

Drilling rig for Buru's 2021 Canning Basin program confirmed

Buru Energy Limited (Buru or Company) is pleased to advise confirmation of the drilling rig for the 2021 Canning Basin program, and substantial progress on pre-spud activity.

Highlights

- The drilling rig for the three well 2021 Canning Basin program has been confirmed as Ensign Rig 963, a sister rig to Ensign 970 that is currently operating at West Erregulla in the Perth Basin
- The Ensign 963 rig most recently drilled in the Beetaloo Basin for Origin Energy, Buru's Joint Venture partner for the Canning Basin exploration program
- A Letter of Intent has been agreed with Ensign including a deposit for initial rig mobilisation, and the formal rig contract is being finalised
- The bidding process for well services contracts has been completed and awards are in progress
- Spud date of the first well, Kurrajong 1, on track for early to mid-June with site construction underway

Program overview

The Buru operated Canning Basin field program is kicking off with the northern wet season drawing to a close. The program includes a three well drilling program and an extensive 2D seismic program of some 1,100 kms of data acquisition.

The two well exploration drilling program is on conventional oil prospects (Rafael and Kurrajong), targeting very significant prospective resources as set out in the Buru Energy ASX release of 22 March 2021.

The drilling program will also include a development well on the Ungani Oilfield (Ungani 8) that is planned to increase production rates and recover additional oil volumes.

Rig selection and availability

After an invitation to tender (ITT) process, the Ensign 963 rig has been selected as the preferred rig for the drilling program. Buru has now entered into a Letter of Intent (LOI) for the rig including an initial payment for the commencement of mobilisation. Formal contract negotiations in accordance with the LOI are in progress to be concluded in due course.

The ITT requirements were for a fully crewed, high capacity rig, capable of drilling the deep Rafael 1 exploration well and the Ungani 8 horizontal well.

There are few rigs in Australia capable of meeting these requirements and the Company is pleased that the Ensign 963 is available in the time frame required to meet the program objectives. The timing of the start of the program is partly dependent on the timing of the necessary pre-acceptance maintenance and function checks required to be carried out by Ensign, and also on Buru's rig acceptance inspections, with the rig currently expected to be on the Kurrajong 1 drilling location in late May to early June.

Ensign 963 Drilling Rig

The Ensign 963 rig is currently located in the Beetaloo Basin where it has most recently been drilling deep and complex wells for Origin Energy. The rig is a sister rig to the Ensign 970 rig that is currently drilling the deep gas wells at West Erregulla in the Perth Basin.

Ensign Energy, the owner of the rig, is a publicly listed company with one of the largest and most innovative global onshore drilling rig fleets (www.ensignenergy.com). Ensign Rig 963 was built and commissioned by Ensign in 2012. The rig is an ADR 1500 with 1,500 horsepower AC Electric Drawworks, a 750,000 lbs hook capacity, 800,000 lbs rated electric top drive, and a nominal depth capacity of 5,500 metres. The rig is a fully craneless design, enabling it to be moved efficiently and economically.



Program Support

Buru has recruited a very experienced and multi skilled drilling team that has been working on the project since the beginning of the year. The team has also been fully engaged with the drilling teams from the Joint Venture partners in the drilling programs for each well.

Long lead items and services including well logging, cementing, drilling fluid supply, drilling bits and other ancillary services for the 2021 well campaign are also currently being finalised.

Eric Streitberg, Buru's Executive Chairman's said:

"We are very pleased with the way the program is coming together in what will be a very big year for Buru in the Canning. We are drilling two of the largest onshore conventional oil prospects in Australia and success will be transformational for Buru, for the Kimberley, and for Western Australia."

Ensign 963 is a very capable rig and Ensign Energy is a very experienced and capable rig operator. Our drilling team has brought an outstanding level of professionalism to the program and we have received great support from the service companies.

It is a multi faceted process to get ready to spud the first well, and we are on track and looking forward to starting work in the field and drilling some world class oil prospects."

Authorisation

This ASX announcement has been authorised for release by Eric Streitberg, the Executive Chairman of Buru Energy.

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