

Buru ignites pathway to production at WA's Canning Basin



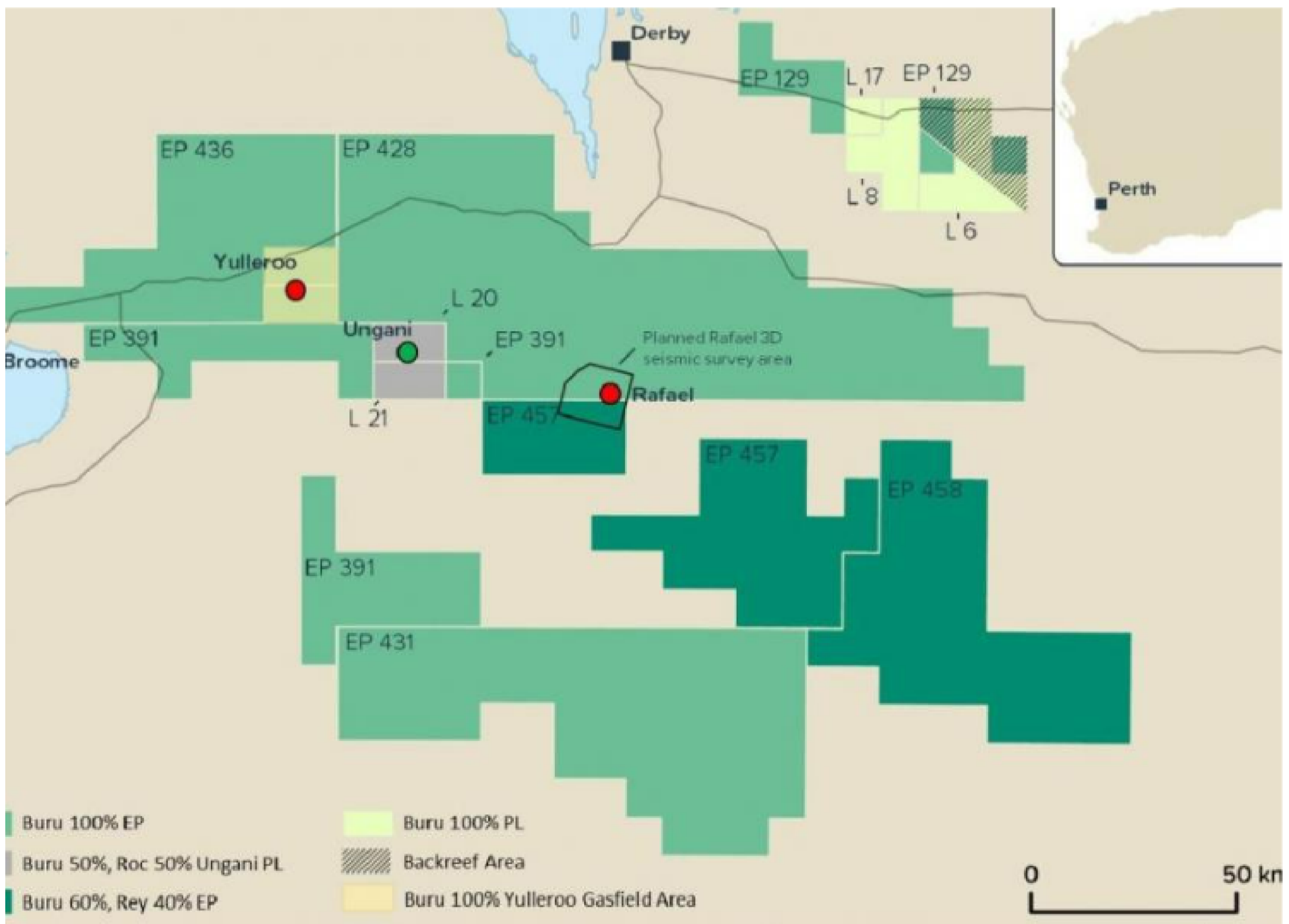
By Mark Irving 7 HOURS AGO

BULLS N' BEARS

ANNOUNCEMENTS



Buru Energy is forging ahead in its bid to unlock the massive potential of its Rafael 1 well, east of Broome in WA's Canning Basin, by taking another important step on its pathway to production. Buru has lodged a declaration of location application with the State Government – a move described as a key step towards the commercialisation and monetisation of its gas and condensate resource.



Buru Energy has an extensive operated-asset portfolio in WA's onshore Canning Basin. Credit: File

Buru Energy is forging ahead in its bid to unlock the massive potential of its Rafael 1 well, east of Broome in WA's Canning Basin, by taking another important step on its pathway to production.

The company has lodged a declaration of location application with the State Government regulator in a move it describes as a key step towards the monetisation of its resource. It represents the next step in the paper trail for the company to obtain a production licence (PL) and also reinforces management's strong confidence in the potential of its project.

Rafael 1's condensate-rich conventional gas accumulation was last year independently assessed to have the potential to hold recoverable volumes of an estimated one trillion cubic feet of gas and more than 20 million barrels of condensate or light oil. Buru's application nominates two graticular blocks that cover an area of about 160 square kilometres within its wholly-owned exploration permit, EP 428.

Assuming approval is granted by the Department of Mines, Industry Regulation and Safety (DMIRS), Buru then has up to two years to apply for a PL or retention lease, or four years at ministerial discretion.

Management says it wants a "structured appraisal" of Rafael 1 and has begun planning and contractor engagement for a 3D seismic survey this year, with appraisal drilling to begin next year, to create the next steps to certification of resources.

However, Buru has also stated it wants to move quickly to crystallise the value Rafael 1 represents for the company's shareholders.

The well was drilled in late 2021 and a successful flow test the next March was followed by the lodgement of a discovery assessment report to DMIRS another two months later.

Rafael 1 became a wholly-owned Buru asset when energy giant Origin Energy announced last year that it was pulling out of upstream oil and gas exploration activities. Origin then began divesting itself of these interests, including its share of joint venture interests with Buru.

The terms of the disinvestment saw Origin hand its 50 per cent interest in five exploration permits to Buru subsidiary, Buru Canning. Origin also agreed to pay Buru up to \$4 million to fund Rafael 1's seismic survey. In return, Buru was to make no upfront payments to Origin, but future payments of up to \$34 million would be triggered should the Rafael project hit specified production milestones.

Buru was no doubt shocked that its partner was walking away from Rafael, especially considering gas is seen as an in-vogue transitional energy source as the world moves from carbon to non-carbon energy, and an energy source that is currently commanding high prices, thanks in no small part to the Russian invasion of Ukraine.

Whatever its dismay, the company has moved assuredly to emphasise the positives of its new position as the only stakeholder in the Rafael 1 asset, with no "overhang" and in charge of its own destiny. The autonomy gained through the deal struck with Origin allows Buru to aggressively pursue the Rafael development, says its chief executive officer [Thomas Nador](#).

Buru also stresses Rafael has the potential to be a low-impact and low-emission source of natural gas, with a low-impact environmental footprint that will provide significant benefits to the local community and to Western Australia as a whole.

As management pushes ahead with its goal of bringing Rafael 1 on-stream, the market will be keenly watching to see if other resource companies would like a share of the action – and maybe take Origin's place in a JV.