



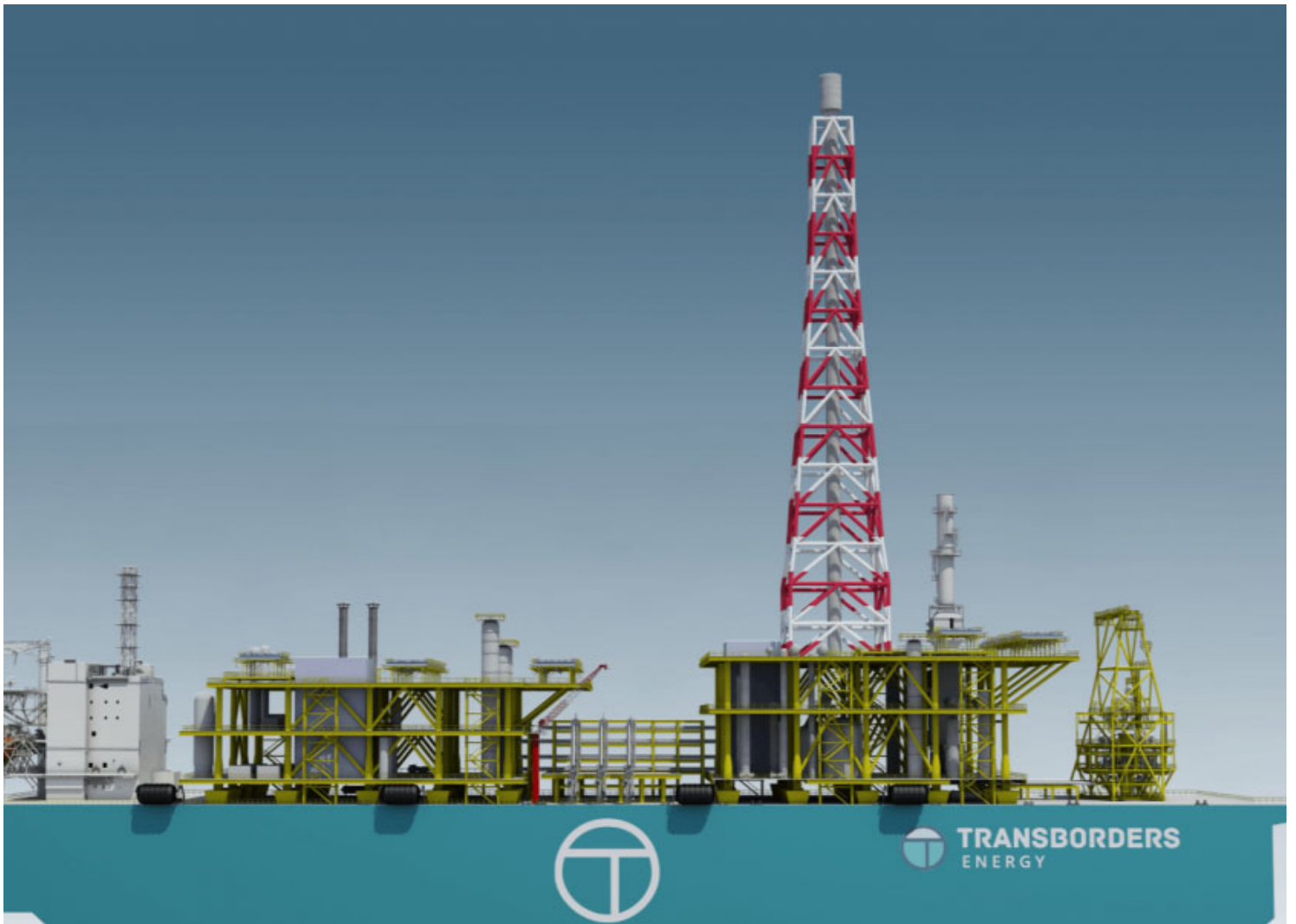
BULLS N' BEARS

ANNOUNCEMENTS

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Buru buoyant about floating LNG option for Kimberley resource

By [Mark Irving](#)



Buru's prefeasibility study has determined a floating LNG facility could work technically and commercially for its Rafael gas project. Credit: File

West Perth-based [Buru Energy](#) is pressing the pedal to the metal on its promising Rafael gas and condensate discovery in the Kimberley following a tick of approval on the option of introducing a floating liquified natural gas (FLNG) facility into the processing chain.

Buru took a body blow last September when [Origin Energy](#) announced it was walking away from downstream exploration activities and quitting joint ventures with the company in the Canning Basin, including the Rafael project. But it now appears to be firmly back on track to develop what it describes as a regionally-significant energy resource.

Rafael, located about 80km south/south-west of Derby, has been estimated independently to contain between 59 billion cubic feet and more than one trillion cubic feet of recoverable gas, plus more than 20 million barrels of condensate.

Now, a prefeasibility study conducted by Buru and [Transborders Energy](#) and [Technip Energies](#) has determined that the option of a floating facility handling about 1.6 million tonnes of LNG annually, is technically and economically feasible for the resource. If the ambition develops to fruition, a small onshore plant would process the gas and condensate before dispatching the gas to the FLNG facility anchored off the coast near Derby.

The gas would then undergo liquefaction before being loaded on to tankers for export to energy-hungry Asian countries such as Japan.

But Buru believes the value of its prefeasibility study extends wider than just a nod to the FLNG, claiming an innovative partnership could bring Rafael to reality. It envisages a partnership model involving participants across the LNG industry, including buyers, shippers, drillers, engineers and investors, collaborating to deliver the project.

Transborders is a gas resource development company that specialises in monetising undeveloped gas discoveries. Since 2016, it has been developing a commercial model led by LNG buyers that fast-tracks monetisation of such resources while allowing the buyers to offtake the gas and coinvest in the projects.

Buru is now planning to work with Transborders and its collaboration partners [Kyushu Electric Power](#), [Mitsui O.S.K. Lines](#), [Technip Energies](#), [SBM Offshore](#) and [Add Energy](#) to refine the objectives, work scope and cost and schedule parameters associated with the next phase of pre-front end engineering and design (FEED) definition.

But FLNG is not the only avenue management is examining as it looks to find the best way to commercialise Rafael.

Buru chief executive officer [Thomas Nador](#) said: *"In addition to the work on FLNG, Buru is also examining and screening other development options that cater for various Rafael resource volume scenarios to ensure the company can move expeditiously on a selected concept once appraisal outcomes are confirmed. These include local Kimberley-based power generation, smaller scale LNG production, downstream petrochemical processing projects and the potential to process Rafael gas for LNG export via the North West Shelf facilities."*

Management believes conducting studies into these possibilities – in parallel with its ongoing appraisal of the Rafael resource – will ensure a faster FEED transition and a reduced delivery time frame to first sales.

[Mr Nador](#) says this will ensure a commercially-attractive monetisation pathway is suitable for Rafael's gas and condensate across the full range of contingent resource volumes. The company is moving to firm up appraisal of those volumes as quickly as possible.

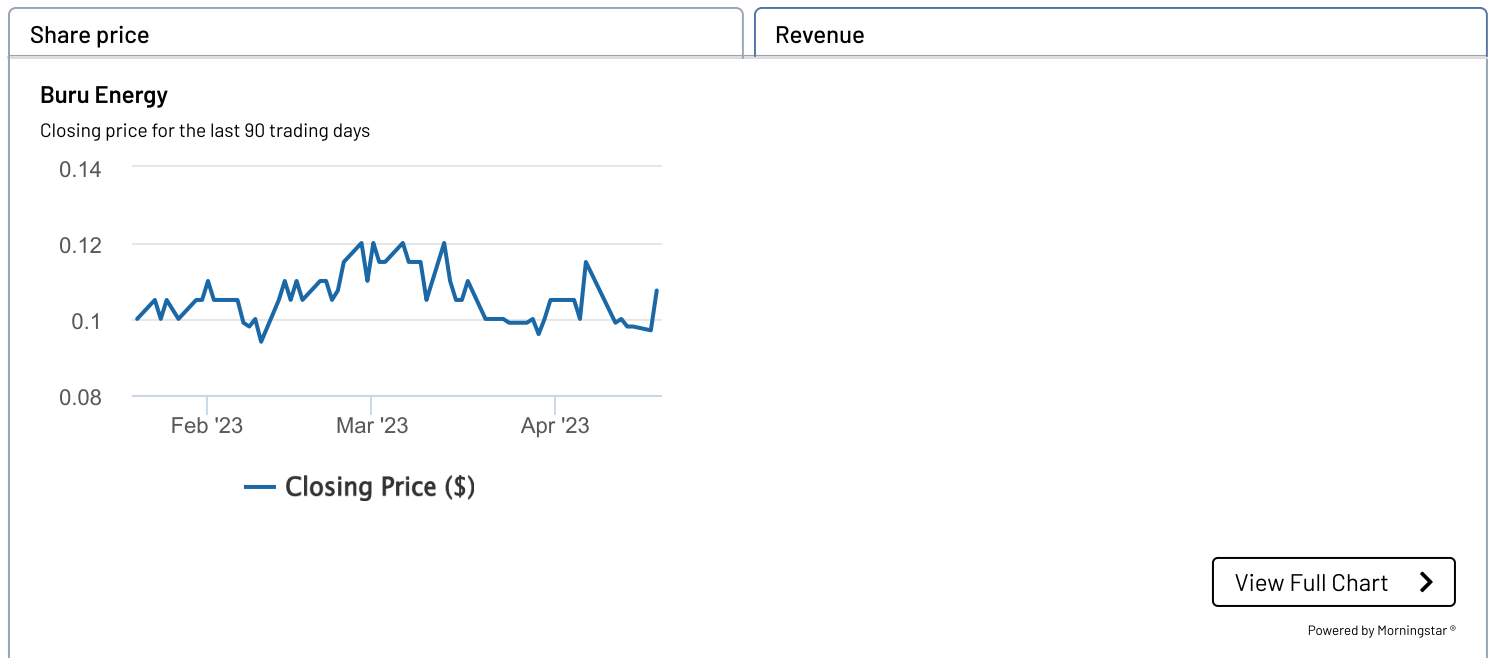
Rafael will undergo 3D seismic survey later this year. This survey will be funded to the tune of \$4 million by Origin, as part of the deal it struck with Buru when Origin divested itself of its interest in the project. It will confirm the gas column and reservoir structure and pick the best locations for an appraisal drilling program slotted for next year.

At some time in the future, [Buru Energy](#) will need to find a new dance partner after being so unceremoniously dumped by Origin. But with gas still attracting keen interest worldwide as a transition fuel to a green-energy economy – and Rafael begging to be developed – the West Perth company might not find too many problems in attracting a well-heeled suitor when the time is right.

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