

## **Operations Update**

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- Next lifting of Ungani crude from Wyndham Port confirmed for mid-July under new sales contract arrangements
- Increasing oil price results in additional revenue from the May lifting of ~US\$200,000
- Ungani production averaging gross 1,250 bopd with well optimisation activities underway
- Farmout process ongoing with continuing technical review of prospectivity and new ventures screening process underway

### **Ungani oil sales and production**

As previously advised, the recent May lifting of Ungani crude from the Port of Wyndham was the final lifting under the previous Petro-Diamond Singapore Pte Ltd (PDS) offtake contract. The Ungani Joint Venture has now sold the next lifting, expected to be in mid July, on a spot basis. The JV plans to continue to sell Ungani crude on a spot basis while it reviews the potential for entering into another longer term offtake agreement.

Consistent with previous sales, the July lifting has been sold two months ahead of delivery 'Free On Board' (FOB) at Wyndham. The received price will be based on the average dated Brent oil price for the month of July, less an agreed discount predominantly reflecting marine transport charges to a refinery in SE Asia, which have increased from previous liftings.

The appreciation of the Brent price during May has also resulted in the payment for the May lifting increasing by approximately US\$200,000 for Buru Energy's 50% share.

Ungani field production with all wells on production is currently ~1,250 barrels of oil a day with a series of well optimisation activities planned. Preparations to install an electric submersible pump (ESP) in Ungani 7 to increase production from the well are well advanced with all long lead items on site and surface equipment installed. The installation of ESP's is a routine operation, and ESP's have been proven to be very reliable and effective in the Ungani 1ST1 and Ungani 2 wells.

### **Farmout progress**

The current farmout process is progressing well with various parties accessing the virtual data room. With the current COVID-19 related restrictions being progressively relaxed, locally based interested parties are now able to physically attend Buru Energy's office to access the geophysical data base.

The review of new venture opportunities is also continuing with both corporate and asset acquisitions being assessed.

### **Executive Chairman Eric Streitberg commented:**

*"We are very pleased and relieved to see the firming oil price that gives us a healthier return from our oil sales. Although we are facing higher shipping charges and tightening refinery terms, there is still a good market for our particular high quality crude from Ungani.*

*Our strong cash position and our high quality exploration portfolio puts us in a good position to weather the current storms and it has also been very pleasing to see the share price improving. Although like many other companies our share price is still near historic lows, it is at least now reflecting a value greater than our cash position."*

This ASX announcement has been authorised for release by the Board of Buru Energy.

For further information, visit [www.buruenergy.com](http://www.buruenergy.com) or contact:

Eric Streitberg, Executive Chairman

Telephone: +61 8 9215 1800

Freecall: 1800 337 330

Email: [info@buruenergy.com](mailto:info@buruenergy.com)