



Baru Resources Limited

Longreach Project September 2012

Forward Looking Statement and Disclaimer

The presentation contains “forward-looking information” within the meaning of applicable securities legislation. Forward-looking information may include, but is not limited to, information with respect to the future financial and operating performance of the Company, its affiliates and subsidiaries, the estimation of mineral reserves, mineral resources and exploration targets, realization of mineral reserves and resource estimates, costs and timing of development of the Company’s projects, costs and timing of future exploration, timing and receipt of approvals, consents and permits under applicable legislation, results of future exploration and drilling and adequacy of financial resources. Forward-looking information is often characterized by words such as “plan”, “expect”, “budget”, “target”, “project”, “intend”, “believe”, “anticipate”, “estimate” and other similar words or statements that certain events or conditions “may” or “will” occur.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from those expressed or implied by such forward-looking information, including risks associated with investments in publicly listed companies such as the Company; risks associated with general economic conditions; the risk that further funding may be required but unavailable for the ongoing development of the Company’s projects; changes in government regulations, policies or legislation; unforeseen expenses; fluctuations in commodity prices; fluctuation in exchange rates; litigation risk; restrictions on the repatriation of earnings by the Company’s subsidiaries; the inherent risks and dangers of mining exploration and operations in general; risk of continued negative operating cash flow; the possibility that required permits may not be obtained; environmental risks; uncertainty in the estimation of mineral resources and mineral reserves; general risks associated with the feasibility and development of each of the Company’s projects; foreign investment risks in Indonesia; changes in laws or regulations; future actions by government; breach of any of the contracts through which the Company holds property rights; defects in or challenges to the Company’s property interests; uninsured hazards; disruptions to the Company’s supplies or service providers; reliance on key personnel and retention of key employees.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management of the Company made in light of their experience and their perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable. Assumptions have been made regarding, among other things: the Company’s ability to carry on its exploration and development activities, the timely receipt of required approvals, the price of coal, the ability of the Company to operate in a safe, efficient and effective manner and the ability of the Company to obtain financing as and when required and on reasonable terms. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

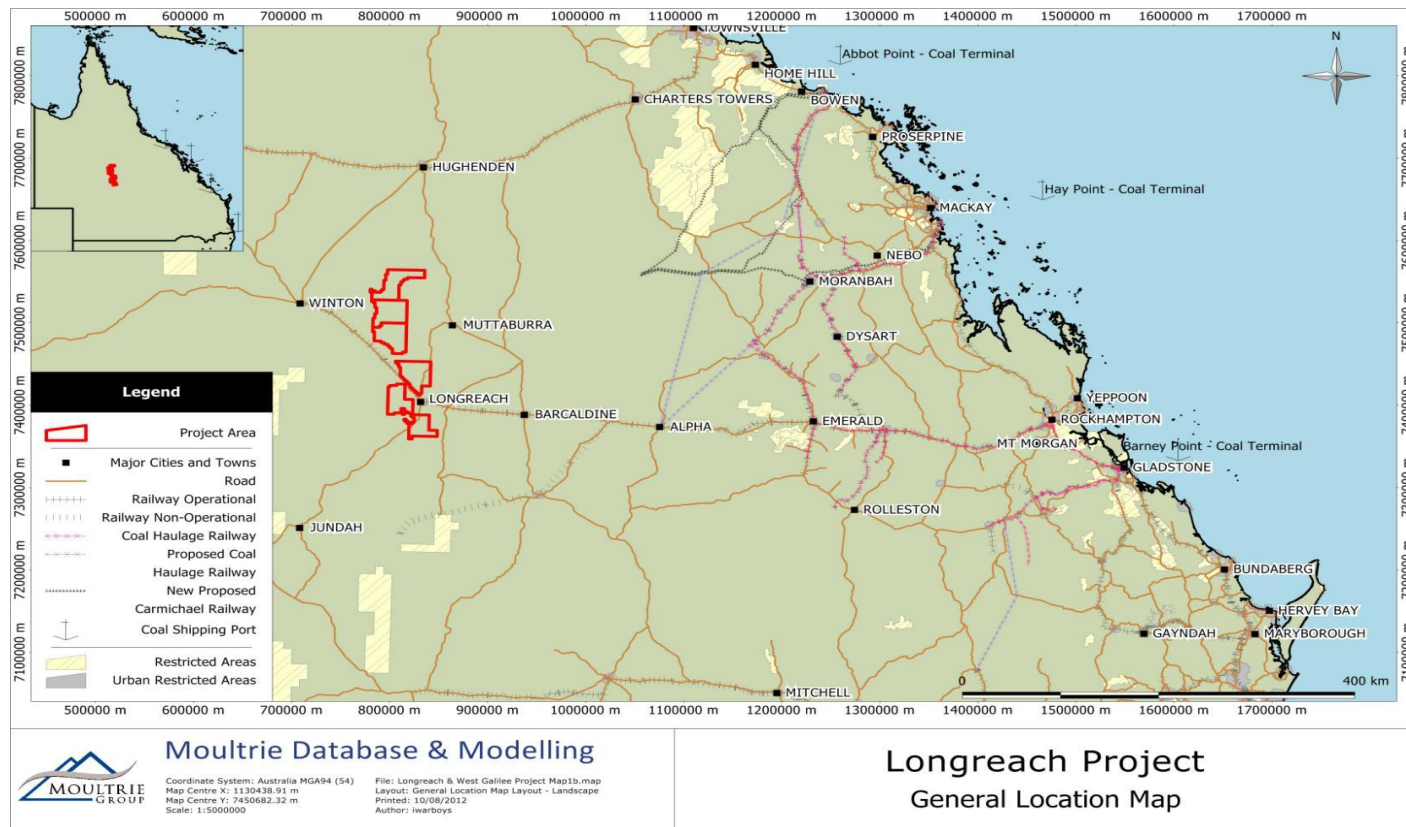
Longreach Project

- Large scale thermal coal exploration targets expected to be at depth suitable for open cut mining
- The lower Winton Formation which outcrops extensively throughout the project area has been the subject of significant recent exploration success.

Longreach Project

- 6 coal exploration applications pegged by Baru in Late 2011
- 100% ownership
- Large area – 1,613 sub blocks (5099.6 sq km)

Longreach Project - Location

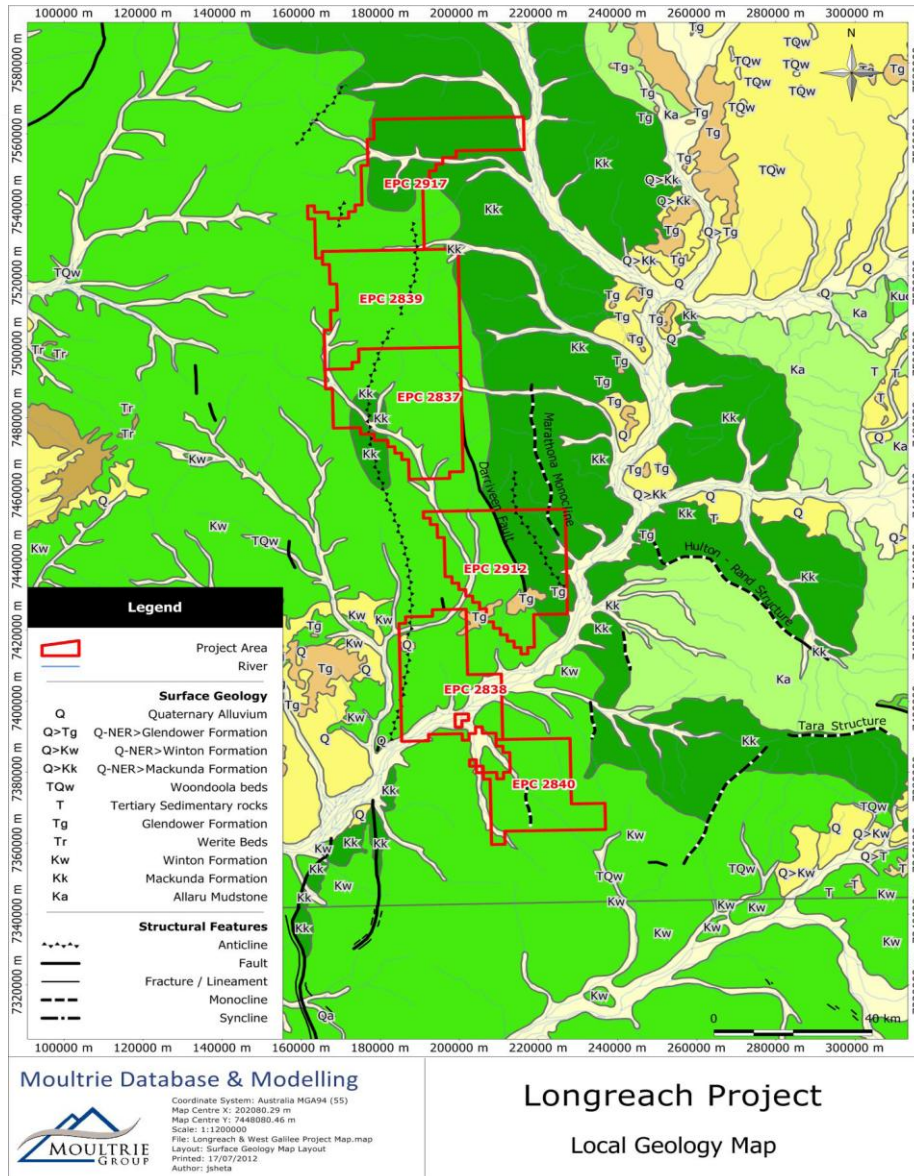


Longreach Project – Coal Geology

- Area largely unexplored for coal despite being along strike from large tonnage deposits.
- The thicker seams of the lower Winton Formation are expected to occur in the project area.
- East Energy (EER) International Coal (ICX) and Coal Bank Limited (CBQ) intersected cumulative thickness of 8-12m of coal within this formation to the south of the Project area.

Longreach Project – Local Geology

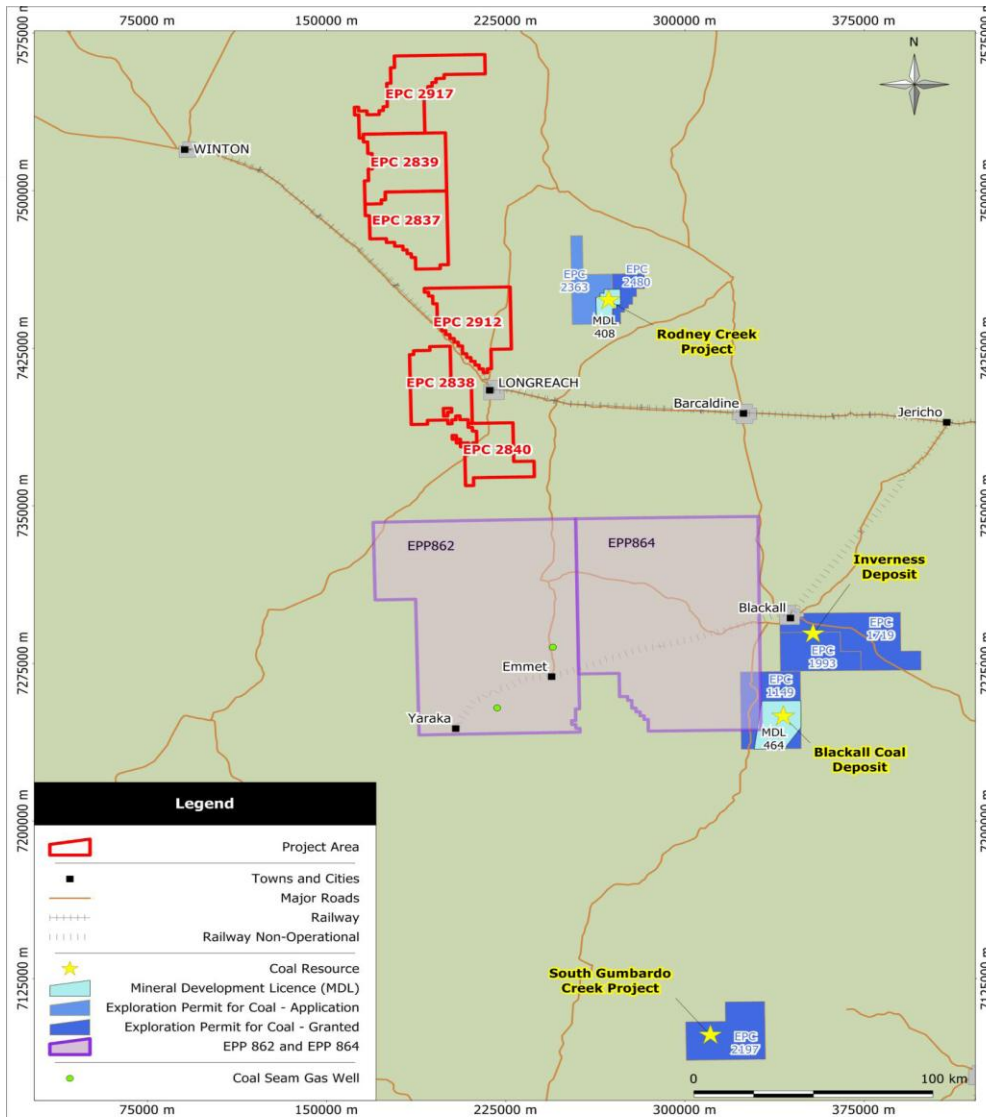
- Approximately 90% of the project area is covered by the Late Cretaceous Winton Formation of the Eromanga Basin.
- The main structural feature of the project is a large north south trending anticline that runs through the west of the project bringing the Mackunda Formation to the surface in places



Adjacent Activity

Exploration activity is currently focused to the south of the project area

- Three large thermal coal deposits already identified
- Same seams expected to continue onto Baru's Tenements



Moultrie Database & Modelling



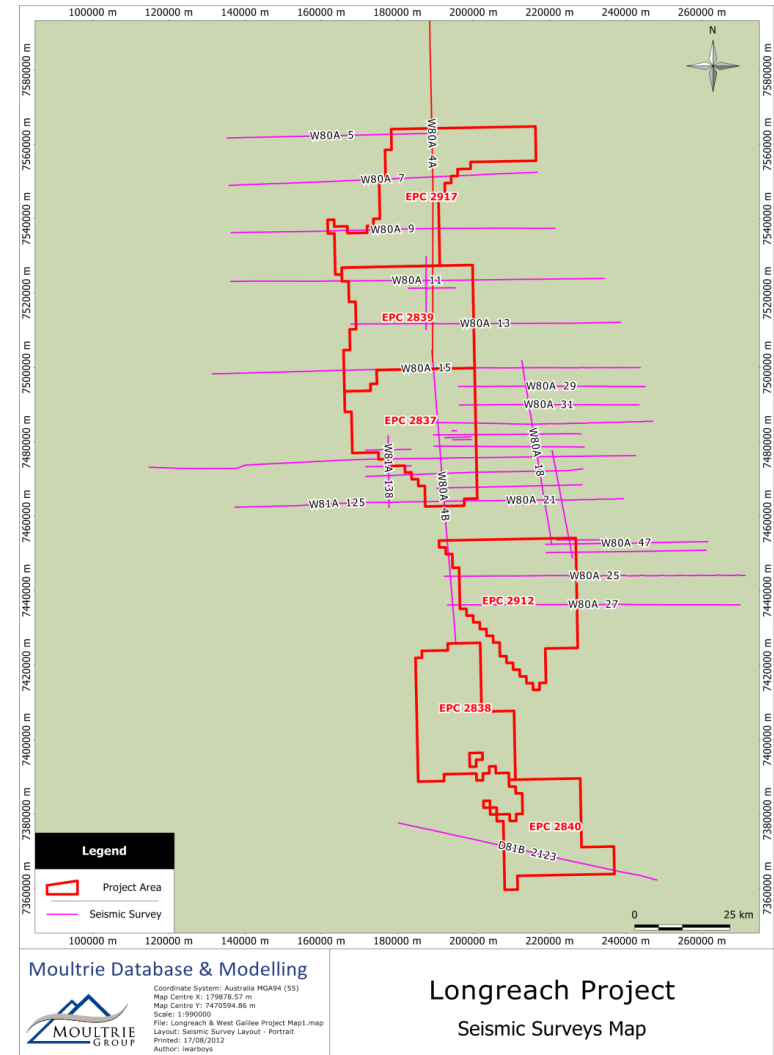
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Map Centre Y: 7321527.96 m
Scale: 1:2100000
File: Longreach & West Galilee Project Map1.map
Layout: Nearby Resources Layout
Printed: 17/08/2012
Author: iwarboys

Longreach Project
Nearby Coal Resources

Longreach Project – Planned Exploration Program

Initial focus on reinterpreting existing seismic lines that cross the project area to allow

- The Identification of areas where there is likely to be thick seams at shallow depth
- First pass drilling programs targeting the most prospective targets prior to commencing a larger drilling program designed to produce a JORC resource



Longreach Project - Exploration Potential

Tenement ID	Thickness Range (m)	Relative Density Range (mg/kg ³)	Minimum Exploration Target (Mt)	Maximum Exploration Target (Mt)
EPC2837	0.15 - 2.40	1.45 - 1.55	85.1	876.8
EPC2838	0.15 - 2.40	1.45 - 1.55	82.0	661.3
EPC2839	0.15 - 2.40	1.45 - 1.55	98.0	1866.3
EPC2840	0.15 - 2.40	1.45 - 1.55	124.3	531.6
EPC2912	0.15 - 2.40	1.45 - 1.55	57.0	418.4
EPC2917	0.15 - 2.40	1.45 - 1.55	159.2	1817.6
Total	-	-	582.2	6171.9

* Regardless of actual coal quality results, coals from all Formations have been given an average wet, insitu density range of 1.45 – 1.55 g/cc; Total tonnages in situ estimated with non-weathered seams un-intruded and >0.15m. Based on density log coverage seams, with raw ash >50% (adb); Unexpected geological loss mainly due to seam splitting and thinning over large distances between boreholes; It should be noted that the tonnages quoted above are conceptual in nature and there has been insufficient exploration to define a coal resource; Little coal quality data within the project area was uncovered in previous reports for the all seam packages; Although a preliminary analysis was undertaken, insufficient data exists to confidently correlate coal seams and generate a grid mesh model. However, further exploration is likely to lead to the reporting of a JORC-standard resource; There is some evidence to support the current exploration tonnage calculations, and the sufficient coal thicknesses interpreted from historic drilling to warrant further investigation in some areas.

Longreach Project – Infrastructure

- Infrastructure in the area includes a railway line running southeast from Winton, between EPC 2912 and EPC 2838, to Longreach and on to Emerald. This line is not coal haulage capable at present.
- The nearest railway line with coal haulage capacity is located at Emerald, 390 km east of the project area.
- The construction of the Alpha Project, 235 km east of the Project, will include a new rail line to transport coal to the Abbot Point Coal Terminal.
- Upgrade of the railway lines between the Longreach Project and the Alpha Project would be required for coal haulage by rail to be possible.

Longreach Project - Tenement Details

Tenure	Status	Date Lodged	Date Granted	Date Expires	Principal Holder	No. of Sub blocks
EPCA2837	Application	10-Oct-11	TBA	TBA	Baru Resources Ltd	300
EPCA2838	Application	10-Oct-11	TBA	TBA	Baru Resources Ltd	231
EPCA2839	Application	10-Oct-11	TBA	TBA	Baru Resources Ltd	300
EPCA2840	Application	10-Oct-11	TBA	TBA	Baru Resources Ltd	182
EPCA2912	Application	13-dec-11	TBA	TBA	Baru resources Ltd	300
EPCA2917	Application	13-Dec-11	TBA	TBA	Baru Resources Ltd	300

Longreach Project – Summary and Strategic Outlook

- Ongoing and increasing demand for export thermal coal
- Potential for large tonnage near surface coal deposits
- Major land position in emerging coal province

Directors and Management

- **Peter Avery – Non Executive Chairman**
 - 20 years experience in the stockbroking industry
 - Broad capital raising and capital management experience in the resource industry
- **Kevin Nichol – Executive Director**
 - Previous successful coal experience
 - Extensive broker and corporate contacts and experience
 - Successful corporate advisory roles
- **Andrew Bald – Non Executive Director**
 - 25 years experience in banking and corporate finance
 - Experience in investment banking managing balance sheet and trading risks

Contacts

- Kevin Nichol – Executive Director
– kevin@baru.com.au

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Declaration

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QUALIFICATIONS AND EXPERIENCE

This Report has been prepared by Kim Maloney and technical staff of Moultrie Database & Modelling for and on behalf of Baru Resources Limited. Kim Maloney has over 10 years of experience in the coal mining and extractive industry throughout Australia. Kim has experience within the Central Queensland coal mines and has held various roles in these mine's Technical Services, including Exploration Geologist, Mine Geologist and Geology Superintendent.

Kim is a Competent Person for coal as defined by the JORC Code (2004) and Kim's experience has required her to develop, implement and maintain geological models (structural & quality), geological databases, temporal and spatial reconciliation processes, coal quality (loss and contamination), slope dump management plans, geotechnical audits, reserves and resources audits, exploration programs and provide geological training and support for different facies of the mining industry as well as business improvement initiatives.

Kim is a Senior Resource Geologist within Moultrie Database & Modelling, a part of the Moultrie Group and holds the position of General Manager Database & Modelling. Her principal qualifications are a Bachelor of Science from James Cook University and a Masters of Business Administration (Human Resource Management) from the Central Queensland University. Kim is a Member of The Australasian Institute of Mining & Metallurgy (# 229120) and a Member of the Bowen Basin Geological Group.

COMPETENT PERSON'S STATEMENT

The estimates of the Coal Resources presented in this Report are considered to be a true reflection of the Coal Resources as at 10th August 2012 and have been carried out in accordance with the principles and guidelines of the Australian Code for Reporting of Coal Resources and Coal Reserves published in September 2004 (JORC Code). Where quoted, it should be noted that where Exploration Target tonnages calculated in the report they are considered non-JORC and are conceptual in nature. There has been insufficient exploration to define a Coal Resource and that it is uncertain if further exploration will result in the determination of a Coal Resource.

Name	Job Title	Registration	Experience (Years)
K Maloney	Senior Resource Geologist General Manager Moultrie Database & Modelling	AusIMM 229120	6