a further A\$1.5 million in recognition of prior exploration expenditures incurred in relation to the Rafael Shallow prospect.

The completion of the Transaction is subject to certain contractual obligations being met by Sabre, for further details please refer to the ASX announcement made on 5 August 2024.

Chair retirement and appointment of successor

On 15 August 2024, Buru announced that Mr Eric Streitberg had retired from his position as Chair of Buru and resigned his position as a Director of the Company. Subsequent to the resignation of Mr Streitberg the Board of the Company agreed to elect Mr David Maxwell as Chair, effective immediately.

No other significant events have occurred subsequent to balance date, other than those described above.

**BURU ENERGY LIMITED
DIRECTORS' REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2024 (CONT'D)**

Dividends

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

Auditor's Independence Declaration

The lead auditor's independence declaration for the period is set out on page 8 and forms part of this Directors' Report.

Rounding Off

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 1 April 2016 and in accordance with that Corporations Instrument, amounts in the condensed consolidated interim financial report 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 David Maxwell
Non-Executive Chair
Perth
5 September 2024



Mr Robert Willes
Non-Executive Director
Perth
5 September 2024



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 review of Buru Energy Limited for the half-year ended 30 June 2024 there have been:

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

A handwritten signature of 'KPMG' in blue ink, written in a bold, blocky style.

KPMG

A handwritten signature in blue ink, appearing to read 'G L + 177'.

Graham Hogg
Partner
Perth
5 September 2024

BURU ENERGY LIMITED
CONDENSED CONSOLIDATED STATEMENT
OF FINANCIAL POSITION AS AT 30 JUNE 2024

<i>in thousands of AUD</i>	Note	30 Jun 2024	31 Dec 2023
Current Assets			
Cash and cash equivalents		10,891	18,197
Trade and other receivables		803	395
Inventories		434	434
Total Current Assets		<u>12,128</u>	<u>19,026</u>
Non-Current Assets			
Exploration and evaluation expenditure	4	20,246	14,846
Property, plant and equipment		2,419	2,704
Other receivables		-	3,367
Total Non-Current Assets		<u>22,665</u>	<u>20,917</u>
Total Assets		<u>34,793</u>	<u>39,943</u>
Current Liabilities			
Trade and other payables		1,642	2,670
Lease liabilities		407	450
Provisions	5	1,765	1,058
Total Current Liabilities		<u>3,814</u>	<u>4,178</u>
Non-Current Liabilities			
Lease liabilities		758	944
Provisions	5	11,731	11,627
Total Non-Current Liabilities		<u>12,489</u>	<u>12,571</u>
Total Liabilities		<u>16,303</u>	<u>16,749</u>
Net Assets		<u>18,490</u>	<u>23,194</u>
Equity			
Contributed equity	7	304,437	304,458
Reserves		69	69
Accumulated losses		(286,016)	(281,333)
Total Equity		<u>18,490</u>	<u>23,194</u>

The notes on pages 13 to 19 are an integral part of these condensed consolidated financial statements.

BURU ENERGY LIMITED
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME OR LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2024

<i>in thousands of AUD</i>	Note	30 Jun 2024	30 Jun 2023
Care and maintenance costs		(312)	-
Gross profit / (loss)		<u>(312)</u>	<u>-</u>
Exploration and evaluation expenditure		(2,063)	(2,579)
Corporate and administrative expenditure	6	(1,757)	(1,338)
Impairment of oil and gas expenditure		-	(77)
Changes in restoration provision		(915)	(2,077)
Equity based payment expenses		-	(69)
Results from operating activities		<u>(5,047)</u>	<u>(6,140)</u>
Net finance income / (expense)		<u>364</u>	<u>143</u>
Loss for the period before income tax		<u>(4,683)</u>	<u>(5,997)</u>
Income tax expense		-	-
Total comprehensive loss for the period		<u>(4,683)</u>	<u>(5,997)</u>
Loss per share (cents) and diluted loss per share (cents)		(0.70)	(1.01)

The notes on pages 13 to 19 are an integral part of these condensed consolidated financial statements.

BURU ENERGY LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2024

in thousands of AUD

	Share capital	Share based payment reserve	Accumulated losses	Total equity
	\$	\$	\$	\$
Balance as at 1 January 2023	295,971	550	(276,765)	19,756
Comprehensive loss for the period				
Loss for the period	-	-	(5,997)	(5,997)
Total comprehensive loss for the period	-	-	(5,997)	(5,997)
Transactions with owners recorded directly in equity				
Issue of ordinary shares, net of transaction costs	-	-	-	-
Equity based payment transactions	-	69	-	69
Employee share options forfeited	-	-	-	-
Total transactions with owners recorded directly in equity	-	69	-	69
Balance as at 30 June 2023	295,971	619	(282,762)	13,828
	Share capital	Share based payment reserve	Accumulated losses	Total equity
	\$	\$	\$	\$
Balance as at 1 January 2024	304,458	69	(281,333)	23,194
Comprehensive loss for the period				
Loss for the period	-	-	(4,683)	(4,683)
Total comprehensive loss for the period	-	-	(4,683)	(4,683)
Transactions with owners recorded directly in equity				
Issue of ordinary shares, net of transaction costs	(21)	-	-	(21)
Equity based payment transactions	-	-	-	-
Employee share options forfeited	-	-	-	-
Total transactions with owners recorded directly in equity	(21)	-	-	(21)
Balance as at 30 June 2024	304,437	69	(286,016)	18,490

The notes on pages 13 to 19 are an integral part of these condensed consolidated financial statements.

BURU ENERGY LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CASH
FLows FOR THE SIX MONTHS ENDED 30 JUNE 2024

<i>In thousands of AUD</i>	Note	30 Jun 2024	30 Jun 2023
Cash flows from operating activities			
Payments for production		(924)	(2,112)
Exploration and evaluation expenditure		(3,185)	(3,010)
Other payments to suppliers and employees		(1,643)	(1,448)
Research and development tax concession received		247	-
Net cash outflow from operating activities		<u>(5,505)</u>	<u>(6,570)</u>
Cash flows from investing activities			
Interest received		297	405
Interest paid		(19)	(113)
Movements in term deposits		-	(363)
Payments for exploration and evaluation asset		(5,321)	(6)
Payments for oil and gas development		-	(101)
Joint venture partner exit consideration		3,367	-
Net cash outflow from investing activities		<u>(1,676)</u>	<u>(178)</u>
Cash flows from financing activities			
Cost of the issue of share capital		(21)	-
Payments for lease liabilities		(207)	(236)
Net cash inflow from financing activities		<u>(228)</u>	<u>(236)</u>
Net increase/(decrease) in cash and cash equivalents		(7,409)	(6,984)
Cash and cash equivalents at beginning of the period		18,197	17,922
Effect of exchange rate changes on cash and cash equivalents		103	(3)
Cash and cash equivalents at the end of the period		<u>10,891</u>	<u>10,935</u>

The notes on pages 13 to 19 are an integral part of these condensed consolidated financial statements.

BURU ENERGY LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

1 Reporting Entity

Buru Energy Limited (Buru, 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 condensed consolidated interim financial statements of the Company as at, and for the six months ended, 30 June 2024 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 gas and oil exploration and production and development of new energy resources in Australia.

2 Basis of Accounting

These interim financial statements are general purpose financial statements which have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2023 (last annual financial statements). They do not include all of the information required for full annual financial statements. The last annual financial statements are available at www.buruenergy.com. All accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied in the last annual financial statements.

These condensed consolidated interim financial statements were approved by the Board of Directors on 5 September 2024.

The preparation of financial statements in conformity with International Financial Reporting Standards 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. In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied in the last annual financial statements.

Two new standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted, however, the Group has not early adopted any new standards in preparing these condensed consolidated interim financial statements.

Going concern

The Group's financial statements are prepared on the going concern basis which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities and commitments in the normal course of business.

During the period ended 30 June 2024 the Group recognised a loss of \$4,683,000 (30 June 2023: \$5,997,000), had net cash outflows from operating and investing activities of \$7,181,000 (30 June 2023: \$6,748,000). The Group held cash and cash equivalents of \$10,891,000 at 30 June 2024 (31 December 2023: \$18,197,000).

The Directors review of cash flow forecasts, confirm that the going concern basis of accounting remains appropriate but acknowledges that additional fund-raising activities, asset sales or oil sales from recommencement of production at the Ungani Oilfield are required to enable the Group to fund its operations and meet its minimum expenditure, maintain tenements and meet ongoing costs for the twelve month period from the date of this financial report.

In the event the Group is unable to achieve some of the matters above, this would create a material uncertainty with respect to the ability of the Group to continue as a going concern and accordingly to realise its assets and extinguish its liabilities in the ordinary course of the operations.

BURU ENERGY LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024 (CONT'D)

3 Segment information

The reportable operating segments at the end of the reporting period 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 and condensate 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; 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 and helium), GeoVault (carbon capture and storage) and Battmin (battery minerals).

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 segment revenues, profit or loss and assets to the consolidated figures.

BURU ENERGY LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024 (CONT'D)

Profit or loss <i>in thousands of AUD</i>	Oil Production		Exploration		Energy Transition		Unallocated		Total	
	Jun 24	Jun 23	Jun 24	Jun 23	Jun 24	Jun 23	Jun 24	Jun 23	Jun 24	Jun 23
Care and maintenance costs	(312)	-	-	-	-	-	-	-	(312)	-
Gross Profit / (Loss)	(312)	-	-	-	-	-	-	-	(312)	-
Exploration and evaluation expenditure	-	-	(1,146)	(2,554)	(917)	(25)	-	-	(2,063)	(2,579)
Corporate and administrative expenditure	-	-	-	-	-	-	(1,492)	(1,018)	(1,492)	(1,018)
Impairment of oil and gas expenditure	-	(77)	-	-	-	-	-	-	-	(77)
Changes in restoration provision	(817)	(1,848)	(98)	(229)	-	-	-	-	(915)	(2,077)
Depreciation expense	-	-	-	-	-	-	(265)	(320)	(265)	(320)
Equity based payment expenses	-	-	-	-	-	-	-	(69)	-	(69)
EBIT	(1,129)	(1,925)	(1,244)	(2,783)	(917)	(25)	(1,757)	(1,407)	(5,047)	(6,140)
Net financial income / expense	-	-	-	-	-	-	364	143	364	143
Reportable segment profit / (loss) before tax	(1,129)	(1,925)	(1,244)	(2,783)	(917)	(25)	(1,393)	(1,264)	(4,683)	(5,997)

BURU ENERGY LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024 (CONT'D)

Total Assets <i>in thousands of AUD</i>	Oil Production		Exploration		Energy Transition		Unallocated		Total	
	Jun 24	Dec 23	Jun 24	Dec 23	Jun 24	Dec 23	Jun 24	Dec 23	Jun 24	Dec 23
Assets										
Current assets	-	-	434	434	-	-	11,694	18,592	12,128	19,026
Oil and gas assets	-	-	-	-	-	-	-	-	-	-
Exploration and evaluation assets	-	-	20,246	14,846	-	-	-	-	20,246	14,846
Property, plant and equipment	-	-	-	-	-	-	2,419	2,704	2,419	2,704
Other receivables	-	3,367	-	-	-	-	-	-	-	3,367
Total Assets	-	3,367	20,680	15,280	-	-	14,113	21,296	34,793	39,943
Capital Expenditure	-	-	5,400	4,649	-	-	-	-	5,400	4,649
Liabilities										
Current liabilities	981	1,068	1,734	1,757	-	-	1,099	1,353	3,814	4,178
Lease liabilities (Non-current)	-	-	-	283	-	-	758	661	758	944
Provisions (Non-current)	7,584	7,289	4,047	4,160	-	-	100	178	11,731	11,627
Total Liabilities	8,565	8,357	5,781	6,200	-	-	1,957	2,192	16,303	16,749

BURU ENERGY LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024 (CONT'D)

4 Exploration and Evaluation Expenditure

in thousands of AUD

	30 Jun 2024	31 Dec 2023
	\$	\$
Carrying amount at beginning of the period	14,846	10,197
Exploration assets additions	5,400	4,649
Carrying amount at the end of the period	20,246	14,846

Buru is undertaking a structured pre-commercialisation program for the Rafael 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 activities at Rafael 1 have not yet reached a stage which permits a reasonable assessment of the existence of economically recoverable reserves, significant further exploration operations are planned at Rafael 1 over the coming years.

5 Provisions

in thousands of AUD

	30 Jun 2024	31 Dec 2023
	\$	\$
Current		
Provision for annual leave	383	399
Provision for long-service leave	185	195
Provision for site restoration	1,197	464
	1,765	1,058
Non-Current		
Provision for long-service leave	100	178
Provision for site restoration	11,631	11,449
	11,731	11,627

6 Corporate and Administrative Expenditure

in thousands of AUD

	30 Jun 2024	30 Jun 2023
	\$	\$
Corporate and other administration expenses	1,757	1,338

Total personnel expenses for the six months to 30 June 2024 amounted to \$2,561,000 (six months to 30 June 2023: \$3,643,000) prior to amounts received under Joint Venture reimbursements. Net personnel expenses are included in Care and maintenance costs, Exploration and Evaluation Expenditure and Corporate and Administrative Expenditure.

BURU ENERGY LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024 (CONT'D)

7 Capital and Reserves

Share capital

	30 Jun 2024	30 Jun 2024	31 Dec 2023	31 Dec 2023
	No.	\$'000	No.	\$'000
Ordinary Shares				
Fully paid shares on issue at the beginning of the period	671,345,082	304,458	596,043,085	295,971
Issued under Share Placement – 20 November 2023	-	-	43,308,700	4,981
Issued under Share Purchase Plan – 13 December 2023	-	-	31,993,297	3,679
Less: Transaction costs arising from 2023 share placements	-	(21)	-	(173)
On issue at the end of the period – fully paid	<u>671,345,082</u>	<u>304,437</u>	<u>671,345,082</u>	<u>304,458</u>

The Company did not issue any shares in the six months ended 30 June 2024.

8 Capital and Other Commitments

in thousands of AUD

	30 Jun 2024	31 Dec 2023
	\$	\$
Exploration expenditure commitments		
<i>Contracted but not yet provided for and payable:</i>		
Within one year	125	-
One year later and no later than five years	3,500	3,000
	<u>3,625</u>	<u>3,000</u>

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 Energy, Mines, Industry Regulation & Safety (DEMIRS), and these obligations may be varied from time to time, subject to approval by DEMIRS.

9 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 - 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.

BURU ENERGY LIMITED
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024 (CONT'D)

The consolidated entity has an interest in the following joint operations as at 30 June 2024 whose principal activities were oil and gas exploration, development and production.

Permit/Joint Operation	June 2024 Beneficial Interest	December 2023 Beneficial Interest	Operator
L20	30.00% ¹	100.00%	Buru Energy Ltd
L21	30.00% ¹	100.00%	Buru Energy Ltd
EP 457	60.00%	60.00%	Buru Fitzroy Pty Ltd
EP 458	-	60.00%	Buru Fitzroy Pty Ltd
E04/2674	50.00%	50.00%	Sipa Resources Ltd
E04/2684	50.00%	50.00%	Sipa Resources Ltd

¹Subject to regulatory approvals of transfer of the permits with the Department of Energy, Mines, Industry Regulation and Safety (DEMIRS) and satisfaction of Farm In Agreement obligations

10 Subsequent Events

Appointment of Non-Executive Director

On 29 July 2024, Buru announced that Mr David Maxwell had been appointed as a Non-executive Director of the Company effective immediately. The Board also agreed for Mr Maxwell to be offered the role of Non-executive Chair upon the retirement of the current Chair, Mr Eric Streitberg on 15 August 2024.

Farm-in Agreement for the drilling of the Rafael Shallow oil target

On 5 August 2024, Buru announced that it had entered into a Farm-in Agreement (FIA) with Sabre Energy Pty Ltd (Sabre) for the drilling of the high impact Rafael Shallow oil target in EP 428 in Western Australia's onshore Canning Basin (the Transaction).

Key details of the Transaction are as follows:

- Sabre will carry Buru for A\$6 million of the costs associated with the drilling and testing of the Rafael Shallow exploration well to earn a 50% interest in a commercial discovery and subsequent Production Licence, with Buru retaining 50% interest and Operatorship.
- Subject to a commercial discovery being declared, Sabre will pay Buru a further A\$1.5 million in recognition of prior exploration expenditures incurred in relation to the Rafael Shallow prospect.

The completion of the Transaction is subject to certain contractual obligations being met by Sabre, for further details please refer to the ASX announcement made on 5 August 2024.

Chair retirement and appointment of successor

On 15 August 2024, Buru announced that Mr Eric Streitberg had retired from his position as Chair of Buru and resigned his position as a Director of the Company. Subsequent to the resignation of Mr Streitberg the Board of the Company agreed to elect Mr David Maxwell as Chair, effective immediately.

No other significant events have occurred subsequent to balance date, other than described above.

11 Changes in material accounting policies

The Group has adopted all accounting standards and interpretations that had a mandatory application for this reporting period.

BURU ENERGY LIMITED
DIRECTORS' DECLARATION

In the opinion of the Directors of Buru Energy Limited (the Company):

- (a) the financial statements and notes set out on pages 9 to 19, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the six month period ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001;

- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Mr David Maxwell
Non-Executive Chair
Perth
5 September 2024



Mr Robert Willes
Non-Executive Director
Perth
5 September 2024



Independent Auditor's Review Report

To the shareholders of Buru Energy Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Buru Energy Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Buru Energy Limited does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the **Group's** financial position as at 30 June 2024 and of its performance for the Half-year ended on that date; and
- Complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Consolidated statement of financial position as at 30 June 2024;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date;
- Notes 1 to 11 comprising material accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises Buru Energy Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Material Uncertainty related to Going Concern

We draw attention to Note 2, "Going Concern" in the Interim Financial Report. The events or conditions disclosed in Note 2, indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the Interim Financial Report. Our conclusion is not modified in respect of this matter.



Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- The preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- Such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 30 June 2024 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Graham Hogg

Partner

Perth

5 September 2024

**BURU ENERGY LIMITED
CORPORATE DIRECTORY**

Directors

Mr Eric Streitberg	Non-Executive Chair (retired 15 August 2024)
Mr David Maxwell	Non-Executive Chair (appointed as Director 29 July 2024, assumed Chair role 15 August 2024)
Ms Joanne Williams	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