



BULLS N' BEARS

ANNOUNCEMENTS

🕒 1 DAY AGO

Buru Energy gains full control of Ungani oilfield

By [Andrew Duffy](#)



Buru Energy's Ungani oil production facility. Credit: File.

Buru Energy will assume full ownership of the 500-barrel per day Ungani oilfield in Western Australia's Canning Basin from next month after JV partner Roc Oil decided to withdraw from its 50 per cent interest.

Roc Oil will remain liable for its share of costs associated with the near-term staged suspension of Ungani operations, to be completed in response to a seasonal oil transport route risk. It will also be required to help pay for the future decommissioning of all wells, along with remediation costs.

The deal will allow Buru full control of longer-term options for Ungani, which boasts the only piece of petroleum infrastructure in the Kimberley and produced about 25,000 barrels of oil in the last quarter.

Following the company's next oil lift, which is scheduled for next week, it says production operations at Ungani will then be suspended during the Kimberley coast's wet season that runs from about November to April. Management has cited the uncertainty surrounding its field-to-market pathway for Ungani oil stemming from Fitzroy Crossing Bridge rebuilding efforts as the reason for its decision.

Buru Energy chief executive officer Thomas Nador said: *"ROC have been a supportive Ungani joint venture partner since May 2018 during which time the JV invested prudently to maintain production and delivered 22 oil cargoes to the SE Asian market. Although preparations are underway to suspend production from the field following our next oil lifting due to circumstances beyond Buru's control, the Company will continue to look for ways to extract maximum value from this asset for the benefit of our shareholders as a 100% owner of the oilfield."*

Ungani sits about 90km east of Broome and its oil is trucked over the Fitzroy River at Fitzroy Crossing to the Port of Wyndam, where it is stored in an 80,000-barrel tank prior to being shipped to market.

Earlier this year, the Fitzroy Crossing Bridge was destroyed when the Fitzroy River peaked at more than 14m in what the Bureau of Meteorology described as a one-in-100-year weather event, brought on by ex-Tropical Cyclone Ellie. Buru's Ungani production facility sustained only minor flooding and no damage to either the plant or equipment, but production operations at the site were suspended in January as a result of the bridge damage.

Main Roads constructed a low-level crossing, suitable for heavy vehicles trucking oil, just upstream of the damaged bridge, allowing the company to restart production at Ungani in May. Production rates from the field were between 500 and 600 barrels of oil per day.

Last week, Main Roads announced it would be shutting down the low-level crossing next month and diverting traffic to a single lane crossing about 4km upstream. It is expected to be serviceable until river levels rise in the wet season.

Once water levels are high, barges will carry light vehicles and pedestrians across the river, with main roads saying it is investigating options to also accommodate the movement of freight vehicles across the river.

Buru says it has been advised by Main Roads that the current river crossing arrangement is likely to be unavailable during the upcoming wet season, resulting in the decision to once again suspend Ungani production. Main Roads says the new permanent Fitzroy Crossing Bridge will be operational mid-next year, reopening the route for Ungani's oil to market.

In other news, Buru subsurface staff have been licking their collective lips as they await delivery of a fast-tracked 3D seismic volume at the flagship wet-gas Rafael project, about 40km south-east of Ungani.

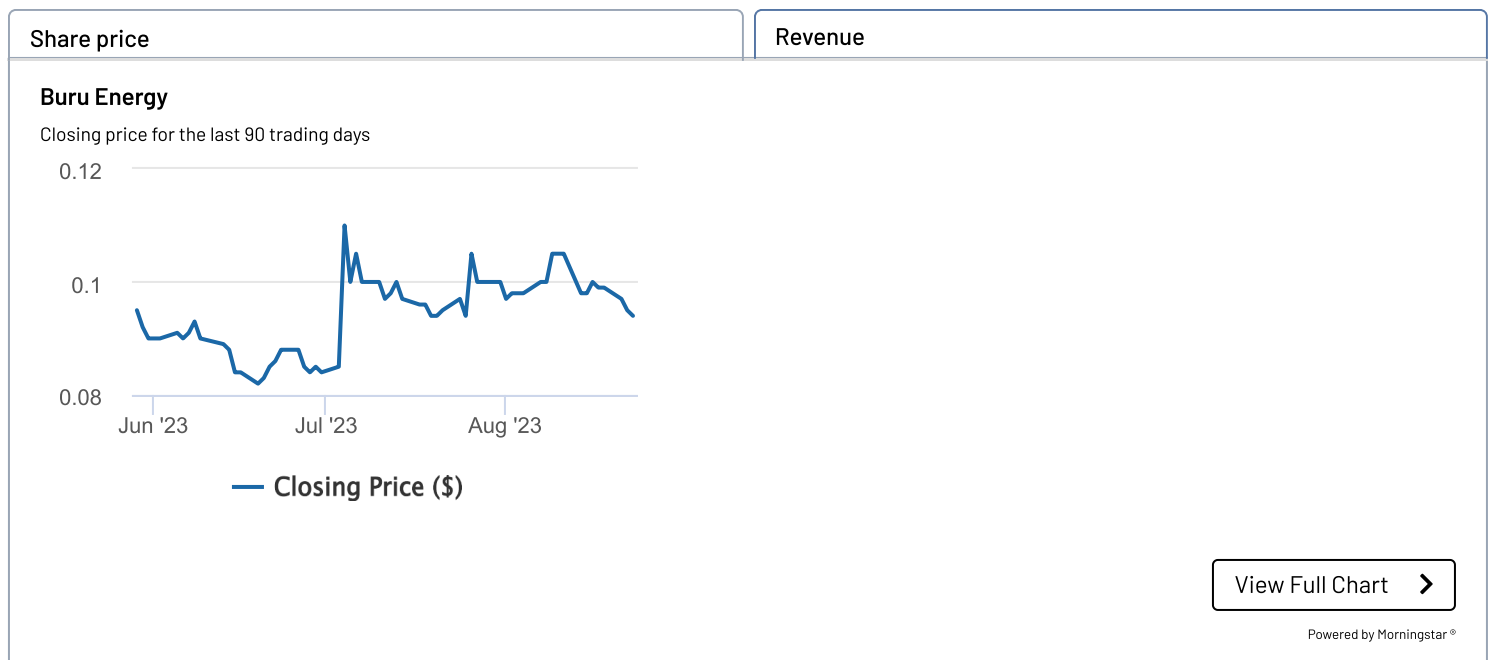
The seismic data will be used to plan the Rafael appraisal program, leading to increased resolution on the company's phased development for the field, which management believes will be able to service the Kimberley's power needs even if a low-side resource estimate is realised during appraisal.

Last week, the State Government updated its Domestic Gas Policy and in doing so, confirmed that Buru may export gas from Rafael as part of the company's phased field development plan options to address mid or high-case volumes.

Is your ASX-listed company doing something interesting? Contact: matt.birney@businessnews.com.au

[Return to Bulls N Bears for more public company news](#)

Related Data & Insights



Data & Insights

Mentioned Organisations

[Buru Energy](#)

[Business News 30](#), [Oil and Gas Companies](#) and [Public Companies - Resources WA](#)

Mentioned People

[Thomas Nador](#)

Related Articles



18 Aug 2023

[Stockpile warning for severed freight routes](#)