

## Buru Energy's hydrogen and helium subsidiary conducts third-party prospective hydrogen resource assessment; set to pick up licences



### Deep dive



Buru Energy kicks off exploration program the Canning Basin



**Buru Energy Ltd (ASX:BRU)** welcomes news that its wholly owned hydrogen and helium business, 2H Resources, is the preferred applicant for a grant of six South Australian petroleum exploration licences (PELs).

The licences, which the company wishes to secure for hydrogen exploration, are geologically on trend with legacy hydrogen discoveries, cover 30,000 square kilometres and include two additional applications for Gas Storage Exploration Licences (GSELs) of 5,700 square kilometres, across an area the size of Belgium.

### Native Title and RISC advisory

An independent third-party resource assessment by RISC Advisory indicated a range of risked prospective hydrogen resources across the six application areas of between 49 million kilograms (1U) and 1.3 billion kilograms (3U) with a risked prospective best estimate resource (2U) of 343 million kilograms.

Prospective resources relate to the estimated quantities of naturally occurring hydrogen gas that may potentially be recovered by the application of future development projects to undiscovered accumulations.

These estimates have both an associated risk of discovery and risk of development.

Further exploration and appraisal and evaluation are required to determine the existence of a significant quantity of potentially moveable naturally occurring hydrogen gas.

The licences will also be subject to a valid land access agreement under the Commonwealth Native Title Act 1993 over any area where Native Title interests exist.

## Growing global demand

Global demand for hydrogen is increasing, with investment in hydrogen projects forecast to reach \$629 billion by 2050. Australia is considered one of the most prospective locations for natural hydrogen due to its favourable geology.

2H Resources is an established and active explorer for natural or 'gold' hydrogen, which occurs geologically and has been recognised as a major potential energy source offering significant comparative advantages in terms of cost and emissions.

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Until now natural hydrogen has been noted as essentially a curiosity in many petroleum exploration wells, including those on trend with 2H Resources acreage in South Australia, and in exploration wells in Western Australia's Canning Basin.

Using state-of-the-art technology, 2H Resources has detected anomalous hydrogen concentrations in recent exploration wells and hydrogen has been detected in many legacy drill holes in Australia and as seeps and flowing accumulations in international areas.

The company has noted the strong investor interest in this commodity following recent market response to an Initial Public Offering (IPO) of a proximate South Australian natural hydrogen explorer and developer.

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## Value creation phase

“I’m very pleased with the progress our 2H Resources subsidiary has made to date,” Buru CEO Thomas Nador said.

“We are in the value creation phase of resource development and are following a structured path to mature a highly prospective hydrogen exploration play in South Australia.

“Our initial hydrogen prospective resource assessment by RISC places the size of the opportunity in context and provides further impetus for us to be part of South Australia’s rich history of developing clean energy industries while generating value for our shareholders and the communities where we operate.”

## About 2H Resources

In 2020, Buru made a strategic decision to diversify from its core oil and gas activities to pursue energy expansion and transition opportunities, driven by movements in the global energy landscape and simultaneous shifts in technological development, regulations, consumer preferences and investor sentiment.

The company’s expertise in subsurface geology, exploration, appraisal and development and its demonstrated expertise in stakeholder relations, particularly with Native Title holders, saw it well placed to pursue these adjacent activities.

2H Resources has been a first mover in the new field of natural hydrogen development, establishing a major presence in one of the most prospective areas in Australia for natural hydrogen.

The company has initially focused its activity on hydrogen in South Australia where the forward-looking legislative framework has led to heightened interest in exploration for both hydrogen and helium.