



Rafael 1 well in EP 428

Quarterly Report

Period ended 30 September 2024



Buru Energy Limited (**Buru, Company**) provides the quarterly report for the period ended 30 September 2024.

Chief Executive Officer's comments on the Quarterly Report:

"Buru's priority project and primary focus is developing a compelling foundation gas and condensate (diesel replacement) business in the Kimberley, underpinned by the 100% owned Rafael conventional wet gas discovery – the Rafael Project. The objective is to generate significant durable cashflows from the project.

Confidence in the Rafael gas and condensate resource to underpin the development of the Rafael Project increased during the quarter.

It is disappointing that two separate agreements with Sabre Energy to fund exploration and the restart of the Ungani Oilfield had to be terminated due to Sabre's failure to meet their financial obligations.

Following the termination of the Sabre agreements Buru moved quickly to agree terms to fund 50% of the cost of drilling the Rafael Shallow oil prospect for 25% equity in the prospect and raised \$6.7 million.

I acknowledge and thank Mr Eric Streitberg who retired as Chair and Director of Buru Energy on 15 August, and welcome Mr David Maxwell as the independent Non-executive Chair.

Buru is undergoing significant change as it transitions to becoming a Kimberley gas and condensate producer."

Thomas Z Nador, Chief Executive Officer

Highlights during the Quarter

Rafael Deep Gas and Condensate Discovery

- The Rafael Deep discovery made by Buru in May 2022 is the only proven significant conventional gas and condensate resource in onshore Western Australia north of Karratha, Western Australia, providing Buru with a unique opportunity and impetus to commercialise this resource.
- Volumetric assessment following the 3D seismic results has seen the Rafael Contingent Resource range narrow from previous estimates. The gross unrisks recoverable 1C volumes increased from 59 Bscf to 85 Bscf of gas and from 1.2 MMstb to 1.8 MMstb of condensate respectively.
- The assessment has provided greater certainty that the 1C unrisks gross Contingent Resource¹ can provide sufficient production volumes to underpin the development of the Rafael Project. This is Buru's priority project which aims to supply the Kimberley market with a local source of gas and condensate (diesel replacement).

Rafael Shallow Prospect

- Buru terminated the Rafael Shallow Farm-in Agreement (Rafael Shallow FIA) with Sabre Energy Pty Ltd (Sabre), due to Sabre's inability to meet its obligations under the Rafael Shallow FIA. The Rafael Shallow FIA included the funding of \$6 million for the Rafael Shallow 1 well for a 50% interest in the exploration well.
- Buru executed binding Term Sheets to secure alternative funding of \$3 million for the Rafael Shallow 1 exploration well, with two entities associated with long-term Buru shareholders to collectively earn a total 25% interest in a Commercial Discovery and subsequent Production Licence

Ungani Oilfield

- Buru terminated the Ungani Farm-in Agreement (Ungani FIA) with Sabre due to its inability to meet its commitments under the Ungani FIA. The Ungani FIA involved a funding contribution toward the drilling of the Mars exploration well, the restart of the Ungani Oilfield and funding obligations toward future decommissioning liabilities for a 70% interest in the Ungani Oilfield production and exploration assets in Petroleum Production Licences L 20 and L 21.
- Buru is currently reviewing opportunities to re-establish revenues from the Ungani Oilfield via a potential domestic offtake pathway.

Integrated Energy Projects (via wholly owned subsidiaries of Buru)

- 2H Resources continued discussions with key Native Title parties in relation to land access agreement for its South Australian permit application areas.
- Field testing of prototype continuous sensor equipment continued in preparation for a soil gas sampling program associated with the Special Prospecting Authorities with Acreage Options (SPA-AO's) applied for in Western Australia.

¹ Refer to ASX Release dated 26 July 2024 for full definitions and disclosures. 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.

Corporate

- On 29 July 2024, Mr David Maxwell was appointed as a Non-executive Director of the Company. On 15 August 2024, Mr Eric Streitberg retired from his position as Chair of Buru and resigned as a Director of the Company. On the same day the Board agreed to elect Mr David Maxwell as Chair.
- On 30 September 2024, Buru announced the successful completion of an oversubscribed and scaled back share placement of \$6.7 million (before costs) at 6.2 cents per share which was strongly supported by institutional and professional investors and Directors. A shareholder General Meeting has been arranged for 21 November at which Shareholder approval for the shares to be issued to Directors under the same terms as the share placement will be sought.

Subsequent Events

- On 9 October 2024, the Rafael Shallow Joint Venture, comprising Buru, Twinsouth Holdings Pty Ltd and Jingie Investments Pty Ltd commenced drilling the Rafael Shallow 1 exploration well in EP 428.
- On 23 October 2024, Buru announced that the Rafael Shallow 1 well was drilled safely, on schedule and on budget but did not encounter moveable hydrocarbons. Subsequently the well has been plugged and abandoned.

Activities during the Quarter

Rafael Deep Gas and Condensate Discovery (EP 428 – Buru 100%; EP 457 – 60% Buru as Operator and 40% Rey Resources.)

The Rafael Deep discovery is the only proven significant conventional gas and condensate resource in onshore Western Australia north of Karratha, providing Buru with a unique opportunity to commercialise this resource.

The results of the analysis of the 3D seismic survey over the Rafael gas and condensate discovery have been incorporated into the estimates of Contingent Resources² in the accumulation (Table 1).

Volumetric assessment following the 3D seismic results has seen the Rafael Contingent Resource range narrow from previous estimates with the results increasing the gross recoverable unrisked 1C volumes from 59 Bscf to 85 Bscf of gas and from 1.2 MMstb to 1.8 MMstb of condensate respectively.

The assessment has provided greater certainty that the 1C Contingent Resource can provide sufficient production volumes to underpin the development of Buru's priority Rafael Project planned to supply the Kimberley market with a local source of gas and condensate.

² Refer to ASX Release dated 26 July 2024 for full definitions and disclosures. 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.

In line with the target development schedule to deliver the Rafael Project in the required timeframe to meet projected regional Kimberley gas demand by 2027, key work during the quarter focused on:

- preparation for Rafael 1 well testing/completion and Rafael B appraisal drilling in 2025,
- progression of SELECT phase engineering and design,
- project approvals, including Native Title negotiations,
- commercial discussions with potential development partners and offtakers, and
- identification of the alternative financing pathways for the project.

More detailed technical work on the Rafael accumulation is underway and is expected to provide additional insights into the 3C resource volume upside.

	Oil and Condensate (MMstb)			Gas (Bscf)		
	1C	2C	3C	1C	2C	3C
Gross Contingent Resources	1.8	4.5	10.6	85	220	523
Net to Buru Contingent Resources	1.6	3.6	8.1	76	176	401

Table1: Rafael Structure probabilistic Contingent Resources (as at 26 July 2024)

Refer to ASX Release dated 26 July 2024 for full definitions and disclosures. 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.

Rafael Shallow Prospect (EP 428 – Buru 75%)

On 24 April 2024 Buru announced that following the interpretation of the Rafael 3D seismic survey data, it had identified a high potential, relatively shallow oil prospect in EP 428, partially overlying the Rafael 1 gas and condensate accumulation.

On 5 August 2024 Buru announced it had entered into a Farm-in Agreement (Rafael Shallow FIA) with Sabre Energy Pty Ltd (Sabre) for the drilling of the Rafael Shallow 1 exploration well in EP 428 in Western Australia’s onshore Canning Basin. The transaction involved Sabre carrying Buru for \$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.

Following lengthy discussions, Sabre failed to meet their financial obligations under the Rafael Shallow FIA. Therefore, during the quarter Buru and Sabre executed agreements to terminate the Rafael Shallow FIA.

On 26 September 2024, Buru executed binding Term Sheets to secure alternative funding of \$3 million for the Rafael Shallow 1 exploration well, with two entities associated with long-term Buru shareholders to collectively earn a total 25% interest in a commercial discovery and subsequent Production Licence.

On 26 September 2024, Buru executed a Rig Hire Agreement with Silver City Drilling for Rig 24, and on 9 October 2024, the Rafael Shallow 1 well was spudded.

On 23 October 2024, Buru announced that the Rafael Shallow 1 well was drilled safely, on schedule and on budget but did not encounter moveable hydrocarbons. The well has subsequently been plugged and abandoned.

Ungani Oilfield (L20/L21 - Buru 100%)

During the quarter Buru terminated the Ungani Farm-in Agreement (Ungani FIA) with Sabre Energy Pty Ltd (Sabre) for a 70% interest in the Ungani Oilfield production and exploration assets in Petroleum Production Licences L 20 and L 21 due to Sabre's inability to meet their commitments under the Ungani FIA.

Buru is currently reviewing opportunities to re-establish production and revenues from the Ungani Oilfield via a potential domestic offtake pathway and investigate near-field exploration to extend production beyond the current field life.

Integrated Energy Projects

During the quarter, and at minimum cost, 2H Resources continued to negotiate with key Traditional Owner groups in South Australia to secure land access across its Petroleum Exploration Licence Application areas (PELAs), a prerequisite to the granting of Petroleum Exploration Licences (PELs) and on ground activity. 2H Resources also continued the field testing of prototype continuous sensor equipment in preparation for its planned soil gas sampling programs.

During the quarter, and at minimum cost, GeoVault continued its efforts across technical, commercial and stakeholder work fronts, including engagement with CO₂ emitters, potential project partners and state and federal government on policy and regulations. GeoVault continues to support Buru's development priority to commercialise its Rafael gas and condensate discovery in the Canning Basin of Western Australia.

The Sipa Resources / Buru Joint Venture completed its planned ground gravity survey, with initial results of the survey highlighting a significant gravity anomaly as well as structural complexity in a priority area at the Barbwire Terrace Project. Exploration is targeting Mississippi Valley style zinc-lead-silver deposits, similar to the Lennard Shelf deposits, located on the northern side of the Fitzroy trough. The survey received an award for Exploration Incentive Scheme (EIS) co-funding, with 50% of the survey costs to be reimbursed by the Western Australia Government.

Financial

As at 30 September 2024, the Company had ~\$7.5 million in cash and cash equivalents, with no debt. The ASX Appendix 5B attached to this report contains the Company's cash flow statement for the quarter which is summarised as follows:

Cashflows	September 2024 Quarter	Year to date 2024
Opening cash	\$10.9m	\$18.2m
Exploration	(\$2.0m)	(\$10.5m)
Care and maintenance	(\$0.8m)	(\$1.7m)
Corporate & admin (net of interest income)	(\$0.7m)	(\$2.0m)
Joint Venture partner exit consideration	-	\$3.4m
Share placement ¹	\$0.1m	\$0.1m
Total cash inflow / (outflow)	(\$3.4m)	(\$10.7m)
Closing cash	\$7.5m	\$7.5m

¹ Initial cash received from the share placement announced on 30 September 2024, refer page 3

Exploration:

Exploration cash outflows mainly consisted of well planning and civils expenditure for the Rafael Shallow exploration well, and geological and geophysical work across the Canning Basin portfolio.

Care and maintenance:

Cash outflows for the quarter primarily consisted of fixed and monthly operating costs for the Ungani Production Facility whilst under care and maintenance.

Corporate and Admin:

Corporate and admin cash outflows included corporate advisory services associated with the marketing and partner selection processes for the Company's portfolio of assets. As outlined in the attached Appendix 5B (section 6.1), \$144,000 in payments were made to related parties for Directors' fees.

Authorisation

This ASX announcement has been authorised for release by the Board of Directors of Buru Energy.

For further information, visit www.buruenergy.com or contact

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Appendix 1 - Buru's Operational Areas

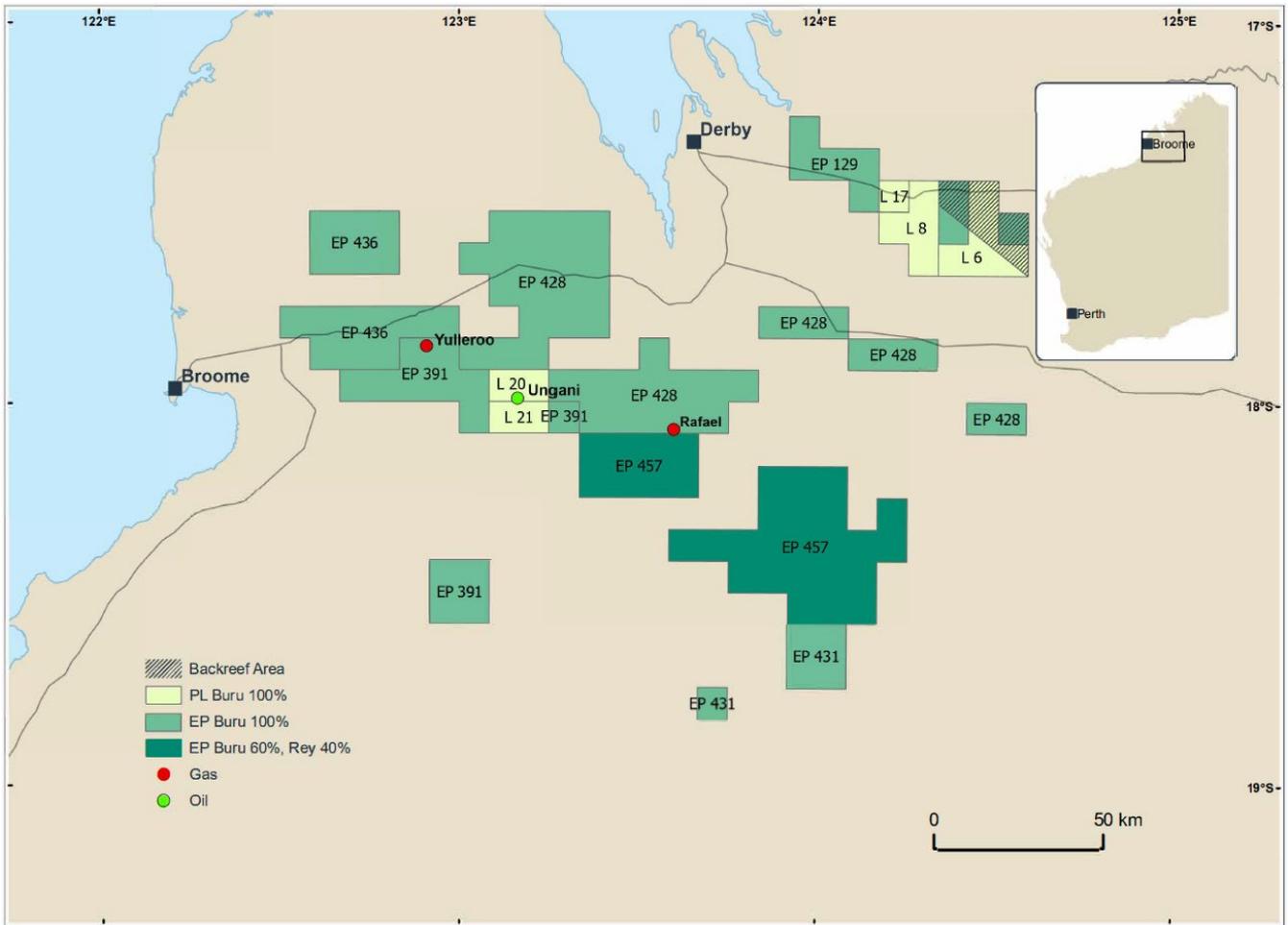


Figure 1 – Operational areas in the Canning Basin

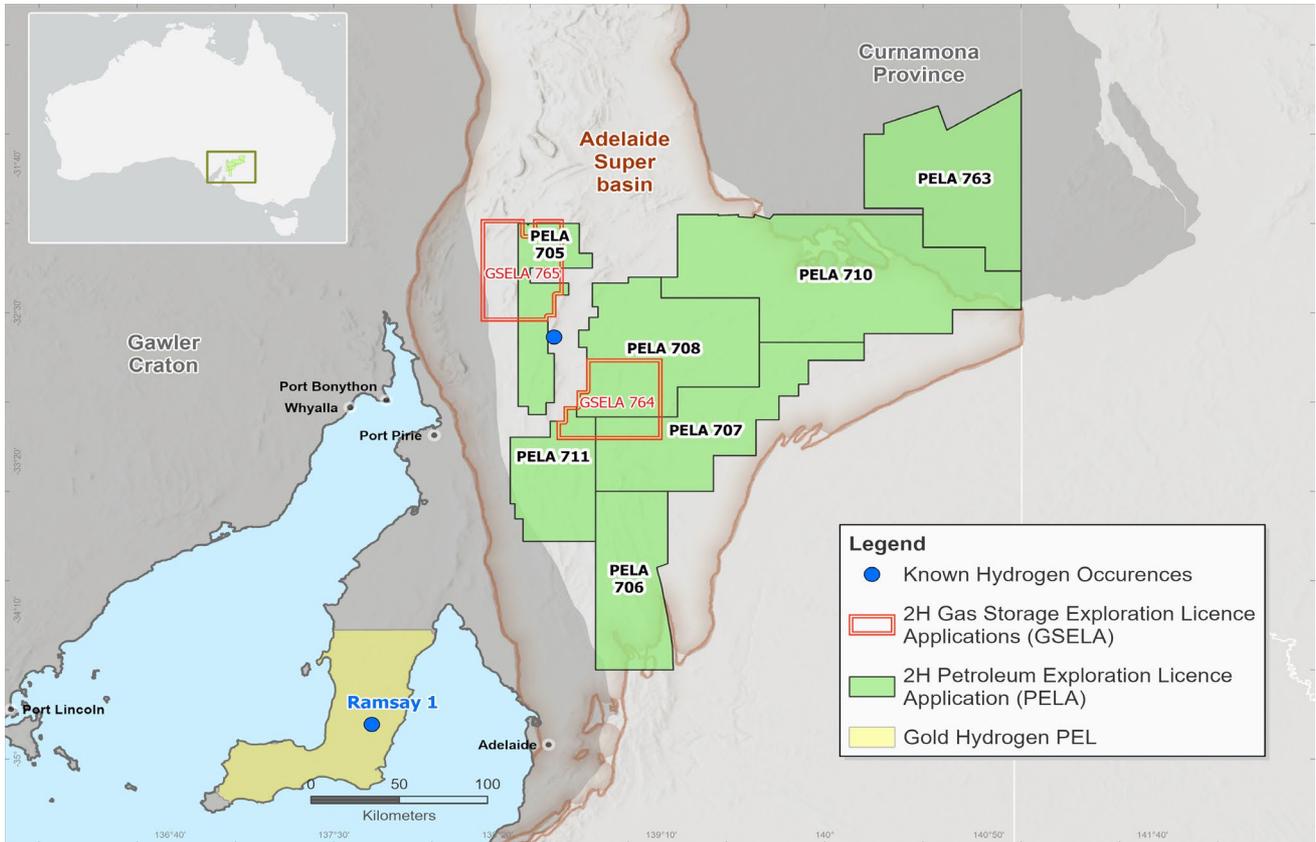


Figure 2 – 2H Resources Exploration Licence application areas in South Australia

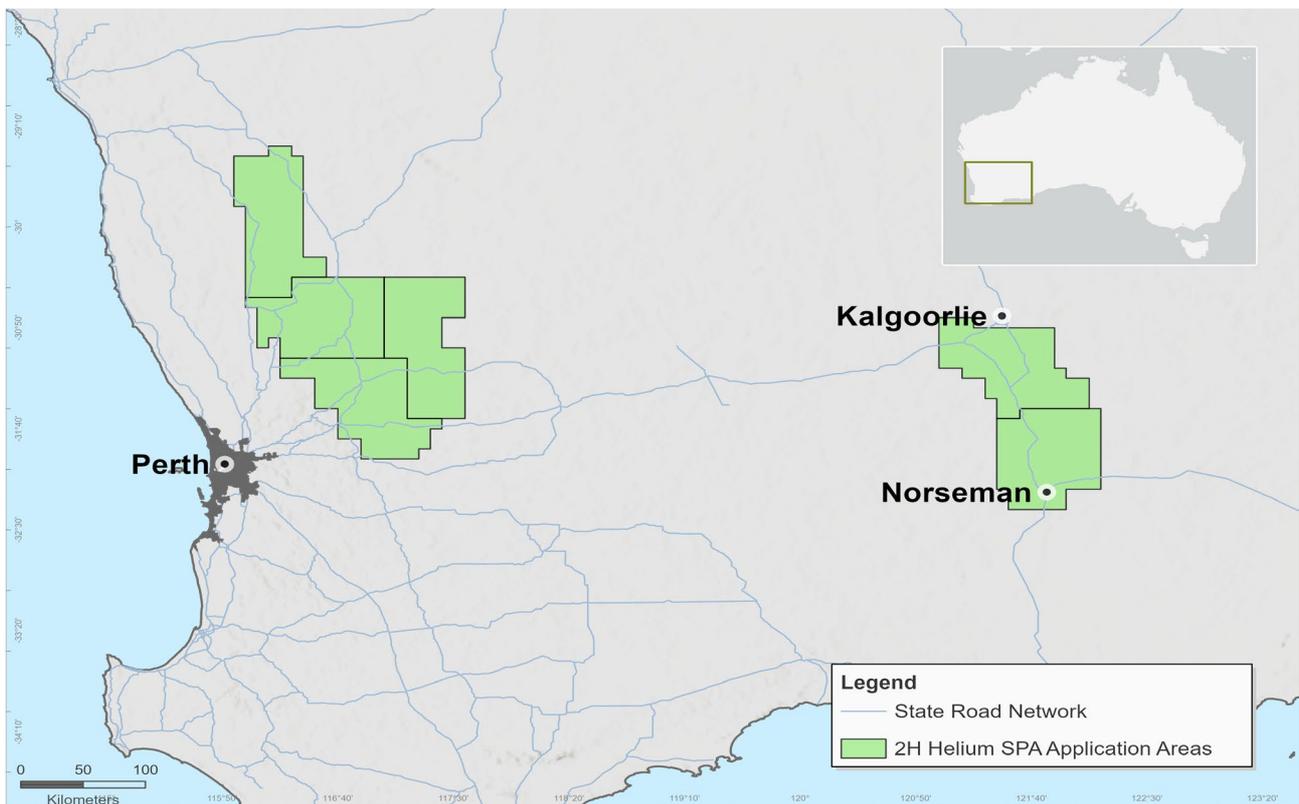


Figure 3 - 2H Resources Western Australian application areas

Appendix 2 - Schedule of interests in permits as at 30 September 2024

<u>Permit</u>	<u>Type</u>	<u>Ownership</u>	<u>Operator</u>	<u>Location</u>
L 6 ¹	Production licence	100.00%	Buru Energy Ltd	Canning Basin, WA
L 8	Production licence	100.00%	Buru Energy Ltd	Canning Basin, WA
L 17	Production licence	100.00%	Buru Energy Ltd	Canning Basin, WA
L 20	Production licence	100.00%	Buru Energy Ltd	Canning Basin, WA
L 21	Production licence	100.00%	Buru Energy Ltd	Canning Basin, WA
EP 129 ¹	Exploration permit	100.00%	Buru Energy Ltd	Canning Basin, WA
EP 391	Exploration permit	100.00%	Buru Energy Ltd	Canning Basin, WA
EP 428	Exploration permit	100.00%	Buru Energy Ltd	Canning Basin, WA
EP 431	Exploration permit	100.00%	Buru Energy Ltd	Canning Basin, WA
EP 436	Exploration permit	100.00%	Buru Energy Ltd	Canning Basin, WA
EP 457	Exploration permit	60.00%	Buru Fitzroy Pty Ltd	Canning Basin, WA
E04/2674	Exploration permit	50.00%	Sipa Resources Pty Ltd	Canning Basin, WA
E04/2684	Exploration permit	50.00%	Sipa Resources Pty Ltd	Canning Basin, WA

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

About Buru Energy

Buru Energy Limited (ASX: BRU) is a Western Australian energy company headquartered in Perth with an operational office in Broome. The Company's goal is to deliver material benefits to its shareholders, the State of Western Australia, the Traditional Owners and communities of the areas in which it operates, by successfully exploring for and developing petroleum resources and by contributing to driving the energy transition in an environmentally and culturally sensitive manner.

The Company's petroleum assets and tenements are located onshore in the Canning Basin in the southwest Kimberley region of Western Australia. In the Kimberley it operates and owns 100%¹ of the conventional Ungani Oilfield project and owns and operates 100% of the conventional gas condensate discovery at Rafael 1. It also operates a Canning Basin wide portfolio of exploration permits and licences prospective for conventional and unconventional resources with working interests ranging from 60% to 100%.

Buru Energy is also participating in the new energy economy through its subsidiary companies' activities in natural hydrogen and helium exploration, carbon capture and storage, and battery minerals exploration.

Forward Looking Statements

This document has been prepared by Buru Energy Limited ABN 71 130 651 437 ("Buru Energy"). This report 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'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 believes that the expectations raised in this report are reasonable there can be no certainty that the events or operations described in this report will occur in the timeframe or order presented or at all.

There are numerous uncertainties inherent in estimating reserves and resources, and in projecting future production, development expenditures, operating expenses and cash flows. Oil and gas reserve engineering and resource assessment must be recognised as a subjective process of estimating subsurface accumulations of oil and gas that cannot be measured in an exact way. Any contingent resources and prospective resources presented in this report are pursuant to the Company's ASX releases of 24 April 2024 and 26 July 2024. The estimates of contingent and prospective resources included in this Presentation have been prepared in accordance with the definitions and guidelines set forth in the SPE PRMS. Buru Energy is not aware of any new information or data that materially affects the information included in this presentation and all material assumptions and technical parameters underpinning the estimates in this presentation continue to apply and have not materially changed. The probabilistic method was used to prepare the estimates of the contingent and prospective resources.

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

All references to \$ are in Australian currency, unless stated otherwise.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

BURU ENERGY LIMITED

ABN

71 130 651 437

Quarter ended ("current quarter")

30 September 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,468)	(4,369)
(b) development	-	-
(c) production (care and maintenance)	(767)	(1,696)
(d) admin and corporate costs (staff)	(580)	(1,743)
(e) admin and corporate costs (other)	(260)	(769)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	97	394
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	247
1.8 Net cash from / (used in) operating activities	(2,978)	(7,936)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(537)	(6,333)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (JV partner exit consideration)	-	3,367
2.6	Net cash from / (used in) investing activities	(537)	(2,966)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	100	100
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(22)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	100	78

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	10,891	18,197
4.2	Net cash from / (used in) operating activities (item 1.8 above)	(2,978)	(7,936)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(537)	(2,966)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	100	78

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(10)	93
4.6	Cash and cash equivalents at end of period	7,466	7,466

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,803	2,228
5.2	Term deposits	3,663	8,663
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,466	10,891

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
144
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Amounts included in 6.1 are remuneration payments made to Directors.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.8)	(2,978)
8.2 Payments for exploration & evaluation classified as investing activities (item 2.1(d))	(537)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(3,515)
8.4 Cash and cash equivalents at quarter end (item 4.6)	7,466
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	7,466
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.12
<i>Note: if the entity has reported positive relevant outgoings (i.e. a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise a figure for the estimated quarters of funding available must be included in item 8.7.</i>	

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2024

Authorised by: The Buru Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.