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## **BURU ENERGY COMPLETES A PLACEMENT TO A NEW CORNERSTONE SHAREHOLDER AND EXISTING INVESTORS, TO FULLY FUND 2014 AND 2015 WORK PROGRAMS**

### **Highlights**

- \$28 million placement of 12.5% of Buru Energy's equity capital at an issue price of \$0.75 per share, of which \$20 million has been subscribed by Coogee Chemicals
- Coogee Chemicals to become a substantial shareholder in Buru Energy
- Strong support from Buru Energy's current eligible sophisticated and professional shareholders with \$8 million of the placement subscribed by these long term supportive investors
- Share Purchase Plan provides the opportunity for participation by all existing eligible shareholders
- Buru Energy's 2015 planned work program is now fully funded
- Coogee Chemicals past experience in small to medium scale gas projects and gas market opportunities provides additional scope for gas monetisation

### **Equity Placement**

Buru Energy Limited (**Buru**) will raise \$28 million via a placement of 12.5% of its equity capital (**Placement**). \$20 million of the Placement is being subscribed by Coogee Chemicals Pty Ltd and its holding company, Chemco Pty Ltd (together **Coogee Chemicals**), with the balance subscribed by current Buru eligible sophisticated investors and institutional shareholders. Following completion of the Placement, Coogee Chemicals will become a substantial shareholder in Buru.

Some 37.3 million shares will be issued at a price of \$0.75 per share, which is a 2% discount to the closing price of Buru on 17 September 2014 immediately prior to the trading halt.

The shares issued under the placement will be within Buru's existing placement capacity pursuant to ASX Listing Rule 7.1, with quotation and trading on the ASX scheduled to commence on Friday, 26 September 2014. All shares issued under the placement will rank equally with Buru's existing shares.

### **Share Purchase Plan**

Buru will offer all existing eligible shareholders the opportunity to invest additional equity via a non-underwritten Share Purchase Plan (SPP). The SPP will allow eligible shareholders to acquire up to \$15,000 of new shares, at the placement price of \$0.75. The maximum amount that will be raised by both the Placement and the SPP has been set by the Board of Buru Energy at \$40 million, which means the maximum amount that can be raised under the SPP is \$12 million, which means eligible applicants may be subject to scale back. However, there is no minimum amount that

must be raised by the SPP. No brokerage or transaction costs will be payable by subscribing shareholders. All shares issued pursuant to the SPP will rank equally with existing Buru shares.

Participation in the SPP is optional and will be open to shareholders who were registered holders of Buru shares at 5:00pm (Perth time) on the record date of Friday, 19 September 2014, and whose registered address is in Australia or New Zealand. Further details of the SPP, including the timetable, will be provided to eligible shareholders shortly.

## Coogee Chemicals

Coogee Chemicals Pty Ltd is a substantial private company, based in Perth, which manufactures and distributes a wide range of industrial, agricultural and mineral processing chemicals (including methanol) into both Australian and international markets. Coogee Chemicals Pty Ltd is investigating the development of a gas-to-methanol plant, to be located in northwest Western Australia, and Buru will work with Coogee Chemicals Pty Ltd to determine whether the proposed plant could be supplied with gas to be produced from Buru's Laurel Formation basin centred tight wet gas project. Coogee Chemicals Pty Ltd has also been a highly successful investor in the Australian oil and gas industry.

## Additional Directors

With the strengthening of the balance sheet and a forward focus on monetisation of its gas and oil assets the Board will continue its process for the appointment of additional non-executive Directors with appropriate skills and experience. In this regard, consideration will be given to the appointment of directors representing the Company's larger shareholders where they bring the appropriate skill sets to the Board.

## Funded Calendar 2014 and 2015 Work Program

The capital raising will be used to fund the Company's 2015 work program and for general corporate purposes. The Company's 2014 work program was already funded, and the 2015 program will now also be fully funded from the proceeds of the Placement.

Buru's planned work program for the remainder of 2014 includes:

- Completion of one of the year's largest seismic programs onshore Australia, including up to 1,000kms of 2D data and a substantial 3D program
- The drilling of up to four wells for conventional oil targets, with the first well (Commodore 1) due to spud next month
- Continued production from the Ungani EPT with production increases planned from the restoration of production from the Ungani 1ST1 well
- Testing of the Ungani North 1 well and further testing of the Ungani 3 well. The planned test of the Paradise 1 well is now likely to be delayed until after the wet season
- Phase 1 of the Laurel Formation wet gas test program including well conditioning, CBL logging and acquisition of DFIT's (mini-fracs)

Subject to the successful completion of the remaining 2014 program, and on receipt of relevant approvals, Buru expects to undertake the following work program during calendar 2015:

- Acquisition of further prospect oriented seismic data
- Further development of the Ungani Oilfield including at least one additional production well, the upgrade of the Ungani production facilities, and the optimisation of the oil export system
- The drilling of at least four oil and gas exploration wells

- The frac and flow test of up to four wells to determine the flow characteristics of the Laurel Formation tight wet gas accumulation

The Company will also continue to progress discussions in relation to the potential farmout and future funding of the Laurel wet gas commercialisation project.

Commenting on the placement, Buru's Executive Chairman, Eric Streitberg, said:

"We are delighted to welcome Coogee Chemicals onto our share register. Coogee Chemicals is a highly successful privately owned Western Australian company that has demonstrated the ability to add significant value to oil and gas investments. The support of our existing major shareholders is also very welcome and we look forward to working closely with all of them to drive the future success of the company.

Our strengthened balance sheet will now allow us to pursue the substantial development opportunities which we have before us with confidence and determination. The recent restructuring of the Company's management and our focus on strict cost controls will also ensure that we are able to deliver short and long term value for shareholders."

## Advisers

Macquarie Capital (Australia) Limited acted as Lead Manager. Highbury Partnership Pty Limited is acting as Buru's Financial Adviser.

Visit [www.buruenergy.com](http://www.buruenergy.com) for information on Buru Energy's current and future activities.

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## Competent Persons Statement

Information in this release related to exploration and production results and petroleum resources is based on information compiled by Eric Streitberg who is an employee of Buru Energy Limited. Mr Streitberg is a Fellow of the Australian Institute of Mining and Metallurgy and the Australian Institute of Company Directors, and a member and Certified Petroleum Geologist of the American Association of Petroleum Geologists. He has over 40 years of relevant experience. Mr Streitberg consents to the inclusion of the information in this document.

## **About Buru Energy**

Buru Energy Limited (ASX: BRU, S&P/ASX300) is a Western Australian oil and gas exploration and production company headquartered in Perth with an operational office in Broome. The Company's petroleum assets and tenements are located onshore in the Canning Basin in the southwest Kimberley region of Western Australia. Its flagship high quality conventional Ungani Oilfield project is owned in 50/50 joint venture with Mitsubishi Corporation. As well as Ungani, the Company's portfolio includes potentially world class tight gas resources. The company's goal is to deliver material benefits to its shareholders, the State of Western Australia, the Traditional Owners of the areas in which it operates, and the Kimberley community, by successfully exploring for and developing the petroleum resources of the Canning Basin in an environmentally and culturally sensitive manner.