

After Rafael success Buru off to market

BURU Energy is offering a rights issue to shareholders to raise \$14.4 million to appraise its Rafael gas find in the Canning Basin, drilled late last year.



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The wildcat flowed gas and condensate and was independently assessed to hold 1 trillion cubic feet on a 3C contingent estimate in April. Buru has flagged potential LNG backfill, among other options.

Comments

Share

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Editor

It is offering a one-for-six non-renounceable rights offer at a 23.8% discount to its closing share price on Friday, at 16c. They can also apply for additional shares if there is a shortfall on a pro-rata basis.

This will add 89.7 million new shares for a total of 628 million on the books.

Its well program will see the recompletion of Rafael-1 and testing of further gas bearing zones, a 3D seismic survey so it can refine the location for appraisal wells and commercialisation and field development studies.

It plans appraisal drilling next year. Work will be completed during the Canning Basin field seasons. Drilling remains subject to regulatory appraisal and joint

venture agreement. Origin Energy is Buru's partner in the project, taking permits at the end of 2020.

Money also goes to its planned carbon capture and storage work in the onshore Carnarvon Basin and drilling for battery minerals in the next quarter of this year, looking for lead/zinc targets.

It received a \$7 million CCS grant from Canberra just recently for a total project cost of \$14 million, called Geovault. It is also planning field trials for its natural hydrogen exploration program, which it first told the market last year.

"The Rafael gas condensate discovery has the potential to be transformational for the Company and we want to appraise and commercialise this exciting discovery in the shortest possible time frame," executive chairman Eric Streitberg said.

"To ensure we are able to commit to and execute this proposed accelerated appraisal program on our core assets we need to strengthen our existing cash reserves

The company has fallen to its share price offer today and sits at 16.1cps, down 21%.



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