

Buoyant Buru emerges

Spinifex



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The excitement surrounding the State and Federal governments' intervention in the \$30 billion Woodside Browse LNG project has been *the* talking point among members of Australia's peak oil and gas lobby, APPEA.

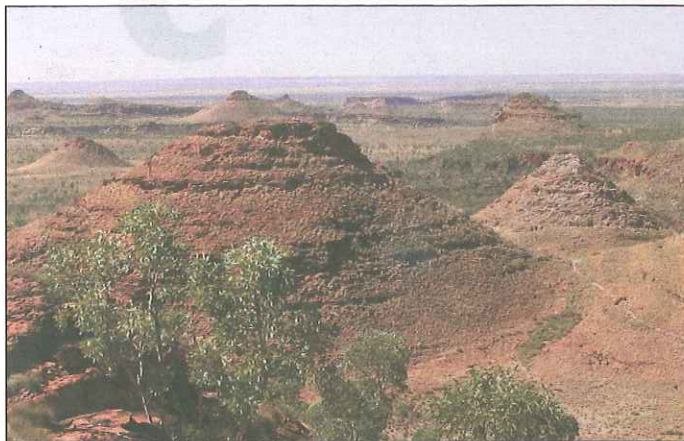
Not that it's all about the big end of town for APPEA, which is chaired by an industry stalwart not linked to the sector's titans but one of the smallest players — Buru Energy.

It's been a bruising year for Buru boss Eric Streitberg. It began with the global financial crisis and associated fallout stemming from a lack of credit and equity market interest in junior players like Buru, and got worse when Mr Streitberg's audacious privatisation bid for Buru failed.

So it was heartening for shareholders to last week get a bullish update from Mr Streitberg on what he hopes to achieve with his Canning Basin explorer in the next 12 months.

Mr Streitberg has always worn his heart on his sleeve when it comes to the Canning, which he reckons is one of the great underexplored oil and gas basins in Australia.

With "aligned management, well funded and focused on a single asset base", Mr Streitberg managed to instil a degree of



Bullish update: Buru should start drilling in the Kimberley in May.

excitement in Buru shareholders, who responded by pushing the junior's stock up 18 per cent to 23¢ late in the week.

The core message is that drilling in the Kimberley should start in May, once the wet season is over, using the Buru-owned Fairway rig that will give it flexibility as well as cost savings from owning the equipment.

Buru plans to spend \$20 million on exploration next year, or roughly half the estimated \$47 million it has in the kitty.

Detailed drilling plans are yet to be published but Buru has spelt out potential commercialisation options should discoveries ranging from 30 billion cubic feet to more than 250bcf be made.

Buru owes its well-funded status to Alcoa's cash injection more than two years ago, designed to deliver the alumin-

ium giant with a gas supply of up to 500 petajoules.

Any sizeable discovery in the Canning, Buru says, will see the dusting off of plans for the Great Northern Pipeline, linking into the Dampier-to-Bunbury line. Buru is already working on approvals for its pipeline.

● Another small-cap story that has been pushed out of the limelight is the pending merger of Glengarry Resources and Centaurus Resources, ostensibly a tale of a cashed-up junior looking for a project.

Brazil-focused iron-ore junior Centaurus (in this instance the takeover target) last week recommended shareholders accept cash-rich Glengarry's eight-for-one scrip offer, and as quickly as possible in an attempt to wrap up control before Christmas.

The logic of the deal is clear.

Despite the sharemarket's gradual recovery, juniors know they need to gain critical mass to attract the attention of the rejuvenated investor.

Glengarry closed at 5.2¢ on Friday, valuing its Centaurus offer at 41.6¢. The target closed at 34.5¢, so if Centaurus shareholders want to accept they will be doing so at a share price not seen since August.

Glengarry's offer is due to close on January 15.

● Bullion's stunning run (even in Australian-dollar terms) has sent Ramelius Resources into orbit.

And it couldn't have happened at a better time for the wannabe suitor of Dioro Exploration.

Ramelius' two-for-one scrip offer for Dioro is due to close later this month but is looking more attractive by the day — based on the suitor's soaring share price. That soaring price has some scratching their heads given the modest reserves at Ramelius' flagship Wattle Dam underground mine in the Goldfields.

Ramelius' stock soared 23 per cent to 59¢ last week, attracting a "please explain" from the ASX.

On some numbers Ramelius' scrip is starting to seem a bit expensive, and the \$1.18 see-through value of its Dioro offer, therefore, a bit overcooked.

But then there's never been a shortage of critics of Ramelius' attempt to snatch Dioro from the jaws of bigger rival Avoca Resources.

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