

## **Buru Energy set to commence major Canning Basin exploration drilling and seismic program**

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### **Highlights**

- Canning Basin exploration drilling campaign set to commence in June targeting a total 97 million barrels of conventional oil (mean prospective resources)
- Drilling program will also include a development well at the Ungani Oilfield
- Drilling rig contract discussions well advanced
- Environmental approvals received for the drilling of the wells
- Terrex selected as the seismic acquisition contractor

### **Background**

Buru Energy Limited (Buru Energy) is kicking off a major Canning Basin operations program this year that will include three wells and a regional and prospect oriented seismic program. This is the most wide-ranging exploration program in the Canning Basin for many years and under the terms of the farm-in agreements executed in December last year, Buru will be carried for \$16 million of the cost of the drilling of the two exploration wells in the program, in addition to a further significant seismic program carry across several Buru operated permits<sup>1</sup>.

### **Drilling program**

The drilling program includes exploration wells on two large conventional oil prospects, with details of these set out below. It will also include a development well on the Ungani Oilfield (Ungani 8) in what is interpreted to be an undrained part of the field.

The drilling program will use a high capacity rig that has recently been drilling deep and complex wells in other Australian basins. Negotiations for the rig contract are continuing and further details will be provided in due course.

The Kurralong 1 exploration well is currently planned to be the first well in the drilling program, followed by the Ungani 8 development well and then the Rafael 1 exploration well. This well order provides maximum operational efficiency with the program planned to commence in early to mid June.

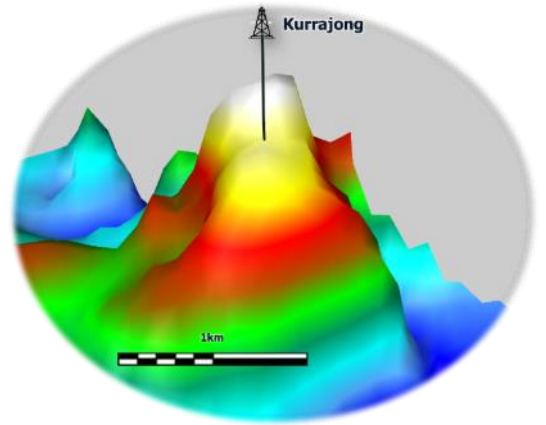
Access approvals for the program are in place, with the WA regulatory authorities recently providing environmental approvals, and routine operational approvals are being obtained as required.

<sup>1</sup> Refer to ASX Releases "Farm-out of Buru's Canning Basin portfolio" and "Farm-out of EP457 and EP458" dated 21 December 2020.

## Kurrajong 1

The Kurrajong 1 exploration well is being drilled on a large structure that is well defined by 3D seismic surveying. It is expected to have similar good quality reservoir to the Ungani Oilfield and is at similar depths, with the total depth of the well expected to be some 2,500 metres.

The Prospective Resources of the Kurrajong prospect are set out below. The Prospective Resources are located on Exploration Permit 391 with Buru holding a 50% interest in that permit and in the following Prospective Resources:



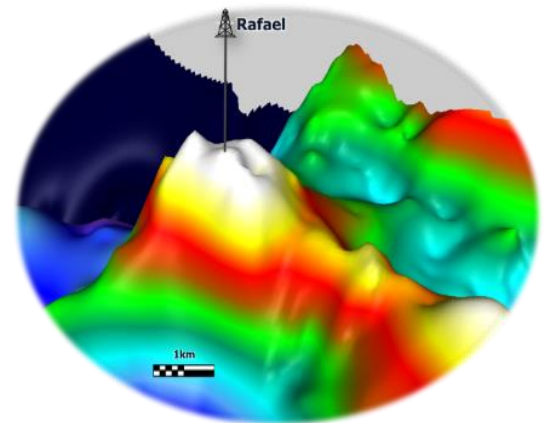
Prospective Resources	Mean	Low	Best	High
Recoverable Oil (million barrels)	28	2	17	69

Prospective Resources are the estimated quantities of petroleum that may potentially be recovered by the application of a future development project and may relate to undiscovered accumulations. These prospective resource estimates have an associated risk of discovery and risk of development. Further exploration and appraisal is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. Further information on the above prospective resources as required under ASX Listing Rule 5 is included later in this ASX release.

## Rafael 1

The Rafael 1 well is being drilled on a large structure that is well defined by a modern 2D seismic grid. It has over 450 metres of mapped closure and is a large regional structure that is interpreted to have similarities to Devonian aged carbonate structures in Western Canada that are very large and prolific oil producers. The total depth of the well is expected to be some 3,800 metres.

The Prospective Resources of the Rafael prospect are set out below. The Prospective Resources are located on Exploration Permit 428 with Buru holding a 50% interest in that permit and in the following Prospective Resources:



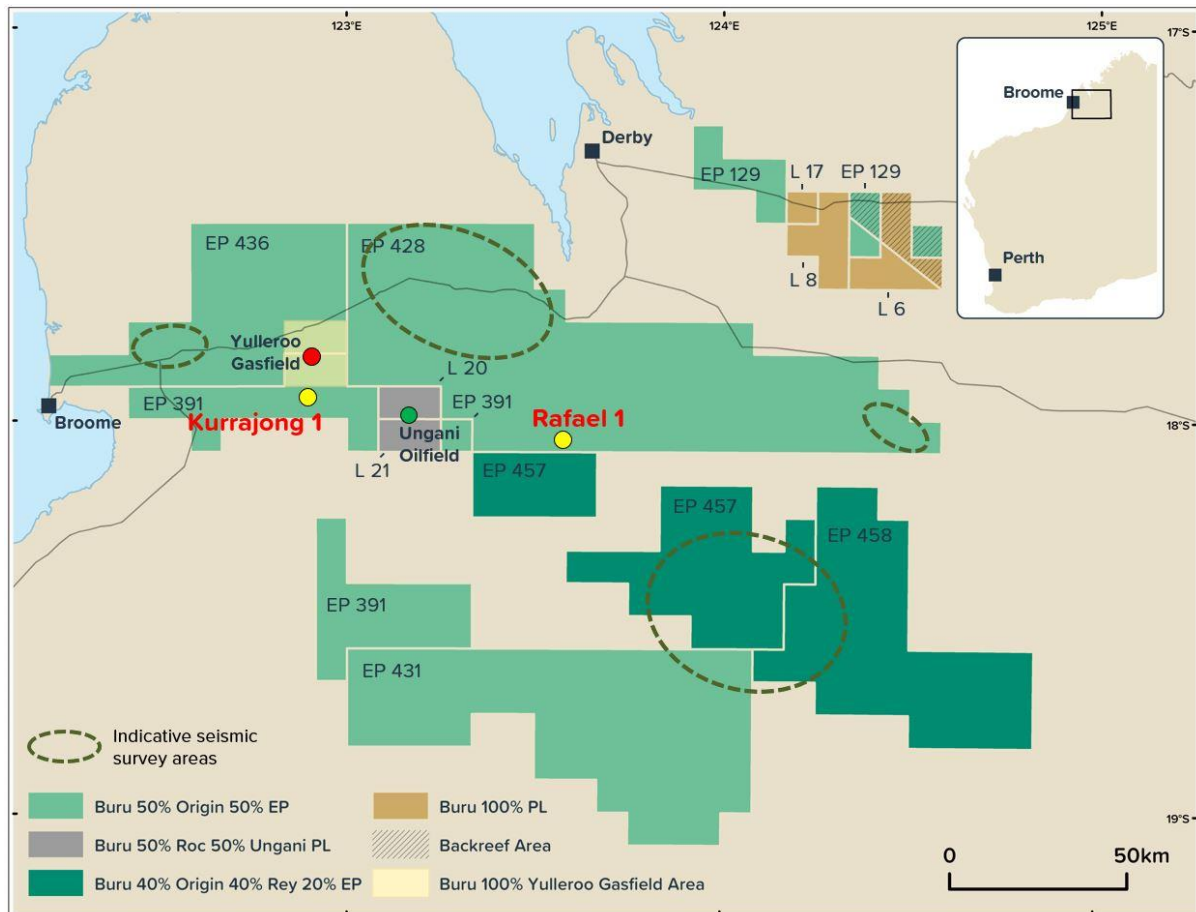
Prospective Resources	Mean	Low	Best	High
Recoverable Oil (million barrels)	69	5	37	176

Refer to the description of Prospective Resources above. Further information on the above prospective resources as required under ASX Listing Rule 5 is included later in this ASX release.

## Seismic survey program

Terrex Pty Ltd (Terrex) have been selected as the preferred contractor for the seismic acquisition program and the contract is expected to be awarded in the coming weeks. The seismic program is being acquired with efficient state of the art nodal systems that have minimal environmental impact. A total of some 1,200 kilometers of surveys are planned, and the program should take some 50 days to acquire.

The Celestine 2D survey across the EP 457 and EP 458 area is planned as the first and largest part of the program to further define a new geological concept that has the potential for large conventional oil accumulations.



Program location map

### Buru's Executive Chairman Eric Streitberg commented:

*"Our exploration program is on track, with a lot of hard work and attention to detail paying off. We are planning to use a large rig run by an experienced contractor and have put in place a very experienced drilling team to run the program. We are drilling two of the largest onshore oil exploration targets in the country at a time of rising oil prices and critical domestic oil production declines.*

*In parallel with the drilling program we will be acquiring a major seismic program that will help us fill our prospect inventory and set us up for a continued drilling program next year.*

*This is the largest and most exciting exploration program in the Canning Basin for many years and we are very keen to get started."*

## **Further information in accordance with ASX Listing Rule 5**

- The estimated prospective resources in this ASX release are as at 22 March 2021.
- The probabilistic method has been used to estimate the prospective resources. The mean is the average of the probabilistic resource distribution.
- The prospects are features that have been sufficiently well defined through analysis of geological and geophysical data that they are likely to become drillable targets.
- The further evaluation of these prospects will entail the drilling of the Kurrajong 1 well and the Rafael 1 well in the second half of 2021.
- Prospective resources reported in this ASX release are Gross Unrisked Prospective Resources as they are 100% of the volumes estimated to be recoverable from an accumulation and have not been multiplied by the geological chance of discovery or the chance of development, as defined under SPE PRMS.
- The estimate of the chance of discovery of the "Best Estimate" of prospective resources is 26% for Kurrajong and 21% for Rafael. The chance of development cannot be estimated at this time until the size of the resource (if any) has been quantified. If an outcome of the Best Estimate is realised the chance of development is expected to be very high.

There are numerous uncertainties inherent in estimating reserves and resources, and in projecting future production, development expenditures, operating expenses and cash flows. Oil and gas reserve engineering and resource assessment must be recognised as a subjective process of estimating subsurface accumulations of oil and gas that cannot be measured in an exact way.

## **Qualified Petroleum Reserves and Resources Evaluator Statement**

The estimates of Prospective Resources have been based on, and fairly represents, information and supporting documentation prepared by Mr Eric Streitberg who is a Qualified Petroleum Resources Evaluator.

Mr Streitberg who is an employee and Director of Buru Energy Limited 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.

## **Authorisation**

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

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