



2014 Annual General Meeting

Western Australia's Energy Future

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Competent Person's Statement

The information pertaining to reserves and resources contained in this presentation is based on information compiled by Mr Eric Streitberg who is a Non-Executive Director of Buru. Mr Streitberg consents to the inclusion of the information in the form and context in which it appears.

Mr Streitberg has over 40 years' experience in petroleum geology and geophysics, oil and gas exploration, and oil and gas company management. He is a Fellow of the Australian Institute of Mining and Metallurgy, a member of the Australian Institute of Company Directors, a member of the Society of Exploration Geophysicists and the Petroleum Exploration Society of Australia, and is a Certified Petroleum Geologist of the American Association of Petroleum Geologists. Information in this presentation has been disclosed to the ASX pursuant to the ASX Listing Rules.

Overview

-  **Highlights**
-  **Challenges and Opportunities**
-  **Ungani Development**
-  **Laurel Wet Gas**
-  **Exploration**
-  **Outlook**



Achievements

1. Ungani Central EPT producing strongly

- ~110,000 bbls to end April, total production ~200,000bbls
- ~1,200 bopd (Ungani 2) with negligible water or pressure decline
- Central area performing above expectations

2. Crude Export System working well

- Wyndham Export project on time & on budget
- Two shipments (71,270 bbls) exported to Thailand
- Third shipment (38,000 bbls) exported to Singapore
- Broome export negotiations advancing, targeting 1Q 15

3. Laurel Tight Gas program preparations well advanced

- EPA & DMP regulatory approval expected end May
- Operations planned for early 3Q
- Third party service contracts negotiated and being awarded
- Site works underway



4. Exploration wells in coastal area confirmed

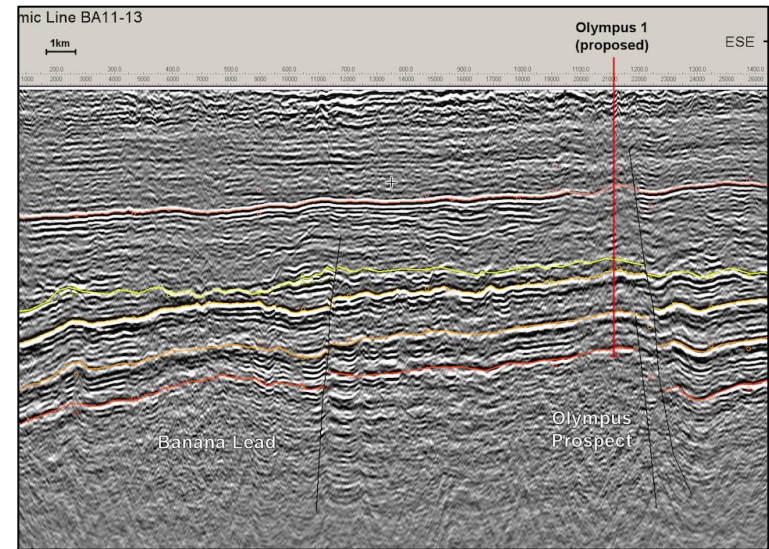
- Two wells, Olympus & Commodore planned 3Q (funded by Apache)
- Rig tenders currently being assessed

5. Major 2D & 3D program scheduled

- Focused on Ungani Trend & high-graded areas (aerogravity)
- Non Ungani areas funded by Apache farmin

6. Licence management & funding plan advancing

- Apache coastal & Acacia farm-outs completed
- Discussions underway on larger core area farmout in cooperation with Mitsubishi
- Focus on long term sustainability and commercialisation
- Transaction focused on delivering clear value



1. Ungani Field distribution confirmation

- U1 dual completion unsuccessfully isolated water zone - requires workover to recomplete as oil producer only
- U3 result - 700m on trend from U1 was the highest structural penetration and thickest h/c column but contained tight Ungani Dolomite
 - *U3 swabbing shows oil can be recovered from tight zones and further testing being prepared*
- U2 performing above expectations
 - *Whole of field Reservoir distribution mapping and revised modelling underway*

2. Original Ungani 2013 3D seismic reprocessing was technically deficient

- Concerns with original processing resulted in reprocessing trials undertaken in the US 1Q
- Receipt of trial results co-incident with Ungani 3 drill results
- U3 result and seismic processing indicated that JV should not drill horizontal well or water injector until the field was better defined
- Decision made to halt Ungani development drilling necessitating lengthy standby on rig

3. Traditional Owner negotiations

- Tight Gas
 - *Major program for supporting tight gas tests nearing completion*
 - *>40 public forums and support for independent expert determination - full/free and informed consent*
 - *Very proactive approach with positive community response for Buru's commitment to transparency and independent validation*
- Ungani PL
 - *Non commercial issues still require closeout*
 - *Positive engagement and dialogue between respective negotiating teams*
 - *First Co-existence Agreement for a petroleum development in the Kimberley - final closeout of any landmark agreement always challenging*
 - *Agreement sets framework for future engagement and activity requiring certainty for all parties*

4. Prudent decision to demobilise Crusader rig

- Decision made on the basis of significant coincident and multiple factors:-
 - *U3 tight reservoir - impacted geological model*
 - *Seismic trial reprocessing - impacted confidence to optimally orientate horizontal development well*
 - *U1 workover failure - impacted ability to get immediate production & information for staged development*
 - *U2 over performance - indicated existing assumptions on field distribution/recovery in central field area require remodelling*
 - *Finalisation of recent mapping of new seismic suggests Bickley more structurally complex*
- Coastal JV agree to drill 2 shallower wells
 - *Requires smaller rig (savings >\$4 million/well)*
 - *Large 3D to be planned over higher cost deeper targets to optimise future drilling*
 - *Activity funded by Apache carry of \$25M*
- Yakka Munga only mature prospect but not drill ready til June (pad preparation and approvals)
- Exposed to long-term standby costs

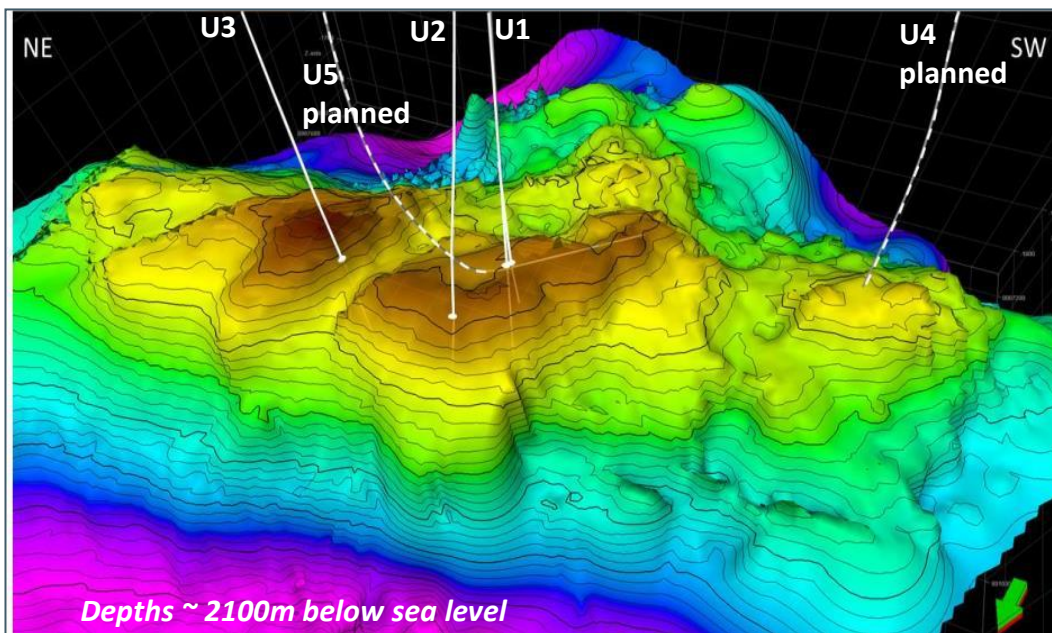
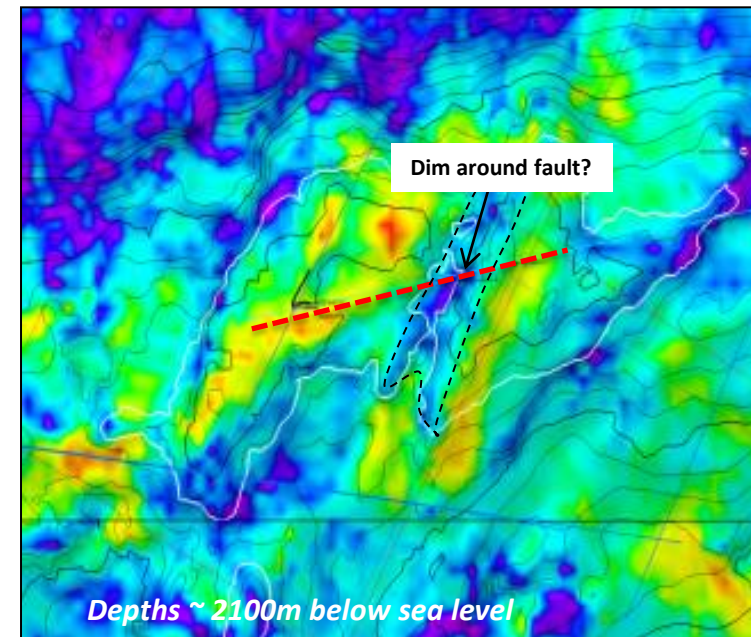
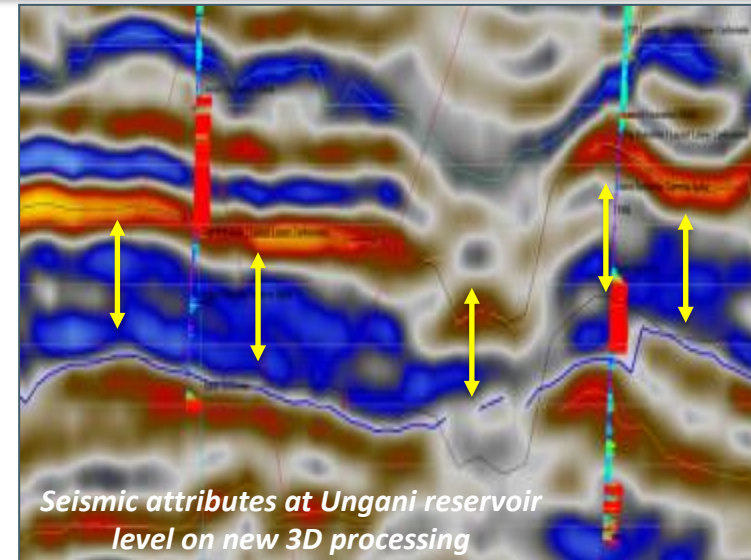
5. Share price drivers

- **Laurel Tight gas**
 - *2014 program gaining momentum with approvals and timing*
- **Ungani Development decision**
 - *Staged development will be better constrained*
 - *Progress being made on Broome export option*
- **Exploration program**
 - *Disappointing start to program*
 - *2-3 shallow targets planned in 2014*
 - *Major 3D and 2D seismic followed by multi-well program in 2015+*

Ungani Laurel Dolomite mapping and reservoir prediction

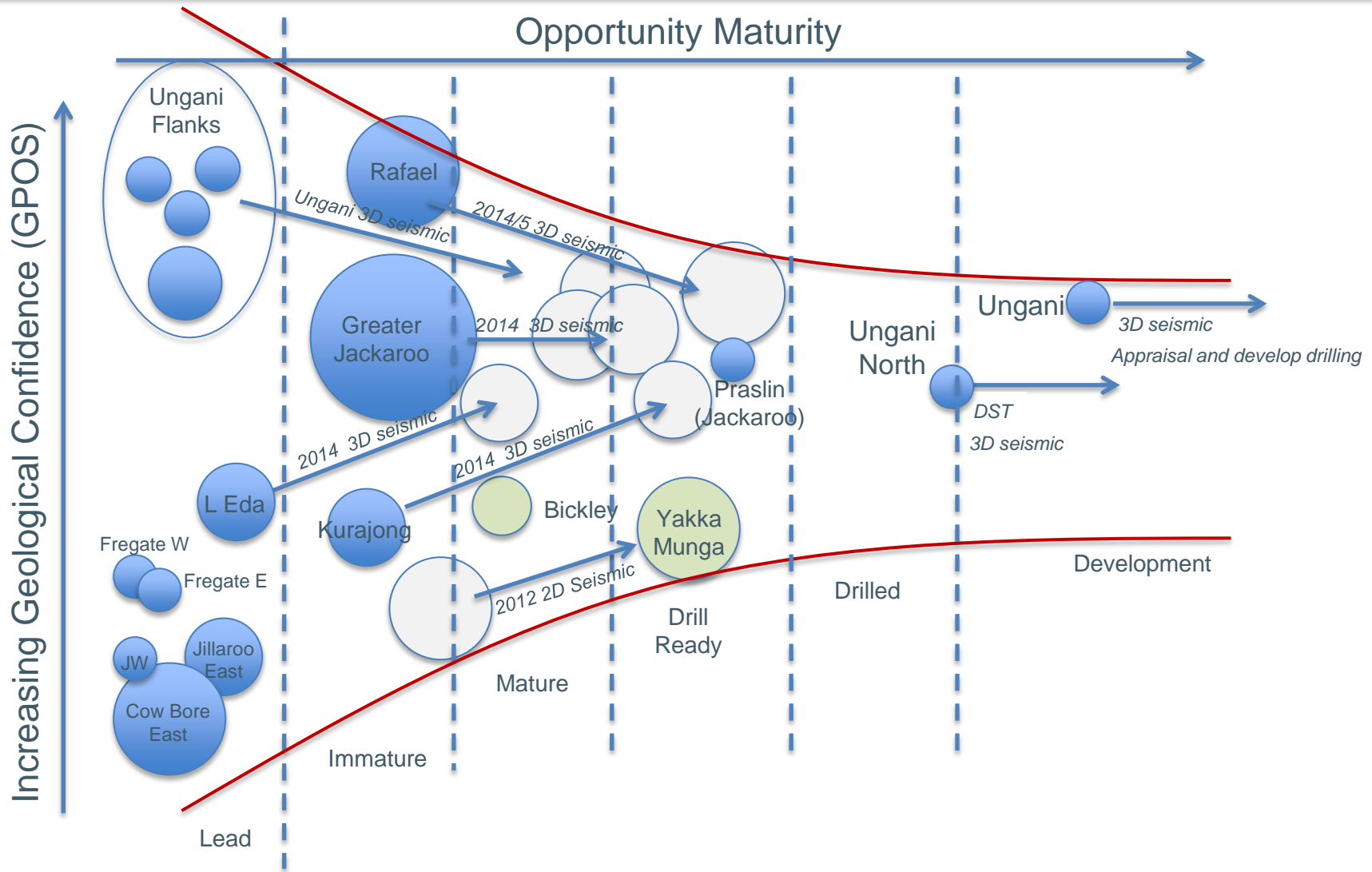
Major advances in seismic imaging on 3D

- Improved structural definition
- Improved ability to predict stratigraphy
- Seismic attributes tied to well results provide greater predictability & derisk drilling options
- Key is to understand structure and reservoir controls



Ungani trend oil portfolio

High potential for near term Ungani look-a-likes



Crusader rig program

Why did we change direction?

1. Coincident Ungani 3 result, 3D trial seismic processing and decision to drill two shallow coastal wells meant planned drilling program with Crusader rig delayed:

- 1. U3 well cost above budget*
- 2. Third party services and well design required review prior to further drilling*
- 3. Ungani development wells were planned to keep rig busy until May*
- 4. As per drilling schedule Yakka Munga - not ready for drilling til May /June (requires dry conditions & site prep)*
- 5. Post U3 & 2013 2D seismic, Bickley deemed by JV to require 3D to derisk location*
- 6. Jackaroo structure will be covered by greater 2014 3D program*

2. Rig Contract was set up for individual wells with standby up to certain periods between wells

- 1. Enabled some flexibility if delays occurred*
- 2. Enabled Contractor to go off location*

3. JV considered best to release rig rather than have on long term standby with uncertainty on timing

- 1. Limit standby costs*
- 2. Enable detailed cost review linked to major 3D & 2D seismic derisking program*

Accommodation

Workshop and office

Loadout facility

Fire water storage

Ungani 2

Ungani-1

1-bay

Oil Storage Tanks

Separator

Went Tank

Ungani oil development - 2014

Ungani oilfield export system



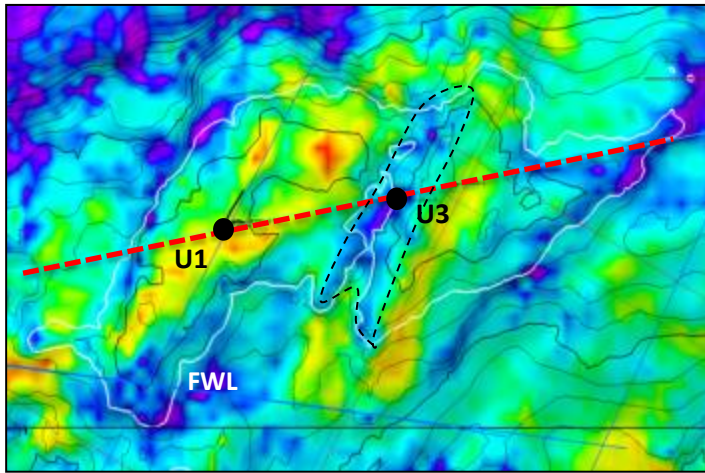
Phase 2

- Targeting 2015+ 3,000-5,000+bopd
- Broome preferred export route
- Targeting use of existing port facilities but require upgrade
- Discussions advanced with authorities
- Final decision post EPT & PL award

Phase 1

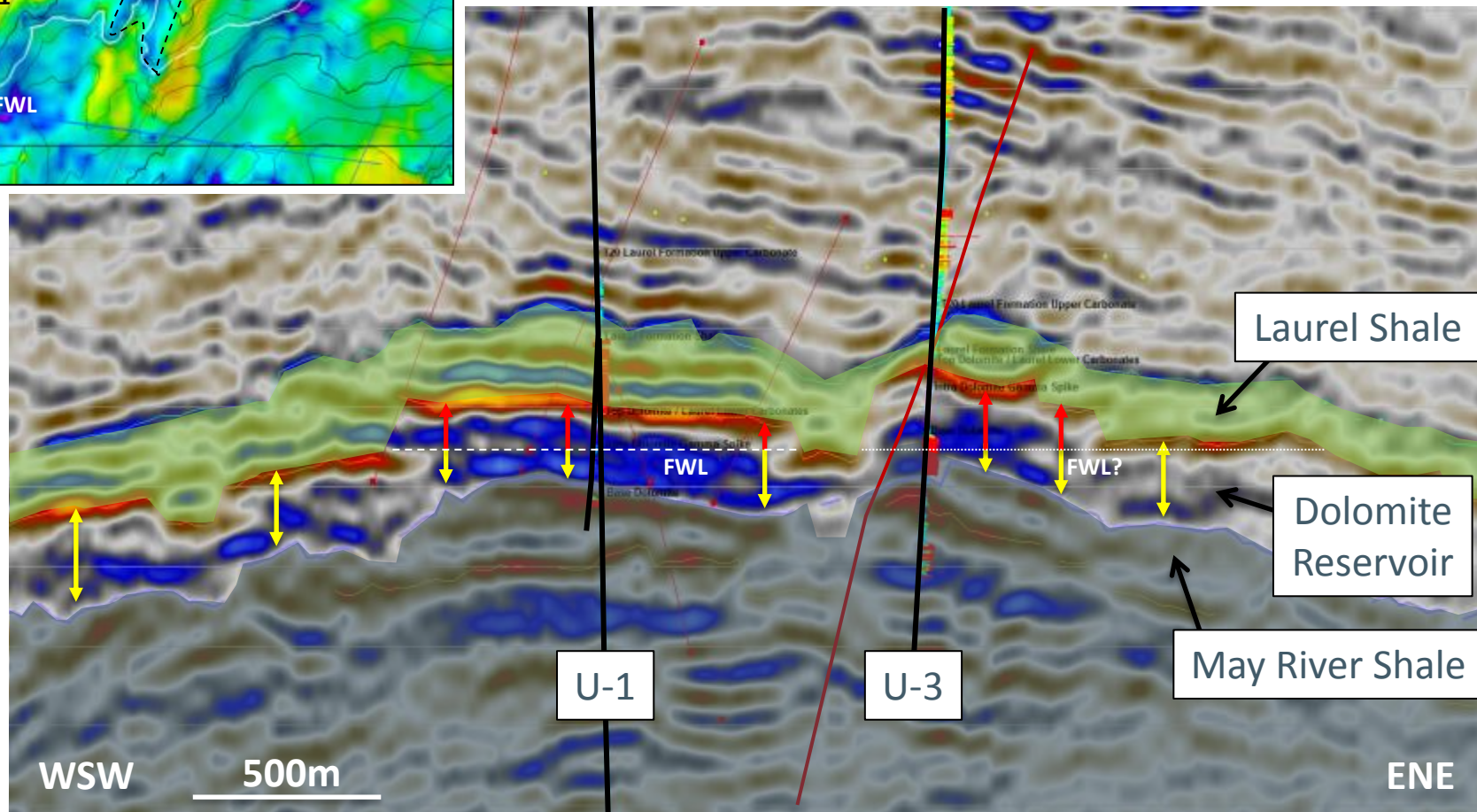
- EPT @ 1200bopd U2 only
- Build up to 2,000bopd from U2 & U1
- Truck to Wyndham
- Confirm field size and distribution
- Smaller parcels ship (38,000 bbl)
- Ungani crude into Asian refineries
- Ungani horizontal well planned ahead of Broome export

Ungani 1 to Ungani 3 Seismic Correlation



RMS amplitude from 80msec window over the Dolomite Reservoir. The dim zone (purple) around Ungani 3 location is associated with a fault

3D seismic section from Ungani 1 to Ungani 3





Tight Gas Stimulation Program 2014

Delivering a quality Laurel gas evaluation program

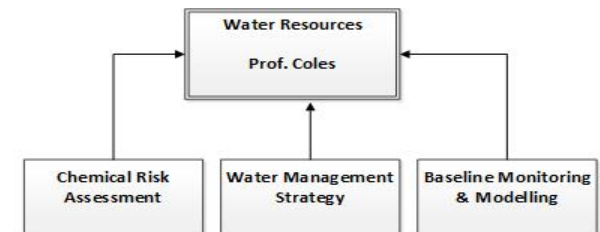
Secure support to allow project to proceed & deliver value to shareholders



- **Program has undergone intense regulatory and community scrutiny**
 - Buru committed to transparency and disclosure
 - Adopted very open, proactive and factual approach
- **Regulatory approvals**
 - EP plan reviewed with 81 appeals
 - All appeals responded to by Buru
 - EPA response expected imminently
 - DMP review operational/safety and risk review
- **Community engagement**
 - Major program to ensure free, full and informed consent by TO groups
 - TO groups supported by independent experts
 - Co-ordinated community information program across all levels (*media/community forums/open days/interviews/ industry briefings*)
- **Independent oversight structure established to ensure Buru applies international lessons**
 - World experts well integrity, water & operational integrity engaged
- **Rigorous program planned**
 - Application of latest US learnings to maximise chance of success



Independent Water and Chemical Management Review



ECOSUS



Rockwater



1. Corporate costs and efficiency program

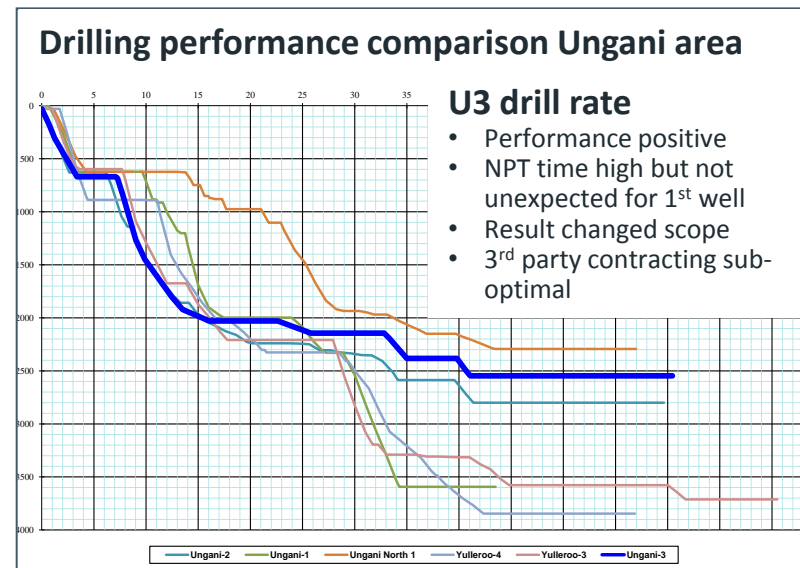
- 2013 capability increases for Ungani development, gas preparations, active drilling program and HSE
- Now consolidating into tighter more dynamic team supported by alliances
- Discretionary spending under review

2. Sustainability & material returns to shareholders

- Optimize Ungani & maximise cash flow
- Stable long term TO alignment
- In co-operation with Mitsubishi, introduce quality company to deliver major regional programs (exploration, development and gas commercialisation)
- Develop deep opportunity portfolio and derisk drilling to focus on highest value opportunities
- Commercialise company's gas potential early, limit funding exposure but maintain material equity

3. Deliver certainty on Laurel tight gas potential & materiality

- Secure regulatory approvals
- Secure Traditional Owner alignment
- Undertake program in 2014 with high density fracs and long term well test
- Prepare commercialisation pathway with secure funding



2014

MAJOR DERISKING OF GAS,
MAJOR DERISKING OF OIL
TREND & TARGETED DRILLING

- Major Tight Gas program of strategic importance to WA
- Joint MC-Buru farmout to attract quality company
- Derisking exploration & high value targeted drilling
- Strong community engagement
- Major regional 2D & 3D seismic programs
- Stimulation and testing (Ungani North and Ungani 3)
- Active shallow lower cost drilling program with rapid commercialisation

2015

OIL EXPANSION,
CONFIRMING GAS VIABILITY,
MULTI-RIG APPRAISAL &
EXPLORATION GROWTH

- Expanded & quality Joint Venture supporting funding
- Material cash flow
- Major Ungani Trend drilling based on 3D
- Near field oil tie-ins
- Major gas program with strong JV
- Multi well exploration program
- Traditional Owner engagement
- Gas marketing review

2016

GAS PILOT DECISION, MULTI-OIL FIELD DEVELOPMENT & A MAJOR EXPLORATION PROGRAM

- FEED on pilot domestic gas project
- Pre-FEED on larger domestic gas concept
- 2015 discoveries appraised and tied to existing facilities
- Continuing drilling and 3D seismic program

Buru Energy's vision WA's own powerhouse

