

Buru cashed up and ready to drill at Rafael



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BULLS N' BEARS

ANNOUNCEMENTS



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Buru Energy drilling operations. Credit: File.

Buru Energy rounded out the past financial quarter with no debt and \$18.4 million in the till as it prepares to drill an appraisal well at its 100 per cent-owned Rafael gas field in Western Australia's Canning Basin.

A significant part of Buru's strategic movements in the December quarter saw it sign on with engineering firm GHD for the completion of pre-front end engineering design (FEED). The company plans to finalise its FEED in the second half of this year, ahead of making a final investment decision in the second half of next year and achieving first gas production in the last half of 2027.

Rafael has been put under the microscope with the acquisition and processing of a new 3D seismic dataset, which Buru says shows a material data quality improvement over the 2013 vintage 2D data. The final Rafael 3D seismic dataset is expected to be delivered to the company by the end of next month, at which point the interpretation will be further refined ahead of firming-up the appraisal well design.

Management says the new seismic data confirms that the aerial extent of the Rafael closure remains consistent with previous interpretations and additional exploration potential has been mapped at the Salinas and Udialla prospects, both of which are within tie-back distance to the main Rafael structure.

The company says long lead items for Rafael appraisal well drilling have been ordered and it is taking aim at completing the work during the Kimberley operating season in the second half of this year.

In addition to the appraisal well, the company plans to re-complete and conduct a flow test on the Rafael-1 discovery well that was drilled back in 2021. The well encountered gas in three zones and a flow test from the lower Ungani dolomite zone gave up gas at a rate of 7 million cubic feet (MMcf) per day, confirming the discovery.

Buru Energy chief executive officer Thomas Nador said: "Commercialising the Rafael resource is Buru's priority and the year has seen material progress achieved in support of this endeavour. These activities are designed to drive the certainty of outcome for a Rafael development, with the potential to transform Buru from an explorer to a developer and producer of natural gas during a period of projected supply shortfalls in the domestic market in Western Australia and increased global demand internationally."

Nador also said that although the "lion's share" of the company's resources and capital had been allocated to the commercialisation of the Rafael resource, Buru's integrated energy subsidiaries also continued to make good progress towards generating value in the energy expansion (via natural hydrogen and helium exploration) and energy transition (via carbon capture and storage) areas.

Independent consultants ERCE Australia assessed Rafael as having a gross best estimate contingent (2C) resource of 5.3 million barrels of oil (MMstb) and 260 billion cubic feet (bcf) of gas. The low-side contingent resource was quoted at 1.2MMstb of oil and condensate and 59bcf of gas, while the high-side (3C) resource was 20.5MMstb of oil and condensate and 1.024 trillion cubic feet (tcf) of gas.

On the corporate front, the fresh 3D seismic cube will form a key piece of joint venture (JV) partner due diligence as Buru hunts for a mate to commercialise the game-changing Kimberley discovery, which has the potential to remove the region's reliance upon imported gas. Management has appointed Miro Capital to act as advisor for the strategic partner selection process.

Although Rafael is Buru's flagship project, the company has diversified interests in natural hydrogen and helium, in addition to battery minerals exploration and carbon capture and storage (CCS).

Through its subsidiary 2H Resources, it has established an exploration portfolio in South Australia where the regulatory framework is in place for natural hydrogen exploration and natural hydrogen occurrences have been recorded. Buru says 2H has been confirmed as the preferred applicant for six SA petroleum exploration licences covering a massive area of 30,000 square kilometres – that's about as big as Belgium – on geologic trend with legacy hydrogen occurrences.

In January last year, 2H informed the market of an independent assessment of the acreage completed by RISC Advisory, which pinned a gross risked mid-case (P50 or 2U) prospective hydrogen resource of 148Bcf – equating to 343 million kilograms of hydrogen.

The subsurface occurrence of hydrogen has been known for decades, however the use of the gas as a fuel source in the global energy transition is now driving it into the spotlight. It can be transmitted through existing pipelines and transported overseas, with existing shipping technology making it a tradable energy commodity in the near term.

Buru says global demand for hydrogen is increasing, with investment in hydrogen projects forecast to reach \$629 billion by 2050.

The company is also busy planning to inject carbon dioxide and other greenhouse gases into the ground where they will be stored within rock pore space in similar fashion to natural gas. Its "Geovault" project seeks to locate subsurface reservoirs suitable for the task and making that space available for other companies to use for their own injection needs, in addition to Buru's own requirements in support of the Rafael development.

During the past quarter, Buru says it completed an assessment of carbon dioxide storage estimates and confirmed they significantly exceed the estimated source carbon dioxide emissions from a larger-scale Rafael project associated with high-side gas volumes being realised.

The company's work within the battery metal exploration space, through its wholly-owned subsidiary Battmin, seeks to commercialise the occurrence of minerals often found in association with hydrocarbon accumulations.

Battmin is focusing on its Barbwire Terrace demonstration project in the central Canning Basin south-east of Broome in an area where historic drilling has confirmed the potential for Mississippi Valley-type base-metal mineralisation – the type mined on the Lennard Shelf, which has historically produced high-purity metal concentrates sought after by smelters.

The project is a 50:50 JV with Perth-based metals explorer [Sipa Resources](#) and Buru says the area's prospectivity for lead-zinc mineralisation within carbonates is being assessed. During the past quarter, the company says it has progressed with analysis of core from three diamond holes drilled back in 2022.

Shareholders seem to like the plan that Buru has put forward, with Rafael's multi staged development ticking the boxes of early cashflow delivery at low capital expenditure, access to government grants and incentives, domestic gas supply and the option for an LNG export business. The company's share price was up 5 per cent today to touch 11.5 cents.

Buru is also having no problems in raising cash, with a share placement in November last year securing \$5 million and the share purchase plan that closed in December pumping in another \$3.7million.