

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
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	-	-
Total	22,118,415	-

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.



Mr Eric Streitberg
Non-executive Chairman

Perth
25 March 2024



Mr Robert Willes
Non-executive Director

Perth
25 March 2024