

Buru Energy Ltd

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Buru Energy launches \$14.4 million rights issue to fund Rafael gas discovery appraisal program

Buru Energy Ltd (ASX:BRU) has launched a rights issue to raise up to \$14.4 million to be used for a multi-phase appraisal program for the Rafael gas condensate discovery and support of commercialisation feasibility studies and activity on other Buru assets.

The rights issue is on the basis of one new share for every six shares held by eligible shareholders registered on 9 May 2022, at an issue price of \$0.16 per new share.

Lodgement of Prospectus with ASIC	3 May 2022
Lodgement of Prospectus & Appendix 3B with ASX	
Existing Shares quoted on an "ex" basis	6 May 2022
Record Date for determining Entitlements	9 May 2022
Prospectus despatched to Eligible Shareholders and Offer opening date	12 May 2022
Last day to give notice to extend the Closing Date	26 May 2022
Closing Date	31 May 2022
New Shares quoted on a deferred settlement basis	1 June 2022
Company to notify ASX of under subscriptions (if any)	3 June 2022
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the New Shares. Deferred settlement trading ends.	7 June 2022
Quotation of New Shares commences	8 June 2022

Indicative timetable.

The Rafael 1 gas condensate discovery well onshore in the Canning Basin of northwest Western Australia was drilled in late 2021 and flow tested in March 2022.

An independent resource estimation was completed in late April 2022 by ERCE Australia Pty Ltd.

This review confirmed Buru's view that the Rafael structure has the potential to contain a regionally significant gas and condensate accumulation.

Given the potential of the discovery, a structured appraisal program aimed at quantifying and then commercialising the resource is being planned.

Buru's planned 2022 program will include:

- The recompletion of the Rafael 1 well and testing of additional gas bearing zones
- The acquisition of a 3D seismic survey to help site the future appraisal wells
- Commercialisation and field development studies

This program will be followed by an appraisal drilling program in 2023.

Price: 0.17

Market Cap: \$91.54 m

1 Year Share Price Graph



Share Information

Code: BRU

Listing: ASX

52 week High Low
0.29 0.115

Sector: Oil & Gas

Website: www.buruenergy.com

Company Synopsis:

Buru Energy Ltd (ASX:BRU) is an oil and gas exploration and production company focused on exploring and developing petroleum resources of the Canning Basin in the southwest of Western Australia's Kimberley region. The company has a 50% operating interest in the producing Ungari Oilfield and holds interests in an extensive portfolio of petroleum exploration permits covering about 5.

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The funds raised from the rights issue will also be applied towards costs of appraisal well planning and long lead items.

Buru's aim is to undertake the seismic survey, the Rafael 1 well recompletion and testing program and the subsequent appraisal drilling program successively during the 2022 and 2023 Canning Basin field seasons.

Other activities

Buru's rights Issue will also help fund other Canning and Carnarvon Basin exploration activities including prospect generation for future drilling programs.

The additional funding will also assist in progressing the Buru Group's multi-faceted energy transition initiatives that include a drilling campaign for battery minerals planned in Q3/2022, 2H Resources potential natural hydrogen field exploration activities and Geovault's CCS activity.

"Potential to be transformational"

Buru executive chairman Eric Streitberg said: "The Rafael gas condensate discovery has the potential to be transformational for the company and we want to appraise and commercialise this exciting discovery in the shortest possible time frame.

"To ensure we are able to commit to and execute this proposed accelerated appraisal program on our core assets we need to strengthen our existing cash reserves.

"Having reviewed various funding options available to the Company, the Board considers an attractively priced rights issue is the fairest way to allow all shareholders to participate in this exciting forward program."

Forward strategy

Streitberg added: "In addition to the Rafael program we also have drilling activity this year on our Battmin leases for significant lead/zinc targets, and an offer of a substantial grant from the Federal Government to add impetus to our Geovault CCS program.

"We are also planning initial field trials for our natural hydrogen exploration program.

"Shareholders are encouraged to review the company's recently released corporate presentation and ASX release of 26 April that contains further details of our forward strategy for the appraisal and the commercialisation options for Rafael as well as our other activities.

"We have an exciting period ahead and this rights issue will support our ability to carry out our programs in timeframes that add the most value for shareholders."

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