

Buru Energy Ltd

(BRU \$0.16) Speculative Buy

EUROZ HARTLEYS

Analyst	Date	Price Target
Jon Bishop	22 nd September 2021	\$0.20/sh

Rafael-1 Site Visit

Event

We conducted a tour of the Rafael-1 exploration wildcat operations



Ensign rig currently drilling ahead at Rafael-1

Impact

The Rafael -1 well is drilling ahead to expected TD in the coming fortnight

Kurrajong-1 is currently undertaking production testing with results also in the coming fortnight all going well

They are high impact targets with pre-drilled estimated recoverable oil volumes (100% basis) of:

- Kurrajong - 17mmbbls best est. (High - 69mmbbls; Mean 28mmbbls);
- Rafael - 37mmbbls best est. Prospective Resource (High - 176mmbbls; Mean 69mmbbls);

Prospective Resources	Mean	Low	Best	High
Recoverable Oil (million barrels)				
Kurrajong Prospect - EP391 (Gross)	28	2	17	69
Kurrajong Prospect - EP391 (Net)	14	1	8.5	34.5
Rafael Prospect - EP428 (Gross)	69	5	37	176
Rafael Prospect - EP428 (Net)	34.5	2.5	18.5	88

Buru Energy Ltd	Year End 30 June	
Share Price	0.16	A\$/sh
Price Target	0.20	A\$/sh
Methodology		npv
Valuation	0.16	A\$/sh (npv 10% nom)

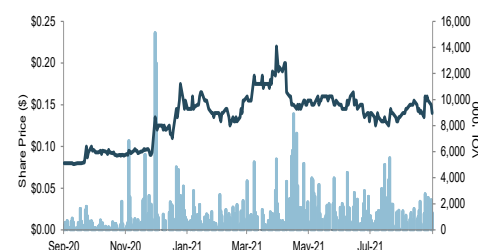
Shares on issue	532	m, diluted *
Market Capitalisation	82	A\$m
Enterprise Value	57	A\$m
Debt	0	A\$m
Cash	25	A\$m
Largest Shareholder	Birkdale Ent - 6.5%	

Production F/Cast	2020a	2021a	2021f
Total Attrib (mmbboe)	182.81	177.88	173.44
Op Costs A\$/bbl	42.0	47.5	44.4

Assumptions	2020a	2021a	2021f
Avg Oil Price (US\$/bbl)	52	55	70
Avg Oil Price rec.(A\$/bbl)	74.30	69.76	91.09
AUDUSD	0.67	0.75	0.74

Key Financials	2020a	2021a	2021f
Revenue (A\$m)	11	13	16
EBITDA (A\$m)	0	0	0
NPAT (A\$m)	0	0	0
Cashflow (A\$m)	-4	-4	-1
CFPS (Ac)	-1	-1	0
P/CFPS (x)	na	na	na
EPS (Ac)	-7	-1	-1
EPS growth (%)	na	na	na
PER (x)	na	na	na
EV:EBITDA (x)	74.3	147.3	14.3
EV:EBIT (x)	na	na	na
DPS (Ac)	0.0	0.0	0.0
Dividend Yield (%)	0%	0%	0%
ND:Net Debt+Equity (%)	na	na	na
Interest Cover (x)	na	na	na

Share Price Chart



Disclaimer

Euroz Hartleys declares that it has acted as underwriter to and/or arranged an equity issue in and/or provided corporate advice to Buru Energy Ltd during the last year. Euroz Hartleys has received a fee for these services.

Euroz Hartleys Limited

All information and advice is confidential and for the private information of the person to whom it is provided and is provided without any responsibility or liability on any account whatsoever on the part of Euroz Hartleys Limited or any member or employee thereof. Refer to full disclaimer at the end of this document.

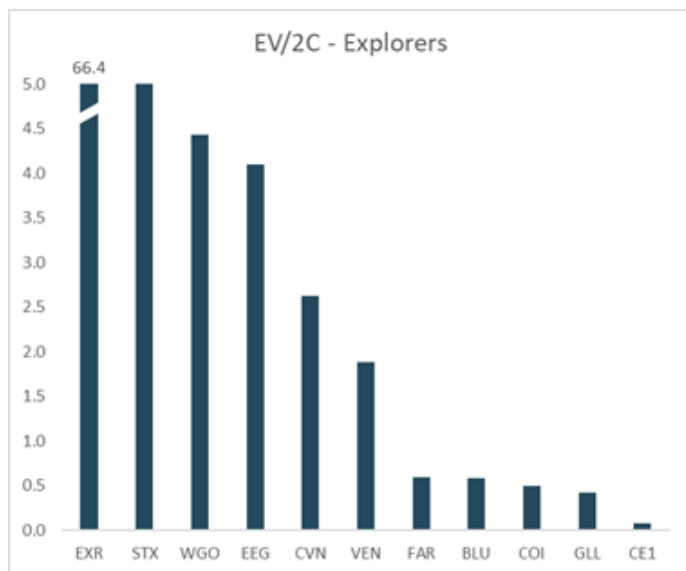
Buru Energy Ltd

(BRU \$0.16) Speculative Buy

Action

We set a \$0.20/sh Price Target but anticipate outperformance is likely if either of the wells is commercially successful.

Particularly noting the Company's \$53m EV and the sector peers in a discovered (P50 - 27mmbbls net @ \$2.2/boe) case:



However, if both wells are non-commercial, the stock will trade towards its NPV for Ungani production and est Cash ie c7cps

We retain our Speculative Buy recommendation.

Key Catalysts

- Rafael-1 drilling results (imminent);
- Kurrajong-1 flow test results (imminent);
- Ungani-8 development well (impact on production - Dec Q);
- Results for current seismic survey;
- Oil price.

Euroz Hartleys Limited

All information and advice is confidential and for the private information of the person to whom it is provided and is provided without any responsibility or liability on any account whatsoever on the part of Euroz Hartleys Limited or any member or employee thereof. Refer to full disclaimer at the end of this document.