

Entitlement Issue: Accelerating the development of the Ungani Oilfield



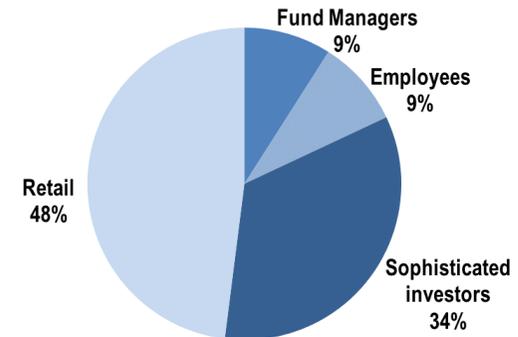
14 August 2017

Buru overview	<ul style="list-style-type: none"> ▪ Buru is an ASX listed oil and gas exploration and production company solely focused on the Canning Superbasin in Western Australia ▪ Operator and generally 100% holder of strategic acreage position of gross ~22,100 sq kms / 5.4 million acres (4.6 million net acres) ▪ Strategic focus on oil with Ungani conventional oilfield early stage production ramping up ▪ 2017 development drilling program aims to significantly increase Ungani resource base and production rates ▪ Large conventional oil prospect inventory on 3D seismic close to infrastructure ▪ World scale tight gas continuous resource defined and appraised
Ungani Oilfield	<ul style="list-style-type: none"> ▪ Ungani Oilfield in early stages of production with 2 producing wells on natural flow with current target ~1,250 bopd and pathway to 3,000 bopd ▪ Independently certified 2C resources of 6.6 mmbbls with 3C resources of +18 mmbbls (1C 2.08 mmbbls) ▪ At target production rates, export system established through Wyndham Port provides operating margin of up to A\$25 to A\$30 per barrel at US\$50 Brent oil price and 0.75 \$A/\$US exchange rate
Forward program/ use of funds	<ul style="list-style-type: none"> ▪ Proceeds from the issue will be used to accelerate the development of the Ungani Oilfield ▪ Workovers and 2 well drilling program planned for 2017 with target production of 3,000 bopd in first half 2018 <ul style="list-style-type: none"> – Install artificial lift (ESP's) in current wells to maintain and increase production rate – Enhance facilities throughput capacity – Drill development well (Ungani 4) – Sidetrack existing well for better productivity (Ungani 3)
Equity raising	<ul style="list-style-type: none"> ▪ 1 for 5 rights issue at \$0.15 to raise ~A\$10.2 million before costs ▪ Shareholders can apply for shortfall allocation ▪ Hartleys Lead Manager to manage the placement of any shortfall

Capital Structure (Pre-Rights Issue)

Formed	2008
Ticker	ASX:BRU
Index	S&P/ASX All Ords
Shares on Issue	~340 million
Share Price	~\$0.17
Market Cap	~\$58 million
Cash on Hand	~\$13.1 million (31 July 17)

Share Register (pre-rights)



Board and Management

Eric Streitberg	Executive Chairman
Eve Howell	Non Executive Director
Robert Willes	Non Executive Director
Shane McDermott	Company Secretary
Nick Rohr	General Counsel
David Long	Exploration Manager
Kris Waddington	HSE and approvals

12 Month Price History



The old Buru:

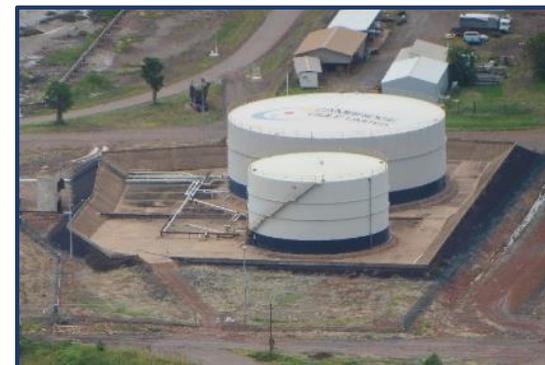
- X Largely unrecognised by the market
- X Not producing
- X Focused on long term gas project
- X Near term debt

The four steps to a new Buru:

- ✓ Asset transaction with Mitsubishi that gives control and 100% of Ungani Oilfield and western Canning exploration back to Buru
- ✓ Restart of Ungani oil production through an export route that makes real money
- ✓ Restructure of Alcoa debt to align repayments with expected cash flows
- ✓ Marketing reinvigorated

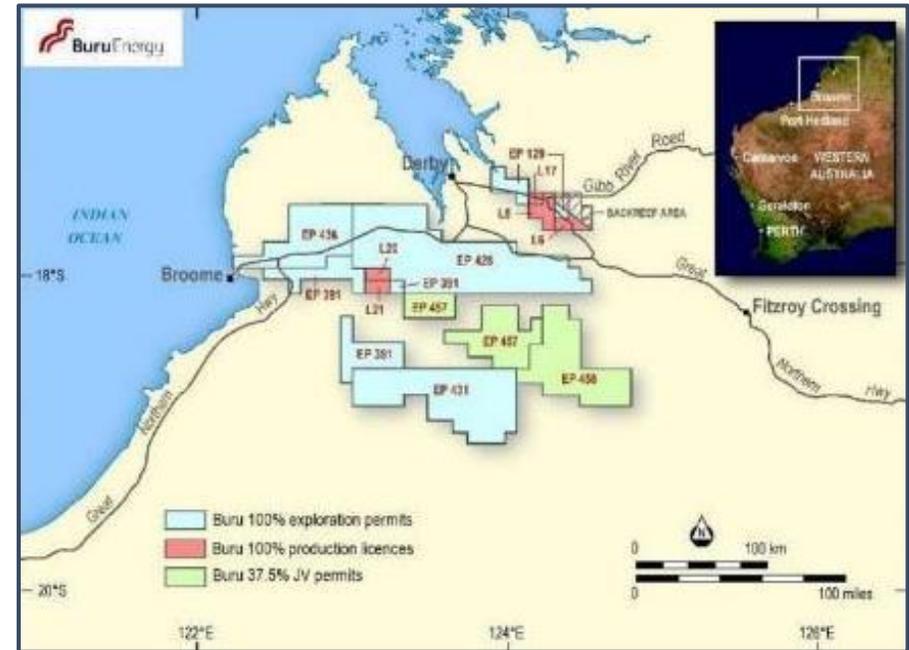
Focus, discipline and perseverance brings value:

- Pivot to high value oil production and exploration, with gas upside
- Focus on cash flow and adding value to Ungani and growing the resource base
- Highly prospective conventional oil and gas exploration portfolio
- Clear path to significant extra value potential



Buru – Driving the development of the Canning Basin

- ✓ **100% ownership** of oil production and exploration permits provides flexibility following acreage swap transaction with Mitsubishi
- ✓ **Immediate low risk development opportunity at Ungani Oilfield** to significantly increase resource base, field productivity, cash flow and asset value
- ✓ **Lower cost crude export option can add significant value** for existing production and new oil discoveries after successful Ungani development drilling program
- ✓ **High impact exploration portfolio** with large conventional oil prospects defined by 3D seismic
- ✓ **World scale gas condensate resource** base underpins significant long term strategic value potential
- ✓ Potential for **significant value increase** through near term activity



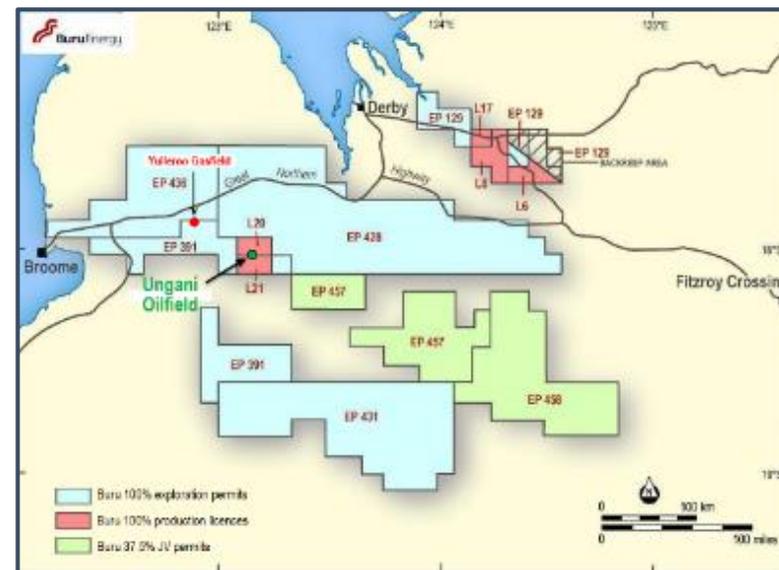
Ungani Oilfield – Cornerstone Asset

- Ungani Oilfield in early stages of production with 2 producing wells on natural flow towards initial 1,250 bopd target with pathway to 3,000 bopd target
- Independent review by GCA * confirms resources (estimate made after ~600,000 barrels produced on free flow) as follows:

Ungani Oilfield Contingent Resources (100%WI, MMstb)			
Contingent Resources as at 30 April 2016	1C	2C	3C
	2.08	6.65	18.80

- At target production rates, export system established through Wyndham Port provides operating margin of up to A\$25 to A\$30 per barrel at US\$50 Brent oil price and 0.75 A\$/US\$ exchange rate
- Potential for significant cost savings through future Broome export route or local crude sales opportunities
- Accelerated development program planned for 2017 with target 3,000 bopd in first half 2018
 - Install artificial lift (ESPs) in current wells to maintain and increase production rate
 - Enhance facilities throughput capacity
 - Drill development well (Ungani 4)
 - Sidetrack existing well for better productivity (Ungani 3)

* Note - The full resource statement is set out in accordance with ASX Listing Rules in Buru's ASX release of 16 May 2016. Buru Energy is not aware of any new information or data that materially affects the information included in the May 2016 ASX releases and all material assumptions and technical parameters underpinning the estimates in those releases continue to apply and have not materially changed.

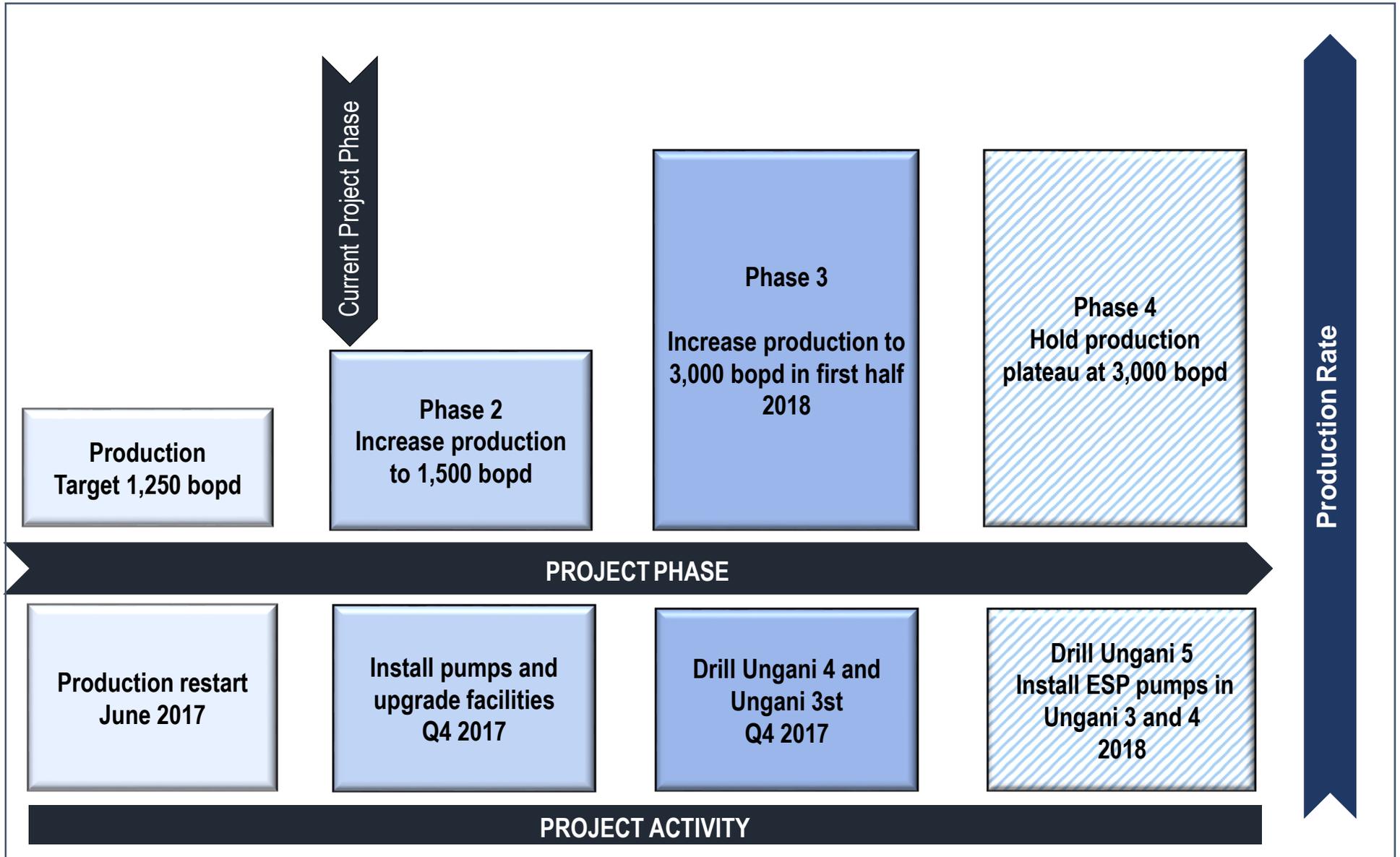


Ungani Oilfield location

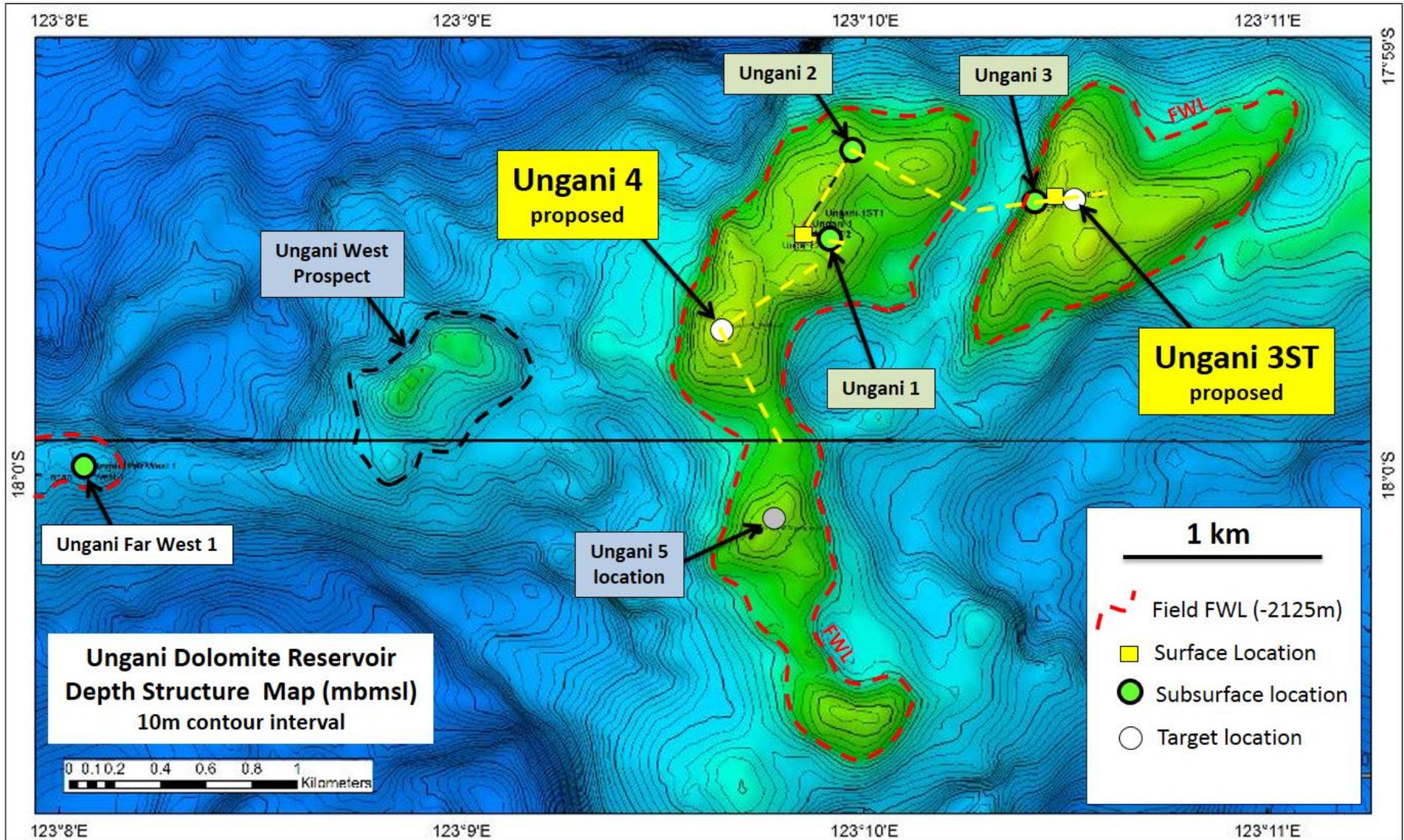


Ungani field facility

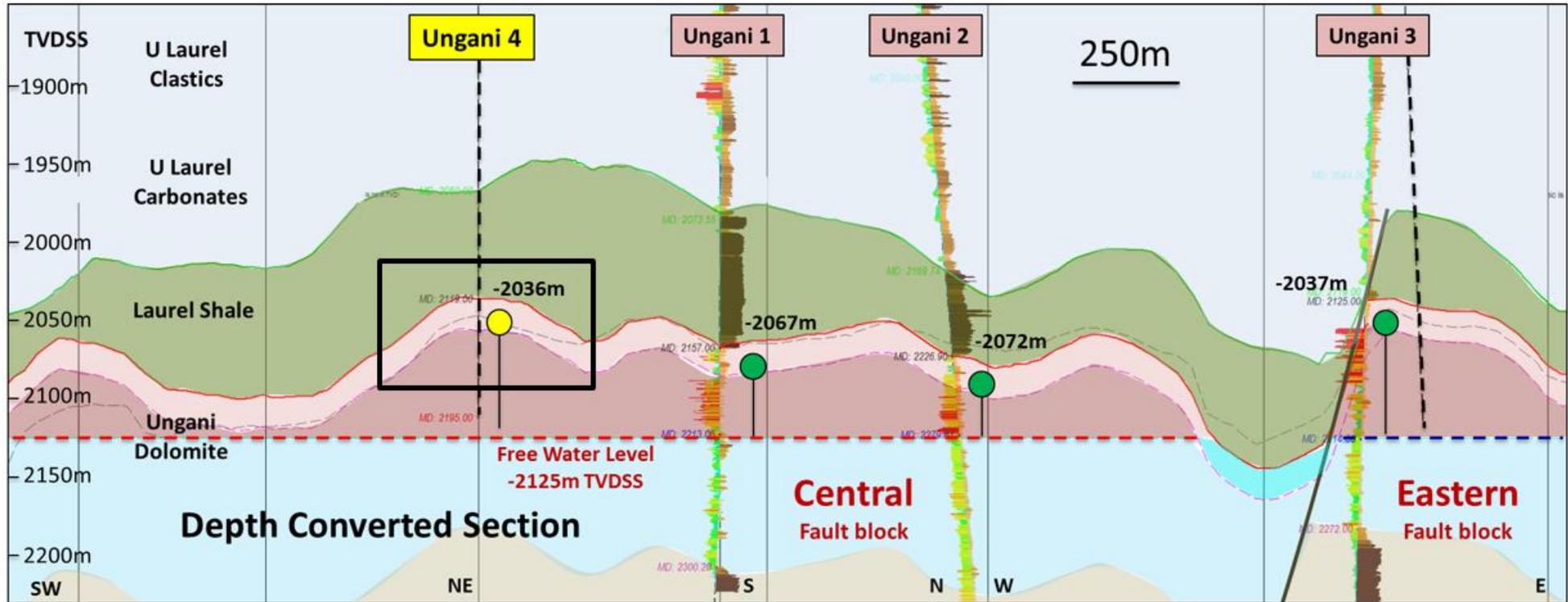
Ungani Overall Development Program Phases



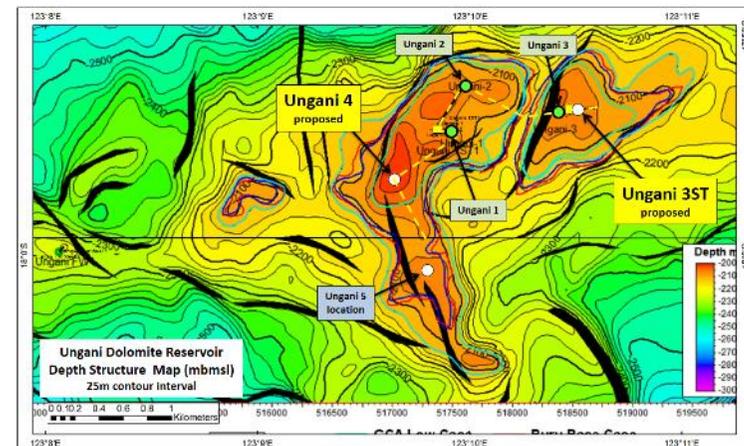
Ungani Accelerated Development Program – Ungani 4 location



Ungani Accelerated Development Program – Ungani 4

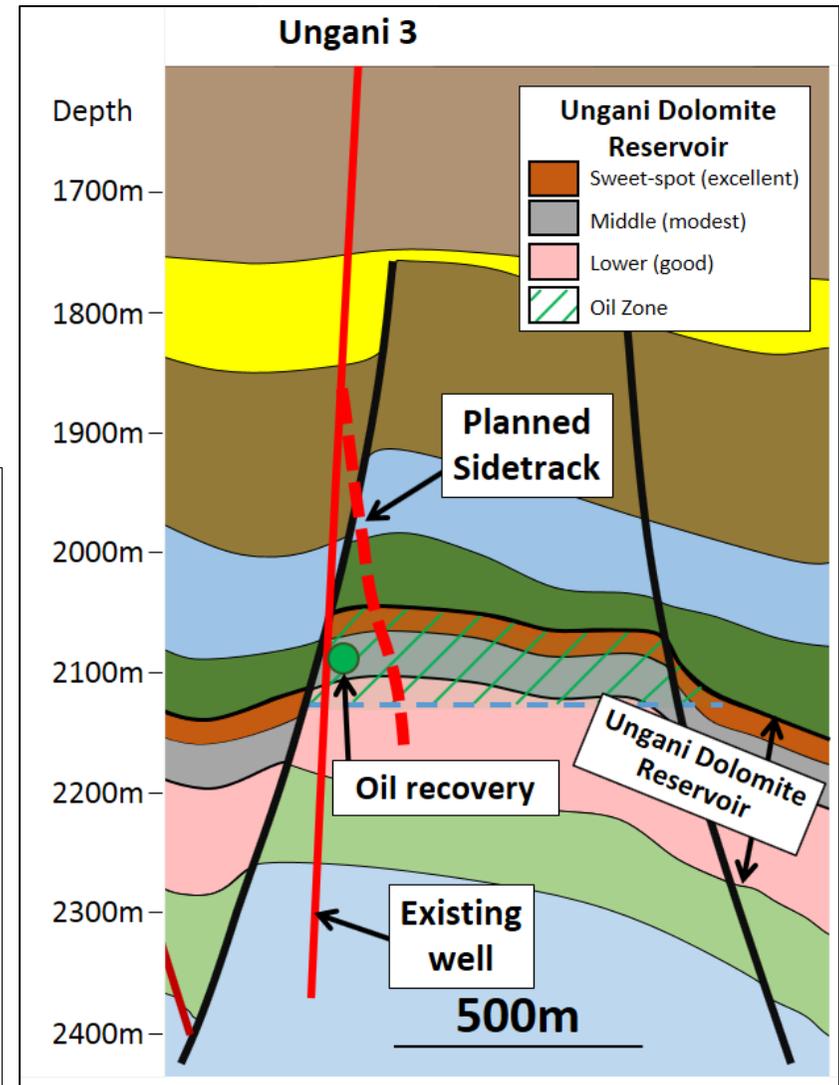
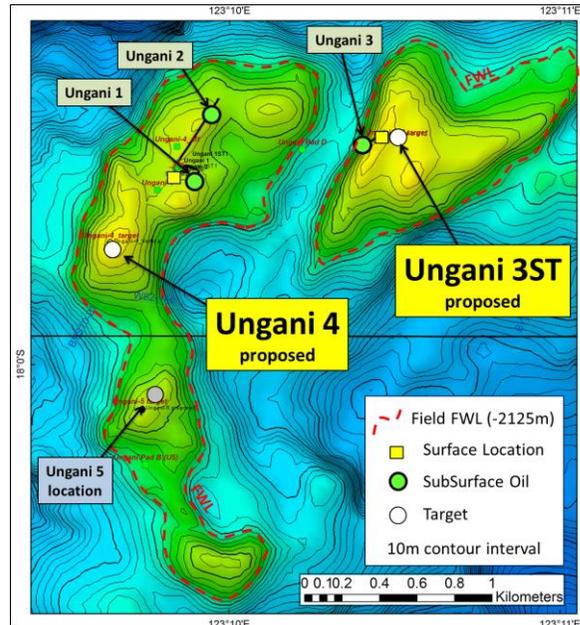


- Structurally updip (in time and depth) and 500m to the south of Ungani 1
- Interpreted “attic” location will recover undrained oil as well as oil from main field closure
- 3D seismic mapping of field with depth conversion providing considerable upside
- Location confirmed by independent mapping of Gaffney Cline and Associates (opposite)
- Verify reservoir continuity and convert resources to reserves
- Estimated cost of \$6.5 million



Ungani 3

- Initial Ungani 3 results in 2014 very anomalous with thinner shale seal and apparent poor reservoir, but oil column similar to Ungani main field
- Well produces oil at low rates
- Detailed review of 3D seismic and well correlations suggests either reservoir was faulted out, or more likely, the upper sweet spot layer of the reservoir was not recognised and cased and cemented with substantial cement losses into the reservoir
- Current plan is to plug back and drill sidetrack well away from the fault as shown in diagram at estimated cost of \$3 million
- Potential for very high value additional barrels to the currently defined resources if successful (3 to 4 mmbbls not currently included in GCA 2C resource estimates)
- In a failure case, potential to use the well for water injection and switch Ungani Far West to oil production



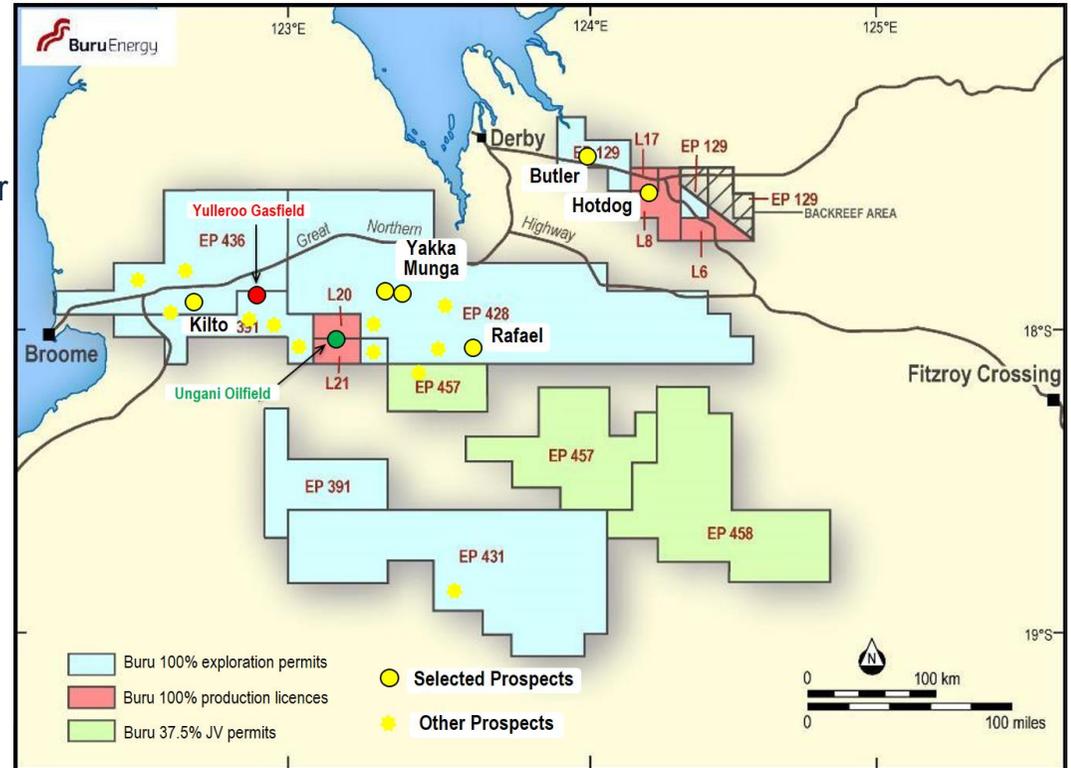
Exploration Prospect Portfolio

Extensive high prospectivity portfolio

- Proven oil play system over 150 kms in 100% acreage
- Range of prospect sizes up to world class potential
- Range of play types from proven Ungani Dolomite and Reeves discovery in UFW to new high potential concepts for both oil and gas
- Contingent resources in tight and conventional gas
- High potential shale oil play in Goldwyer Formation

Selected drill ready prospects

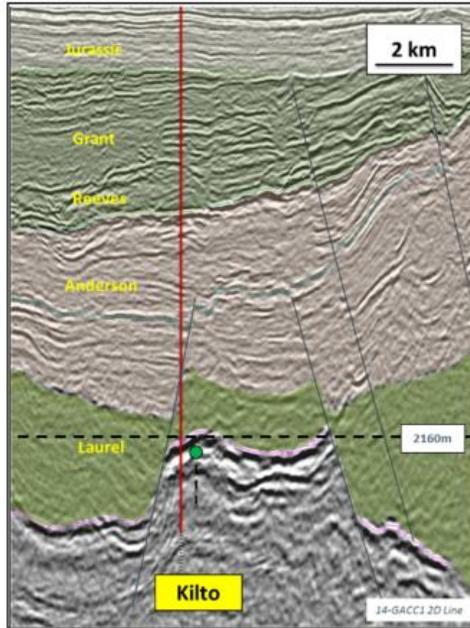
Prospective Resources - Refer Cautionary Statement				
Recov. Oil mmbbls/TCF		Low	Best	High
Rafael	mmbbls	36	75	138
Kilto	mmbbls	7	16	40
Yakka Munga	mmbbls	11	29	97
Hotdog	mmbbls	10	22	45
Butler Convent. TCF		0.3	1.5	3.0
Butler tight gas TCF		0.5	2.1	6.6



The following cautionary statement applies to all statements of prospective resources set out in this section and in the presentation generally. The referenced prospective resources are unrisks and calculated using probabilistic methods. Cautionary statement:

“The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) 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”.

Selected Ungani Dolomite Prospects



Well defined Ungani Dolomite prospects

Kilito

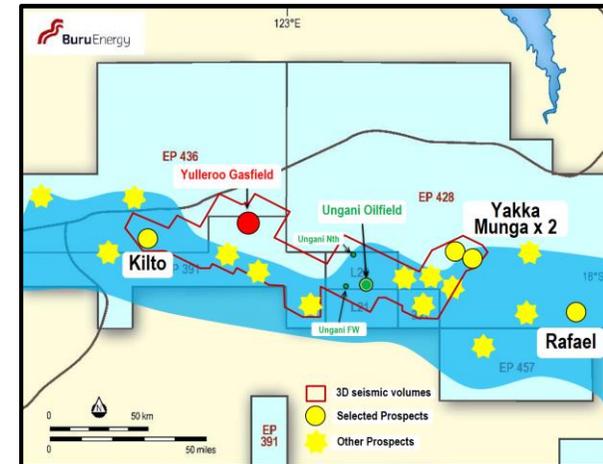
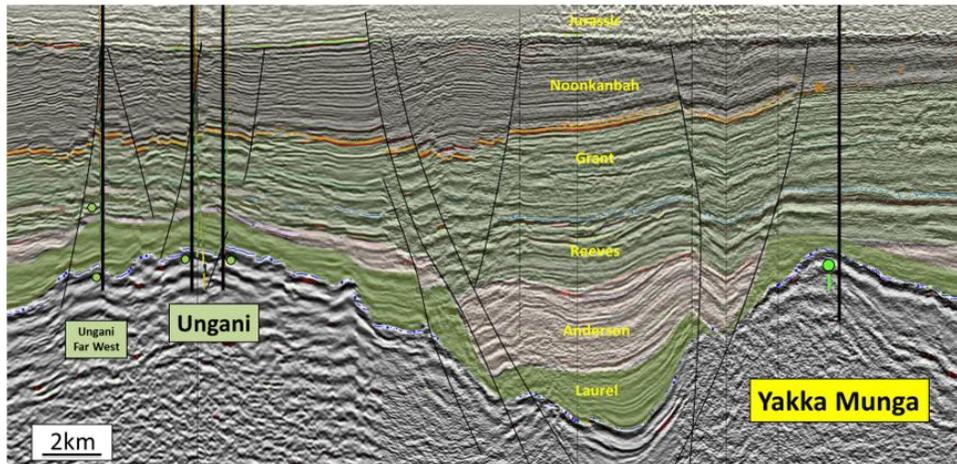
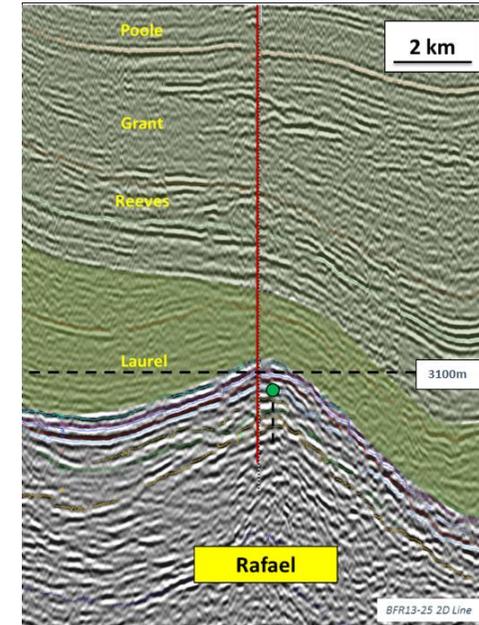
- 50km west of Ungani, and 50km from Broome
- Defined on Kurrajong 3D Seismic (also 2D seismic data)
- Close to oil source kitchen
- Large follow-up trend to the west

Rafael

- 50km to the east of Ungani
- Well defined by good quality 2D seismic data (1km grid)
- Many similarities to Ungani but 16 times larger
- Laurel oil charge proven along the trend

Yakka Munga

- Ungani Dolomite target
- Same anticlinal trend as Ungani
- Adjacent to the oil kitchen
- Very large structural closure with prospective recoverable volumes limited by seal capacity and height of column

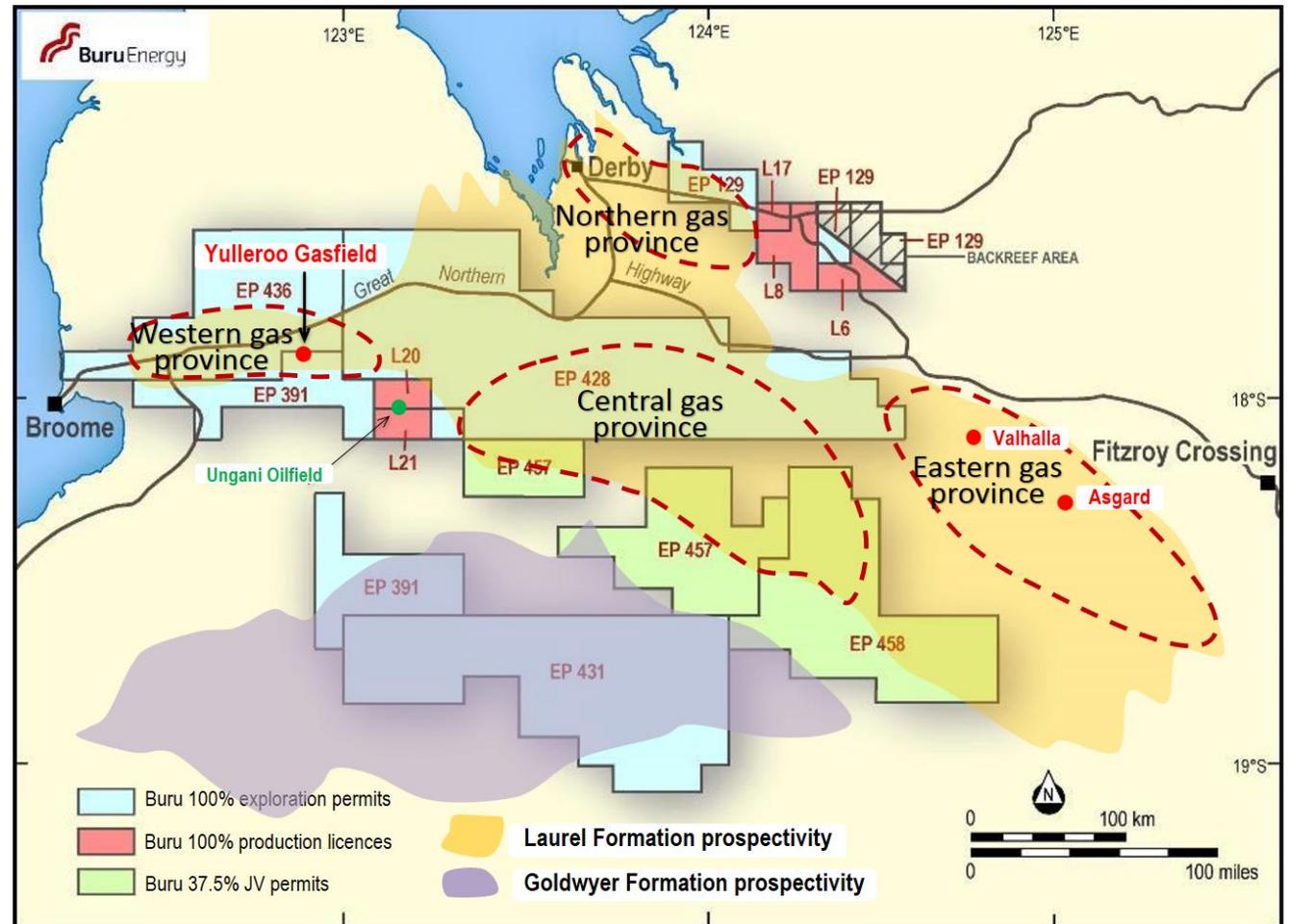


Gas Resources (conventional and unconventional)

- Buru has 100% of the Laurel Formation tight wet gas resources in Central, Northern and Western provinces
- Western Gas Province includes the Yulleroo Gasfield that has appraisal drilling, fracking and certified resource volumes. Resource statement currently being updated
- Central Gas Province has large prospective resource but little exploration
- Northern Gas Province has large, new, well defined high quality conventional and unconventional gas prospect (Butler)

Tight oil (Goldwyer) prospectivity

- Broome Platform has a defined “sweet spot” in the Goldwyer Shale Formation with many similarities to the Bakken
- A large part of the trend extends onto Buru’s 100% owned EP 431 with adjacent drilling planned in 2018



Equity Raising Details



- 1 for 5 non-renounceable entitlement offer to raise approximately \$10.2 million before costs
- New shares to be issued at \$0.15 per share, a ~22% discount to the 15-day VWAP on ASX of ~\$0.19
- Confirmation of support from Buru's two major corporate shareholders of intention to take up their respective entitlements for a total of approximately \$1.7 million
- Significant support and interest expected from other Buru shareholders/brokers/HNW investors based on initial feedback
- Hartleys Limited appointed as Lead Manager for placement of shortfall shares

KEY INDICATIVE DATES	
"Ex" Date	4 August 2017
Record Date	7 August 2017
Prospectus Mail Out	10 August 2017
Closing Date	1 September 2017
Shortfall Placement Period	Week commencing 4 September 2017

■ USE OF FUNDS

Use of Funds – based on full subscription	A\$	%
Phase 3 Ungani development expenditure		
• Ungani 4 drilling and completion costs	6,500,000	63.7%
• Ungani 3 Sidetrack drilling and completion costs	<u>3,000,000</u>	<u>29.4%</u>
Total Phase 3 Estimate	9,500,000	93.1%
Estimated Rights Issue Expenses	245,000	2.4%
Working Capital & Admin/Corporate	<u>454,912</u>	<u>4.5%</u>
Total	10,199,912	100%

■ CAPITAL STRUCTURE

	Number of Shares
Shares currently on issue	339,997,078
Rights Issue Shares offered	<u>67,999,416*</u>
Total Shares on issue (based on full subscription)	407,996,494*

* *subject to rounding of individual entitlements*

- **2017/18 Ungani Accelerated Development Program** with potential to increase production to 3,000 bopd and provide 50% uplift in resource base
- **Successful Ungani resource upgrade** supports the future development of Broome export facilities to significantly increase the oil production operating margin for Ungani and future oil discoveries.
- **Multi well exploration drilling program** of Ungani trend prospects in 2018 subject to farmout/funding. Farmout campaign planning well advanced.
- **Appraisal of Yulleroo gas resource** and drilling conventional gas exploration prospects. 2018/19 timeframe.



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