



# 2023

## ANNUAL REPORT

Buru Energy Limited Annual Report  
For the year ended 31 December 2023

ABN 71 130 651 437





**Buru recognises the Aboriginal People of this nation and their ongoing connection to culture and country.**

**We acknowledge Aboriginal People as the Traditional Owners and Custodians of the world's oldest living culture and pay respects to their Elders past, present and emerging.**

Aboriginal readers are warned that the following report may contain images of deceased persons.

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### **About this Report**

This 2023 Annual Report is a summary of Buru Energy's operations, activities and financial position for the 12-month period ended 31 December 2023. In this report, unless otherwise stated, references to 'Buru', the 'Company', 'we', 'us' and 'our' refer to Buru Energy Limited and its subsidiaries. This report contains forward-looking statements.

Please refer to page 2, which contains a notice in respect of these statements. All references to dollars, cents or \$ in this document are to Australian currency, unless otherwise stated. An electronic version of this report is available on Buru's website [www.buruenergy.com](http://www.buruenergy.com).

The 2023 Corporate Governance Statement can be viewed on our website on the Corporate Governance page.

# CORPORATE REGISTER

<b>Directors</b>	Mr Eric Streitberg	Non-Executive Chair
	Ms Joanne Williams	Independent Non-Executive Director
	Mr Malcolm King	Independent Non-Executive Director
	Mr Robert Willes	Independent Non-Executive Director
<b>Chief Executive Officer</b>	Mr Thomas Z Nador	
<b>Company Secretary</b>	Mr Paul Bird	
<b>Registered and Principal Office</b>	Address:	Level 2, 16 Ord Street, West Perth WA 6005
	Telephone:	+61 (08) 9215 1800
	Email:	info@buruenergy.com
	Website:	www.buruenergy.com
<b>Share Registry:</b>	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
<b>Auditors:</b>	KPMG	
	Address:	235 St George's Terrace, Perth WA 6000
<b>Stock Exchange:</b>	Australian Securities Exchange	
	Address:	Exchange Plaza, 2 The Esplanade, Perth WA 6000
<b>ASX Code:</b>	BRU	
<b>Current Issued Capital</b>	Fully paid ordinary shares	671,345,082
	Unlisted employee share options	1,000,000
<b>Trading History</b>	Share price range during 2023	\$0.08 to \$0.175
	Liquidity (annual turnover as % of average issued capital)	13.50%
	Average number of shares traded per day	~0.321 million

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## *Disclaimer and Forward-Looking Statements*

*This report contains forward-looking statements that are subject to risk factors associated with the oil and gas, carbon capture and storage, natural hydrogen and helium exploration and battery minerals exploration industries. All statements in this Report regarding forward plans, forecasts and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Forward looking statements are based on management's current expectations and reflect judgments, assumptions, estimates and other information available as at the date of this document, and are subject to known and unknown risks and significant uncertainties, many of which are outside the control of Buru. Actual results, performance, actions, and developments by Buru may differ materially from those expressed or implied by the forward-looking statements in this Report. Except as required by applicable law or the Australian Securities Exchange (ASX) Listing Rules, Buru disclaims any obligation or undertaking to publicly update any forward-looking statements.*

# ABOUT BURU ENERGY

## WHO WE ARE

Buru Energy Limited (ASX:BRU; “Buru” or “the Company”) is a Western Australian energy company focused on exploration and production of gas and oil and new energy resources in Australia. The Company is headquartered in Perth with a regional operational office in Broome.

## WHAT WE DO

The Company’s principal focus is the development of gas and oil resources in the northwest of Western Australia whilst participating in the new energy economy through its subsidiary companies involved in natural hydrogen and helium exploration, carbon capture and storage, and battery minerals exploration.

The Company’s gas and oil assets and tenements are located onshore in the Canning Basin in the southwest Kimberley region of Western Australia, where it owns and operates 100% of the conventional gas and condensate discovery at Rafael 1, and the conventional Ungani Oilfield project.

In addition, Buru operates a basin wide portfolio of exploration permits and licences in the Canning Basin spanning ~22,000 km<sup>2</sup>, prospective for conventional and unconventional hydrocarbon resources, carbon capture and storage and battery minerals exploration, with working interests ranging from 60% to 100%.

The Company also has significant exploration licence application areas in the Adelaide Superbasin in South Australia spanning ~30,000 km<sup>2</sup> where it is targeting natural hydrogen and helium exploration, and is the preferred applicant for Special Prospecting Authorities with an Acreage Option in Western Australia spanning ~35,000km<sup>2</sup> where it is targeting helium exploration.

## OUR PURPOSE

To bring energy resource developments to life in a way that creates long term value for our shareholders and stakeholders, including the communities and Traditional Owners of the lands on which we operate, our employees, joint venture partners, and suppliers.

## OUR VISION

The Company’s vision is to be a premier Australian diversified energy company, committed to business and financial success, that has a positive impact on society and the environment.

# CHAIRMAN'S LETTER



“  
**The Company's other activities in the energy sector, particularly in natural hydrogen, have also been substantially advanced, and this aspect of our business is increasingly getting the recognition it deserves.**  
”

**Dear Shareholders,**

**I am pleased to be able to provide my comments as Chair as part of this annual report's review of 2023.**

I assumed the role of non-executive Chair at the beginning of the year and am pleased to report that my transition to non-executive Chair as a “first among equals” of Directors of the Board has gone smoothly and effectively. The success of this transition was substantially due to the appointment of the Company's Chief Executive Officer, Thomas Nador, reporting to the Board and responsible for the management of the operations of the Company. This management transition was a direct reflection of the Company's operational transition from a focus on exploration to a focus on appraisal and development activity for the Rafael conventional gas and condensate discovery and the growing importance of our natural hydrogen and CCS activity.

The Rafael appraisal and development activities included the acquisition of a 3D seismic survey that has provided valuable insights into the nature of the Rafael discovery, and in parallel, extensive and very focused planning and analysis for the development of the discovery. These activities are covered in more detail in the CEO's review in this report.

The Company's other activities in the energy sector, particularly in natural hydrogen, have also been substantially advanced, and this aspect of our business is increasingly getting the recognition it deserves.

In a broader sense, the contraction of support in the equity markets for smaller companies has been dramatic, but pleasingly the Buru share price has relatively outperformed the majority of our peers. We have also retained and increased the support of our existing shareholders, and introduced additional shareholders, through the capital raising in late 2023.

This support from our shareholders is most gratefully acknowledged and has allowed us to maintain the momentum for the development of Rafael and of our natural hydrogen and CCS activities through our 2H Resources and GeoVault subsidiaries.





Yakka Munga Station Homestead

We have challenges ahead, but our gas development activity is underpinned by the recognition of the need for gas as a transition fuel, particularly as a long-term firming component of the electricity grid, and for wide ranging industrial uses. In that regard it is particularly exciting for us to be advancing our “Phase 1” Rafael development project to supply gas as a low emission, reliable energy source in the Kimberley, including to remote communities.

Buru and its predecessor, ARC Energy, have operated in the Kimberley since 2006 and we have developed deep connections at a community and Government level, and continuously strive to maintain and improve those relationships. In that regard we also acknowledge and thank the Traditional Owners of the areas in which we operate. We deeply respect their connection to country and appreciate our role to ensure that our activities are of mutual benefit and cause a minimum level of disturbance.

Our successes rely on our energetic and hard-working staff who have delivered outstanding results during the year. I would particularly like to acknowledge our CEO, Thomas Nador, who has worked tirelessly to deliver the Company’s vision under at times, very challenging conditions.

The Buru Board has also provided the essential support and counsel that is required to deliver on the Company’s vision, particularly during my transition to the role of non-executive Chair and I personally thank them for that support.

I again thank shareholders for their support and look forward to a successful 2024.

Eric Streitberg  
Non-Executive Chairman

25 March 2024

# CHIEF EXECUTIVE OFFICER'S REPORT

Dear Shareholders,

I am pleased to present Buru Energy's Annual Report for 2023.

2023 was another successful year for Buru as we continued to make material progress on our strategy to find, enable and develop gas and oil resources safely and competitively, whilst evolving our complementary new energy businesses that support a structured transition to a low carbon economy.

It has also been an eventful year for Buru, book-ended by both opportunities that the Company was able to seize due to its agile and entrepreneurial culture, and challenges which have tested its ability to adapt, persevere, and demonstrate resilience.

## GAS AND OIL EXPLORATION, DEVELOPMENT AND PRODUCTION

In our core gas and oil focused business, the year has seen Buru regain full ownership of Rafael, the first significant conventional gas and condensate discovery in the onshore Canning Basin of Western Australia, following the acquisition earlier in the year of Origin Energy's joint venture interests in our assets in the Canning Basin.

The Rafael resource has been independently assessed to have the potential to hold gross recoverable volumes of over one TCF of gas and 20 million barrels of condensate, creating optionality for project development. Commercialising this resource is the Company's strategic priority, with significant progress made over the past 12 months as evidenced by the appraisal and development milestones achieved, which are aimed at de-risking the Rafael resource appraisal and development activity and creating stakeholder value.

In relation to Rafael commercialisation activities, the year has seen Buru:

- receive government approval of a Declaration of Location for the Rafael discovery
- complete a 3D seismic survey over the Rafael structure on schedule and on budget. Preliminary results from this survey have shown a significant data quality uplift over the vintage 2D seismic survey. The survey was majority funded by Origin Energy as part of their exit,
- commit to long lead well equipment items to support planned Rafael appraisal drilling in the second half of 2024,



- confirm a two-phased project delivery strategy that aims to generate early cashflows, accelerated benefits to shareholders and the Kimberley, and the ability to optimise a larger scale development based on Rafael resource appraisal outcomes,
- commence pre-Front End Engineering Design (FEED) for Phase 1 of the Rafael development based on the already defined 'low-case' volume estimate of the Rafael contingent resource. This project is aimed at displacing imported diesel and Liquefied Natural Gas (LNG) to the Kimberley with a local source of natural gas and condensate, importantly catalysing emissions reduction by providing firming for 50-125MW of additional renewable energy generation capacity for the region, and
- initiate a strategic appraisal/development partner selection process for Buru's Canning Basin acreage, including the Rafael discovery, which was underway at that date of this report.

These achievements are designed to drive the certainty of outcome for the Rafael development, with the potential to transform Buru from an explorer to a developer and producer of natural gas by 2027, coinciding with a period of projected supply deficits in the domestic market in Western Australia and increased global gas demand internationally.

In our oil business, the unprecedented record flooding in the Kimberley early in the year that resulted in widespread damage to communities and regional infrastructure, including Buru's road transportation export route for Ungani crude oil, challenged our business and tested our resilience.

After a period of production between May 2023 and July 2023, Buru was able to successfully export







2023 Rafael 3D Seismic Acquisition Camp

one shipment of crude oil from Wyndham to the SE Asian market in August 2023 after which the Ungani Oilfield production was suspended. This suspension also coincided with the withdrawal of Roc Oil from the Ungani Joint Venture, with Buru regaining 100% of the Ungani assets on 30 September 2023 following the assignment of Roc Oil's 50% interests in the field to Buru.

The full ownership of the Ungani Oilfield provides Buru with the opportunity to revisit its operating model for the field, and to this end, Buru is testing the market for potential partnerships to extract maximum value from this late life asset.

Finally, and in line with the priorities of the business, the year has seen the divestment of non-operated joint venture interests in the onshore Carnarvon Basin to Mineral Resources for a cash payment, thereby strengthening Buru's balance sheet to advance Rafael commercialisation activities.

## INTEGRATED NEW ENERGY BUSINESSES

Although a significant share of the Company's focus and resources is allocated to the commercialisation of the Rafael resource, Buru's integrated energy subsidiaries continued to make good progress during the year to build the value of these energy expansion and energy transition initiatives.

Our 2H Resources subsidiary, focused on natural hydrogen and helium exploration and development has expanded its footprint beyond South Australia, via the application of six Special Prospecting Authorities with Acreage Option (SPA-AO) adjacent to the Perth Basin, and in the Goldfield area in Western Australia, prospective for helium and

associated gases. Together with the seven Petroleum Exploration Licence application areas and two Gas Storage Exploration Licence application areas that 2H Resources already has in South Australia, the combined area under application is some 65,000 sq kms, or approximately the area of Tasmania.

Other notable developments in our 2H Resources business include the completion of an independent hydrogen Prospective Resource assessment for the South Australian application areas, and the execution of a research agreement with the CSIRO for the deployment of autonomous monitoring instruments to detect natural hydrogen and other gases in soil.

With natural hydrogen and helium exploration gaining significant momentum internationally and in Australia, 2H Resources is well placed to participate in this nascent area of resource development for the benefit of the environment and our shareholders.

Our GeoVault subsidiary, focused on Carbon Capture and Storage (CCS), continued to define the Greenhouse Gas (GHG) storage potential of Buru Energy's onshore Canning Basin holdings, and has completed an independently validated GHG storage potential assessment for areas in and around Buru's petroleum permits and licenses in the basin during the year.

This work confirmed material hub scale potential that well exceeds the estimated source CO<sub>2</sub> emissions from a larger-scale Rafael project, thus providing a pathway to potentially significant reductions in Scope 1 and Scope 2 emissions from the planned Rafael project, as well as the opportunity to provide CO<sub>2</sub> storage capacity for third party emitters seeking to reduce their own emissions.

# CHIEF EXECUTIVE OFFICER'S REPORT

## SUSTAINABILITY

I want to comment on Buru's commitment to continual improvement in Environmental, Social and Governance (ESG) practices, as documented in detail in our 2023 Sustainability Report.

I am pleased to report that during the year we made robust progress in enhancing our ESG disclosures and aligning them with Global Reporting Initiative (GRI) standards and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), thus demonstrating our dedication to transparency and accountability in all aspects of our operations.

On our environmental performance and practices, we finished the year strongly, having recorded no Tier 1 and or Tier 2 incidents. We also continued to refine our goals related to Greenhouse Gas Emissions, climate adaptation, resilience, and transition as part of our sustainability framework.

On our social performance, I am pleased to report that we have successfully maintained a track record of no lost time injuries during the year across our operations, reflecting our commitment to ensuring the well-being of our workforce and achieving Zero Harm. This accomplishment is a testament to the dedication and vigilance of our people.

Connected to the care and respect for people and the environment, we continued to maintain our strong commitment and positive engagement with local and Indigenous communities, relationships that we have nurtured over 15 years of operating in the Kimberley. We are strong believers of supporting communities at a local level and are pleased with our ongoing sponsorship of the Kimberley Art and Photographic Prize, the Young Indigenous Women's Pathway Program - Kimberley Girl, the Kimberley Economic Forum, and our ongoing collaboration with the Shire of Derby/West Kimberley and the Broome Chamber of Commerce and Industry.

## FINANCIAL AND CORPORATE

With the high levels of operational activity across the business, disciplined capital and resource allocation remains a key focus for management.

As at year end, the Company remains debt free with approximately \$18 million in cash.

Thanks to the support of our existing shareholders and new investors, funds were raised via a successful share placement and share purchase plan during the

year, with the funds allocated to the placement of critical drilling long lead item orders for the planned 2024 appraisal drilling program, and progressing regulatory approvals, native title negotiations and project development activities in support of taking a Final Investment Decision (FID) in 2025 and delivering first gas and condensate from a Phase 1 Rafael project in late 2027.

## 2024 OUTLOOK

We enter 2024 focused on building on the momentum that we've generated over the past 12 months.

Our key planned activities for our gas and oil business include the processing and interpretation of the Rafael 3D seismic survey data, the completion of the Canning Basin/Rafael strategic appraisal and development partner selection process, resource appraisal drilling and the maturation of the Rafael Phase 1 development toward Final Investment Decision in 2025. Together with the completion of the strategic review of our Ungani Oilfield assets, these core activities are recognised as key value drivers for the Company.

For our new energy businesses, we aim to continue and build the value of these assets by securing tenure for exploration, and leveraging our quality technical work completed to date to enable early partnering and commercialisation opportunities.

In closing, I would like to extend my appreciation to our shareholders, the Chair and the Board, my executive team, our talented staff and wide-ranging stakeholders, for their support of our Company, and our vision to be a premier Australian diversified energy company, committed to business and financial success that has a positive impact on society and the environment.

I look forward to another year of performance and achievement in 2024.



Thomas Z Nador  
Chief Executive Officer

25 March 2024

# DIRECTORS

Name, qualifications and independence status	Experience, special responsibilities, and other directorships
<p><b>Mr Eric Streitberg</b>  <b>Non-executive Chairman</b></p> <p>Eric is a Fellow of the Australian Institute of Mining and Metallurgy and the Australian Institute of Company Directors, a member of the Society of Exploration Geophysicists, Petroleum Exploration Society of Australia and the American Association of Petroleum Geologists.</p> <p>He is a Certified Petroleum Geologist and Geophysicist and holds a Bachelor of Science (App. Geoph.) from the University of Queensland.</p>	<p>Eric has more than 40 years of experience in petroleum geology and geophysics, oil and gas exploration and oil and gas company management. He was a founding shareholder and held the position of Managing Director of ARC Energy Limited which was transformed from a junior oil and gas exploration company into a mid-size Australian oil and gas producer. He was also the founding shareholder and Managing Director of Discovery Petroleum which was a key participant in the renaissance of the Perth Basin as a significant gas producer until the takeover of that company in 1996. Prior to that he held various senior international exploration roles with Occidental Petroleum and BP. He was a founding shareholder and Non-executive Director of Adelphi Energy Limited from 2005 until its takeover in 2010.</p> <p>Eric was previously a Director and Chair of the Australian Petroleum Production and Exploration Association and has also chaired the APPEA Exploration and Environment Committees. He is also a past Chair of the Marine Parks and Reserves Authority of Western Australia.</p> <p>Eric has been a Director since October 2008 and was the Executive Chairman from May 2014 to December 2022.</p>
<p><b>Mr Robert Willes</b>  <b>Independent Non-executive Director</b></p> <p>Robert is a Graduate of the Australian Institute of Company Directors and member of the Association of International Petroleum Negotiators. He holds an Honours Degree in Geography from Durham University in the UK and has completed Executive Education Programmes at Harvard Business School in the USA and Cambridge University in the UK.</p>	<p>Robert has been a Director since July 2014 and has over 30 years of extensive international experience in the oil and gas and energy industries, covering senior commercial and leadership positions with BP as well as ASX and government board roles. His BP career included exploration &amp; production, gas &amp; power and global M&amp;A, with responsibility for numerous complex deals such as divestments, farm-ins, asset swaps, new acreage bids, unitisations, gas and LNG sales.</p> <p>A former Managing Director of Challenger Energy Ltd and CEO of Eureka Energy Limited, Robert is also a Director of the Mid West Port Authority and has served on a number of boards including the Australian Petroleum Production and Exploration Association, North West Shelf Gas Pty Ltd, North West Shelf Liaison Co. Pty Ltd, North West Shelf Australia LNG Pty Ltd, North West Shelf Shipping Services Co. Pty Ltd, Carbon Reduction Ventures Pty Ltd and Perth Centre for Photography.</p> <p>Robert is the Chair of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee.</p>
<p><b>Ms Joanne Williams</b>  <b>Independent Non-executive Director</b>            (Appointed 22 February 2021)</p> <p>Joanne is a Petroleum/Reservoir Engineer holding a Bachelor of Engineering (Hons) from the University of Adelaide and is a member of the Australian Institute of Company Directors.</p>	<p>Joanne is an experienced industry professional with more than 25 years' experience in technical and executive roles with Woodside Petroleum, Newfield Exploration, Gulf Canada, Clyde Petroleum and Nido Petroleum.</p> <p>Joanne has been directly responsible for managing production operations, exploration drilling and development projects, capital raisings, asset transactions and joint venture interests throughout her career; including as Deputy Managing Director at ASX-listed Nido Petroleum for seven years.</p> <p>Joanne is currently a Non-Executive Director of 88 Energy Limited and Jadestone Energy Plc. She was previously the Managing Director of Blue Star Helium, a Perth-based helium exploration and development company focused on activities in North America.</p> <p>Joanne is a member of both the Audit &amp; Risk and Remuneration &amp; Nomination Committees.</p>

# DIRECTORS

## Name, qualifications and independence status

## Experience, special responsibilities, and other directorships

### Mr Malcolm King

#### Independent Non-executive Director

(Appointed 22 February 2021)

Malcolm has a Bachelor of Applied Science (Geology) degree from the University of Southern Queensland and a Master of Science (Petroleum Geology) from the University of Aberdeen, Scotland. He is a Member of Australian Institute of Company Directors and a graduate of the Australian Institute of Company Directors Director Program.

Malcolm has 35 years of upstream oil and gas experience, mostly with Shell in technical, commercial and executive leadership roles across Asia and Australia. His Shell experience spans the Exploration & Production and Gas & Power businesses, participating in and leading exploration and M&A campaigns, and working extensively in LNG operations, market and business development, and project development. More recently Malcolm headed-up Senex Energy's Commercial and Growth functions for the Cooper Basin oil and Queensland coal seam gas businesses. Malcolm has held non-executive board positions for other ASX-listed energy companies and currently provides consulting services to the energy industry.

Malcolm is the Chair of the Remuneration and Nomination Committee and a member of the Audit and Risk Committee.



Left to right: Malcolm King, Robert Willes, Joanne Williams, Eric Streitberg

# LEADERSHIP TEAM



**Thomas Z Nador**

**Chief Executive Officer**  
*BSc, PGDip Sc, MAICD*

Thomas is a globally experienced oil and gas executive with over 25 years' experience in various roles across the oil and gas value chain, mining and metals, pipelines and infrastructure developments. Thomas has been involved in the development of major oil and gas resources from discovery to production, managed significant pre- and post-merger integrations at an asset and corporate level, and has led large multidisciplinary and multicultural teams to deliver high value, complex and innovative programs of work.

Prior to joining Buru in 2022, Thomas held the position of Group Executive, Development with Beach Energy, Executive Vice President and Country Manager for InterOil Corporation in Papua New Guinea, and Development Manager, Project Interface Manager and Project Integration Manager for LNG projects at Woodside Energy.



**Paul Bird**

**Chief Financial Officer & Company Secretary**  
*BSc, FCCA, AGIA*

Paul is a Chartered Accountant and Governance Professional with over 25 years' experience, predominantly within the energy sector with ASX listed companies.

Paul joined Buru in October 2022 following his most recent role as Chief Financial Officer and Company Secretary of ASX listed Metgasco Ltd. He has held previous senior finance leadership roles with national oil companies, publicly listed and private oil companies in Australia, US, Europe and SE Asia.

Paul has been responsible for many aspects of finance and business administration, including financial control and reporting, corporate governance, debt and capital raising, treasury management, insurance and risk management, and tax planning. Paul is experienced in corporate acquisitions and divestments including business valuations and joint venture farm in/out transactions and adds significant strength and diverse capability to Buru.



**Rachel McIntyre**

**Development Manager**  
*MGeol*

Rachel joined Buru in February 2023 and has over 15 years of oil and gas experience across exploration and development and specific expertise in carbon capture and storage (CCS) projects in Australia and throughout the United Kingdom and Europe.

Rachel has a strong geoscience background which she has utilised in a variety of roles and projects through the life cycle of appraisal, development and late life assets.

As central member of a dynamic consultancy team, Rachel has also managed multiple projects across several technical disciplines.

Rachel assumed the role of Development Manager at Buru Energy in January 2024.

# LEADERSHIP TEAM



**Grant McMurtrie**  
**General Manager**  
**Exploration**  
*MSc Geology*

Grant has 25 years' experience across geoscience and managerial roles, predominantly with multinational organisations BHP and Shell.

He has led the execution of oil and gas exploration work programs across most Australian Basins including operations, seismic acquisition, seabed coring, airborne surveys and drilling wells.

His broad geoscience skillset is complimented by expertise in play-based exploration, remote sensing, new ventures and exploration portfolio management.

Grant assumed the role of Exploration Manager at Buru Energy in January 2024.



**Pete Ryan**  
**General Manager**  
**Commercial**  
*BComm, GDip Applied*  
*Finance, MBA*

Pete has over 15 years' experience in the Australian energy industry incorporating a specialised skill set of corporate strategy, project development, energy marketing and trading, market development, joint venture leadership and commercial operations.

Pete also has a broad range of commercial leadership experience in senior commercial roles and has led commercial development and operations of new energies, renewables, power generation, and upstream projects. Pete has significant commercial experience in conventional hydrocarbon developments, including domestic gas, domestic LNG, export LNG and hybrid renewables.

Pete is a member of the Australian Institute of Energy and Association of International Energy Negotiators.

# LEADERSHIP TEAM



**Rosie Johnstone**  
**Head of CCS Solutions**  
*BSc (Hons) Geology*

Rosie has over 25 years' experience in both oil and gas exploration and carbon capture and storage (CCS) across Australia, Asia-Pacific and the United Kingdom.

She is a technical authority on CCS in Australia, engaging with federal and state government regulators, research institutions, local communities and emitters. Rosie's previous work with Shell Australia saw her become the focal point for CCS sink identification in the Australia/Asia-Pacific region where she was responsible for high-level screening to injection site planning in the Petrel Sub-Basin.

She joined Buru Energy's wholly owned subsidiary, GeoVault, as Head of CCS Solutions in 2021 and currently holds the position of Interim Chair of the Carbon Capture Utilisation and Storage Network of Australia (CCUSNA).



**Leah Fuller**  
**Project Approvals and Strategy Manager**  
*Dip Law, Dip Business*

Leah brings over 14 years' experience in the resources industry having held roles in both minerals and petroleum across most Australian jurisdictions.

Leah has demonstrated experience with major development projects such as the Australia Pacific LNG project with Origin Energy, the Eastern Leases project with BHP/South32 on Groote Eylandt, Northern Territory, the Dendrobium Next Domain project and Appin mine extension for South32 Illawarra Metallurgical Coal in NSW and more recently, the Lockyer Gas Development with Mineral Resources in the Perth Basin, Western Australia.

Along with demonstrated experience and strengths in strategy and planning, agreement negotiation, land access and tenement management, native title, heritage and regulatory approvals, stakeholder engagement and compliance, Leah also holds undergraduate qualifications in Business and Law.



# OUR STRATEGY



*Fitzroy River, Kimberley region, Western Australia*

**The Company's goal is to deliver material benefits to its shareholders, the Traditional Owners, the Government, and communities of the areas in which it operates. The Company plans to achieve this goal by successfully and responsibly exploring for and developing gas and oil resources, and ensuring it is part of the energy transition, in an environmentally and culturally sensitive manner.**

The Company's strategy is focused on balancing its short-medium term returns from a hydrocarbon focused business with its longer-term business drivers via its new energy businesses.



# OUR STRATEGY

In 2023, we continued to execute and deliver against our strategy.



## **FIND** ENERGY RESOURCES SAFELY AND COMPETITIVELY

- Incurred no lost time injuries across operations.
- Received government approval of a Declaration of Location application for the Rafael gas and condensate discovery.
- Committed to long lead items to support planned Rafael appraisal drilling in 2024.
- Executed a 3D seismic survey over the Rafael structure on budget and schedule.
- Matured several leads as potential backfill for a Rafael development.
- Applied for renewal of exploration permits EP 428, EP 436 and EP 391 and exited exploration permit EP 458 to focus on core acreage.



## **ENABLE** OPPORTUNITIES THROUGH RIGHT PARTNERSHIPS AND FUNDING STRUCTURES

- Completed the acquisition of Origin Energy's Canning Basin joint venture interests, enabling the resetting of the Rafael appraisal and development process.
- Regained full ownership of the Ungani Oilfield, following agreement with Roc Oil to assign its 50% interests in the field to Buru.
- Divested non-operated assets in the onshore Carnarvon Basin to strengthen balance sheet and focus on core activities.
- Initiated appraisal and development partner selection process for the Rafael discovery, with Australian and International parties commencing due diligence.



## **DEVELOP** THROUGH OTHERS WHILST MAINTAINING A MATERIAL INTEREST IN PRODUCING ASSETS

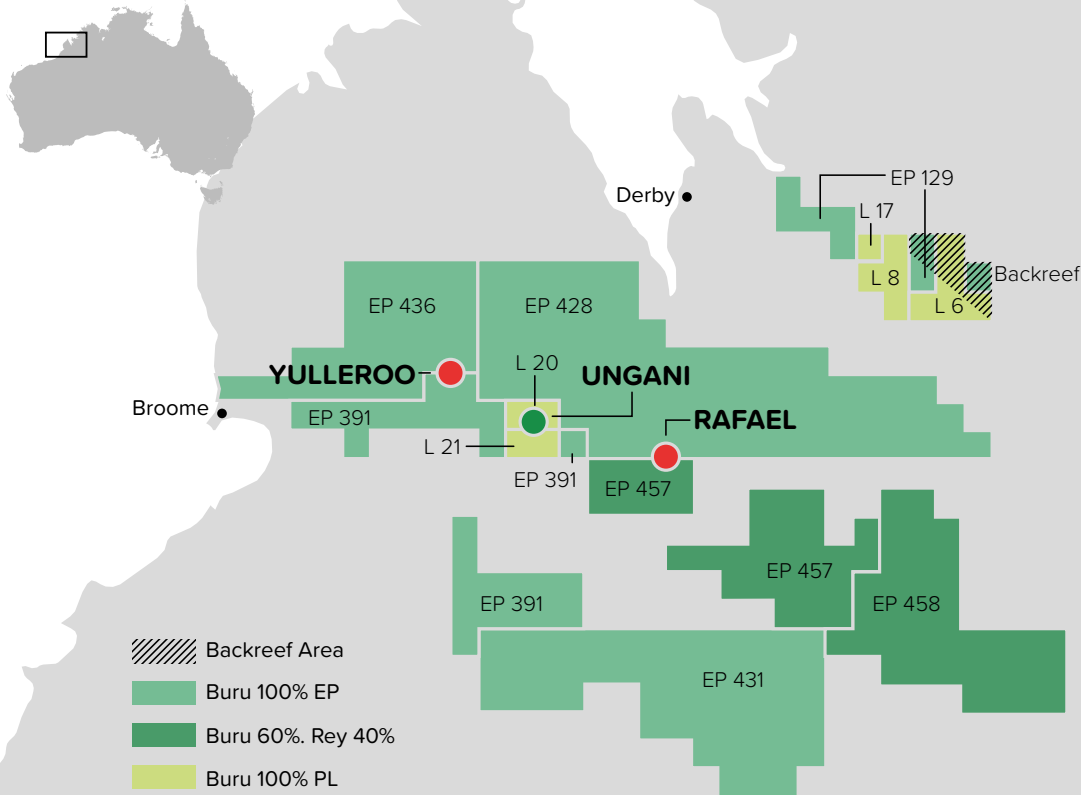
- Successful Ungani crude oil lifting of ~72,500 bbls, following prolonged interruptions to production operations due to impact of ex-Tropical Cyclone Ellie on regional infrastructure.
- Completed technical and commercial feasibility studies for the full range of Rafael contingent resource volumes.
- Confirmed a two-phase development strategy and entered pre-FEED engineering for a Phase 1 Rafael project based on a conservative low contingent resource volume.
- Commenced Economic Impact Assessment for Rafael Phase 1 development.



## **EVOLVE** COMPLEMENTARY INTEGRATED ENERGY BUSINESSES

- Received an independent hydrogen Prospective Resource assessment for 2H Resources' exploration licence application areas in South Australia.
- Preferred applicant for six SPA-AOs in Western Australia, targeting helium exploration.
- Executed research agreement with the CSIRO to develop autonomous soil gas sensors to support hydrogen/helium exploration.
- Continued to expedite land access agreements with key Native Title parties to facilitate on-ground hydrogen/helium exploration activities in South Australia.
- Completed independently validated assessment of the geological greenhouse gas (GHG) storage potential of areas in and around Buru's Canning Basin petroleum licence areas (GeoVault).
- Founded Carbon Capture Utilisation and Storage Network Australia (CCUSNA).
- Continued analysis of the initial drilling program results from late 2022 demonstration project targeting lead/zinc deposits in Canning Basin (Battmin).

# REVIEW OF OPERATIONS



## EXPLORATION AND APPRAISAL

Buru’s petroleum acreage in the onshore Canning Basin of Western Australia is uniquely positioned to transform the Kimberley energy system, and to develop a new world class energy province that leverages the Basin’s carbon capture and storage, and solar energy resource potential.

The Company’s Rafael gas and condensate discovery in a conventional reservoir presents significant opportunity for the Kimberley region to replace/displace the current gas and diesel imports for its energy needs, and to add to Western Australia’s resource endowment.

### RAFAEL DISCOVERY – THE CATALYST FOR APPRAISAL AND DEVELOPMENT

The Rafael 1 well is located on Exploration Permit 428 in the Canning Basin, some 50 kilometres to the east of the Ungani Oilfield and some 150 kilometres east of Broome. The well was drilled in late 2021 and defined a significant conventional gas and condensate resource in the Ungani Dolomite equivalent reservoir and in the dolomitised Upper Laurel Carbonate reservoir.

A limited section of the interpreted hydrocarbon column in the Ungani Dolomite reservoir was flow tested in 2022 and confirmed high quality gas with low reservoir CO<sub>2</sub>, and a high condensate content of 40 barrels per million cubic feet of gas.



*Rafael conventional gas and condensate discovery flow testing, 2022*

Subsequent to flow testing the Rafael well, ERCE Australia Pty Ltd (ERCE), a specialist resource assessment consulting group, assessed both the Contingent Resources in the Ungani Dolomite equivalent section and the Prospective Resources identified within the separate Upper Laurel Carbonate zone and confirmed that subject to further appraisal, the Rafael accumulation has the potential to hold recoverable resources of over one TCF (trillion cubic feet) of gas and over 20 million barrels of condensate.

The detailed results of ERCE's assessment and required disclosures and qualifications are set out in the ASX announcement dated 26 April 2022.

In February 2023, subsequent to Origin Energy's change of strategic focus away from upstream oil and gas activities, Buru acquired Origin's Canning Basin Joint Venture interests, including the Rafael discovery, thus resuming the Company's position as the dominant net acreage holder and operator in the Canning Basin, and 100% owner of the Rafael discovery.

The Western Australian government subsequently approved Buru's Declaration of Location application for the Rafael discovery in July 2023, paving the way for the future application for a Production Licence which is required for the development of the resource.

# REVIEW OF OPERATIONS

## RAFAEL APPRAISAL PROGRAM

During the year Buru completed the acquisition of the Rafael 3D seismic survey covering an area of approximately 200 sq kms over and around the Rafael gas and condensate accumulation within the EP 428 and EP 457 permit areas.

The low impact seismic survey was completed safely, on time, and on budget by Terrex Seismic who have a long history of safe and environmentally responsible survey acquisition in the Canning Basin. As part of Origin Energy's exit from its Canning Basin joint venture interests in February 2023, a funding contribution of up to \$4 million towards the seismic survey program was negotiated by Buru and this significantly reduced the cost exposure of the survey to the Company.

The seismic survey program also included the acquisition of several 2D seismic lines in exploration permit EP 457 (Buru 60% and Operator), aimed at enhancing the definition of prospects identified on existing data that could potentially provide exploration opportunities complementary to a Rafael development.

The new seismic data is being processed with industry leading techniques and completion of this processing and interpretation of the full 3D volume will assist with Rafael appraisal well planning and the appraisal/development partner selection process.

To maintain the planned appraisal drilling schedule, Buru has placed orders for well equipment long lead items in November 2023 to support the drilling of an appraisal well, and the recompletion and test of the Rafael 1 well, planned for the Kimberley field operating season in the second half of 2024.

## DEVELOPMENT AND COMMERCIALISATION

In August 2023 Buru confirmed a phased development strategy to commercialise the Rafael discovery. This strategy selection followed completion of concept studies in collaboration with Petrofac Limited, Transborders Energy and Technip Energies for development concepts that cover the full range of independently assessed contingent resources of gas and condensate.

A phased development generates early cashflows with staged capital expenditure, delivering accelerated benefits to shareholders and the Kimberley, and optimises a larger scale development based on Rafael resource appraisal outcomes.

Phase 1 of the Rafael development (Figure 1) includes a small footprint, scalable, Kimberley-based hybrid gas to power and renewables project based on the already defined low-case volume estimate of the Rafael contingent resource.

This project is designed to meet the forecast energy needs of the Kimberley, significantly reducing the reliance of imported LNG and diesel fuel to support electricity generation and the broader energy needs of the region.

During the year Buru awarded GHD Pty Ltd (GHD) the pre-Front End Engineering Design (pre-FEED) scope for the Rafael Phase 1 development. This work is due to be completed in early 2024, in support of planned commencement of Front End Engineering Design (FEED) in the second half of 2024, Final Investment Decision in 2025, and first production for the project targeted for 2027.

# REVIEW OF OPERATIONS

A larger Phase 2 development is planned to follow rapidly, which will be informed by appraisal drilling results in late 2024, with concept selection by mid-2025 and commencement of FEED shortly thereafter.

Concept studies completed during the year for a Phase 2 development have demonstrated commercial attractiveness for larger scale ammonia, methanol, and LNG projects, complemented with Carbon Capture and Storage (CCS) - project concepts which are supported by mid to high-case volume estimates of Rafael contingent resources.

Phasing the Rafael development will deliver numerous benefits including early cashflows to Buru and reduced capital expenditure to reach first production and cashflows. Phasing the development will also facilitate a wider range of project financing options (including access to government grants and incentives), and an overall improved funding position for Buru.

In parallel, independently verified CO<sub>2</sub> storage capacity studies have been completed by Buru's GeoVault subsidiary, that confirmed that Buru's current operational area in the Canning Basin has the capacity to store not only carbon emissions related to a potentially large scale Rafael development but that of other carbon emitters, including potential international carbon emitters.

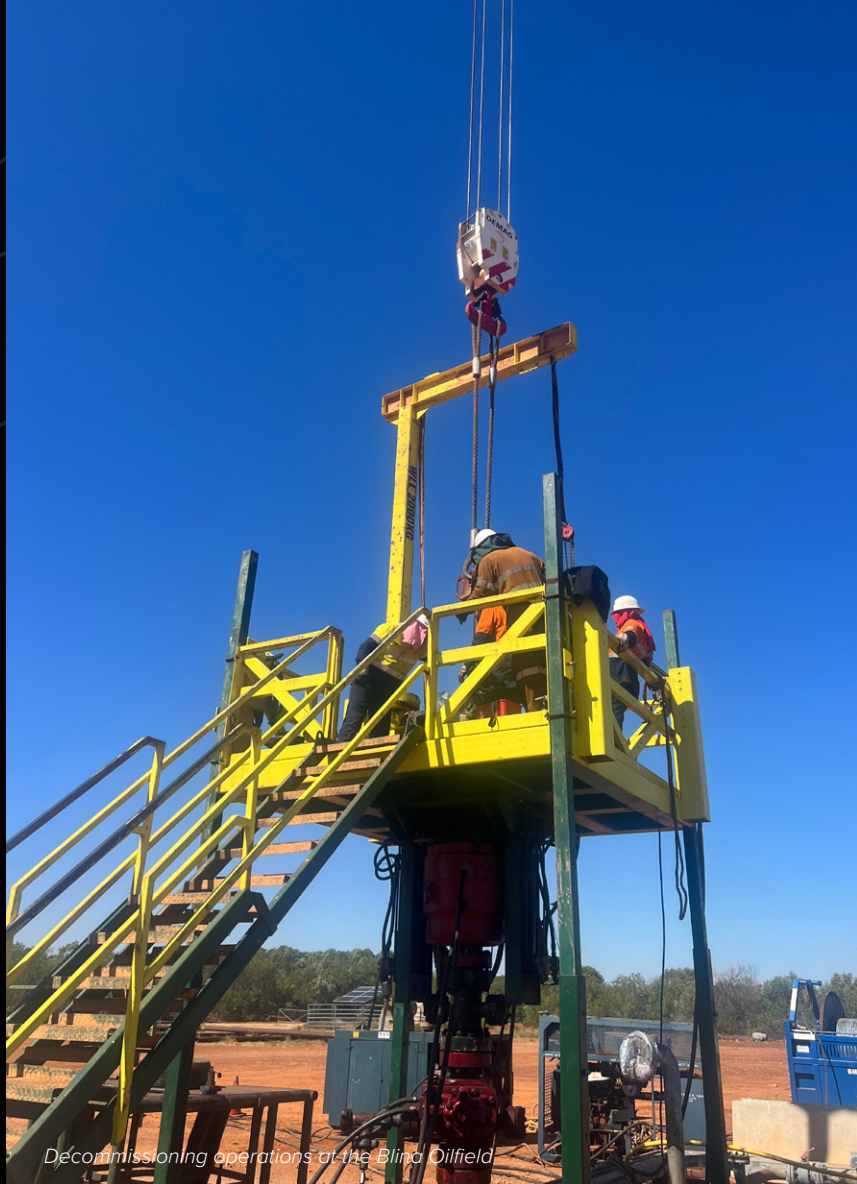


Figure 1 - Rafael Phase 1 Development Concept

# REVIEW OF OPERATIONS

## OIL PRODUCTION

UNGANI OILFIELD  
PRODUCTION AND SALES  
(L20/L21 - BURU ENERGY 100%)



*Decommissioning operations at the Blind Oilfield*

It was a challenging 2023 for Ungani production, with unprecedented flooding in the Kimberley early in the year significantly impacting operations and revenue.

Oil production at the Ungani Production Facility (UPF) was suspended on 5 January 2023, due to the impact of ex-Tropical Cyclone Ellie on sections of the Great Northern Highway and the Fitzroy River bridge at Fitzroy Crossing, resulting in the closure of the oil transportation road route from the UPF to the export facility at Wyndham Port.

Following the construction by Main Roads WA of a temporary low-level crossing of the Fitzroy River at Fitzroy Crossing that was suitable for heavy vehicles, Buru recommenced trucking operations in May 2023 to clear the oil inventory at the UPF, with production operations restarting at the UPF shortly after.

In July 2023 Buru suspended operations again for one week due to unseasonal rain in the Kimberley and the closure of the temporary low-level river crossing at Fitzroy Crossing.

Operations at the Ungani Production Facility were suspended again in August 2023 following the removal of the temporary dual lane causeway that was being used by Buru to transport Ungani crude oil across the Fitzroy River. A subsequent risk assessment determined that a temporary replacement barge facility proposed by Government at the time would not be suitable for the safe and reliable transportation of crude oil via road trains across the Fitzroy River prior to the construction of a permanent river crossing.

The suspension involved the orderly and staged termination of key contract arrangements associated with the trucking and storage of Ungani crude oil, as well as employment contracts with Ungani operations personnel to significantly and appropriately reduce fixed and monthly operating costs.

In August 2023 Buru entered into an agreement with Roc Oil (Canning) Pty Limited (ROC) pursuant to which ROC withdrew from, and has assigned to Buru its 50% joint venture interests in Production Licences L 20 and L 21, containing the Ungani Oilfield.

Following the completion of customary assignment and transfer documentation, Buru regained 100% ownership of the Ungani Oilfield from 30 September 2023.



Ungani Production Facility Camp accommodation

## REVIEW OF OPERATIONS

of ~A\$1,269,000 before inventory adjustments and amortisation charges, at an average annualised loss of ~A\$16/bbl (2022: cost of sales ~ A\$6,585,000 at ~ A\$51/bbl). The increase in costs per barrel is reflective of the suspension of production operations at the UPF between January and May 2023. The field was on production for approximately three months during the reporting period before operations at the Ungani Production Facility were suspended on 27 August 2023 following the removal of the temporary dual lane causeway across the Fitzroy River.

### OTHER ASSETS

#### BLINA OILFIELD

(L6/L8 - BURU ENERGY 100%)

Decommissioning of the legacy Lennard Shelf assets continued during the year. 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.

#### YULLEROO GASFIELD

(EP391 & EP436 - BURU ENERGY 100%)

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 has potential for conventional gas resources.

Further analysis of the potential for a well targeting conventional sands in the accumulation continues to be undertaken as part of the planning for future drilling campaigns in the Canning Basin.

#### CARNARVON BASIN

In line with a refocused strategy on core assets, in August 2023 Buru executed a Sale and Purchase Agreement (SPA) with Energy Resources Limited (MinRes) for the sale of its interests in the onshore Carnarvon Basin of Western Australia. These interests included Exploration Permit EP 510 and Exploration Permit application areas L22-2 and L22-4 where Buru held a 25% non-operated working interest in joint venture with MinRes (75% and Operator).

The sale was unconditional, and the \$5 million cash proceeds from the transaction received by Buru in August 2023, with regulatory consents and approvals received in September 2023.

In December 2023 a new permanent bridge across the Fitzroy River was opened six months ahead of schedule. This, combined with the full ownership of the Ungani Oilfield provides Buru with the opportunity to revisit its operating model for the field, and to this end, Buru has commenced analysis of potential paths to extract maximum value from this late life asset.

Production from the Ungani Oilfield for the year ended 31 December 2023 totalled ~47,175 bbls at an average rate of ~458 bopd (Buru Energy's 50% share ~23,588 bbls).

Gross sales of Ungani crude during the year totalled approximately 72,000 bbls from one lifting at Wyndham Port, these sales include oil inventory volumes measured at the beginning of the reporting period. Buru Energy's share of revenue from the Ungani Oilfield for the year totalled ~A\$4,733,000 at an average received price of ~A\$129/bbl (2022: ~ A\$13,893,000 at an average received price of ~ A\$127/bbl).

Cost of sales totalled ~A\$3,464,000 at A\$145/bbl (2022: ~ A\$7,308,000 at A\$76/bbl) giving a gross profit from sales of Ungani crude net to Buru Energy

# REVIEW OF OPERATIONS



## INTEGRATED NEW ENERGY BUSINESSES

### NATURAL HYDROGEN EXPLORATION AND DEVELOPMENT

(2H RESOURCES, BURU ENERGY 100%)

Hydrogen from geological sources (natural hydrogen) is gaining an increasing share of exploration investment and activity in Australia and globally. If found in commercially exploitable quantities, this naturally produced resource 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.

With Australian domestic production of helium ending in 2023, and a global forecast helium shortage, 2H Resources is also actively planning to explore for naturally occurring helium and associated gases, initially focussing its efforts in Western Australia.

2H Resources was established to apply the geological knowledge of its supporting shareholder Buru Energy in the exploration and appraisal of natural hydrogen and helium accumulations.

2H Resources has established an exploration portfolio in South Australia (Figure 2) 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.

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, which 2H Resources is targeting to complete in the first half of 2024.

In January 2023 an independent third-party Hydrogen Prospective Resource estimate from RISC Advisory





for these Petroleum Exploration Licence application areas has confirmed the very significant potential of this acreage which reinforces 2H Resources' view of the value opportunity associated with this venture.

The results of the RISC Advisory review are as follows, noting the wide range of resources and risk factors applied to the estimates due to the early stage of the quantification of the resources.

#### Hydrogen Prospective Resources

Exploration Portfolio	Gross Unrisked			Gross Risked		
	1U	2U	3U	1U	2U	3U
Hydrogen (Bcf)	246	1,713	6,567	21	148	566
Hydrogen (t)	570,236	3,977,110	15,249,222	49,850	342,846	1,313,425

(t=metric tonnes)

Hydrogen Prospective Resources relate to the estimated quantities of naturally occurring hydrogen gas that may potentially be recovered by the application of future development projects to undiscovered accumulations. These estimates have both an associated risk of discovery and risk of development. Further exploration and appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable naturally occurring hydrogen gas.

# REVIEW OF OPERATIONS

## NOTES TO THE TABLE IN ACCORDANCE WITH ASX LISTING RULE 5.35 & 5.42:

The estimates relate to South Australian permit application areas (PELAs 705, 706, 707, 708, 710 and 711) for which 2H Resources is the Preferred Applicant. The grant of these PELs to 2H Resources is subject to reaching an agreement with relevant Native Title parties. 2H Resources has commenced engagement with these Native Title parties.

Basis on which the prospective resources are estimated:

1. The estimates are for naturally occurring hydrogen gas only. Adjustments for petroleum gases and inert gases have been made.
2. "Gross" are 100% quantities attributable to PELAs 705, 706, 707, 708, 710 and 711 (2H Resources 100%)
3. 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 recoverable hydrogen.
4. The natural hydrogen resource estimates have been derived in accordance with the principles of the PRMS. The PRMS specifically applies to petroleum. However, the PRMS reserves committee advised in August 2022 that although the gaseous extraction of natural hydrogen is outside of the scope of the PRMS, the principles can be applied given the similarities in exploration, evaluation and exploitation.
5. The hydrogen Prospective Resources have been evaluated using probabilistic and deterministic methods.
6. No adjustment has been made to the estimates to account for fuel and flare.
7. Totals are by arithmetic summation. As a result, RISC Advisory cautions that the Low Estimate aggregate quantities may be very conservative estimates and the High Estimate aggregate quantities may be very optimistic due to portfolio effects.
8. Hydrogen mass conversion is 2,321.98 t/Bscf.
9. The risked hydrogen Prospective Resources have been adjusted for the associated chance of discovery. The chance of success has been estimated at between 6% and 10% using a 4-factor risk assessment and dependent on trap configuration.

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.

Further planned exploration activity include field sampling, geophysical surveys and interpretation of existing geological and geophysical data followed by exploration drilling to determine gas compositions and flow rates.

During the year 2H Resources has also 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 (see figure 3). 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.

Four of these SPA-AO's are at 75% equity in partnership with Gehyra Flux Pty Ltd (Gehyra Flux) in an area covering ~20,000 sq km northwest of Perth adjacent to the margins of the Perth Basin where geological conditions are interpreted to be favourable for generation of helium and associated gases. A further two SPA-AO's (at 100% equity) are situated in the Goldfields area between Norseman and Kalgoorlie. These Goldfields areas are close to infrastructure and access to market and have optimal geological characteristics for the generation of helium and importantly have had previous strong indications of natural gas influxes during mineral drilling activity. 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.

More details on natural hydrogen and the activities of 2H Resources are available on the 2H Resources website at [2HResources.com](https://www.2HResources.com).

# REVIEW OF OPERATIONS

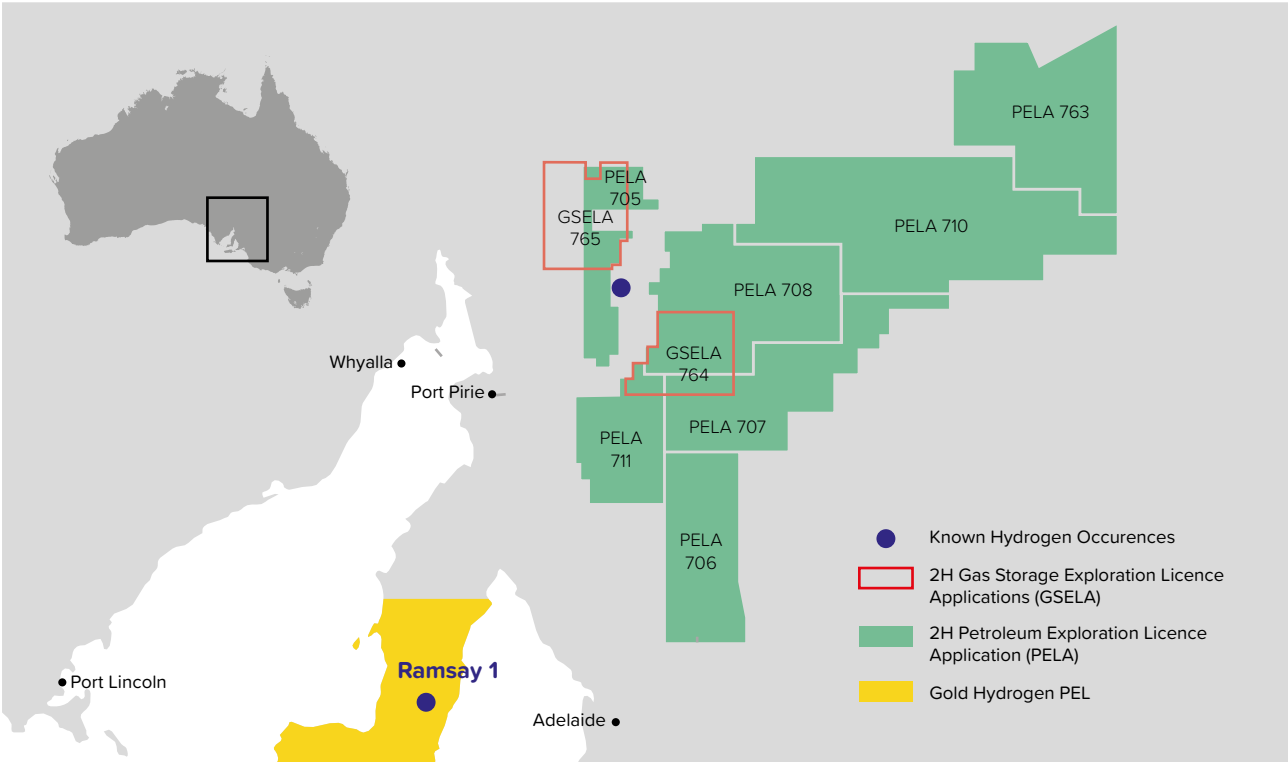


Figure 2 – 2H Resources Exploration Licence application areas in South Australia

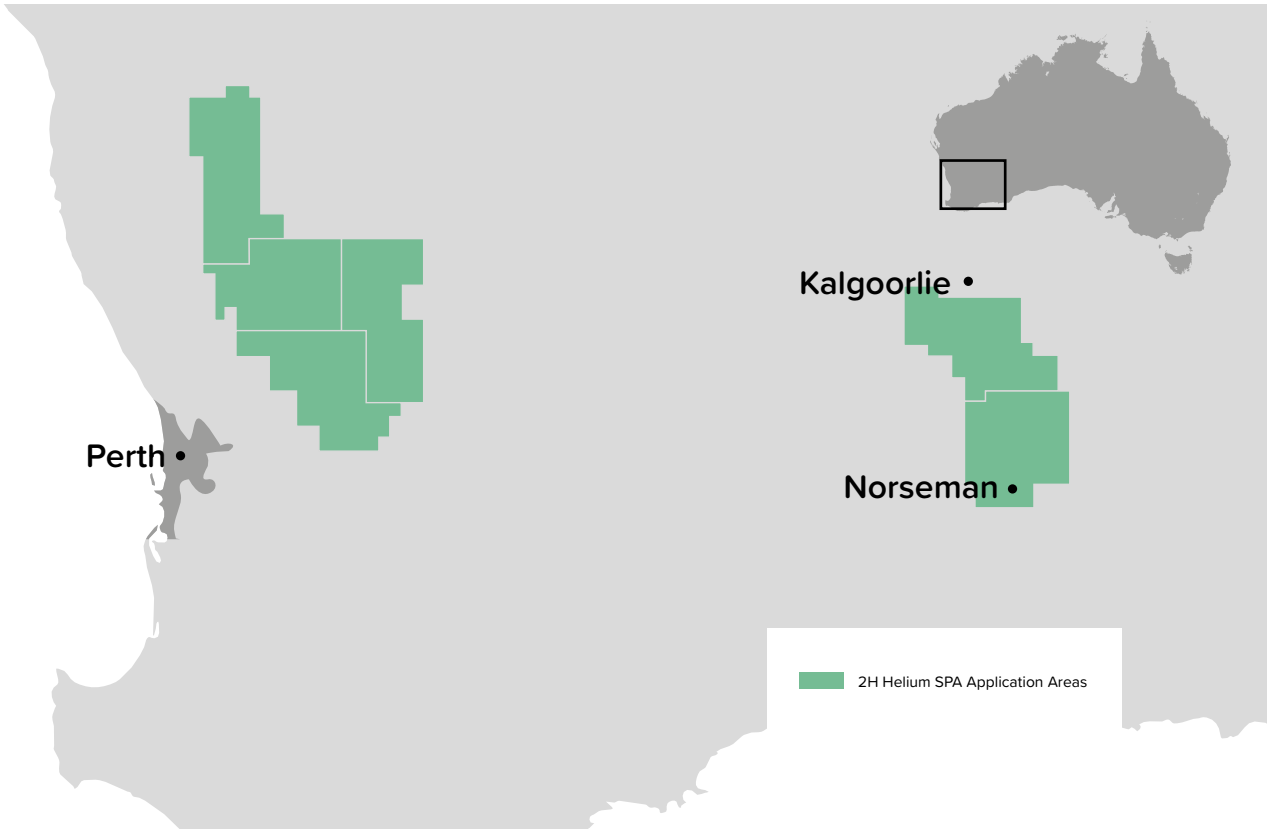


Figure 3 - 2H Resources Western Australian application areas

# REVIEW OF OPERATIONS



## INTEGRATED NEW ENERGY BUSINESSES

### CARBON CAPTURE AND STORAGE

(GEOVAULT, BURU ENERGY 100%)



Carbon capture and storage (CCS) is the process of capturing carbon dioxide (CO<sub>2</sub>) from industrial processes 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 CO<sub>2</sub> 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.

Buru Energy recognises that CCS is a key component of any realisable path to net zero by 2050. Via its wholly owned subsidiary GeoVault, the company is leveraging its existing onshore petroleum acreage

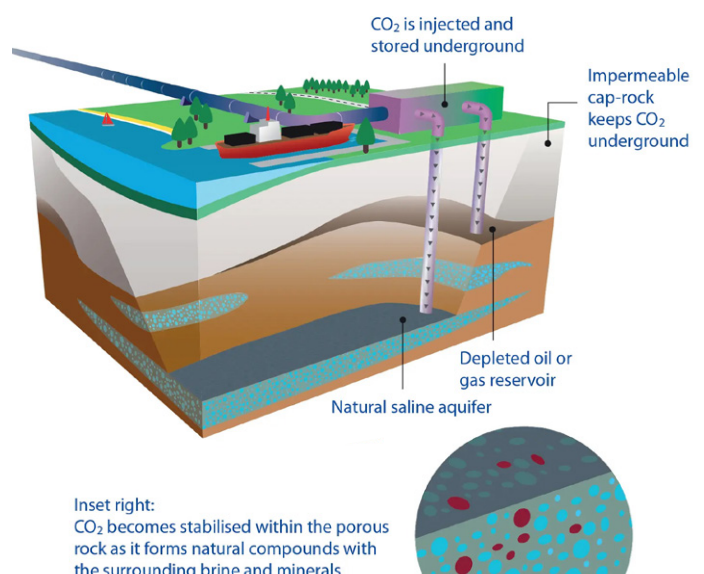


Figure 4 - The process of Carbon Capture and Storage  
Source: European Commission, DG TREN



and in-house capabilities to explore and develop CCS potential. This is underpinned by the knowledge gained from a long history of operating exploration and production assets in Western Australia.

GeoVault aims to be a pre-eminent operator in the identification, development and operation of GHG storage projects in the onshore Canning Basin. 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.

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.

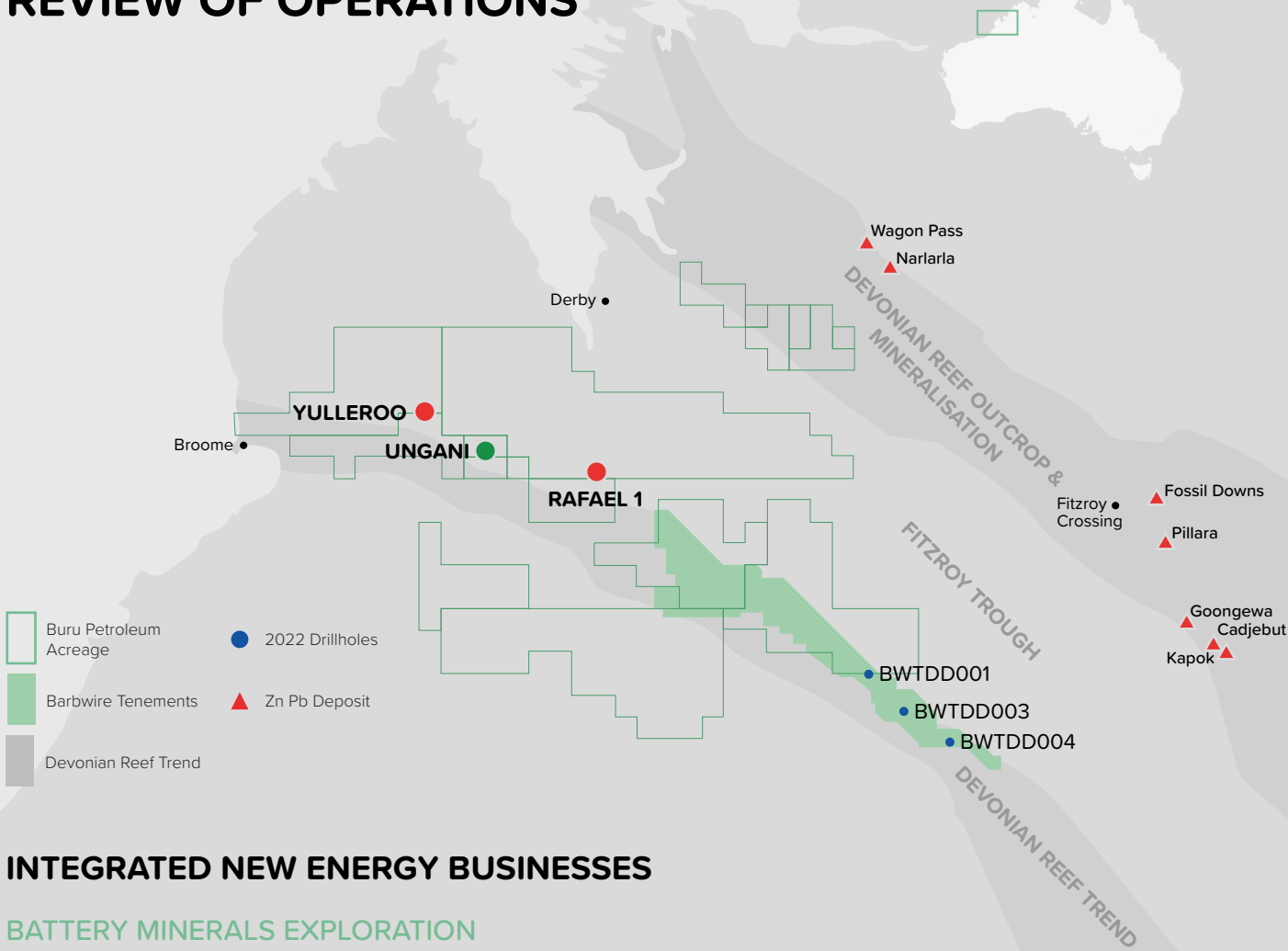
During the year, the in-house GeoVault team completed an assessment of the geological

greenhouse gas (GHG) storage potential for areas in and around Buru's petroleum licences and permits in the onshore Canning Basin. This work was subsequently independently validated by RISC Advisory.

This assessment is in support of the commercialisation pathway for Buru's 100% owned, low reservoir CO<sub>2</sub> Rafael conventional gas and condensate discovery in the onshore Canning Basin of Western Australia. The independently reviewed CO<sub>2</sub> storage estimates prepared by GeoVault for these areas confirmed material hub scale CCS potential that significantly exceeds the estimated source CO<sub>2</sub> emissions from a larger-scale Rafael project, thus providing a pathway to potentially significant reductions in Scope 1 and Scope 2 emissions from the planned project.

More details on CCS and the activities of GeoVault are available on the GeoVault website at [GeoVault.com.au](https://www.geovault.com.au).

# REVIEW OF OPERATIONS



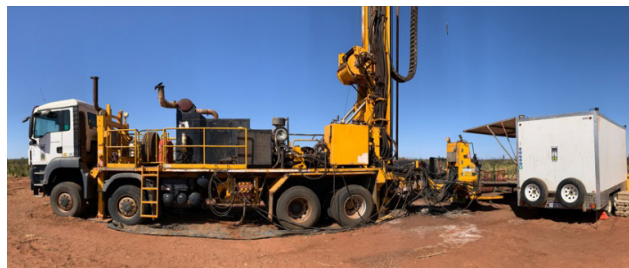
## INTEGRATED NEW ENERGY BUSINESSES

### BATTERY MINERALS EXPLORATION (BATTMIN, BURU ENERGY 50%)

Figure 5 - Focus of the Barbwire Terrace exploration program in 2022

Battmin, a wholly owned subsidiary of Buru, was initially formed to apply the geological knowledge that Buru had acquired in its extensive petroleum exploration activity in the Canning Basin to the exploration for minerals formed by similar processes, and often in association with, oil and gas accumulations.

Battmin’s activities remain focused on its Barbwire Terrace demonstration 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.



Barbwire Terrace exploration program 2022

During the year, the Joint Venture continued work on the core analysis from the three diamond core holes drilled late 2022 and worked to define any future potential activity on this project.

# REVIEW OF OPERATIONS

## CORPORATE

On 14 November 2023 Buru successfully completed a Share Placement with several of Buru's major shareholders, as well as new institutional shareholders, raising a total of some \$5 million. A Share Purchase Plan was also launched in November 2023 and closed on 8 December raising a further \$3.7 million.

The funds will be used to ensure that preparations for the planned 2024 appraisal drilling program maintain their current momentum and the Company is fully funded through its current program of partner selection and commercialisation activity. The total number of new shares issued by way of the Share Placement and Share Purchase Plan was some 75.3 million.

## CORPORATE GOVERNANCE

The principles governing the actions of the Board and the employees of the Company are in accordance with the ASX core principles of corporate governance. The Company's full Corporate Governance Statement and Appendix 4G for the year ended 31 December 2023 has also been released and can be found on the Company's website.

The Company also has in place policies that cover the principal actions under its Corporate Governance Statement and these may also be found on the Company's website.

## RISK MANAGEMENT

The Audit and Risk Committee oversees the establishment, implementation, and annual review of the Group's Risk Management System. Management has established and implemented the Risk Management System for assessing, monitoring, and managing all risks, including material business risks, for the Group (including sustainability risk). The Chief Executive Officer and the Chief Financial Officer have provided assurance, in writing to the Board, that the financial reporting risk management and associated compliance and controls have been assessed and found to be operating effectively. The operational and other risk management compliance and controls have also been assessed and found to be operating effectively.

Risk reporting includes the status of risks through integrated risk management programs aimed at ensuring risks are identified, assessed, and appropriately managed. The Audit and Risk Committee reports the status of material business risks to the Board on an annual basis.

The risks involved with oil and gas exploration generally and the specific risks associated with Buru Energy's activities in particular are regularly monitored and all exploration and investment proposals reviewed include a conscious consideration of the issues and risks of each proposal. The Company's executive and senior management have extensive experience in the industry and manage and monitor potential exposures facing the Company.

## CLIMATE RELATED RISKS AND OPPORTUNITIES

The Board considers the potential impact of climate related risks in its oversight of the Company's strategy. The Company recognises that human activity, including fossil fuel combustion, is contributing to increased levels of carbon dioxide in the atmosphere and that modelling suggests this can lead to changes in the global climate.

The Company recognises that society is transitioning towards energy sources with low carbon dioxide emissions and supports this process. Even in the most ambitious energy transition scenarios, this process will be gradual. Natural gas and oil will continue to play an important role in the global economy for decades to come, and new sources of gas and oil supply are required for a sustainable energy transition. The Company therefore continues with a strategy of monetising its natural gas and oil assets through exploration, appraisal, development, and production.

The Company has committed to net zero carbon emissions from its current and future gas and oil operations by 2050 and is actively seeking to reduce or offset its Scope 1 and Scope 2 emissions, particularly in ways that directly benefit the Kimberley community. Buru has also implemented the Taskforce on Climate-related Financial Disclosures (TCFD) framework. The TCFD reporting and further information is included in the Company's Sustainability Report for the year ended 31 December 2023.

# REVIEW OF OPERATIONS

The Company also sees significant opportunity in leveraging its existing geological, engineering and commercial expertise to participate in the new energy economy. As part of this process, it has established businesses that are exploring for natural hydrogen and battery minerals. It is also establishing expertise and operational capability for carbon dioxide capture and storage services through its GeoVault subsidiary.

## HEALTH, SAFETY AND ENVIRONMENT

Buru Energy is committed to protecting the health and safety of all personnel as well as the environment, cultural heritage, and communities in the vicinity of all its activities. As such, the Company's overarching HSE goal is Zero Harm to people and the environment during its activities. To ensure HSE performance, the Company implements a robust HSE Management System, which includes monitoring and reporting against various targets to meet the overarching goal of Zero Harm.

The Company's onshore operations are regulated by numerous agencies and authorities, principally the Department of Energy, Mines, Industry, Resources and Safety (DEMIRS) under the *Petroleum and Geothermal Energy Resources Act 1967* (PGER Act) and the *Petroleum Pipelines Act 1969* and associated regulations. Other regulators include the Department of Water and Environmental Regulation (DWER) under the *Rights and Water and Irrigation Act 1914* and the *Environmental Protection Act 1986* and a number of other agencies and regulations.

Health, safety, and environmental approvals from the various agencies are required to be in place prior to undertaking any petroleum activities. During all activities, the Company implements a structured internal HSE audit process to identify opportunities for improvement and measurement of HSE performance. Further, external audits and inspections are often undertaken by regulatory agencies to measure compliance against HSE approvals.

During 2023, Buru Energy was not aware of any material non-compliance with health, safety or environmental legislation or regulations. Further information on the Company's HSE performance for 2023 is included in the Company's Sustainability Report for the year ended 31 December 2023.

## TRADITIONAL OWNER ENGAGEMENT

No petroleum activity can be conducted on the Company's licences and permits without the involvement and consent of the Traditional Owners of the areas, and Buru has never accessed an area without this consent.

A number of Nyikina Mangala, Yawuru and Warrwa Aboriginal employees worked at the Ungani Oilfield operations during 2023 and supported our wider Kimberley operations. The Company continues to comply with the relevant Ungani Traditional Owner agreements it has negotiated with appropriate native title holders and is meeting its targets for Aboriginal employment. Buru also provides support for local Aboriginal ranger groups for key areas in which it operates and gives preference to contracting local Kimberley Aboriginal businesses to provide services subject to a competitive tender and selection process. Further information is included in the Company's Sustainability Report for the year ended 31 December 2023.



# DIRECTORS' REPORT

The Directors present their report together with the consolidated financial statements of the Group comprising Buru Energy Limited (Buru Energy or Group) and its subsidiaries for the year ended 31 December 2023, and the auditor's report thereon. The remuneration report for the year ended 31 December 2023 on pages 36 to 43 forms part of the Directors' report.

## BOARD AND COMMITTEE MEETINGS

The number of Board and Committee meetings and the number of meetings attended by each of the Directors of the Company during the year were:

Meeting	Board Meetings		Audit & Risk Committee Meetings		Remuneration & Nomination Committee Meetings	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Director						
Eric Streitberg	19	19	4	4	8	7
Robert Willes	19	19	4	4	8	8
Joanne Williams	19	19	4	4	8	8
Malcolm King	19	19	4	4	8	8

## 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 both internal Buru activity and through three subsidiaries, 2H Resources (natural hydrogen and helium exploration), Geovault (Carbon Capture and Storage) and Battmin (battery minerals exploration). Further information is included in the Review of Operations. There were no other significant changes in the nature of the Group's principal activities during the period.

# DIRECTORS' REPORT

## REVIEW OF OPERATIONS

The Review of Operations for the year ended 31 December 2023 is set out on pages 16 to 30 and forms part of this Directors' Report.

## OPERATING RESULTS

The consolidated loss of the Group after providing for income tax for the year ended 31 December 2023 was \$5,118,000 (31 December 2022: loss of \$32,777,000).

## FINANCIAL POSITION

The net assets of the Group totalled \$23,194,000 as at 31 December 2023 (31 December 2022: \$19,756,000).

## DIVIDENDS

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

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant change in the state of affairs of the Group occurred during the period other than already referred to elsewhere in this report.

## AFTER BALANCE DATE EVENTS

On 1 January 2024 Buru withdrew from the EP 458 Joint Operating Agreement, with Buru assigning its 60% interest and Operatorship of the permit to JV partner Rey Resources. At year end no value was attributed to EP 458.

On 8 March 2024, the Company executed a Deed of Settlement, Termination and Release with Roc Oil Company Pty Limited (ROC) and subsequently received \$3.4 million from ROC in exchange for releasing ROC from its obligations relating to future decommissioning activity for the Ungani Oilfield.

No other significant events have occurred subsequent to balance date that in the opinion of the directors has significantly affected, or may significantly affect in future financial years:

- The Group's operations; or
- The results of those operations; or
- The Group's state of affairs.

## LIKELY DEVELOPMENTS

The Group's likely developments in its operations in future financial years and the expected results of those operations have been included generally in the Review of Operations. Other than as disclosed elsewhere, disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed.

# DIRECTORS' REPORT

## ENVIRONMENTAL REGULATIONS

Buru Energy is subject to environmental regulation under relevant Australian and Western Australian legislation in relation to its oil and gas exploration and production activities. DEMIRS is the primary regulator in Western Australia for petroleum activities though the Group's activities are also regulated by DWER. The Directors actively monitor compliance with these regulations. As at the date of this report, the Directors are not aware of any material breaches in respect of the regulations.

## DIRECTORS' INTERESTS

The relevant interest of each Director in the shares or options issued by the Company, as notified by the Directors to the ASX in accordance with s205G(1) of the *Corporations Act 2001*, at the date of this report were as follows:

Directors	Ordinary Shares	Unlisted Options
Eric Streitberg	21,686,279	-
Robert Willes	310,957	-
Malcolm King	121,179	-
Joanne Williams	-	-
<b>Total</b>	<b>22,118,415</b>	<b>-</b>

## SHARE OPTIONS

At the date of this report, the unissued shares of the Company under option were as follows:

Date of Expiry	Exercise Price	Number of shares under Option
31 December 2025	\$0.23	1,000,000

All share options are over ordinary shares in the Company. All options are unlisted, held by employees of the Company and expire on the earlier of their expiry date or within 30 days from termination of the employee's employment or at a date determined by the Remuneration and Nomination Committee. These options do not entitle the holder to participate in any share issue of the Company or any other body corporate. Further details about options granted to senior executives during the financial year are included in the Remuneration Report on pages 36 to 43. No options have been granted since the end of the reporting period.

# DIRECTORS' REPORT

## INDEMNIFICATION AND INSURANCE OF OFFICERS

The Company has agreed to indemnify all current Directors and Officers of the Company and its controlled entities against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors and Officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

During the year, the Company has paid insurance premiums of \$213,020 (2022: \$232,870) in respect of Directors' and Officers' liability. The premiums cover current and former Directors and Officers, including senior executives of the Company and Directors and secretaries of its controlled entities. The insurance premiums relate to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

## PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave from any Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the period.

## NON-AUDIT SERVICES

During the period, the Company's auditor did not perform any other services in addition to their statutory full year audit, half year review, Joint Venture audits and royalty audits. During the year ended 31 December 2023, the amount paid or payable to the Group's auditor (KPMG Australia) for statutory and other audit and review services totalled \$99,500 (2022: \$95,767).

## QUALIFIED PETROLEUM RESOURCES EVALUATOR STATEMENT

Except where otherwise noted, information in this Annual Report related to exploration and production results and petroleum resources is based on, and fairly represents, information and supporting documentation prepared by Mr Eric Streitberg who is a Qualified Petroleum Resources Evaluator. Mr Streitberg who is a Director of Buru Energy Limited is a Fellow of the Australian Institute of Mining and Metallurgy and the Australian Institute of Company Directors, and a member and Certified Petroleum Geologist of the American Association of Petroleum Geologists. He has over 40 years of relevant experience. Mr Streitberg consents to the inclusion of the information in this document.

# DIRECTORS' REPORT

## AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 44 and forms part of the Directors' Report for the year ended 31 December 2023.

## ROUNDING OFF

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the Consolidated Financial Statements 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.



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**Mr Eric Streitberg**  
**Non-executive Chairman**

Perth  
25 March 2024



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**Mr Robert Willes**  
**Non-executive Director**

Perth  
25 March 2024

# REMUNERATION REPORT - AUDITED

FOR THE YEAR ENDED 31 DECEMBER 2023

## PRINCIPLES OF REMUNERATION - AUDITED

The Directors present their Remuneration Report for Buru Energy for the year ended 31 December 2023. This remuneration report outlines the remuneration arrangements of the Company's Directors and other key management personnel (KMP) in accordance with the requirements of the *Corporations Act 2001* and its Regulations. In accordance with section 308(3C) of the *Corporations Act 2001*, the Remuneration Report has been audited and forms part of the Directors' Report.

KMP have the authority and responsibility for planning, directing and controlling the activities of the Group and comprise the Directors, executives and senior management in accordance with s300A of the *Corporations Act 2001*.

Remuneration levels for KMP are competitively set to attract and retain appropriately qualified and experienced Directors and executives. The remuneration structures explained below are designed to reward the achievement of the Company's strategic objectives and achieve the broader outcome of the creation of shareholder value. The Company's remuneration structures take into account:

- the capability and experience of KMP; and
- the Group's corporate, operational and financial performance.

Remuneration packages include a mix of fixed and variable remuneration, and short and long term performance based incentives.

### FIXED REMUNERATION

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any FBT charges related to employee benefits), as well as employer contributions to superannuation funds. Remuneration levels are reviewed annually by the Remuneration and Nomination Committee through a process that considers individual, segment and overall performance of the Group. In addition, external consultants may provide analysis and advice to ensure the Directors, executive and senior management remuneration is competitive in the market place. Remuneration is also reviewed on promotion.

### PERFORMANCE LINKED REMUNERATION

Performance linked remuneration includes both short term and long term incentives, and is designed to reward KMP for meeting or exceeding the Company's expectations and agreed objectives. Any short term incentive (STI) is an 'at risk' bonus provided in the form of cash, while any long term incentive (LTI) is provided under the Employee Share Option Plan (ESOP). The LTIs are structured to ensure that incentives are appropriately aligned to sustainable shareholder value creation.

### SHORT TERM INCENTIVE BONUSES

All STI bonuses are subject to the Board's discretionary approval. The payments of any STI bonuses are based on the fulfilment of key performance indicators (KPIs) and individual achievements. The KPIs are designed to promote shareholder value creation and include financial and non-financial measures. The financial and non-financial KPIs include base and stretch targets related to health and safety results, production levels, exploration outcomes, cost control and sustainability outcomes.

# REMUNERATION REPORT - AUDITED

FOR THE YEAR ENDED 31 DECEMBER 2023

## LONG-TERM INCENTIVE BONUSES

The Remuneration and Nomination Committee considers that an LTI scheme structured around equity-based remuneration is necessary to attract and retain the highest calibre of professionals to the Group, whilst preserving the Group's cash reserves. The purpose of these schemes is to align the interests of KMP with shareholders and to reward, over the medium term, KMP for delivering value to shareholders through share price appreciation.

Options are issued under the ESOP in accordance with the thresholds set in the plan approved by shareholders. The number of options available to be issued under the ESOP is limited to 5% of the total number of ordinary shares in the Company. The options are issued for no consideration and vest immediately. All options refer to options over ordinary shares of Buru Energy Limited which are exercisable on a one for one basis.

## CONSEQUENCES OF PERFORMANCE ON SHAREHOLDER WEALTH

The Board considers that the most effective way to increase shareholder wealth is through the successful exploration and development of the Group's gas and oil exploration permits and development of new energy resources in Australia. The Board considers that the Group's LTI schemes incentivise KMP to achieve these outcomes by providing rewards, over the short and long term that are directly correlated to delivering value to shareholders through share price appreciation. The Company's relative share price performance is the primary measure when the Board considers the effectiveness of STI and LTI remuneration consequences on shareholder wealth.

## SERVICE CONTRACTS

The employment contract with the Chief Executive Officer, Mr Thomas Nador, is unlimited in term but capable of termination with three months' notice by either party, or by payment in lieu thereof at the discretion of the Company. Six months of base salary and pro-rated STI and LTI entitlements are payable upon termination by either party in the event of a change in control of the Company.

Employment contracts with all other current non-Director KMP are unlimited in term but capable of termination notice by either party, or by payment in lieu thereof at the discretion of the Company. Notice periods vary between one to three months.

The Remuneration & Nomination Committee determined the amount of remuneration payable to KMP under each agreement. KMP are also entitled to receive their contractual and statutory entitlements including accrued annual and long service leave, together with any superannuation benefits, on termination of employment. Remuneration levels are reviewed each year to take into account cost-of-living changes, any change in the scope of the role performed by KMP and any changes required to meet the principles of the Group's remuneration policy.

## SERVICES FROM REMUNERATION CONSULTANTS

There were no services received from remuneration consultants during the period.

## NON-EXECUTIVE DIRECTORS

Total fixed remuneration for all Non-executive Directors, last voted upon by shareholders at the 2012 Annual General Meeting, is not to exceed \$600,000 per annum. The Non-executive Directors' base fee is \$96,000 plus statutory superannuation per annum and the Chairman's base fee is \$150,000 plus statutory superannuation per annum. Mr Streitberg is eligible for the Chairman's remuneration as he assumed the role of Non-executive Chairman and ceased to act in an executive capacity for the Company as of 1 January 2023. An additional fee of \$7,400 plus statutory superannuation per annum is payable for Non-executive Directors being a member of a Committee and the fee for chairing a Committee is \$14,600 plus statutory superannuation.

# REMUNERATION REPORT - AUDITED

FOR THE YEAR ENDED 31 DECEMBER 2023

## KEY MANAGEMENT PERSONNEL REMUNERATION - AUDITED

Details of the nature and amount of each major element of remuneration of each director of the Company and other key management personnel of the consolidated entity are:

		Short term				Total	Post-employment	Other long term	Share-based payments		Total (C)	s300A(1)(e)(i) proportion of remuneration related	s300A(1)(e)(vi) value of share based payments as a proportion of remuneration
		Salary & Fees	Annual leave	STI cash bonus	Non-monetary benefits (A)		Super-annuation benefits	Long service leave accrued	Termination benefits	ESOP (B)			
<b>Non-executive Directors</b>													
Mr R Willes, NED	2023	118,000	-	-	-	<b>118,000</b>	12,685	-	-	-	<b>130,685</b>	0%	0%
	2022	118,000	-	-	-	<b>118,000</b>	12,095	-	-	-	<b>130,095</b>	0%	0%
Ms J Williams, NED	2023	110,800	-	-	-	<b>110,800</b>	11,911	-	-	-	<b>122,711</b>	0%	0%
	2022	110,800	-	-	-	<b>110,800</b>	11,357	-	-	-	<b>122,157</b>	0%	0%
Mr M King, NED	2023	118,000	-	-	-	<b>118,000</b>	12,685	-	-	-	<b>130,685</b>	0%	0%
	2022	118,000	-	-	-	<b>118,000</b>	12,095	-	-	-	<b>130,095</b>	0%	0%
Mr E Streitberg, NED - Chairman (Assumed role on 1 January 2023)	2023	150,000	-	-	-	<b>150,000</b>	16,125	-	-	-	<b>166,125</b>	0%	0%
	2022	-	-	-	-	-	-	-	-	-	-	0%	0%
<b>Total Non-executive Directors' Remuneration</b>	<b>2023</b>	<b>496,800</b>	-	-	-	<b>496,800</b>	<b>53,406</b>	-	-	-	<b>550,206</b>	<b>0%</b>	<b>0%</b>
	<b>2022</b>	<b>346,800</b>	-	-	-	<b>346,800</b>	<b>35,547</b>	-	-	-	<b>382,347</b>	<b>0%</b>	<b>0%</b>



# REMUNERATION REPORT - AUDITED

FOR THE YEAR ENDED 31 DECEMBER 2023

		Short term				Total	Post-employment	Other long term	Termination benefits	Share-based payments	Total (C)	s300A(1)(e)(i) proportion of remuneration performance related	s300A(1)(e)(vi) value of share based payments as a proportion of remuneration
		Salary & Fees	Annual leave	STI cash bonus	Non-monetary benefits (A)		Super-annuation benefits	Long service leave accrued		ESOP (B)			
<b>Executive Directors</b>													
Mr E Streitberg, Executive Chairman (up until 31 December 2022)	2023	-	-	-	-	-	-	-	-	-	-	0%	0%
	2022	440,386	38,462	247,500	24,485	<b>750,833</b>	77,238	15,727	-	-	<b>843,798</b>	30%	0%
<b>Total Directors' Remuneration</b>	<b>2023</b>	<b>496,800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>496,800</b>	<b>53,406</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>550,206</b>		
	<b>2022</b>	<b>787,186</b>	<b>38,462</b>	<b>247,500</b>	<b>24,485</b>	<b>1,097,633</b>	<b>112,785</b>	<b>15,727</b>	<b>-</b>	<b>-</b>	<b>1,226,145</b>		

# REMUNERATION REPORT - AUDITED

FOR THE YEAR ENDED 31 DECEMBER 2023

		Short term					Total	Post-employment	Other long term	Termination benefits	Share-based payments	Total	s300A(1)(e)(i) proportion of remuneration related	s300A(1)(e)(vi) value of share based payments as a proportion of remuneration
		Salary & Fees	Annual leave	STI cash bonus (C)	Non-monetary benefits (A)	Other short-term benefits (D)		Super-annuation benefits	Long service leave accrued		ESOP (B)			
<b>Executives</b>														
Mr T Nador, Chief Executive Officer (Appointed August 2022)	2023	484,616	38,462	155,540	8,409	1,149	<b>688,176</b>	66,325	1,118	-	-	<b>755,619</b>	21%	0%
	2022	168,590	12,821	-	-	-	<b>181,411</b>	19,115	167	-	-	<b>200,693</b>	0%	0%
Mr P Bird, Chief Financial Officer & Company Secretary (Appointed October 2022)	2023	276,100	22,362	-	7,781	1,149	<b>307,392</b>	30,492	653	-	34,611	<b>373,148</b>	9%	9%
	2022	61,385	5,481	-	-	-	<b>66,866</b>	6,906	60	-	-	<b>73,832</b>	0%	0%
Mr K Waddington, Chief Operating Officer (Resigned December 2023)	2023	313,353	26,496	50,000	7,516	-	<b>397,365</b>	42,560	17,221	-	-	<b>457,146</b>	11%	0%
	2022	300,843	25,538	131,540	6,596	-	<b>464,517</b>	47,342	10,548	-	-	<b>522,407</b>	25%	0%
Mr A Forcke, General Manager – Commercial (Resigned October 2022)	2023	-	-	-	-	-	-	-	-	-	-	-	0%	0%
	2022	283,769	22,885	33,915	8,453	-	<b>349,022</b>	33,906	5,014	-	-	<b>387,942</b>	9%	0%

# REMUNERATION REPORT - AUDITED

FOR THE YEAR ENDED 31 DECEMBER 2023

		Short term					Total	Post-employment	Other long term	Termination benefits	Share-based payments	Total	s300A(1)(e)(i) proportion of remuneration related	s300A(1)(e)(vi) value of share based payments as a proportion of remuneration
		Salary & Fees	Annual leave	STI cash bonus (C)	Non-monetary benefits (A)	Other short-term benefits (D)		Super-annuation benefits	Long service leave accrued		ESOP (B)			
Mr S McDermott, Chief Financial Officer & Company Secretary (Resigned July 2022)	2023	-	-	-	-	-	-	-	-	-	-	-	0%	0%
	2022	143,388	11,115	27,455	1,636	-	183,594	18,033	2,738	-	-	204,365	13%	0%
<b>Total Executive Officer Remuneration</b>	<b>2023</b>	<b>1,074,069</b>	<b>87,320</b>	<b>205,540</b>	<b>23,706</b>	<b>2,298</b>	<b>1,392,933</b>	<b>139,377</b>	<b>18,992</b>	<b>-</b>	<b>34,611</b>	<b>1,585,913</b>		
	<b>2022</b>	<b>957,975</b>	<b>77,840</b>	<b>192,910</b>	<b>16,685</b>	<b>-</b>	<b>1,245,410</b>	<b>125,302</b>	<b>18,527</b>	<b>-</b>	<b>-</b>	<b>1,389,239</b>		
<b>Total Directors and Executive Officer Remuneration</b>	<b>2023</b>	<b>1,570,869</b>	<b>87,320</b>	<b>205,540</b>	<b>23,706</b>	<b>2,298</b>	<b>1,889,733</b>	<b>192,783</b>	<b>18,992</b>	<b>-</b>	<b>34,611</b>	<b>2,136,119</b>		
	<b>2022</b>	<b>1,745,161</b>	<b>116,302</b>	<b>440,410</b>	<b>41,170</b>	<b>-</b>	<b>2,343,043</b>	<b>238,087</b>	<b>34,254</b>	<b>-</b>	<b>-</b>	<b>2,615,384</b>		

Notes in relation to the table of KMP remuneration

- Non-monetary benefits to KMP relate to the provision of car parking, life insurance and salary continuance insurance.
- The fair value of options issued under the ESOP in 2023 are calculated at the date of grant using the Black & Scholes option-pricing method and expensed at grant date. The value disclosed is the portion of the fair value of the options recognised in this reporting period.
- During the year, the Remuneration & Nomination Committee approved Short Term Incentives (STI) bonuses. All STI bonuses are subject to the Board's discretionary approval.
- Other short-term benefits to KMP relate to the allowance for mobile devices.

# REMUNERATION REPORT - AUDITED

## FOR THE YEAR ENDED 31 DECEMBER 2023

### LOANS TO KEY MANAGEMENT PERSONNEL

There were no loans outstanding at the end of the period to key management personnel or their related parties.

### SHARES HELD BY KEY MANAGEMENT PERSONNEL

KMP	Held at 1 Jan 23	Ceased to be a Director of Buru	Exercise of options	Purchased	Sold	Held at 31 Dec 23
Mr E Streitberg	21,425,409	-	-	260,870	-	21,686,279
Mr R Willes	224,000	-	-	86,957	-	310,957
Mr M King	77,700	-	-	43,479	-	121,179
Mr T Nador	300,000	-	-	-	-	300,000

*J Williams, K Waddington and P Bird did not hold any shares during this period.*

### ANALYSIS OF SHARE BASED PAYMENTS - ESOP

The movement during the period by number of options granted under the ESOP to KMP during the period is detailed below.

KMP	Held at 1 Jan 23	Granted as remuneration	Exercised	Lapsed / Forfeited	Held at 31 Dec 23	Vested during the year	Vested and exercisable
Mr K Waddington	750,000	-	-	(750,000)	-	-	-
Mr P Bird	-	500,000	-	-	500,000	-	500,000

*The share options that lapsed during the year were options granted on 17 February 2021 and expired on 31 December 2023.*

During the reporting period, a total of 1,000,000 unlisted options were granted to employees of the Company under the terms of the ESOP. This included 500,000 unlisted options to KMP. No options have been granted to any Director. The options have an exercise price of \$0.23 and an expiry date of 31 December 2025. All options were provided at no cost to the recipients and expire on the earlier of their expiry date or 30 days after the termination of the individual's employment or at a date determined by the Board. All options vested immediately and were exercisable from the grant date of 21 April 2023. No terms of options granted as remuneration to a KMP have been altered or modified by the issuing entity during the reporting period or prior period. During the reporting period, no shares were issued on the exercise of options previously granted as remuneration.

# REMUNERATION REPORT - AUDITED

FOR THE YEAR ENDED 31 DECEMBER 2023

The assumptions used to value the options granted under the ESOP to KMP are detailed below.

	<b>Mr P Bird</b>
Underlying security spot price	\$0.11
Strike / exercise price	\$0.23
Risk free rate (bond rate with duration the same as option)	2.99%
Dividend rate (decrease in Share Price)	0%
Grant date	21 Apr 23
Vesting date	21 Apr 23
Expiry date	31 Dec 25
Time to expiry (years)	2.70
Volatility (annualised)	141%
Valuation per option	\$0.069
Number of options	500,000
Value recognised to date	\$34,611
Value still to be recognised	-

# AUDITOR'S INDEPENDENCE DECLARATION



## 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 audit of Buru Energy Limited for the financial year ended 31 December 2023 there have been:

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

A handwritten signature of 'KPMG' in blue ink.

KPMG

A handwritten signature in blue ink that appears to read 'G + H'.

Graham Hogg  
*Partner*  
Perth  
25 March 2024

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# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

<i>in thousands of AUD</i>	Note	31 December 2023	31 December 2022
<b>Current Assets</b>			
Cash and cash equivalents	11a	18,197	17,922
Trade and other receivables	9	395	913
Inventories	10	434	1,323
<b>Total Current Assets</b>		<b>19,026</b>	<b>20,158</b>
<b>Non-Current Assets</b>			
Oil and gas assets	6	-	-
Exploration and evaluation expenditure	7	14,846	10,197
Property, plant and equipment	8	2,704	3,777
Other receivables	26	3,367	-
<b>Total Non-Current Assets</b>		<b>20,917</b>	<b>13,974</b>
<b>Total Assets</b>		<b>39,943</b>	<b>34,132</b>
<b>Current Liabilities</b>			
Trade and other payables	14	2,670	2,048
Lease liabilities	8	450	1,291
Provisions	15	1,058	2,194
<b>Total Current Liabilities</b>		<b>4,178</b>	<b>5,533</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	8	944	2,472
Provisions	15	11,627	6,371
<b>Total Non-Current Liabilities</b>		<b>12,571</b>	<b>8,843</b>
<b>Total Liabilities</b>		<b>16,749</b>	<b>14,376</b>
<b>Net Assets</b>		<b>23,194</b>	<b>19,756</b>
Equity			
Contributed equity	12	304,458	295,971
Reserves		69	550
Accumulated losses		(281,333)	(276,765)
<b>Total Equity</b>		<b>23,194</b>	<b>19,756</b>

The notes on pages 49 to 80 are an integral part of these consolidated financial statements

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2023

<i>in thousands of AUD</i>	Note	31 December 2023	31 December 2022
Revenue	2	4,733	13,893
Cost of sales (Purchases)		(3,464)	(7,308)
Movement in crude inventories		(1,064)	(702)
Amortisation of oil and gas assets		-	(2,675)
<b>Gross profit</b>		<b>205</b>	<b>3,208</b>
Exploration and evaluation expenditure		(6,776)	(5,917)
Changes in restoration provision		(1,173)	(941)
Gain on sale of exploration interests	19	5,000	-
Impairment of oil and gas expenditure	6	-	(23,460)
Impairment of right-of-use assets (O&G)	8	-	(1,774)
Gain on termination of leases (O&G)	8	687	-
Corporate and administrative expenditure	3	(2,929)	(3,905)
Share based payment expenses	16	(69)	-
<b>Results from operating activities</b>		<b>(5,055)</b>	<b>(32,789)</b>
Net finance income / (expense)	4	(63)	12
<b>Loss before income tax</b>		<b>(5,118)</b>	<b>(32,777)</b>
Income tax expense	5	-	-
<b>Total comprehensive loss</b>		<b>(5,118)</b>	<b>(32,777)</b>
<b>Loss per share (cents) and diluted loss per share (cents)</b>	13	<b>(0.85)</b>	<b>(5.74)</b>

The notes on pages 49 to 80 are an integral part of these consolidated financial statements



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

<i>in thousands of AUD</i>	Share capital \$	Share-based payment reserve \$	Accumulated losses \$	Total equity \$
<b>Balance as at 1 January 2022</b>	286,891	565	(244,003)	43,453
Comprehensive loss for the period				
Loss for the period	-	-	(32,777)	(32,777)
<b>Total comprehensive loss for the period</b>	-	-	(32,777)	(32,777)
<b>Transactions with owners recorded directly in equity</b>				
Issue of ordinary shares, net of transaction costs	9,080			9,080
Share-based payment transactions	-	-	-	-
Share options lapsed	-	(15)	15	-
<b>Total transactions with owners recorded directly in equity</b>	<b>9,080</b>	<b>(15)</b>	<b>15</b>	<b>9,080</b>
<b>Balance as at 31 December 2022</b>	<b>295,971</b>	<b>550</b>	<b>(276,765)</b>	<b>19,756</b>

<i>in thousands of AUD</i>	Share capital \$	Share-based payment reserve \$	Accumulated losses \$	Total equity \$
<b>Balance as at 1 January 2023</b>	295,971	550	(276,765)	19,756
<b>Comprehensive loss for the period</b>				
Loss for the period	-	-	(5,118)	(5,118)
<b>Total comprehensive loss for the period</b>	-	-	(5,118)	(5,118)
<b>Transactions with owners recorded directly in equity</b>				
Issue of ordinary shares, net of transaction costs	8,487			8,487
Share-based payment transactions	-	69	-	69
Share options lapsed	-	(550)	550	-
<b>Total transactions with owners recorded directly in equity</b>	<b>8,487</b>	<b>(481)</b>	<b>550</b>	<b>8,556</b>
<b>Balance as at 31 December 2023</b>	<b>304,458</b>	<b>69</b>	<b>(281,333)</b>	<b>23,194</b>

The notes on pages 49 to 80 are an integral part of these consolidated financial statements

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

<i>in thousands of AUD</i>	Note	31 December 2023	31 December 2022
<b>Cash flows from operating activities</b>			
Cash receipts from sales		4,733	13,893
Payments to suppliers and employees		(6,620)	(10,213)
Payments for exploration and evaluation		(6,420)	(8,462)
<b>Net cash outflow from operating activities</b>	11b	<b>(8,307)</b>	<b>(4,782)</b>
<b>Cash flows from investing activities</b>			
Interest received		508	213
Receipts from sale of plant and equipment		3	12
Payments for capitalised exploration and evaluation		(3,889)	(1,715)
Payments for oil and gas development		(25)	(7,304)
Proceeds from sale of exploration interests		5,000	-
<b>Net cash inflow / (outflow) from investing activities</b>		<b>1,597</b>	<b>(8,794)</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of share capital		8,660	9,215
Transaction costs arising from the issue of share capital		(173)	(136)
Payments for lease liabilities		(1,223)	(1,263)
<b>Net cash inflow from financing activities</b>		<b>7,264</b>	<b>7,816</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>555</b>	<b>(5,760)</b>
Cash and cash equivalents at the beginning of the period		17,922	23,723
Effect of exchange rate changes on cash and cash equivalents		(280)	(41)
<b>Cash and cash equivalents at end of the period</b>	11a	<b>18,197</b>	<b>17,922</b>

The notes on pages 49 to 80 are an integral part of these consolidated financial statements

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

## BASIS OF PREPARATION

Buru Energy Limited (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 consolidated financial statements of the Company as at, and for the year ended 31 December 2023 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 the exploration and production of gas and oil and development of new energy resources in Australia.

This section sets out the basis upon which the Group's financial statements are prepared as a whole. Material accounting policies and key judgements and estimates of the Group that summarise the measurement basis used and assist in understanding the financial statements are described in the relevant note to the financial statements or are otherwise provided in this section. The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements of the Group comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB). The financial statements were approved by the Board of Directors on 25 March 2024. The accounting policies have been applied consistently by Group entities to all periods presented in these consolidated financial statements. The consolidated financial statements have been prepared on the historical cost basis unless stated otherwise.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the consolidated financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

## BASIS OF CONSOLIDATION

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

## FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated financial statements are presented in Australian dollars, which is each of the Group entities' functional currency. Transactions in foreign currencies are translated to Australian dollars at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

## USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS 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. Information about assumptions and estimation uncertainties in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are:

- Note 5 – Recognition of tax losses
- Note 6 – Oil and gas assets
- Note 7 – Exploration and evaluation expenditure
- Note 8 – Right-of-use assets
- Note 15 – Provisions
- Note 16 – Measurement of share-based payments

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

## RESULTS FOR THE YEAR

This section explains the results and performance of the Group including additional information about those individual line items in the financial statements most relevant in the context of the operations of the Group, including accounting policies that are relevant for understanding the items recognised in the financial statements and an analysis of the Group's result for the year by reference to key areas, including operating segments, revenue, expenses, employee costs, taxation and earnings per share.

### 1. SEGMENT INFORMATION

An operating segment is a component of Buru Energy that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of Buru Energy's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer, Chief Financial Officer and other executives to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. Segment results that are reported to the Chief Executive Officer and Chief Financial Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and head office expenses. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

The Group has only one reportable geographical segment being Australia. The reportable operating segments 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. The Ungani Production Facility has been placed under care and maintenance after operations were suspended in August 2023 following the removal of the temporary dual lane causeway that was being used by Buru to transport Ungani crude oil across the Fitzroy River. The Company is currently exploring various technical and commercial options for the future 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 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), Geovault (Carbon Capture and Storage) and Battmin (Battery Minerals).

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

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

Profit or loss	Oil Production		Exploration		Energy Transition		Unallocated		Total	
	Dec 23	Dec 22	Dec 23	Dec 22	Dec 23	Dec 22	Dec 23	Dec 22	Dec 23	Dec 22
<i>in thousands of AUD</i>										
External revenues	4,733	13,893	-	-	-	-	-	-	4,733	13,893
Cost of sales	(3,464)	(7,308)	-	-	-	-	-	-	(3,464)	(7,308)
Movement in crude inventories	(1,064)	(702)							(1,064)	(702)
Amortisation of oil and gas assets	-	(2,675)	-	-	-	-	-	-	-	(2,675)
<b>Gross Profit</b>	<b>205</b>	<b>3,208</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>205</b>	<b>3,208</b>
Exploration and evaluation expenditure	-	-	(5,552)	(4,858)	(1,224)	(1,059)	-	-	(6,776)	(5,917)
Changes in restoration provision	(1,639)	-	466	(941)	-	-	-	-	(1,173)	(941)
Impairment of right-of-use assets	-	(1,774)	-	-	-	-	-	-	-	(1,774)
Gain on termination of leases	687	-	-	-	-	-	-	-	687	-
Impairment of oil and gas expenditure	-	(23,460)	-	-	-	-	-	-	-	(23,460)
Sale of exploration interests	-	-	5,000	-	-	-	-	-	5,000	-
Depreciation expense	-	-	-	-	-	-	(632)	(808)	(632)	(808)
Corporate and administrative expenditure	-	-	-	-	-	-	(2,297)	(3,097)	(2,297)	(3,097)
Share based payment expenses	-	-	-	-	-	-	(69)	-	(69)	-
<b>EBIT</b>	<b>(747)</b>	<b>(22,026)</b>	<b>(86)</b>	<b>(5,799)</b>	<b>(1,224)</b>	<b>(1,059)</b>	<b>(2,998)</b>	<b>(3,905)</b>	<b>(5,055)</b>	<b>(32,789)</b>
Net finance income / (expense)	-	-	-	-			(63)	12	(63)	12
<b>Reportable segment profit / (loss) before tax</b>	<b>(747)</b>	<b>(22,026)</b>	<b>(86)</b>	<b>(5,799)</b>	<b>(1,224)</b>	<b>(1,059)</b>	<b>(3,061)</b>	<b>(3,893)</b>	<b>(5,118)</b>	<b>(32,777)</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Total Assets	Oil Production		Exploration		Energy Transition		Unallocated		Total	
	Dec 23	Dec 22	Dec 23	Dec 22	Dec 23	Dec 22	Dec 23	Dec 22	Dec 23	Dec 22
<i>in thousands of AUD</i>										
Current assets	-	1,064	434	259	-	-	18,592	18,835	19,026	20,158
Oil and gas assets	-	-	-	-	-	-	-	-	-	-
Other receivable	3,367	-	-	-	-	-	-	-	3,367	-
Exploration and evaluation assets	-	-	14,846	10,197	-	-	-	-	14,846	10,197
Property, plant and equipment	-	-	-	-	-	-	2,704	3,777	2,704	3,777
<b>Total Assets</b>	<b>3,367</b>	<b>1,064</b>	<b>15,280</b>	<b>10,456</b>	<b>-</b>	<b>-</b>	<b>21,296</b>	<b>22,612</b>	<b>39,943</b>	<b>34,132</b>
<b>Capital Expenditure</b>	<b>-</b>	<b>5,881</b>	<b>4,649</b>	<b>696</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,649</b>	<b>6,577</b>
<b>Total Liabilities</b>										
Current liabilities	1,068	2,349	1,757	1,581	-	-	1,353	1,603	4,178	5,533
Lease liabilities (Non-current)	-	653	283	546	-	-	661	1,273	944	2,472
Provisions (Non-current)	7,289	2,559	4,160	3,549	-	-	178	263	11,627	6,371
<b>Total Liabilities</b>	<b>8,357</b>	<b>5,561</b>	<b>6,200</b>	<b>5,676</b>	<b>-</b>	<b>-</b>	<b>2,192</b>	<b>3,139</b>	<b>16,749</b>	<b>14,376</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 2. REVENUE

<i>in thousands of AUD</i>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
Sales of crude oil	4,688	14,604
Timing effect of revenue	45	(711)
	<b>4,733</b>	<b>13,893</b>

#### ACCOUNTING POLICY

Revenue is recognised when a customer obtains control of the goods or services. Under the existing contract, the sale of oil is recognised on Free on Board (FOB) terms, whereby the customer obtains control of the oil as it is loaded onto the vessel. Revenue from the sale of crude oil in the course of ordinary activities is recognised in the income statement at the consideration in the contract received or receivable. The price received FOB Wyndham represents the realised Brent linked oil price less the buyer's marine transport discount. Contract terms for crude sales allow for a final price adjustment after the date of sale, based on average Brent Platts in the month the crude is sold and final volume. The adjustment between the provisional and final price is separately disclosed as timing effect of revenue. Payment terms for invoices are thirty days from the Bill of Lading date.

Unprecedented flooding in the Kimberley early in the year significantly impacting operations and revenue. After a period of production between May 2023 and July 2023, Buru was able to successfully export one shipment of crude oil from Wyndham to the SE Asian market in August 2023 after which the Ungani Oilfield production was suspended.

### 3. CORPORATE AND ADMINISTRATIVE EXPENDITURE

<i>in thousands of AUD</i>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
Corporate and other administration expenses	2,929	3,905

The above expense excludes share-based payments disclosed at note 16.

Total personnel expenses for the 2023 year amounted to \$7,075,000, (2022: \$7,953,000) prior to Joint Venture reimbursements. Net personnel expenses are included in Cost of Sales, Exploration and Evaluation Expenditure and Corporate and Administrative Expenditure.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

## 4. NET FINANCE INCOME / (EXPENSE)

<i>in thousands of AUD</i>	31 Dec 2023	31 Dec 2022
<b>Finance Income</b>		
Interest income on bank deposits and receivables	485	288
	485	288
<b>Finance Expense</b>		
Interest expense on restoration liabilities	(178)	(174)
Interest expense on lease liabilities	(90)	(61)
Net foreign exchange loss	(280)	(41)
	(548)	(276)
<b>Net finance income / (expense) recognised in profit or loss</b>	<b>(63)</b>	<b>12</b>

### ACCOUNTING POLICY

Finance income comprises interest income on funds invested (including financial assets). Interest income is recognised as it accrues in profit or loss, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 5. TAXATION

<i>in thousands of AUD</i>	31 Dec 2023	31 Dec 2022
<b>Current income tax</b>		
Current income tax charge	-	-
Adjustments in respect of previous current income tax	-	-
	-	-
<b>Deferred income tax</b>		
Tax relating to origination and reversal of temporary differences	-	-
	-	-
<b>Total income tax expense reported in equity</b>	-	-
<b>Numerical reconciliation between tax expense and pre-tax accounting profit</b>		
Accounting profit / (loss) before tax	(5,118)	(32,777)
Income tax (expense) / benefit using the domestic corporation tax rate of 30%	1,536	9,833
(Increase) / decrease in income tax due to:		
Non-deductible expenses	(25)	(12)
Temporary differences and tax losses not brought to account as a DTA	(1,511)	(9,820)
Tax losses utilised	-	-
<b>Income tax benefit / (expense) on pre-tax loss</b>	-	-

### ACCOUNTING POLICY

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

## UNRECOGNISED NET DEFERRED TAX ASSETS

Net deferred tax assets have not been recognised in respect of the following items.

<i>in thousands of AUD</i>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>	<b>Movement</b>
<b>Deferred tax assets</b>			
Accruals	33	33	-
Provisions	245	426	(181)
Development expenditure	6,703	8,417	(1,714)
Rehabilitation	3,574	2,158	1,416
Lease liabilities	418	1,129	(711)
Tax losses	60,605	56,883	3,722
Unrealised foreign exchange	60	5	55
	71,638	69,051	2,587
<b>Deferred tax liabilities</b>			
Property, plant and equipment	(330)	(358)	28
Exploration expenditure	(4,454)	(3,059)	(1,395)
Lease assets	(477)	(771)	294
	(5,261)	(4,188)	(1,073)
<b>Net DTA not brought to account</b>	<b>66,377</b>	<b>64,863</b>	<b>1,514</b>

## ACCOUNTING POLICY

Deferred tax is not provided for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, nor differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. In accordance with the group's accounting policies for deferred taxes, a deferred tax asset is recognised for unused tax losses only if it is probable that future taxable profits will be available to utilise those losses. Determination of future taxable profits requires estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. This includes estimates and judgements about oil and gas prices, reserves, exchange rates, future capital requirements, future operational performance and the timing of estimated cash flows. Changes in these estimates and assumptions could impact on the amount and probability of estimated taxable profits and accordingly the recoverability of deferred tax assets.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not yet probable that future taxable profit will be available against which the Group can utilise the benefits.

### TAX CONSOLIDATION

The Company and its 100% owned entities have formed a tax consolidated group. Members of the consolidated entity have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly owned controlled entities on a pro-rata basis. The agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At balance date, the possibility of default is remote.

### TAX EFFECT ACCOUNTING BY MEMBERS OF THE CONSOLIDATED GROUP

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidated group. Deferred taxes are allocated to members of the tax consolidated group in accordance with a group allocation approach which is consistent with the principles of AASB 112 Income Taxes. The allocation of taxes under the tax funding agreement are recognised as an increase/decrease in the controlled entities intercompany accounts with the tax consolidated group head entity, Buru Energy. In this regard, Buru Energy has assumed the benefit of tax losses from the member entities. The nature of the tax funding agreement is such that no tax consolidation contributions by or distributions to equity participants are required.

### GOODS AND SERVICES TAX

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

## 6. OIL AND GAS ASSETS

<i>in thousands of AUD</i>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
Carrying amount at beginning of the period	-	22,028
Development expenditure	-	4,107
Amortisation expense	-	(2,675)
Impairment of oil and gas assets	-	(23,460)
<b>Carrying amount at the end of the period</b>	<b>-</b>	<b>-</b>

### ACCOUNTING POLICY

Oil and gas assets are measured at cost less amortisation and impairment losses. The assets' useful lives are reviewed, and adjusted if appropriate, at each reporting date. The carrying amount of oil and gas assets is reviewed bi-annually. Gains and losses on disposals are determined by comparing proceeds with the carrying amount and included in the profit or loss. Oil and gas assets are amortised over their estimated life according to the rate of depletion of the proved and probable hydrocarbon reserves. When no reserves are certified, oil and gas assets are amortised on a straight-line basis over their estimated useful life until such time when reserves are certified. Retention of petroleum assets is subject to meeting certain work obligations/commitments.

The estimated quantities of proved and probable hydrocarbon reserves and resources reported by the group are integral to the calculation of amortisation (depletion) and assessments of possible impairments. Estimated reserves and resources quantities are based upon interpretations of geological and geophysical models and assessment of the technical feasibility and commercial viability of producing the reserves and resources. Management prepares estimates which conform to guidelines prepared by the Society of Petroleum Engineers. These assessments require assumptions to be made regarding future development and production costs, commodity prices, exchange rates and fiscal regimes. The estimates of reserves and resources may change from period to period as the economic assumptions used to estimate the reserves can change from period to period, and as additional geological data is generated during the course of operations. The Ungani Oilfield does not currently have certified reserves.

### IMPAIRMENT RECORDED AGAINST THE UNGANI OILFIELD

In December 2022, the Company conducted a strategic review of the recoverable amount of the Ungani Oilfield Cash Generating Unit (CGU) due to the high cost environment, and identified an impairment trigger. The impairment assessment required management to make estimates regarding the present value of future cash flows and determine a Value in Use (VIU). These estimates require significant management judgement and assumptions about expected production and sales volumes, oil prices, operating costs, future capital expenditure, rehabilitation costs and allocation of corporate costs. These estimates and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying amount of the assets may be further impaired or the impairment charge reversed with the impact recorded in the Consolidated Income Statement.

The Ungani Production Facility has been placed under care and maintenance after operations were suspended in August 2023 and the Ungani assets remain fully impaired at the end of the reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 7. EXPLORATION AND EVALUATION EXPENDITURE

<i>in thousands of AUD</i>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
Carrying amount at beginning of the period	10,197	9,501
Exploration assets additions	4,649	696
<b>Carrying amount at the end of the period</b>	<b>14,846</b>	<b>10,197</b>

#### ACCOUNTING POLICY

Exploration and evaluation expenditure in respect of each area of interest is accounted for using the successful efforts method of accounting. The successful efforts method requires all exploration and evaluation expenditure to be expensed in the period it is incurred, except the costs of drilling successful wells and the costs of acquiring interests in new exploration assets, and appraisal costs relating to determining development feasibility, which are capitalised as an asset.

An exploration/appraisal well is unsuccessful if no recoverable hydrocarbons are identified, or the Board considers that the hydrocarbons are not commercially viable. Where hydrocarbon resources exist, the costs of successful wells may remain capitalised where further appraisal of the discovery is planned. If this further appraisal does not lead to the discovery of commercially recoverable reserves, all these costs would be impaired. Exploration and evaluation expenditure is accumulated on a well-by-well basis and may be carried forward at the end of a reporting period, pending determination.

An area of interest refers to an individual geological area where the presence of oil or a natural gas field is considered favourable or has been proved to exist, and in most cases will comprise an individual prospective oil or gas field. Exploration and evaluation expenditure is recognised in relation to an area of interest when the rights to tenure of the area of interest are current and either:

- such expenditure is expected to be recovered through successful development and commercial exploitation of the area of interest or, alternatively, by its sale; or
- the exploration activities in the area of interest have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

The Rafael 1 exploration well was capitalised during the 2021 year with initial results from the well suggesting potential for gas to be present in the structure. During the year Buru completed the acquisition of the Rafael 3D seismic survey covering an area of approximately 200 sq kms over and around the Rafael gas and condensate accumulation within the EP 428 and EP 457 permit areas totalling approximately \$3.6 million.

In August 2023 Buru confirmed a phased development strategy to commercialise its 100% owned and operated Rafael discovery. This strategy followed completion of concept studies in collaboration with Petrofac Limited, Transborders Energy and Technip Energies for development concepts that cover the full range of independently assessed contingent resources of gas and condensate. Pre-FEED activities were approximately \$1 million during the year.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

Where an ownership interest in an exploration and evaluation asset is exchanged for another, the transaction is recognised by reference to the carrying value of the original interest. Any cash consideration paid, including transaction costs, is accounted for as an acquisition of exploration and evaluation assets. Any cash consideration received, net of transaction costs, is treated as a recoupment of costs previously capitalised with any excess accounted for as a gain on disposal of non-current assets. The carrying amounts of the Group's exploration and evaluation assets are reviewed at each reporting date to determine whether any of the following indicators of impairment exists:

- tenure over the licence area has expired during the period or will expire in the near future, and is not expected to be renewed; or
- substantive expenditure on further exploration for and evaluation of resources in the specific area is not budgeted or planned; or
- exploration for and evaluation of resources in the specific area has not led to the discovery of commercially viable quantities of resources, and the Group has decided to discontinue activities in the specific area; or
- sufficient data exists to indicate that although a development is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or from sale.

Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, and any resultant impairment loss is recognised in the income statement. When a discovered oil or gas field enters the development phase the accumulated exploration and evaluation expenditure is transferred to oil and gas assets. Determining the recoverability of exploration and evaluation expenditure capitalised requires estimates and judgements as to future events and circumstances, in particular, whether successful development and commercial exploitation or sale of the respective area of interest is likely. Critical to this assessment are estimates and assumptions as to the timing of expected cash flows, exchange rates, commodity prices and future capital requirements. If, after having capitalised the expenditure, a judgement is made that recovery of the expenditure is unlikely, an impairment loss is recorded in the income statement.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 8. PROPERTY, PLANT AND EQUIPMENT (PPE)

<i>in thousands of AUD</i>	<b>Plant and equipment</b>	<b>Right-of-use assets</b>	<b>Cultural assets</b>	<b>Total</b>
<b>Cost</b>				
Carrying amount at 1 Jan 2022	1,379	5,731	877	7,987
Additions	-	3,010	-	3,010
Disposals	(21)	-	-	(21)
Impairment	-	(1,774)	-	(1,774)
<b>Balance at 31 Dec 2022</b>	<b>1,358</b>	<b>6,967</b>	<b>877</b>	<b>9,202</b>
Carrying amount at 1 Jan 2023	1,358	6,967	877	9,202
Additions	-	31	-	31
Disposals	(148)	(469)	-	(617)
<b>Balance at 31 Dec 2023</b>	<b>1,210</b>	<b>6,529</b>	<b>877</b>	<b>8,616</b>
<b>Accumulated Depreciation</b>				
Carrying amount at 1 Jan 2022	(955)	(3,683)	-	(4,638)
Depreciation for the period	(91)	(717)	-	(808)
Disposal	21	-	-	21
<b>Balance at 31 Dec 2022</b>	<b>(1,025)</b>	<b>(4,400)</b>	<b>-</b>	<b>(5,425)</b>
Carrying amount at 1 Jan 2023	(1,025)	(4,400)	-	(5,425)
Depreciation for the period	(91)	(541)	-	(632)
Disposal	145	-	-	145
<b>Balance at 31 Dec 2023</b>	<b>(971)</b>	<b>(4,941)</b>	<b>-</b>	<b>(5,912)</b>
<b>Carrying amounts</b>				
<b>At 31 December 2022</b>	<b>333</b>	<b>2,567</b>	<b>877</b>	<b>3,777</b>
<b>At 31 December 2023</b>	<b>239</b>	<b>1,588</b>	<b>877</b>	<b>2,704</b>

### ACCOUNTING POLICY

Items of PPE are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Gains and losses on disposal of an item of PPE are determined by comparing the proceeds from disposal with the carrying amount of PPE and are recognised net in profit or loss. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group, and its cost can be measured reliably. The costs of the day-to-day servicing of PPE are recognised in profit or loss as incurred. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of PPE, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

The estimated useful lives for the current and comparative period are as follows:

- plant & equipment 10 – 30 years
- right-of-use assets 1 – 4 years
- cultural assets not depreciated

The useful life, residual value and the depreciation method applied to an asset are reassessed at least annually. Heritage and cultural assets with the potential to be maintained for an indefinite period through conservation, restoration and preservation activities are considered to have an indefinite life and not depreciated.

The Group's accounting policy under AASB 16 as lessee is as follows:

For any new contracts entered into as a lessee, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Group assesses whether the contract meets three key evaluation criteria which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### Right-of-use assets and lease liabilities

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate of 3.00%.

In December 2022, \$1,774,000 was impaired to reduce the book value of the right-of-use assets associated with the Ungani assets. As at the end of the reporting year, the Group's current lease liabilities were \$450,000 (2022: \$1,291,000) and non-current lease liabilities were \$944,000 (2022: \$2,472,000).

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. The Ungani Production Facility (UPF) has been placed under care and maintenance after operations were suspended in August 2023. Leases associated with the UPF which were discharged during the year resulted in an accounting gain on termination of \$687,000.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term. Lease liabilities are shown directly on the statement of financial position (current and non-current).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

## 9. TRADE AND OTHER RECEIVABLES

<i>in thousands of AUD</i>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
Trade receivable	30	-
Interest receivable	71	93
Joint operation receivables	-	366
GST receivable	120	100
Prepayments	146	347
Other receivables	28	7
<b>Total</b>	<b>395</b>	<b>913</b>

The Group's exposure to credit and currency risks and impairment losses related to trade receivables are disclosed in note 23.

## 10. INVENTORIES

<i>in thousands of AUD</i>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
Materials and consumables at net realisable value	434	259
Petroleum products at cost	-	1,064
	<b>434</b>	<b>1,323</b>

### ACCOUNTING POLICY

Inventories are valued at the lower of cost or net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is determined as follows:

- Materials and consumables, which include drilling and production materials and consumables, are valued at the cost of acquisition which includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition; and
- Petroleum products, comprising extracted crude oil stored in tanks and pipeline systems, are valued using the full absorption cost method.

Materials and consumables are accounted for on a FIFO basis.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 11. (A) CASH AND CASH EQUIVALENTS

<i>in thousands of AUD</i>	31 Dec 2023	31 Dec 2022
Bank balances	6,934	5,209
Term deposits available at call	11,263	12,713
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>18,197</b>	<b>17,922</b>

The Group's exposure to interest rate risk and sensitivity analysis for financial assets is disclosed in note 23.

### (B) RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

<i>in thousands of AUD</i>	Note	31 Dec 2023	31 Dec 2022
<b>Cash flows from operating activities</b>			
Loss for the period		(5,118)	(32,777)
Adjustments for:			
Depreciation	8	632	808
Amortisation on development expenditure	6	-	2,675
Impairment of oil and gas assets	6	-	23,460
Impairment of right-of-use assets	8	-	1,774
Gain on termination of leases (O&G)		(932)	-
Gain on asset disposal		(3)	(12)
Share based payment expenses		69	-
Gain on sale of exploration interests	19	(5,000)	-
Interest in lease liabilities	4	(90)	(61)
Net finance (income) / costs		63	(12)
<b>Operating loss before changes in working capital and provisions</b>		<b>(10,379)</b>	<b>(4,145)</b>
<b>Changes in working capital</b>			
Change in trade and other receivables		(3,025)	(613)
Change in trade and other payables		90	(2,018)
Change in inventories		1,064	712
Change in provisions		3,943	1,282
<b>Cash received /(used in) operating activities</b>		<b>2,072</b>	<b>(637)</b>
<b>Net cash outflow from operating activities</b>		<b>(8,307)</b>	<b>(4,782)</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

## 12. CAPITAL AND RESERVES

### Share capital

Ordinary Shares	31 Dec 2023 No.	31 Dec 2023 \$'000	31 Dec 2022 No.	31 Dec 2022 \$'000
Fully paid shares on issue at the beginning of the period	596,043,085	295,971	538,442,991	286,891
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	-	(173)	-	-
Issued under non-renounceable entitlement offer & shortfall offer – 7 June 2022	-	-	55,350,094	8,856
Issued under shortfall placement – 8 June 2022	-	-	2,250,000	360
Less: Transactions costs arising from 2022 share placements	-	-	-	(136)
<b>On issue at the end of the period – fully paid</b>	<b>671,345,082</b>	<b>304,458</b>	<b>596,043,085</b>	<b>295,971</b>

The Company does not have authorised capital or par value in respect of its issued shares. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

In November 2023, Buru announced the results of its Share Placement with a number of Buru's major shareholders as well as new institutional shareholders at an offer price of \$0.115 per new share. A Share Purchase Plan was also launched in November 2023. The combined proceeds of the Share Placement and Share Purchase Plan was approximately \$8.7 million (before costs), resulting in the issue of some 75.3 million new shares.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 13. EARNINGS / (LOSS) PER SHARE

<i>in thousands of AUD</i>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
Loss attributable to ordinary shareholders	(5,118)	(32,777)
<b>Basic and diluted earnings / (loss) per share</b>		
Weighted average number of ordinary shares		
	<b>31 Dec 2023 No.</b>	<b>31 Dec 2022 No.</b>
Issued ordinary shares at beginning of the period	596,043,085	538,442,991
Effect of shares issued	6,442,565	32,660,190
<b>Weighted average number of ordinary shares at the end of the period</b>	<b>602,485,650</b>	<b>571,103,181</b>
Basic and dilutive loss per share calculated using the weighted average number of ordinary shares at the end of the period (cents)	(0.85)	(5.74)

The Group presents basic and diluted earnings or loss per share (EPS or LPS) data for its ordinary shares. Basic EPS or LPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS or LPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

The Company's potential ordinary shares, being 1,000,000 options, are not considered dilutive as the options were 'out of the money' as at 31 December 2023.

### 14. TRADE AND OTHER PAYABLES

<i>in thousands of AUD</i>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
Trade payables	715	504
Accruals	1,475	1,493
Joint Venture cash calls received in advance	433	-
Other payables	47	51
	<b>2,670</b>	<b>2,048</b>

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 23.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

## 15. PROVISIONS

<i>in thousands of AUD</i>	31 Dec 2023	31 Dec 2022
<b>Current</b>		
Provision for annual leave	399	886
Provision for long-service leave	195	223
Provision for site restoration	464	1,085
	<b>1,058</b>	<b>2,194</b>
<b>Non-Current</b>		
Provision for long-service leave	178	262
Provision for site restoration	11,449	6,109
	<b>11,627</b>	<b>6,371</b>
<b>Movements in the site restoration provision</b>		
<i>in thousands of AUD</i>	31 Dec 2023	31 Dec 2022
Opening balance	7,194	5,462
Provision used during the period	(630)	(130)
Unwinding of discount	178	174
Additions in estimate of provision	1,106	1,688
Change in estimate of provision	4,065	-
<b>Balance at the end of the period</b>	<b>11,913</b>	<b>7,194</b>

### ACCOUNTING POLICY

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and that the obligation can be measured reliably. The site restoration provision is in respect of the Group's obligation to rectify environmental liabilities relating to exploration and production in the Canning Basin in accordance with the requirements of DWER and DEMIRS. The provision is derived from an annual internal review of the liabilities. These liabilities are also reviewed by independent external consultants as and when required. Due to the long-term nature of the liability, there is uncertainty in estimating the costs that will be incurred at a future date. Changes to estimated future costs are recognised in the statement of financial position by adjusting the rehabilitation asset and liability. The provision has been calculated using a discount rate of 3.86%. The rehabilitation is expected to continue to occur progressively. In December 2023, a receivable \$3.4 million was recorded for ROC's share of decommissioning activity. Subsequent to the end of the reporting period, a Deed of Settlement, Termination and Release resulted in Buru receiving \$3.4 million from ROC in exchange for releasing ROC from its obligations relating to future decommissioning activity. Refer to note 26 for further information.

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted at 3% to determine its present value, and the fair value of any related assets is deducted. The calculation is performed using the projected unit credit method.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 16. SHARE-BASED PAYMENTS

<i>Fair value expensed in thousands of AUD</i>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
Employee Share Option Plan expense	69	-
	<b>69</b>	<b>-</b>

#### ACCOUNTING POLICY

The grant date fair value of share-based payments granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group. When the Company grants options over its shares to employees of subsidiaries, the fair value at grant date is recognised as an increase in the investments in subsidiaries, with a corresponding increase in equity over the vesting period of the grant. The fair value of share options granted under the Employee Share Option Plan are measured using the Black Scholes valuation model. Measurement inputs include share price on a measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information) weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

A total of 1,000,000 unlisted options were granted to employees of the Company under the terms of the Employee Share Option Plan (ESOP) during the reporting period. The options have an exercise price of \$0.23 and an expiry date of 31 December 2025. All options vested immediately and were exercisable from the grant date of 21 April 2023.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

The assumptions used to value the options granted under the ESOP to KMP are detailed below.

	Mr P Bird
Underlying security spot price	\$0.11
Strike / exercise price	\$0.23
Risk free rate (bond rate with duration the same as option)	2.99%
Dividend rate (decrease in Share Price)	0%
Grant date	21 Apr 23
Vesting date	21 Apr 23
Expiry date	31 Dec 25
Time to expiry (years)	2.70
Volatility (annualised)	141%
Valuation per option	\$0.069
Number of options	500,000
Value recognised to date	\$34,611
Value still to be recognised	-

### Employee Share Option Plan (ESOP)

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price (\$)	Number of options
Outstanding unlisted options as at 1 January 2023	0.23	7,200,000
Granted on 21 April 2023	0.23	1,000,000
Lapsed during the period ended 31 December 2023	0.23	(7,200,000)
<b>Outstanding as at 31 December 2023</b>	<b>0.23</b>	<b>1,000,000</b>

The unlisted share options outstanding as at 31 December 2023 have a weighted average exercise price of \$0.23 (Dec 2022: \$0.23), and a weighted average contractual life of 2 years (Dec 2022: 1 year).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

## 17. GROUP ENTITIES

Parent entity	Country of incorporation	Ownership interest	Ownership interest
Buru Energy Limited	Australia		
Subsidiaries		31 Dec 2023	31 Dec 2022
Royalty Holding Company Pty Limited	Australia	100%	100%
Buru Operations Pty Limited	Australia	100%	100%
Noonkanbah Diamonds Pty Limited	Australia	100%	100%
Buru Fitzroy Pty Limited	Australia	100%	100%
Battmin Pty Ltd	Australia	100%	100%
2H Resources Pty Limited	Australia	100%	100%
Geovault Pty Limited	Australia	100%	100%
Buru Canning Gas Pty Ltd	Australia	100%	0%
Geo-Steam Pty Ltd	Australia	100%	0%

Buru Energy Limited is the head entity of the tax consolidated group and all subsidiaries are members of the tax consolidated group.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

## 18. PARENT ENTITY DISCLOSURES

As at, and throughout the year ended 31 December 2023 the parent company of the Group was Buru Energy Limited.

<i>in thousands of AUD</i>	<b>Company 12 months ended 31 Dec 2023</b>	<b>Company 12 months ended 31 Dec 2022</b>
<b>Result of the parent entity</b>		
Total comprehensive loss for the period	(2,756)	(31,093)
<b>Financial position of the parent entity at year end</b>		
Current assets	19,026	20,482
Total assets	35,666	34,132
Current liabilities	4,217	5,533
Total liabilities	16,190	14,376
<b>Total equity of the parent entity at year end</b>		
Share capital	304,458	295,971
Reserves	69	550
Accumulated losses	(285,051)	(276,765)
<b>Total equity</b>	<b>19,476</b>	<b>19,756</b>

Refer to note 21 for further information on contingencies.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

## 19. 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.

The consolidated entity has an interest in the following joint operations as at 31 December 2023 whose principal activities were oil and gas exploration, development and production.

Permit/Joint Operation	December 2023 Beneficial Interest	December 2022 Beneficial Interest	Operator	Country
L20 <sup>1</sup>	100.00%	50.00%	Buru Energy Ltd	Australia
L21 <sup>1</sup>	100.00%	50.00%	Buru Energy Ltd	Australia
EP 129 <sup>2,3</sup>	100.00%	50.00%	Buru Energy Ltd	Australia
EP 391 <sup>2</sup>	100.00%	50.00%	Buru Energy Ltd	Australia
EP 428 <sup>2</sup>	100.00%	50.00%	Buru Energy Ltd	Australia
EP 431 <sup>2</sup>	100.00%	50.00%	Buru Energy Ltd	Australia
EP 436 <sup>2</sup>	100.00%	50.00%	Buru Energy Ltd	Australia
EP 457 <sup>2</sup>	60.00%	40.00%	Buru Fitzroy Pty Ltd	Australia
EP 458 <sup>2</sup>	60.00%	40.00%	Buru Fitzroy Pty Ltd	Australia
E04/2674	50.00%	50.00%	Sipa Resources Ltd	Australia
E04/2684	50.00%	50.00%	Sipa Resources Ltd	Australia
EP 510 (formerly L20-1) <sup>4</sup>	0.00%	25.00%	Energy Resources Ltd	Australia
L22-2 <sup>4</sup>	0.00%	0.00%	Energy Resources Ltd	Australia
L22-4 <sup>4</sup>	0.00%	0.00%	Energy Resources Ltd	Australia

<sup>1</sup> In August 2023 Buru entered into an agreement with ROC where Buru resumed 100% ownership of the Ungani Oilfield from 30 September 2023, subject to regulatory approvals following the lodgement of the instruments of transfer of the permits with the Department of Energy, Mines, Industry Regulation and Safety (DEMIRS). Subsequent to the reporting period, Buru received \$3,367,000 from Roc Oil (Canning) Pty Limited (ROC) as full settlement, termination and release of all claims, obligations and liabilities against each other in respect of ROC's withdrawal from the Ungani Joint Venture. Refer to note 26 for further information.

<sup>2</sup> In February 2023, subsequent to Origin Energy's change of strategic focus away from upstream oil and gas activities, Buru acquired Origin's Canning Basin Joint Venture interests. Refer to note 21 for further disclosure on the Origin transaction (excluding EP 457 and EP 458).

<sup>3</sup> Buru's interest in EP 129 exclude the Backreef Area.

<sup>4</sup> In August 2023, Buru executed a Sale and Purchase Agreement (SPA) with Energy Resources Limited (MinRes) for the sale of 100% its interests in the onshore Carnarvon Basin of Western Australia. The sale was unconditional, and the \$5 million cash proceeds from the transaction was received by Buru in August 2023, with regulatory consents and approvals received in September 2023.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

## 20. CAPITAL AND OTHER COMMITMENTS

<i>in thousands of AUD</i>	31 Dec 2023	31 Dec 2022
<b>Exploration expenditure commitments</b>		
<i>Contracted but not yet provided for and payable:</i>		
Within one year	-	127
One year later and no later than five years	3,000	1,865
	<b>3,000</b>	<b>1,992</b>

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.

## 21. CONTINGENCIES

In February 2023, Buru Energy announced that it has reached an agreement with Origin Energy (Origin) to acquire Origin's Canning Basin Joint Venture interests. Under the terms of the transaction as reflected in a withdrawal agreement (Agreement) executed between Origin, Buru and Buru Canning Gas Pty Ltd (Buru Canning), Buru Canning, as a wholly owned subsidiary of Buru, will receive Origin's 50% participating interest in exploration permits EP 428 (containing the Rafael-1 conventional gas and condensate discovery), EP 129, EP 391, EP 431 and EP 436 with Buru and Buru Canning becoming the collective 100% owners of these permits.

Under the terms of the Agreement, Buru will provide to Origin future capped staged contingent reimbursement payments of up to a total \$34 million, conditional on the achievement of key Rafael discovery related development and production milestones. These contingent payments reflect certain past costs and costs related to this transaction as incurred by Origin.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 22. RELATED PARTIES

#### Key management personnel compensation

The key management personnel compensation comprised:

<i>in AUD</i>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
Short term employee benefits	1,889,733	2,343,043
Post-employment benefits	192,783	238,087
Long term employee benefits	18,992	34,254
Share-based payments	34,611	-
	<b>2,136,119</b>	<b>2,615,384</b>

#### Individual directors and executives compensation disclosures

Information regarding individual Directors and executives compensation and some equity instruments disclosures as required by Corporations Regulations 2M.3.03 is provided in the Remuneration Report section of the Directors' report on pages 36 to 43.

Apart from the details disclosed in this note, no Director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at the end of the period.

#### Other related party transactions

No other related party transaction has occurred during the reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

## 23. FINANCIAL RISK MANAGEMENT

### Credit risk

The carrying amount of the Group's financial assets represents the Group's maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

<i>in thousands of AUD</i>	Note	Carrying amount	
		31 Dec 2023	31 Dec 2022
Cash and cash equivalents and term deposits at call	11a	18,197	17,922
Trade and other receivables	9	395	913
		<b>18,592</b>	<b>18,835</b>

The Group's cash and cash equivalents and term deposits at call are held with bank and financial institution counterparties, which are rated at least AA-, based on rating agency Fitch Ratings.

Trade and other receivables include accrued income on sales of Ungani crude, accrued interest receivable from Australian accredited banks, JV receivables and tax amounts receivable from the Australian Taxation Office. The Group has elected to measure loss allowances for trade and other receivables at an amount equal to the 12 month Expected Credit Loss (ECL). When determining the credit risk of a financial asset, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both the quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, including forward-looking information. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group considers a financial asset to be in default when the financial asset is more than 90 days past due.

As at 31 December 2023, no receivables were more than 30 days past due. No receivables are considered to have a material credit risk.

### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. This is monitored through rolling cash flow forecasts. The Group maintains sufficient cash to safeguard liquidity risk. The following are contractual maturities of trade and other payables (excluding provisions) and loans and borrowings.

<i>in thousands of AUD</i>	31 Dec 2023		31 Dec 2022	
	Less than 1 year	1 - 5 years	Less than 1 year	1 - 5 years
Lease liabilities	450	999	1,291	2,472
Trade and other payables	2,670	-	2,048	-
	<b>3,120</b>	<b>999</b>	<b>3,339</b>	<b>2,472</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### Market risk

Market risk is the risk that changes in market prices, such as currency rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### Currency risk

The Group is exposed to currency risk on sales that are denominated in a currency other than the functional currency of the Group (AUD). All sales of crude oil are denominated in US dollars. The Group does not hedge its foreign currency exposure.

The Group's exposure to foreign currency risk at balance date was as follows, based on notional amounts:

<i>in thousands</i>	31 Dec 2023		31 Dec 2022	
	AUD	USD	AUD	USD
Cash and cash equivalents	3,282	2,245	119	81
<b>Gross balance sheet exposure</b>	<b>3,282</b>	<b>2,245</b>	<b>119</b>	<b>81</b>

The average exchange rate from AUD to USD during the period was AUD 1.0000 / USD 0.6644 (Dec 2022: AUD 1.0000 / USD 0.6947). The reporting date spot rate was AUD 1.0000 / USD 0.6840 (Dec 2022: AUD 1.0000 / USD 0.6775). A 10 percent strengthening of the Australian dollar against the USD over the period would have increased the loss after tax for the financial period by \$466,000 (Dec 2022: increased loss after tax by \$1,392,000). A 10 percent weakening of the Australian dollar against the USD over the period would have decreased the loss after tax for the financial period by \$466,000 (Dec 2022: decreased loss after tax by \$1,392,000). This analysis assumes that all other variables remain constant.

#### Commodity price risk

The Group is exposed to commodity price fluctuations through the sale of Ungani crude at a differential against the dated Brent crude. The Group does not hedge its commodity price exposure and the Group did not enter into any commodity derivative contracts during the year.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

## Interest rate risk

At balance date the Group's exposure to market risk for changes in interest rates relate primarily to the Group's short term cash deposits. The interest rate risk is only applicable to interest revenue as the Group does not have any short or long term borrowings. The Group constantly analyses its exposure to interest rates, with consideration given to potential renewal of the terms of existing deposits. Fixed rate instruments are term deposits held with bank and financial institution counterparties and are available at call, therefore the fair value approximates the carrying amount.

At the reporting date the Group's interest-bearing financial instruments were as follows:

<i>in thousands of AUD</i>	Carrying amount	
	31 Dec 2023	31 Dec 2022
<i>Fixed rate instruments</i>		
Lease liabilities	1,394	3,763
Cash and cash equivalents with fixed interest	11,263	12,713
<b>Total fixed interest bearing financial assets</b>	<b>12,657</b>	<b>16,476</b>

<i>in thousands of AUD</i>	Carrying amount	
	31 Dec 2023	31 Dec 2022
<i>Variable rate instruments</i>		
Cash and cash equivalents with variable interest	6,934	5,209
<b>Total variable interest bearing financial assets</b>	<b>6,934</b>	<b>5,209</b>

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss after tax by \$69,340 (2022: \$52,090). This analysis assumes that all other variables remain constant.

## Capital management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern, so as to maintain future exploration and development of its projects. Capital consists of share capital of the Group. In order to maintain or adjust its capital structure, Buru Energy may in the future return capital to shareholders, issue new shares, borrow funds from financiers or farm-down / sell assets. Buru Energy's focus has been to maintain sufficient funds to fund exploration and development activities.

## 24. CHANGES IN MATERIAL ACCOUNTING POLICIES

The Group has adopted all accounting standards and interpretations that had a mandatory application for this reporting period which did not have material impact.

## 25. STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new accounting standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. However, the Group has not early adopted the following new or amended accounting standards in preparing these consolidated financial statements. New and amended accounting standards are not expected to have a significant impact on the Group's consolidated financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2023

### 26. SUBSEQUENT EVENTS

On 1 January 2024 Buru withdrew from the EP 458 Joint Operating Agreement, with Buru assigning its 60% interest and Operatorship of the permit to JV partner Rey Resources. At year end no value was attributed to EP 458.

On 8 March 2024, the Company executed a Deed of Settlement, Termination and Release with Roc Oil Company Pty Limited (ROC) and subsequently received \$3.4 million from ROC in exchange for releasing ROC from its obligations relating to future decommissioning activity for the Ungani Oilfield.

No other significant events have occurred subsequent to balance date that in the opinion of the directors has significantly affected, or may significantly affect in future financial years:

- The Group's operations; or
- The results of those operations; or
- The Group's state of affairs.

### 27. AUDITORS' REMUNERATION

	31 Dec 2023 (\$)	31 Dec 2022 (\$)
<b>Audit services</b>		
KPMG Australia: Audit and review of financial reports	90,000	90,000
KPMG Australia: Audit of Joint Venture reports	4,500	3,267
KPMG Australia: Audit of Traditional Owner Royalty Statements	5,000	2,500
	99,500	95,767

All amounts payable to the Auditors of the Company were paid or payable by the parent entity.

# DIRECTORS' DECLARATION

- 1 In the opinion of the Directors of Buru Energy Limited ('the Company'):
  - (a) the consolidated financial statements and notes that are contained on pages 45 to 80 and the Remuneration report in the Directors' report, set out on pages 36 to 43 are in accordance with the *Corporations Act 2001*, including:
    - (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance, for the financial period ended on that date; and
    - (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
  - (b) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
- 2 The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer, for the year ended 31 December 2023.
- 3 The Directors draw attention to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:



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**Mr Eric Streitberg**  
**Non-executive Chairman**

Perth  
25 March 2024



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**Mr Robert Willes**  
**Non-executive Director**

Perth  
25 March 2024

# INDEPENDENT AUDITOR'S REPORT



## Independent Auditor's Report

To the shareholders of Buru Energy Limited

### Report on the audit of the Financial Report

#### Opinion

We have audited the **Financial Report** of Buru Energy Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the **Group's** financial position as at 31 December 2023 and of its financial performance for the year ended on that date; and
- Complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2023;
- Consolidated statement of comprehensive income or loss, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes, including material accounting policies; and
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

#### Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with 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 Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

#### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

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# INDEPENDENT AUDITOR'S REPORT



Exploration and Evaluation Expenditure Capitalised of \$14.8m	
Refer to Note 7 to the Financial Report	
The key audit matter	How the matter was addressed in our audit
<p>Exploration and evaluation expenditure (E&amp;E) capitalised is a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• The significance of the balance (being 41 % of total assets); and</li> <li>• The greater level of audit effort to evaluate the Group's application of the requirements of the industry specific accounting standard AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, in particular the conditions allowing capitalisation of relevant expenditure and presence of impairment indicators. The presence of impairment indicators would necessitate a detailed analysis by the Group of the value of capitalised E&amp;E. Given the criticality of this to the scope and depth of our work, we involved senior team members to challenge the Group's determination that no such indicators existed.</li> </ul> <p>In assessing the conditions allowing capitalisation of relevant expenditure, we focused on:</p> <ul style="list-style-type: none"> <li>• The determination of the areas of interest;</li> <li>• Documentation available regarding rights to tenure, via licensing, and compliance with relevant conditions, to maintain current rights to an area of interest and the authoritative nature of external registry sources, together with the Group's intention and capacity to continue the relevant E&amp;E activities; and</li> <li>• The Group's determination of whether the capitalised E&amp;E are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale.</li> </ul> <p>In assessing the presence of impairment indicators, we focused on those that may draw into question the commercial continuation of E&amp;E activities for areas of interest where significant capitalised E&amp;E exists. In addition to the assessments above, and given the financial position of the Group, we paid particular attention to the ability of the Group to fund the continuation of activities.</p> <p>These assessments can be inherently difficult, particularly in uncertain conditions such as those currently being experienced in Australian oil and gas exploration.</p> <p>Further to the above, the Group acquired its joint venture (JV) partner's participating interest in exploration permits EP 428, and EP 457 during the year.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Evaluating the Group's accounting policy to recognise exploration and evaluation assets using the criteria in the accounting standard;</li> <li>• We assessed the Group's determination of its areas of interest for consistency with the definition in the accounting standard. This involved analysing the licenses in which the Group holds an interest and the exploration programs planned for those for consistency with documentation such as license related technical conditions, and joint venture agreements, planned work programs, and active and significant operations in the areas of interest by the Group;</li> <li>• We assessed the assignment of exploration permits (EP428 and EP457) from the JV partner on the Rafael project through inspection of the exit agreement and government registries;</li> <li>• For each area of interest, we assessed the Group's current rights to tenure by comparing the ownership of the relevant license to government registries and agreements in place with other parties. We also assessed compliance with conditions, such as minimum expenditure requirements;</li> <li>• We tested the Group's additions to capitalised E&amp;E for the year by evaluating a sample of recorded expenditure for consistency to underlying records and the capitalisation requirements of the accounting standard;</li> <li>• We evaluated Group documents, such as minutes of Board meetings for consistency with their stated intentions for continuing E&amp;E in certain areas. We corroborated this through interviews with key operational and finance personnel;</li> <li>• We analysed the Group's determination of recoupment through successful development and exploitation of the area or by its sale by evaluating the Group's documentation of planned future/continuing activities including work programs and project and corporate budgets for each area; and</li> <li>• We obtained project and corporate budgets identifying areas with existing funding. We compared this for consistency with areas with E&amp;E, for evidence of the ability to fund continued activities.</li> </ul>

# INDEPENDENT AUDITOR'S REPORT



## Other Information

Other Information is financial and non-financial information in Buru Energy Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

## Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- Preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- Assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- To obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- To issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: [https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf).

This description forms part of our Auditor's Report.

# INDEPENDENT AUDITOR'S REPORT



## Report on the Remuneration Report

### Opinion

In our opinion, the Remuneration Report of Buru Energy Limited for the year ended 31 December 2023, complies with *Section 300A* of the *Corporations Act 2001*.

### Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

### Our responsibilities

We have audited the Remuneration Report included in pages 36 to 43 of the Directors' report for the year ended 31 December 2023.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

A handwritten signature in blue ink that reads 'KPMG'.

KPMG

A handwritten signature in blue ink that reads 'G L + 177'.

Graham Hogg  
*Partner*  
Perth  
25 March 2024

## ADDITIONAL ASX INFORMATION

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below.

**The distribution of ordinary shares ranked according to size as at 29 February 2024 was as follows:**

Category	Ordinary Shares	%	No of Holders	%
100,001 and Over	586,758,691	87.4	787	12.68
10,001 to 100,000	72,612,057	10.82	1,996	32.16
5,001 to 10,000	6,731,612	1.003	880	14.18
1,001 to 5,000	4,887,582	0.728	1,633	26.31
1 to 1,000	355,140	0.053	911	14.68
<b>Total</b>	<b>671,345,082</b>	<b>100</b>	<b>6,207</b>	<b>100</b>
<b>Unmarketable Parcels</b>	<b>4,249,916</b>	<b>0.633</b>	<b>2,341</b>	<b>37.72</b>



# ADDITIONAL ASX INFORMATION

The 20 largest ordinary shareholders of the ordinary shares as at 29 February 2024 were as follows:

Rank	Name	Number of ordinary shares	%
1	BIRKDALE ENTERPRISES PTY LTD	61,294,092	9.13
2	CHEMCO PTY LTD	31,640,097	4.71
3	MR ERIC CHARLES STREITBERG	18,776,068	2.80
4	COOGEE RESOURCES PTY LTD	18,666,667	2.78
5	AUSTRALIA HOLDINGS PTY LTD	14,000,000	2.09
6	BNP PARIBAS NOMINEES PTY LTD	11,080,886	1.65
7	TAPERSLEE PTY LTD	10,757,468	1.60
8	WANDJI INVESTMENTS LIMITED	9,572,400	1.43
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,558,600	1.13
10	TWINSOUTH HOLDINGS PTY LTD	7,260,000	1.08
10	PARAMON HOLDINGS PTY LTD	7,260,000	1.08
11	CHARRINGTON PTY LTD	6,498,871	0.97
12	MAJOR DEVELOPMENT GROUP PTY LTD	6,351,228	0.95
13	FLEXIPLAN MANAGEMENT PTY LTD	6,207,910	0.92
14	MR MARC ARONSTEN	5,588,181	0.83
15	MR ILIA LAKAEV & MRS GLORIA LAKAEV	5,000,000	0.74
16	CITICORP NOMINEES PTY LIMITED	4,504,681	0.67
17	JH NOMINEES AUSTRALIA PTY LTD	4,400,000	0.66
18	AMK INVESTMENTS (WA) PTY LTD	4,233,183	0.63
19	EAST ARNHAM TRADING PTY LTD	4,000,000	0.60
20	SINO PORTFOLIO INTERNATIONAL LIMITED	3,820,588	0.57
	<b>Total twenty largest shareholders</b>	<b>248,470,920</b>	<b>37.01</b>
	Balance of register	422,874,162	62.99
	<b>Total register</b>	<b>671,345,082</b>	<b>100.00</b>

# ADDITIONAL ASX INFORMATION

The following interests were registered on the Company's register of Substantial Shareholders as at 29 February 2024:

Shareholder	Number of ordinary shares	%
Birkdale Enterprises Pty Ltd	61,294,092	9.13
Chemco Pty Ltd	50,306,764	7.49

## VOTING RIGHTS

### ORDINARY SHARES

At a general meeting of shareholders:

- (a) On a show of hands, each person who is a member or sole proxy has one vote.
- (b) On a poll, each shareholder is entitled to one vote for each fully paid share.

### UNLISTED OPTIONS

There are no voting rights attached to the unlisted options.

## OTHER INFORMATION

Buru Energy Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

The Company is listed on the Australian Securities Exchange. ASX Code: BRU

The Company and its controlled entities schedule of interests in permits as at 29 February 2024 were as follows:

PERMIT	TYPE	OWNERSHIP	BURU INTEREST	OPERATOR
L6 <sup>1</sup>	Production licence	100.00%	Buru Energy Ltd	Buru Energy Ltd
L8	Production licence	100.00%	Buru Energy Ltd	Buru Energy Ltd
L17	Production licence	100.00%	Buru Energy Ltd	Buru Energy Ltd
L20	Production licence	100.00%	Buru Energy Ltd	Buru Energy Ltd
L21	Production licence	100.00%	Buru Energy Ltd	Buru Energy Ltd
EP 129 <sup>1</sup>	Exploration permit	100.00%	Buru Energy Ltd	Buru Energy Ltd
EP 391	Exploration permit	100.00%	Buru Energy Ltd	Buru Energy Ltd
EP 428	Exploration permit	100.00%	Buru Energy Ltd	Buru Energy Ltd
EP 431	Exploration permit	100.00%	Buru Energy Ltd	Buru Energy Ltd
EP 436	Exploration permit	100.00%	Buru Energy Ltd	Buru Energy Ltd
EP 457	Exploration permit	60.00%	Buru Fitzroy Pty Ltd	Buru Fitzroy Pty Ltd
E04/2674	Exploration permit	50.00%	Battmin Pty Ltd	Sipa Resources Pty Ltd
E04/2684	Exploration permit	50.00%	Battmin Pty Ltd	Sipa Resources Pty Ltd

<sup>1</sup> Buru's interest in L6 and EP 129 exclude the Backreef Area



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