

# ASX Announcement

25 May 2023



## **2023 Annual General Meeting – Chief Executive Officer’s Presentation and Address**

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To follow is the Chief Executive Officer’s Address and presentation for the Buru Energy Limited (ASX: BRU) 2023 Annual General Meeting (AGM) which commences at 10.30am (AWST) today.

Shareholders can also attend the meeting via the live audio webcast at <https://meetings.linkgroup.com/BRU23>

### **Authorisation**

This ASX announcement has been authorised for release by the Chair of Buru Energy.

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## **Chief Executive Officer's Address**

### **Slide 1 - Title**

Thank you Eric and good morning ladies and gentlemen.

I am very pleased to be delivering my first Chief Executive Officer's address to you, the shareholders of Buru Energy.

It is a great privilege to have been appointed CEO of the Company in September last year. I recognise the proud history of Buru Energy and thank the support of our dedicated staff and our shareholders, many of whom have been with us through thick and thin over the past 15 years.

I am passionate about our team and the future of Buru Energy.

I believe we have all the right ingredients to deliver exceptional value for our shareholders, the Traditional Owners, the government, and the communities where we operate through responsible exploration and development.

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Respect is one of our core values at Buru Energy, and before I deliver my address, I would like to pay my respects to the traditional custodians across Australia.

I would like to acknowledge the Whadjuk people of the Noongar nation as the traditional owners of the land on which we meet today, and pay my respects to Elders past, present and emerging.

I also recognise the many traditional custodians that protect the rich cultural heritage in the areas where Buru currently operates in the Kimberley, in the Pilbara and in South Australia.

### **Slide 2 – Disclaimer**

Our compliance statement is set out on Slide 2 for those that wish to review later.

### **Slide 3 – Introductory Comments**

It is almost impossible to read or listen to the media today without references to energy and the role of gas and oil in energy security, energy supply, energy pricing and the energy transition.

The sheer volume of commentary on these topics can be at times overwhelming and confusing, and there are many who take extreme positions.

As an ASX listed energy company, with a proud history of gas and oil exploration in WA, Buru is not immune to the debate.

However, there are two fundamentals that you, as shareholders, should hold onto. Not everyone may agree with them but for Buru, they guide our strategy.

First, what we produce today, and what we plan to produce in the future remains and will remain important, valuable and in demand.

In particular, natural gas, acting as a balancer of energy transition and energy security is going to play a critical role in Australia's energy mix for decades to come, and within the foreseeable future there are real risks of shortfalls both here in WA and in the Eastern States. This view has been consistently echoed by the Australian Federal Government, the Australian Competition and Consumer Commission (ACCC), the Australian Energy Market Operator (AEMO) and the Australian Petroleum Production and Exploration Association (APPEA) to name a few.

We are also expecting rising demand for LNG in Asia, requiring new investment. Buru is well positioned to respond to this via our Rafael conventional gas and condensate discovery and prospective Canning and onshore Carnarvon Basin interests.

And second, yes, the world will decarbonise, and we agree that it should. However, the details of exactly how, and over what period of time is a topic of great debate and is unclear. We believe it may be unclear for years. If you need evidence, I refer you to the latest International World Energy Outlook.

In response, Buru has been carefully observing latest industry trends, the evolving government policies, shifting customer preferences and investor sentiment to guide a disciplined approach to new energy opportunities to make sure it remains relevant and viable in the longer term, and provide shareholder value through its active participation in the new energy economy.

At Buru, we have significant expertise and intellectual property to deploy to what I would call adjacent new energy opportunities.

To this end we have been building the value of our subsidiaries focused on Carbon Capture and Storage, Natural Hydrogen and Helium exploration and Battery minerals exploration – three more commonly accepted elements of a future energy ecosystem.

## **Slide 4 – Strategy**

Buru recognises that it must balance these two fundamentals carefully and deploy its resources and capital prudently for maximum shareholder and stakeholder benefit.

Our primary focus speaks to fundamental (1), that is, with gas playing a critical role in Australia's energy mix for decades, we aim to supply domestic gas to the WA gas markets,

and create value added products to gas like methanol or ammonia, or LNG to the domestic or export markets.

We plan to do this via developing our flagship 100% owned and operated Rafael conventional gas and condensate discovery in the Canning Basin.

In addition to holding 22,000km<sup>2</sup> of operated acreage in the Canning Basin, 2022 was also the first year the Company forayed out of the basin for gas and oil exploration.

We are very excited with the potential of the underexplored onshore Carnarvon Basin, prospective for both gas and oil and look forward to a program of two exploration wells next year funded by our Joint Venture Partner and Operator, Mineral Resources.

Whilst still on our core gas and oil business I am pleased to report that the 50% owned and operated Ungani Oilfield is back producing after a four-month suspension due to the damage caused by Ex Tropical Cyclone Ellie to regional roads and the bridge at Fitzroy Crossing which we rely on for the transportation of Ungani crude oil to Wyndham.

With the roads reopened, we recommenced production on 15 May. We will continue to extract maximum value from the field whilst providing regional benefits via employment, procurement, community support and royalties.

Our efforts across the new energy businesses speak to fundamental (2), that is, the world will decarbonise.

Buru has committed to net zero carbon emissions from its current and future gas and oil operations, including Rafael, by 2050.

To achieve this, Buru, via its GeoVault subsidiary has been actively progressing Carbon Capture and Storage technical and commercial activities, focussing on CO<sub>2</sub> storage in the onshore Canning and Carnarvon Basins of WA.

This work will not only provide a potential pathway for a low emission Rafael development, but an opportunity for third party industrial emitters to access Buru's future greenhouse gas storage capacity.

Recognising that all energy sources and technologies will be needed to satisfy the world's growing energy needs, Buru, via its 2H Resources subsidiary is also making good progress on natural hydrogen and helium exploration, and has been confirmed as preferred applicant for 30,000km<sup>2</sup> of petroleum exploration licences in South Australia that are on trend with legacy hydrogen discoveries.

A recently completed independent third-party hydrogen resource assessment of these application areas validates Buru's belief of the significant natural hydrogen potential of this acreage and is working on land tenure, exploration planning and commercialisation activities. The minerals required for energy storage in particular are critical to support the energy transition. As such, Buru is also applying its geological knowledge of the Canning Basin to battery minerals exploration.

None of the above would be possible without our highly capable and committed people, right sized and risk focussed business processes, focus on governance and compliance and a culture built on strong values.

## **Slide 5**

So, let's look at the year in review.

## **Slide 6 – The year in review**

Safety and the care and protection of the environment are key values at Buru and I am pleased that we have not incurred any lost time injuries, nor any reportable environmental incidents during the year.

This does not happen by accident, and I would like to acknowledge our team for their commitment to the vision of Zero Harm.

In line with our priorities, the key highlights for the year involved the declaration of the Rafael 1 gas and condensate discovery, the subsequent production test and the independent assessment of the Rafael resource by ERCE which confirmed the potential for Rafael to hold recoverable volumes of over 1 TCF of gas and 20 million barrels of condensate.

This is a gamechanger for Buru, its shareholders and the Kimberley. There is no other way to describe it.

Although the planned field activities on Rafael were interrupted due to Origin's strategic decision to exit upstream exploration altogether, including their Joint Venture permits in the Canning Basin, Buru maintain momentum whilst minimising its costs to move Rafael forward.

The team reprocessed existing seismic, identified new leads and re-ranked the Canning Basin prospect and leads portfolio based on the extension of the Ungani dolomite play. Of note, the work confirmed that the gas and condensate discovered at Rafael is from the same petroleum source rocks as the Ungani oil and thus, has potentially increased the areal extent of the play fairway.

In addition, the team progressed the interpretation of the new 2D seismic data recorded in 2021.

In the onshore Carnarvon Basin, Buru farmed down 25% of L20-1 to Mineral Resources for operatorship and a two well carry. This permit was subsequently awarded to the Buru/MinRes JV as EP510.

We are very excited about the prospectivity of this permit, close to infrastructure and look forward to MinRes' target of drilling in 2024.

We also continued with safe and reliable operations at Ungani, with shipments in February, July and November contributing some \$6.5 million in Buru share of profit before inventory adjustments and amortisation charges.

On the new energy front, our GeoVault subsidiary worked hard to apply for, and was subsequently offered a \$7m Commonwealth Government grant to support our work in CCS. Unfortunately, the grant program was subsequently cancelled by the current Federal Government. Notwithstanding, we are progressing with the work as we see Carbon Capture and Storage not only a key component of any credible path to net zero but a profitable business.

During the year, our 2H Resources subsidiary was named as preferred applicant for six petroleum exploration licences for hydrogen, and two Gas Storage Exploration Licences by the South Australian Government.

The formal granting of the licences is subject to securing valid land access agreements under the Native Title Act, which we are working.

2H Resources also kicked off an independent prospective resource assessment for the hydrogen potential of these application areas which in the new year revealed the true potential of this venture.

In Joint Venture with Sipa Resources, Buru also completed drilling for Zinc and Lead as part of the Barbwire Terrace project which validated the geological concept that carbonate sections in the Canning Basin are fertile for zinc and lead mineralisation and warrant further investigation.

And in parallel with all these achievements, we remained galvanised to protect the value of Rafael and worked with Origin Energy to ensure their timely exit from the Canning Basin Joint Venture on favourable terms.

## **Slide 7**

The momentum is clearly building, and Buru had a very active start to the year as evidenced by the progress across the portfolio.

## **Slide 8 – The year ahead – Rafael**

Buru is focused on driving the certainty of outcome for its flagship Rafael development and extract maximum value from its dominant position in the Canning Basin.

Early in February we announced that Buru acquired Origin Energy's Canning Basin Joint Venture interests for a future, capped reimbursement of costs linked to Rafael development and gas production success.

The deal allowed Buru to reset the appraisal and development process and the commercialisation strategy for this regionally significant development.

The deal removed the ongoing uncertainty associated with Origin's exit, especially considering their own corporate M&A activity.

The deal also provided Buru with up to \$4 million to conduct a 3D seismic survey over the Rafael structure, which is on track for the second half of this year.

With a 100% ownership of the Rafael resource, Buru moved quickly and submitted a Declaration of Location application for the discovery to Government, as the next step toward a Production Licence.

We also announced the outcome of the first in a series of development studies to commercialise Rafael.

The study gave us confidence that we have a feasible project option for the Rafael 3C contingent resource via a localised Floating LNG concept.

Buru is working up several other project concepts with the help of third-party engineering firms based on lower volume realisations than our 3C contingent resource and we will be advising the market in due course on the outcome of these.

And when I talk lower volume realisations, these are still of the same order of magnitude as the larger Perth Basin discoveries which are getting a lot of attention.

The latter half of this year's activity is focussed on 3D seismic field work, data processing and fast track interpretation, appraisal drilling planning, concept development maturation, and commercial work.

We are targeting a one to two well appraisal campaign in the second half 2024.

We are not planning to recomplete or re-test Rafael 1 prior to appraisal but may consider it coincident with, or after appraisal.

## **Slide 9 – The year ahead - New Energy**

Regarding our new energy opportunities, we had an equally exciting start to the year. RISC completed their independent prospective resource assessment of the 2H Resources hydrogen exploration areas in South Australia indicating the enormous potential of this venture.

We are now working to secure tenure which will be granted after Native Title negotiations are completed so we can physically explore, prepare our exploration plans for when we have tenure, and establish strategic partnerships to drive development.

We are of course reviewing the capital structure associated with 2H Resources to make sure our existing Buru shareholders can benefit from these activities, whilst being able to attract new investment into this vehicle.

On the GeoVault front, the work we are doing is focused on technical studies across Buru's Canning and Carnarvon Basin acreage as well as commercial work to define the future operating model for this enterprise.

GeoVault is effectively front end loading all the work in anticipation of new legislation for onshore greenhouse gas storage in Western Australia, which we hope to see go before Parliament by year end.

Again, strategic partnerships will play a key role in the development of this new business, and we are reviewing the capital structure for GeoVault to ensure it is value accretive for our shareholders and is attractive for new investment.

## **Slide 10 – A unique value proposition**

To conclude, the message I want you to take away is that your company is delivering the foundations for growth through disciplined strategy execution and capital management. We are debt free with \$13.9 million cash as at last quarter.

Buru is aggressively targeting the commercialisation of its Rafael conventional gas and condensate discovery and is also leveraging its dominant position in the Canning Basin for both Rafael backfill and CCS opportunities.

For the first time in its history, Buru is also now an active participant in the prospective and underexplored onshore Carnarvon Basin.

Whilst working its hydrocarbon assets hard, Buru is also laying the foundations for growth through carefully selected new energy opportunities to create new point of value for our shareholders.



I am excited about the future of the Company, and I am fortunate to have a great team at Buru, supported by a very experienced Board of Directors and also would like to thank the Chair for a seamless transition to his non-executive role and his continued involvement and support.

I thank you for your ongoing support and look forward to updating you on exciting developments in due course.



**Buru**Energy

# Annual General Meeting Presentation

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**CEO's Address**

**Thomas Z Nador**

**25 May 2023**



# Disclaimer

This document has been prepared by Buru Energy Limited ABN 71 130 651 437 ("Buru") and has been authorised for release to the ASX by the Board of Buru Energy.

This presentation contains certain statements which may constitute "forward-looking statements". It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including, but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve and resource estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delays or advancements, approvals and cost estimates. All of Buru's operations and activities are subject to joint venture, regulatory and other approvals and their timing and order may also be affected by weather, availability of equipment and materials and land access arrangements, including native title arrangements. Although Buru believes that the expectations raised in this presentation are reasonable there can be no certainty that the events or operations described in this presentation will occur in the timeframe or order presented or at all.

There are numerous uncertainties inherent in estimating reserves and resources, and in projecting future production, development expenditures, operating expenses and cash flows. Oil and gas reserve engineering and resource assessment must be recognised as a subjective process of estimating subsurface accumulations of oil and gas that cannot be measured in an exact way. All contingent resources and prospective resources presented in this report are pursuant to the Company's ASX releases of 26 April 2022 and 23 January 2023, respectively. The estimates of contingent and prospective resources included in this Presentation have been prepared in accordance with the definitions and guidelines set forth in the SPE PRMS. Buru is not aware of any new information or data that materially affects the information included in this presentation and all material assumptions and technical parameters underpinning the estimates in this presentation continue to apply and have not materially changed. The probabilistic method was used to prepare the

estimates of the contingent and prospective resources for the Rafael discovery, and probabilistic and deterministic methods were used for the prospective hydrogen resource estimates for the 2H Resources' exploration licence application areas.

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All references to \$ are in Australian currency, unless stated otherwise.



# Introductory comments

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## EXECUTING THE STRATEGY

Balancing short-medium term returns from hydrocarbon focused business with longer term new energy businesses

1

### Major Gas Development

- High potential, high quality, liquids rich conventional gas discovery (Rafael 1)
- Structured appraisal to commence 2023
- Commercialisation being advanced

2

### High Quality Exploration Portfolio

- Significant running room in Canning Basin with 60-100% acreage ownership with multiple leads and prospects
- Targeted and exciting new entry into onshore Carnarvon Basin with 2024 drilling

3

### Oil Production

- Conventional oil production from Ungani Oilfield
- Excellent quality high value crude exported to SE Asian markets
- Exploration opportunities to backfill production

4

### Actively building New Energy Businesses

- Natural hydrogen and helium exploration and development
- Carbon Capture and Storage for third party emitters and own development
- Leveraging Buru competency and Intellectual Property

5

### Corporate Strength

- Experienced board and management
- Operating and commercial capability
- Strong Traditional Owner relationships
- Cash on hand, no debt



# The year in review







## THE YEAR IN REVIEW (2022)





### Significant strategic and operational achievements

#### No Lost Time Injuries, No reportable environmental incidents



##### Canning Basin

- Declared Rafael 1 conventional wet gas discovery 
- Completed positive Rafael 1 production test 
- Rafael independent resource assessment 
- Commenced commercialisation studies 

##### Energy expansion / transition (via subsidiaries)

- Received offer of \$7m government grant for CCS <sup>1</sup> 
- Preferred applicant for eight SA PELs/GSELs for H<sub>2</sub> <sup>2</sup> 
- Commenced independent resource review for H<sub>2</sub> 
- Completed Barbwire Terrace drilling for Zn/Pb 




##### Onshore Carnarvon Basin

- Farmout L20-1 to MRL for 2 well carry & operatorship 
- Formally awarded L20-1 to Buru/MRL JV as EP 510 

##### Ungani Oil

- ~220,000 bbls (gross) exported to SE Asia, Buru share of revenue \$13.8m 

##### Corporate

- Appointment of Chief Executive Officer 
- Appointment of Chief Financial Officer / Co.Sec. 
- Negotiations with Origin Energy following their stated intention to exit upstream exploration permits 

<sup>1</sup> Commonwealth Grant Program cancelled in Oct'22 following new government and 2022 Federal Budget

<sup>2</sup> South Australian PEL = Petroleum Exploration Licence. GSEL = Gas Storage Exploration Licence. Formal award subject to valid land use agreements under the Native Title Act 1993.



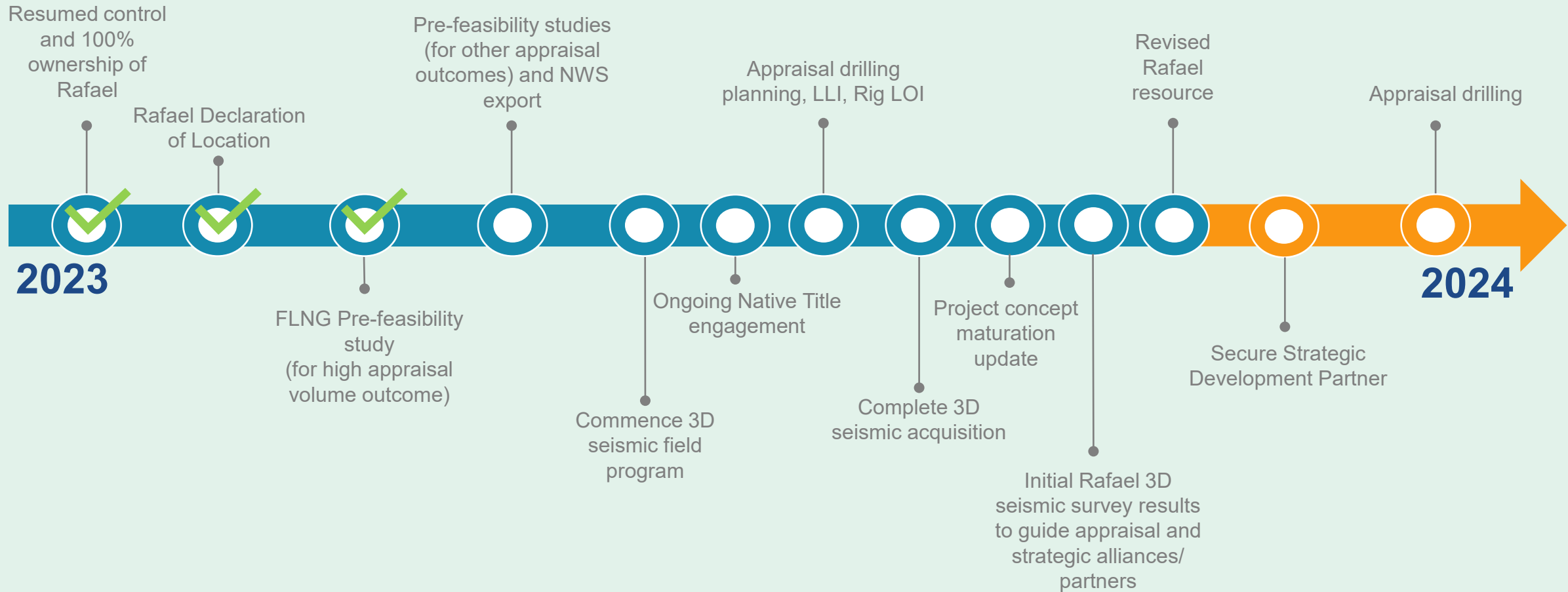
# The year ahead





## RAFAEL COMMERCIALISATION - A PIPELINE OF NEAR-TERM MATERIAL EVENTS

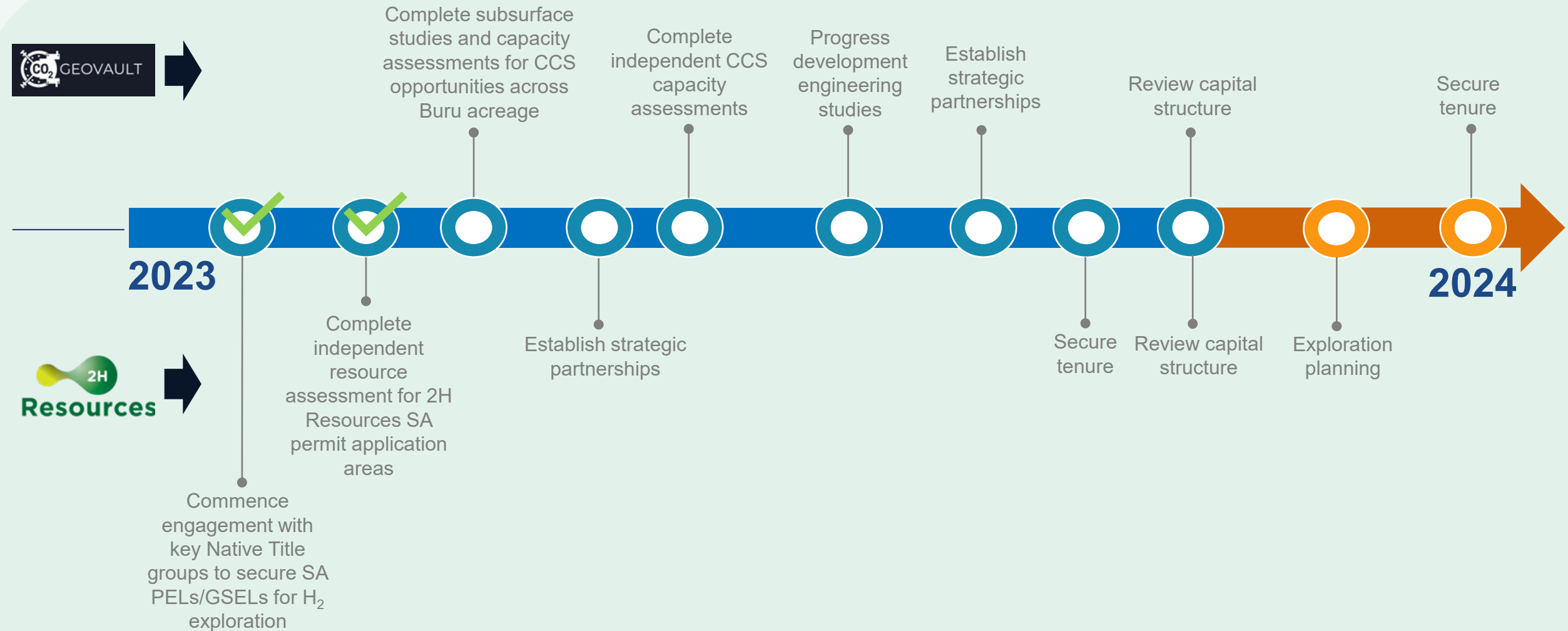
Driving certainty of outcome for flagship development project



# Milestones and timelines are indicative only and may not be in sequence.

## NEW ENERGY BUSINESSES – NEAR TERM CATALYSTS TO BENEFIT BURU SHAREHOLDERS

Leveraging Buru’s core skills, competencies and IP to create new points of value



# Milestones and timelines are indicative only and may not be in sequence.

## A UNIQUE VALUE PROPOSITION FOR INVESTORS

Buru is significantly undervalued with complementary assets and value streams

1

**100% owner of Rafael discovery**

High quality, liquids rich conventional gas discovery with multiple commercialisation pathways

2

**Dominant position in Canning Basin**

Underexplored basin with a significant portfolio of exploration and development opportunities

3

**50% owner of Ungani Oilfield**

Extracting maximum value from late life asset. Produced >2.2 million barrels of oil since 2015

4

**Onshore Carnarvon Basin position**

Major prospective co-developer of onshore natural gas assets close to infrastructure and significant CCS potential

5

**Early mover in natural hydrogen and CCS**

Leveraging corporate capability to incubate selected new energy opportunities

**Experienced Board and Management Team to drive growth agenda across hydrocarbon and new energy businesses to deliver value.**



# Thank you

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