

Buru Energy receives green light to export gas from Canning Basin, strengthening Rafael development strategy

Last updated: 10:47 17 Aug 2023, First published: 10:46 17 Aug 2023

Buru Energy Ltd (ASX:BRU, OTC:BRNGF) has welcomed a recent update to Western Australia's Domestic Gas Policy, which has opened the Canning Basin - and Buru's Rafael conventional gas and condensate discovery - to lucrative international gas markets.

With gas exports officially banned from the Perth Basin, this decision by the WA Government places the Canning Basin and Buru's 100% owned and operated Rafael discovery in the spotlight and potentially in the crosshairs for international development partners seeking Western Australian gas.

The policy – which will also require Canning Basin gas project developers to commit 15% of their export volumes for sale on the domestic market – is well suited to the first phase of the Rafael development, which is targeting the regional Kimberley market via a gas to power project.

The policy update represents a bedrock of certainty for Buru's second phase, larger scale Rafael project, which is targeting the export market, including Liquefied Natural Gas (LNG).

Enhanced investment case

“Buru welcomes the added certainty the updated Domestic Gas Policy brings to its Rafael gas and condensate development,” Buru Energy CEO Thomas Nador said.

“The Canning Basin is not connected to an existing pipeline network. By confirming the project is able to export gas in the future provides Buru with strategic optionality to develop Rafael and significantly enhances the attractiveness of the project to potential development partners.

“This is positive for the development of Rafael and the Canning Basin, positive for the region and positive for our shareholders.”

Discovered in 2021, Rafael is considered a regionally significant conventional gas and condensate resource, independently assessed to potentially hold more than one trillion cubic feet of gas and 20 million barrels of condensate.

Buru Energy intends to develop Rafael into a scalable, hybrid gas-to-power and renewable energy project in the first phase, which will support the second phase – a sizeable methanol, ammonia or liquefied natural gas (LNG) project, informed by final appraisal drilling outcomes.

The company intends to complement these developments with carbon capture storage initiatives (spearheaded by Buru's Geovault subsidiary) based on mid- to high-volume estimates of Rafael's contingent resources.

Overall, BRU has applauded the Western Australian Government's "strong stance on safeguarding and securing the economic and social development in the Northwest of the State through responsible development".