

## **Operations update**

### **Oil sales and production**

The March lifting of 63,780 barrels of Ungani crude by Petro-Diamond Singapore Pte Ltd from CGL storage Tank 10 at Wyndham Port was completed on Sunday 15 March.

The price received FOB Wyndham is the realised Brent linked oil price less the buyer's fixed marine transport discount, and Buru's 50% revenue share from the lifting was provisionally invoiced at ~A\$1.9 million, subject to adjustment related to the average March price.

The recent very significant fall in global crude prices has been partly offset by the weakness of the Australian dollar, which will provide some compensation for the lower US dollar oil price.

Field production has been steady with all wells on production and all roads open at some 1,500 barrels of oil a day.

### **Ungani 6 coil tubing operations**

Coil tubing operations on Ungani 6 have now commenced and initial operations will be aimed at the milling out of the cement float shoe and initial re-drilling operations of the Ungani Shale section. Operations have proceeded without significant incident but have included some delays from mechanical issues with the Halliburton coil tubing unit and associated equipment.

### **Corporate matters**

The recent share market and oil price weakness has seen the Company's share price decline dramatically but generally in line with the Company's share market peers. The energy sector has been very severely affected by the market turmoil, but despite this, Buru maintains a relatively solid position. The Company has a strong balance sheet, currently profitable oil production, and no material non-discretionary commitments on its exploration and production permits.

However, given the circumstances, the Company is moving quickly to review operating costs and corporate costs including reducing discretionary spending to the lowest level practicable whilst maintaining its operating capability. At current production rates, the Ungani Oilfield remains operating cash flow positive at oil prices in excess of US\$25 per barrel and field costs are being reviewed in detail to ensure they are minimised and surplus cash flow maximised.

The Company is also taking a balanced and fact driven approach to the current COVID-19 pandemic. It has in place robust measures to ensure the safety and well-being of its staff and contractors both in its offices and at the Ungani Oilfield, including IT remote access infrastructure enabling remote working, should that be required. It has also put in place measures to reduce all travel to immediate operational requirements, with key management personnel rotating between working from the office and home as a prudent measure should the business be affected by the virus.

The Company's annual report was released on 13 March and consideration is being given to the timing, structure and format of the Company's Annual General meeting to ensure the safety and personal well-being of shareholders while providing the opportunity for interaction with Directors. These arrangements will be finalised later this month and may include live webcasting of the meeting.

### **Executive Chairman's comment**

*"On behalf of the Board I would like to assure shareholders that all necessary steps are being taken to ensure that the Company maintains the strength of its balance sheet to the extent possible, and maintains a safe and environmentally responsible operation through what is an unprecedented "double whammy" of an oil price war on top of a global pandemic and a consequent large scale market correction. The Company is in a strong position in its segment of the market and will be well placed to add value when the recovery commences."*

This ASX announcement has been authorised for release by the Executive Chairman.

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*Coil tubing operations on the Ungani 6 well*