



Buru Energy Limited
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ASX ANNOUNCEMENT (ASX: BRU) 1 September 2008

Corporate Presentation

Please find attached a presentation by the Company's Chairman, Eric Streitberg which provides details of the Company's structure and activities.

Further information on the company is available on the Buru website at:
www.buruenergy.com

For inquiries please contact:

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Yours faithfully,

A handwritten signature in black ink, appearing to be "Adrian Cook", written in a cursive style.

ADRIAN COOK
Managing Director



Corporate Presentation

1 September 2008

Eric Streitberg

Chairman



A unique exploration company with very high leverage to success:

- ✓ Huge exploration portfolio
- ✓ Well funded
- ✓ Strong management
- ✓ Aggressive drilling program
- ✓ Highly leveraged to exploration success
- ✓ Carefully planned commercialisation strategy

- ▶ Buru has been formed by the demerger of ARC's Canning Basin assets as part of the ARC/AWE merger
- ▶ Buru's initial shareholders are the existing ARC shareholders
- ▶ Buru listed on ASX on 1 September 2008
- ▶ As part of the demerger, each ARC shareholder received 0.425 Buru shares per ARC share
- ▶ Buru shareholders as at 30 September 2008 are entitled to a one for three option issue
- ▶ Buru is well funded with \$84.4 million cash (\$20 million escrowed under the Alcoa contract)
- ▶ AWE will retain a 15% stake in Buru providing cornerstone support
- ▶ Buru will be well funded allowing it to pursue an aggressive exploration program



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- ▶ Buru has a unique, high potential exploration portfolio in the Canning Basin in Western Australia's Kimberley region
- ▶ The acreage position is some 135,000 sq kms (+33 million acres), twice the size of Tasmania
- ▶ The Assets comprise:
 - 15 exploration permits
 - 6 applications
 - several producing fields
 - a workover rig
 - drilling supplies inventory
 - Alcoa gas sales contract
 - shares in New Standard Energy



- ▶ Buru will benefit from strong management and direction with senior management from ARC assuming key roles and ARC's MD, Eric Streitberg, as Chairman



Chairman
Eric Streitberg

- ▶ Previous ARC Managing Director
- ▶ Over 35 years experience in petroleum geology and geophysics, petroleum exploration and production company management
- ▶ Will hold ~2.2% of Buru
- ▶ Will act as AWE's representative on the Buru Board
- ▶ Track record of generating value from start-up E&P companies



Managing Director
Adrian Cook

- ▶ Previous ARC CFO
- ▶ 20 years experience in finance and management, primarily in the resources industries, including over 8 years involvement in petroleum exploration, field development and production company management, the past two years with ARC
- ▶ Experienced corporate manager with a strong understanding of the obligations and operations of the Board of Directors, investors and ASX relations, funding and corporate governance management



Exploration Manager
Neil Thompson

- ▶ Previous Manager of ARC's Canning Basin exploration program
- ▶ Geologist with 20 years of industry experience in all areas of the upstream value chain, from play evaluation, lead generation prospect maturation and economics to discovery, appraisal drilling and reservoir modelling
- ▶ Proficient in 2D & 3D seismic interpretation and a recognised industry leader in volumetrics and risk assessment
- ▶ Significant experience in assessing the fundamentals of petroleum economics

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Corporate Structure

- ▶ Shares on issue 162,119,728
- ▶ Options - listed 94 cent 2 year Options 54,039,909
(1 for 3 to be issued by 30 Sept)
- ▶ Independent Valuation per share \$0.45 to \$0.65
- ▶ Potential Market Capitalisation from IE \$72 to \$105 million
- ▶ Black Scholes value of options (management estimate) 2 to 8 cents per option

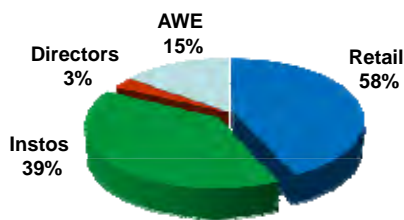
Financial Position

- ▶ Cash at Bank \$84.4 million
 - Alcoa escrow amount \$20 million
 - Free cash \$64.4 million (\$0.40 per share)
- ▶ Potential Annual Exploration spend ~\$15 Million

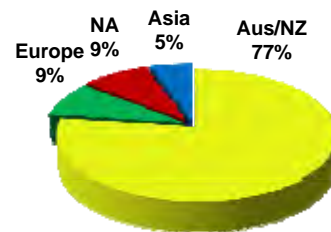
Shareholding Structure

- ▶ Total 11,000 shareholders (AWE 15% cornerstone shareholding)

Pre-listing Shareholder categories



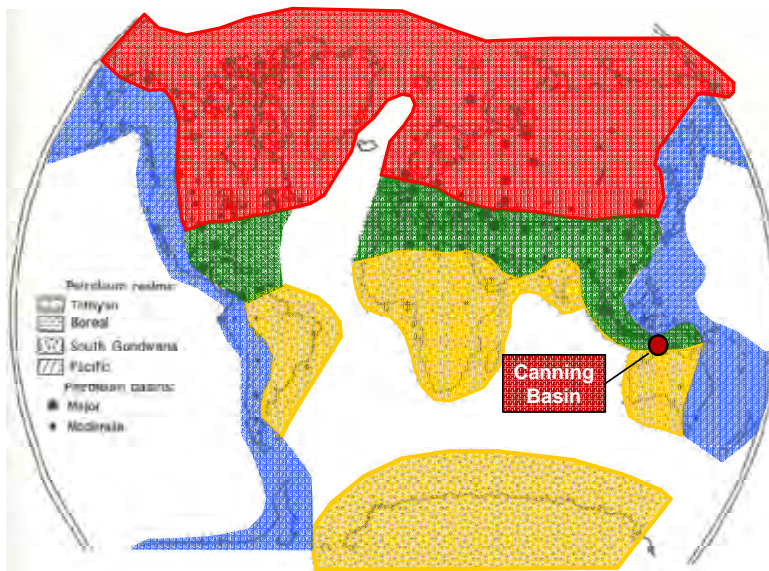
Pre-listing shareholder domicile



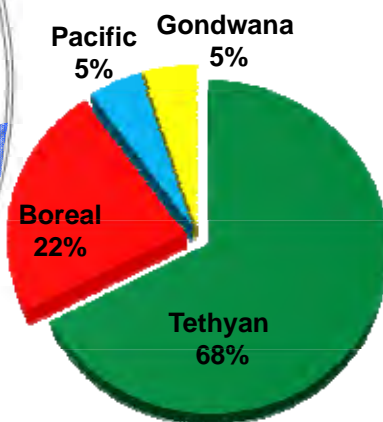
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Buru Energy – Why are we in the Canning Basin?

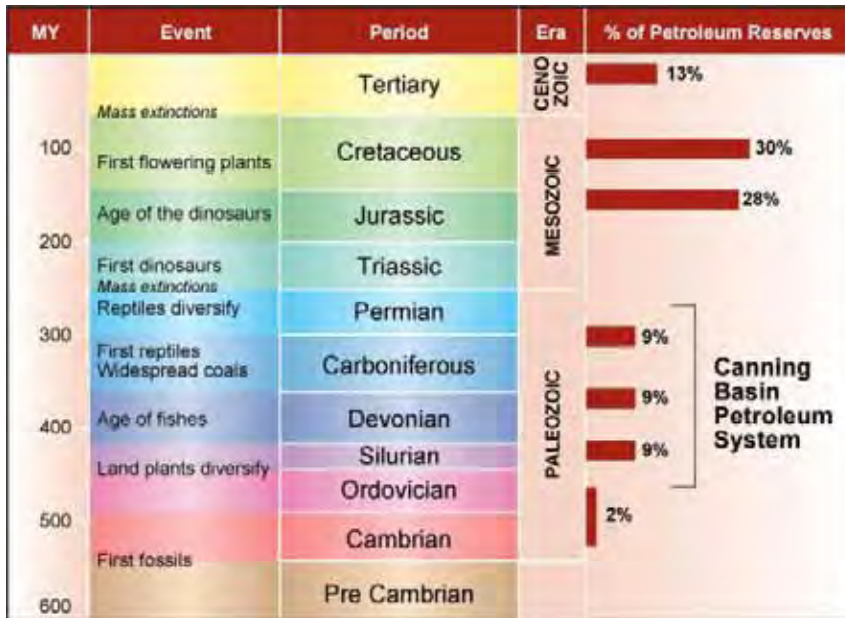
- ▶ The Canning Basin lies on the edge of the extremely prolific Tethyan belt that hosts the majority of the worlds oil reserves
- ▶ It is one of the few underexplored basins in the world in a stable developed country



Petroleum reserves by region



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- ▶ Most of the worlds oil and gas reserves are associated with major anoxic events during deep geological time (stagnant seas that preserve organic matter)
- ▶ Paleozoic rocks have about 27% of world oil reserves or 700 to 1,000 billion barrels. They are major source rocks for the central and northern provinces of Saudi Arabia and contain several worldwide anoxic events
- ▶ The greater Canning Basin is one of the few Paleozoic basins without major discovered oil and gas reserves

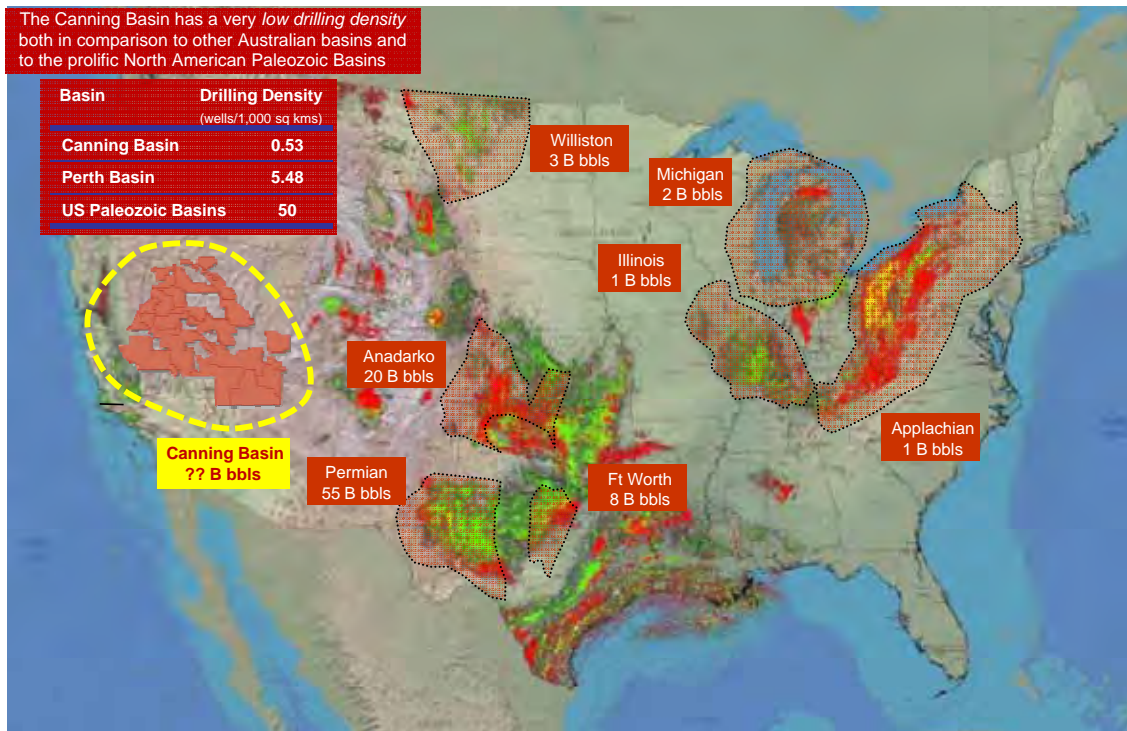
"it is therefore clearly in the national interest to find out just what is in those vast unexplored basins that geologists believe hold similarities to oil and gas bearing basins elsewhere in the world - In a nation as under-explored as Australia, the results of a single well may change perceptions of prospectivity significantly"

Dr Trevor Powell / APPEA

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The Canning Basin has a very low drilling density both in comparison to other Australian basins and to the prolific North American Paleozoic Basins

Basin	Drilling Density (wells/1,000 sq kms)
Canning Basin	0.53
Perth Basin	5.48
US Paleozoic Basins	50

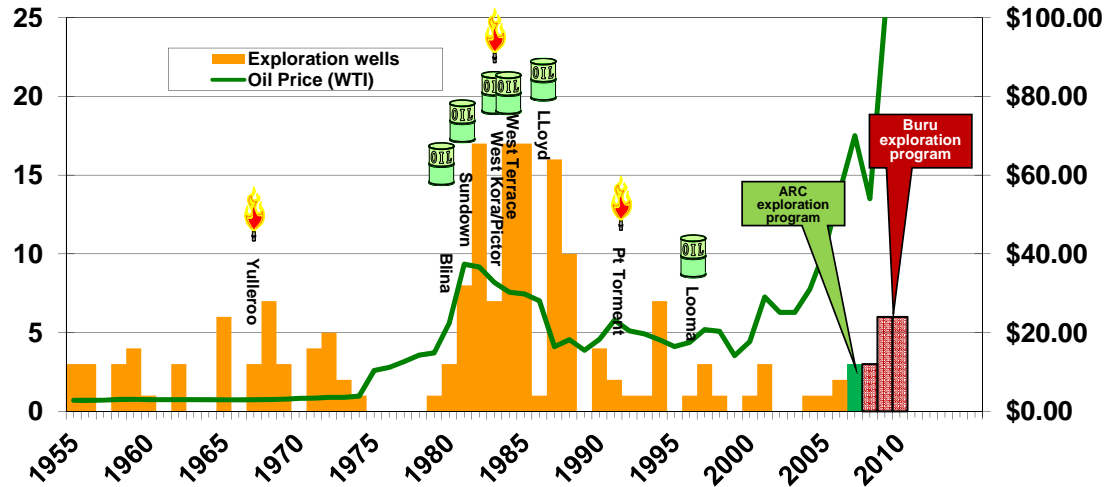


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Canning Basin – Why hasn't it been properly explored?



- ▶ The Basin has effectively been “embargoed” for 20 years
- ▶ Oil price crashed in the early 80's followed by the stock market crash in 1987
- ▶ So - funding for exploration in the basin dried up with low oil prices, poor equity markets and difficult native title negotiations (the perfect storm)
- ▶ Just prior to the stockmarket crash in 1987 there was the first commercial oil discovery at Blina (currently owned by Buru), followed with a number of smaller oil discoveries
- ▶ Gas has been widely encountered in the Basin but never systematically tested or followed up
- ▶ The current oil price and Buru's Alcoa gas contract allows commercialisation of even small oil and gas volumes
- ▶ Modern data and analysis allows for the first time a systematic, targeted exploration effort
- ▶ Native title now been resolved and systematic processes are in place



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Buru Energy – The Canning potential – why now?



Why is now the time for success in the Basin?

Factor	Then *	Now ✓	Comment
Oil Price	\$20/bbl	+\$110/bbl	Field Opex and trucking to Perth total \$30/bbl
Gas	No market/low price	Alcoa sales contract to commercialise gas	Gas has been found in many areas of the Basin but not tested or followed up
Technical capability	Fragmented data sets, no digital capability	Full digital data set for the Basin, much better regional understanding	Better data sets but costs and people are more challenging
Systematic exploration	Ad-hoc exploration on “key-hole” permits	Basin wide approach	Buru has a unique position with basin-wide exposure to allow systematic regional exploration
Land access	Difficult and protracted Native Title agreements	Native title agreements generally complete, negotiation processes well defined	Native Title agreements are well defined, heritage agreements and environmental approvals can still be difficult

Why is it now Buru's time?

Explorers	Funding	Focus	Acreage Holdings	Technical capability	Gas development
Buru	✓	✓	✓	✓	✓
Small listed	✗	✓	✗	✗	✗
Small Unlisted	✗	✓	✓	✗	✗
Large Listed	✓	✗	✗	✓	✗
Multinational	✓	✗	✓	✓	✗

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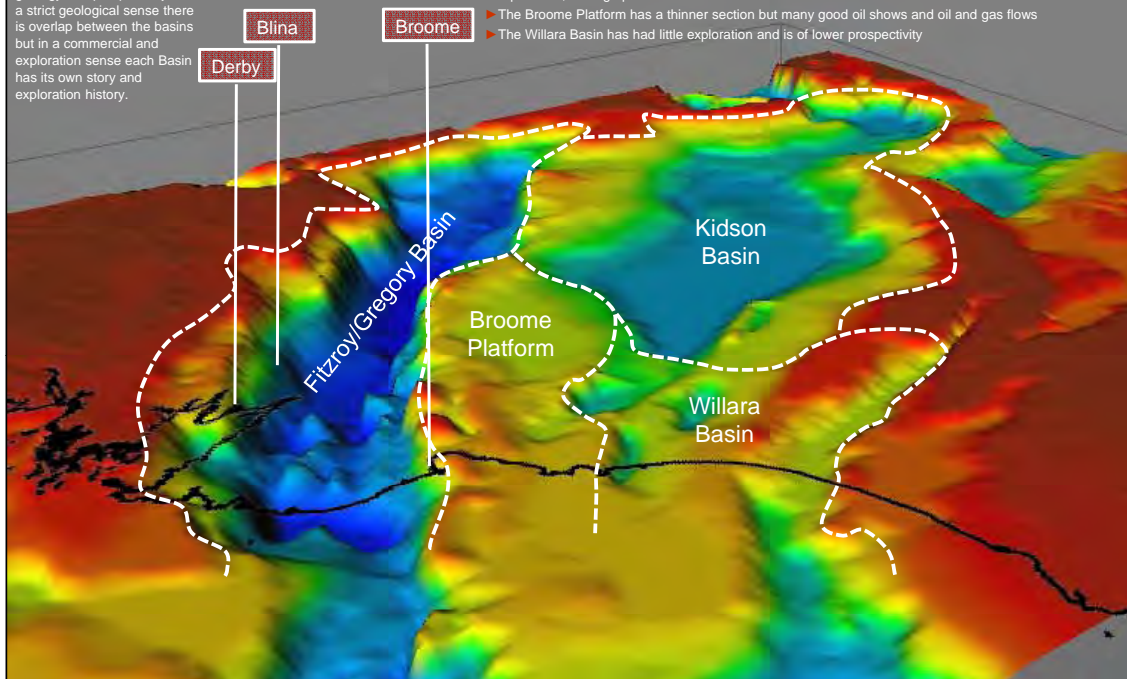
- ▶ The **Canning acreage position** has been acquired through a combination of purchases, farm-ins and new applications providing operational synergies and commercial flexibility to deal with the acreage portfolio
- ▶ Buru has **operatorship across its portfolio** enabling it to direct exploration programs on a co-ordinated basin-wide basis without undue influence from JV partners with a narrower “permit-centric” approach
- ▶ All relevant existing well and seismic data has been assembled and rationalised in a **digital database** by ARC and this has been acquired by Buru
- ▶ Buru will continue the process commenced by ARC of **high grading the Basin’s prospects and leads** as an understanding of the Basin is developed and refined
- ▶ A **systematic regional exploration program** is being refined based on a statistical analysis of the number of wells needed for success having regard to the increased understanding of the Basin being developed



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The Canning Super-Basin has three major basins contained in it, each with its own geology and prospectivity. In a strict geological sense there is overlap between the basins but in a commercial and exploration sense each Basin has its own story and exploration history.

- ▶ The Fitzroy/Gregory Basin – up to 15 kilometers of section, holds the currently commercial fields and is the most explored
- ▶ The Kidson Basin has thinner section (4 to 5 kms) and has thick salt seals. It has very little exploration, but high potential
- ▶ The Broome Platform has a thinner section but many good oil shows and oil and gas flows
- ▶ The Willara Basin has had little exploration and is of lower prospectivity



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CY2008 program as proposed

- ▶ Test Stokes Bay
- ▶ 2 exploration wells
- ▶ 800 km 2D seismic
- ▶ Blina Field workover to increase production

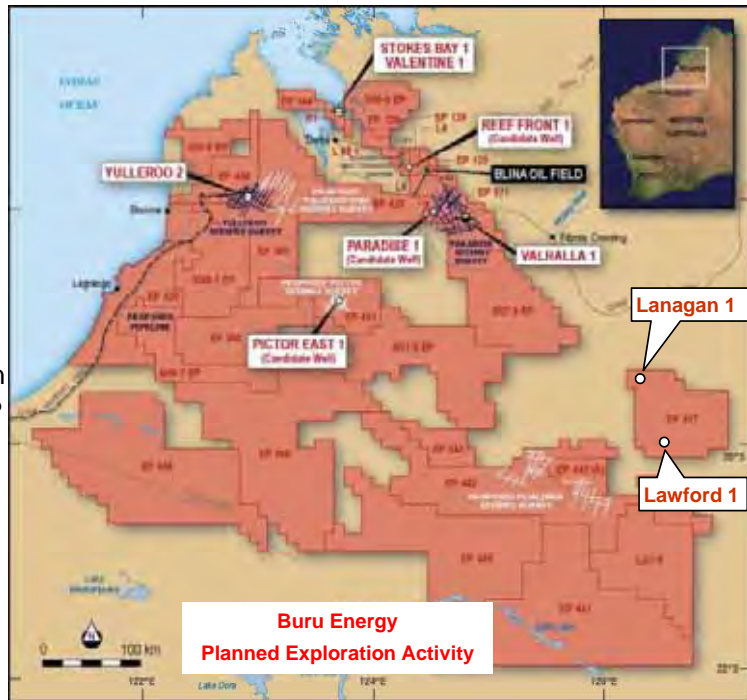
New Standard Exploration has commenced a drilling program utilising ADS Rig 6.

Buru has entered into an agreement with NSE to participate in Lanagan 1 and Lawford 1 at 35% equity with an option to earn an additional 15% equity. Lanagan 1 is due to spud this week.

Both wells are expected to take 30 to 35 days each to drill to total depths of less than 2,000 metres.

Buru's current proposed program drilling program is:

Lanagan 1	NSE operated
Lawford 1	NSE operated
Paradise 1	Buru operated
Pictor East 1	Buru operated

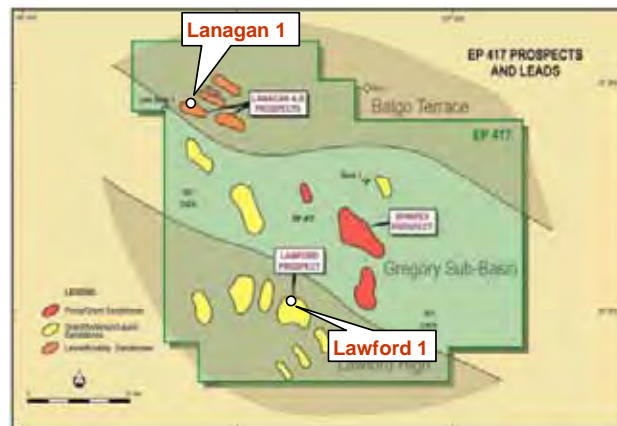


Lanagan and Lawford prospect description (after NSE Independent geological report)

The Lawford prospect is in the Gregory Sub-basin portion of the EP 417 permit in a similar position to the Valhalla and Paradise structures. Lanagan is on the edge of the Balgo Terrace, a basal position similar to the Blina and Sundown oil fields on trend to the northwest.. Both wells will be less than 2,000 metres in depth.

Lanagan Prospect is a horst block with four-way dip closure. It is a Carboniferous age structure with some Late Triassic regeneration

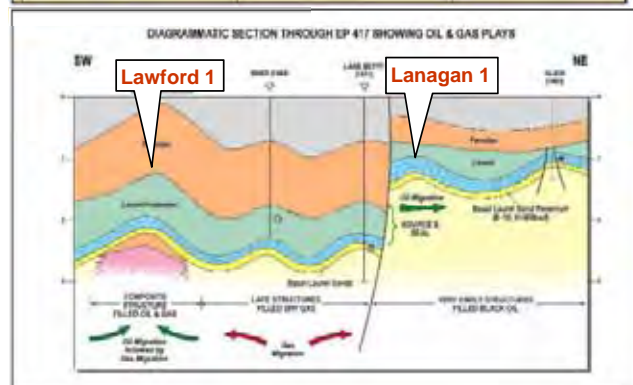
The Lanagan A culmination (Lanagan 1) has an area of approximately 25 square kilometres with a relief of around 110 metres. The potential oil in place for this structure is 220 million barrels under expected reservoir parameters.

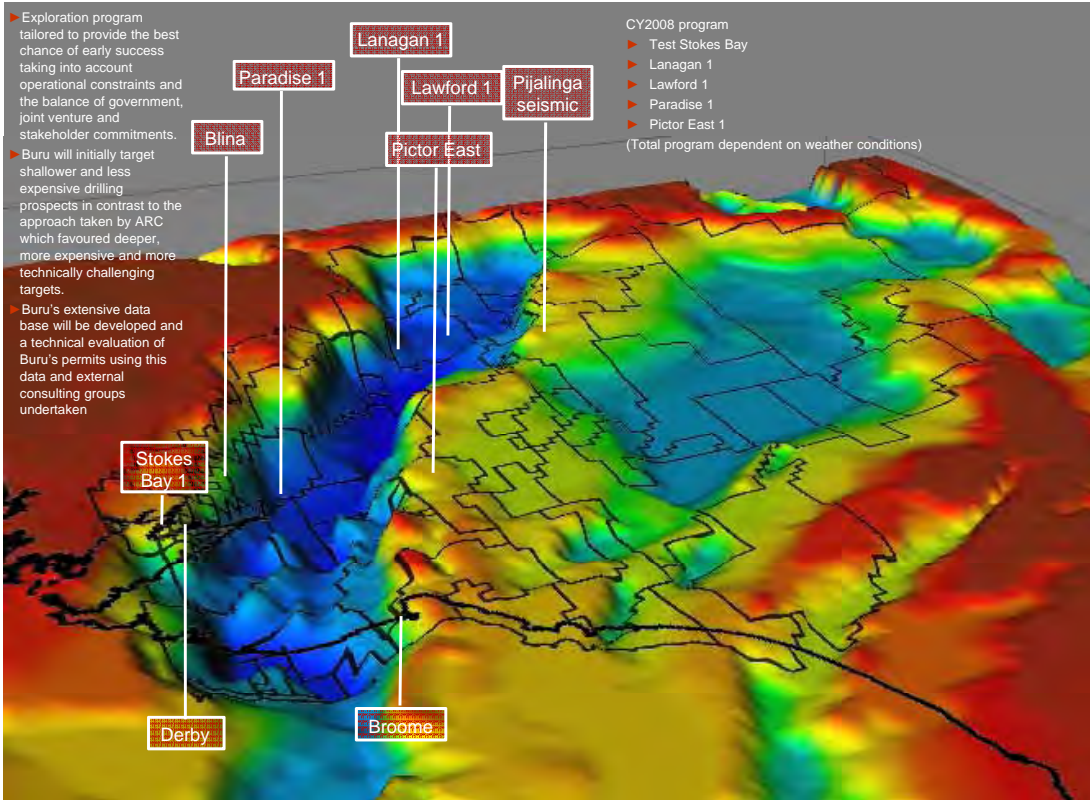


Lawford prospect is a faulted anticline with 150 metres of vertical relief over an areal extent of 69 square kilometres (17,000 acres).

It is an Early Carboniferous structure that was rejuvenated during the Mesozoic wrenching event. Targets are the Poole Sandstone and sands within the Grant and Anderson Formations.

The potential oil in place for this structure exceeds 400 million barrels under expected reservoir parameters. Buru's technical evaluation of the prospect suggests the reservoirs are likely to contain predominantly gas if hydrocarbons are present, with the structure having the potential to have in excess of 500 BCF of gas.





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Buru has acquired the benefits and obligations of ARC's systematic pre-commercialisation planning for the Canning Basin. This pre-planning is expected to permit any discoveries to be commercialised in a timely and cost-effective manner.

Benefits include:

Gas

- ▶ The Alcoa gas sales contract which provides the commercial underpinning for a major infrastructure project, including the pre-feed and approvals for the gas export line
- ▶ the gas recycle project design developed by ARC's engineering staff
- ▶ the MOU with Energy World Corporation in relation to the feasibility of small scale LNG production = pipeline alternative and gas storage potential

Oil

- ▶ the design and certain components for the Mobile Early Production System (MEPS) for oil production as developed and used by ARC in the Perth Basin



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Alcoa gas sales contract:

- ✓ Building block for major projects
- ✓ Access to SW WA gas market
- ✓ Blue chip bankable customer
- ✓ Gas delivery to Dampier (NWS)

The details:

- ▶ Gas is a very high value, long term product for Western Australia
- ▶ Buru has secured a gas sales contract with Alcoa, WA's largest gas consumer to provide the commercial underpinning for the gas export system
- ▶ Project requires a 400 km pipeline (Great Northern Pipeline) to export the gas to the head of the Dampier to Perth Pipeline (DBNGP)
- ▶ The Great Northern Pipeline pre-FEED data, planning applications and approvals are all well advanced
- ▶ The Alcoa gas sales contract is for 400 PJ with an option for another 100PJ. The contract includes a \$40 million pre-payment for gas for which Buru has escrowed \$20 million as security.

The discovery of commercial hydrocarbons in the Canning Basin will add very high value to Buru. Product values are very high in the **onshore** in **Australia**:
Australia has low development costs, favourable tax regime, no PSC burdens, stable environment

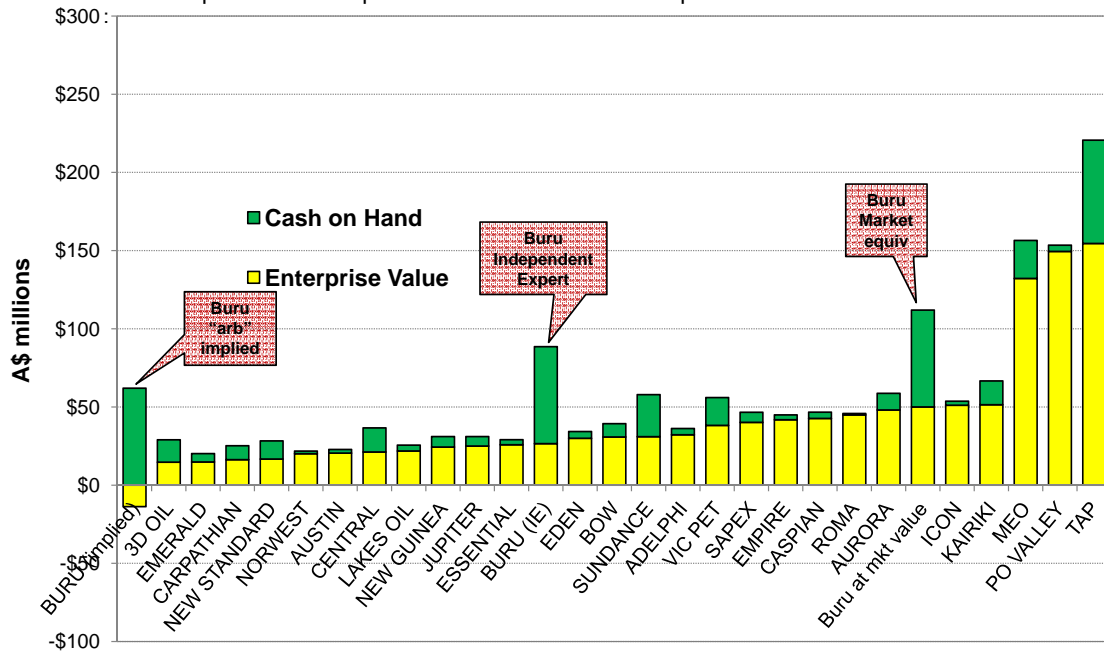
Gas

- ▶ Analysts have calculated the value of a 400 PJ gas development into the Alcoa sales contract would be worth up to \$1.70 per share for Buru
- ▶ A gas recycle project would be economic at much smaller volumes and could be worth up to \$0.30 per share
- ▶ The Coastal LNG project provides a “floating pipeline” to the southwest market and a potential gas storage project which can add very significant value

Oil

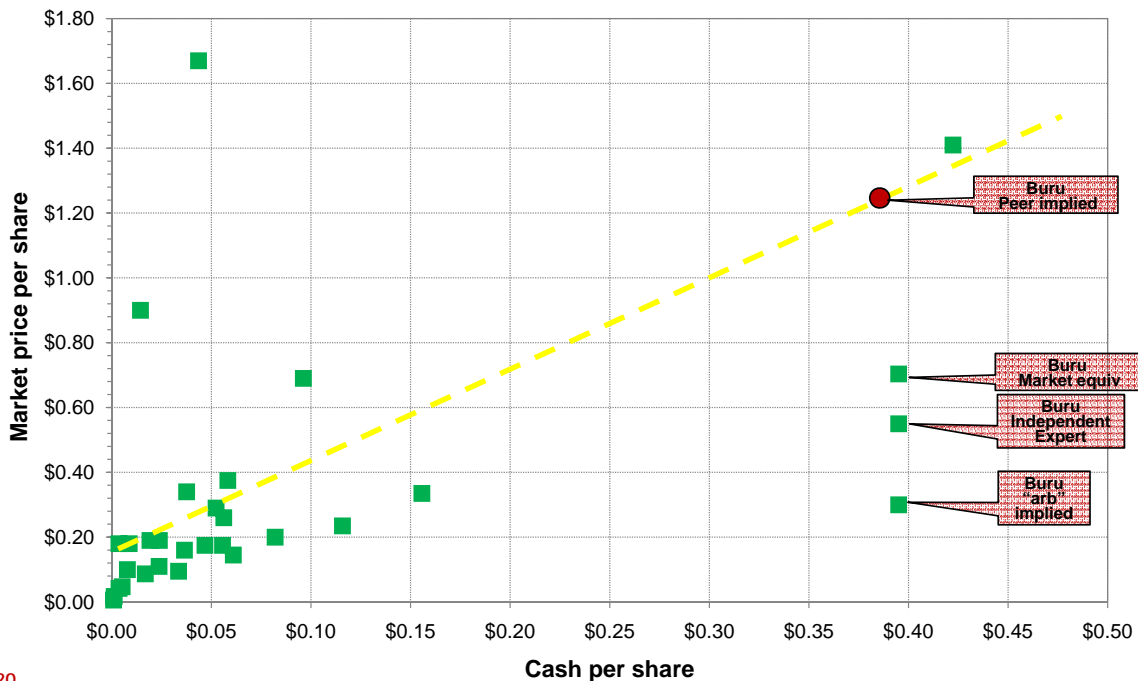
- ▶ The NPV per barrel in the Canning with trucking to Perth is some \$40/bbl, a 3 million barrel discovery (similar to the existing Blina field) would be worth some \$0.77 per share.
- ▶ A 10 million barrel discovery (like many prospects in the portfolio) would be worth at least \$2.50 per share

- ▶ By a number of comparative metrics Buru should trade above the independent expert values and well above the implied value from the ARC/AWE arbitrage.
- ▶ The market cap of Buru's peers compared to enterprise value strongly implies a substantial value uplift from the implied arb value and the IE mid-point value



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- ▶ There is a strong correlation between cash backing per share and share price in the junior exploration sector.
- ▶ By those metrics the value of Buru is several times its implied value



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A unique exploration company with very high leverage to success:

- ✓ **Huge exploration portfolio**
- ✓ **Well funded**
- ✓ **Strong management**
- ✓ **Aggressive drilling program**
- ✓ **Highly leveraged to exploration success**
- ✓ **Carefully planned commercialisation strategy**