

Ungani Oilfield to be reinvigorated with new partner and planned near field exploration

Buru Energy Limited (**Buru, Company**) (ASX: BRU) is pleased to announce that it has entered into a Farm-in Agreement (FIA) with Sabre Energy Pty Ltd (**Sabre**) for the Ungani Oilfield production and exploration assets in Petroleum Production Licences L 20 and L 21 in Western Australia's onshore Canning Basin (**the Transaction**).

Highlights

- *Sabre to earn a 70% interest in the Ungani Oilfield for a consideration that includes a \$6 million farm-in carry, with Buru retaining a 30% working interest in Petroleum Production Licenses L 20 and L 21.*
- *The Transaction includes a structured transition of operatorship from Buru to Sabre, a contribution by Sabre of **\$1.0 million** towards the cost of restarting production from the Ungani Oilfield as well as a **\$5.0 million** carry towards the drilling of the high potential Mars exploration well located approximately 9km north of the Ungani Production Facility.*
- *Planning is well advanced to drill the Mars prospect in Production Licence L 20 during the 2024 Kimberley operating season, potentially in a campaign with the planned drilling of Buru's currently fully owned and operated Rafael Shallow clastic oil prospect in Exploration Permit (EP) 428. The timing of the 2024 drilling campaign remains subject to the completion of the current process of selecting and securing a suitable drilling rig.*
- *Planning is also advancing for the restart of operations at the Ungani Production Facility, potentially as early as during Q4 2024.*
- *Sabre will further assume an agreed proportion of the future abandonment costs in relation to the Ungani Oilfield, thereby significantly reducing Buru's current abandonment liabilities.*
- *Although the Ungani assets were fully impaired by Buru in 2022, the Transaction and the Joint Venture partnership with Sabre provides Buru with an opportunity to reinvigorate its uniquely positioned asset for the benefit of Buru and Sabre shareholders and investors, the local community, the Traditional Owners and the WA Government.*
- *The Transaction and the commencement of the planned work program is subject to standard regulatory approvals of the Production Licence transfers to Sabre.*

Commenting on the transaction, CEO Thomas Nador said:

"We are very pleased to have Sabre Energy as a future Joint Venture Partner and operator of the Ungani Oilfield. Sabre's approach to exploration, development and production, their team credentials and experience, and entrepreneurial spirit will be a great value add for the asset."

I look forward to the months ahead as we firm up our plans for a production restart at Ungani and prepare to drill the high potential Mars prospect as future production backfill for the Ungani facility later this year."

Commenting on the transaction, Sabre Energy Chairman, Allan Bougoure said:

"Sabre Energy is looking forward to collaborating with Buru Energy to create new points of value for the Ungani assets.

Building on the foundation project at Ungani, potential exploration success at the Mars prospect may open the door to opportunities beyond the current footprint of Ungani operations, which we believe is a worthy pursuit for the Joint Venture."

Regie Estabillo, Managing Director of Sabre Energy further noted:

"We believe the Canning Basin represents one of the last frontiers of onshore oil and gas exploration in Australia, and Buru Energy's assets provide a unique and exciting entry for Sabre Energy into oil exploration and production within the basin.

I look forward to working with the Buru Energy team to collaboratively develop a structured program aimed at generating near-term cashflows, and recommencing oil exploration at Mars."

Background to the Transaction

Following the suspension of production from the Ungani Oilfield in August 2023 due to the ongoing uncertainty associated with the availability of a suitable river crossing at Fitzroy Crossing for crude transportation to the port of Wyndham for export, and the subsequent withdrawal of ROC Oil (Canning) Pty Ltd from the Ungani Joint Venture, Buru commenced marketing Production Licences L20 and L21 to domestic and international parties.

The marketing process generated robust interest, with nine parties participating in a competitive process. Of the nine parties, Sabre provided the most compelling and value accretive proposal following a period of due diligence.

Background on the Mars Prospect

The primary objective of the Mars prospect is sands within the Reeves Formation in a large fault-bounded closure located up-dip from interpreted oil pay in the Ungani North 1 well.

The prospect was initially identified on the Ungani 3D seismic by the Buru-ROC Joint Venture with the structure confirmed on the reprocessed Ungani 3D pre-stack depth migration volume in 2019.

It is notable that a previous short term production test from the Reeves Formation in the Ungani Far West 1 well has confirmed the presence of high-quality movable oil within the Reeves Formation sands in that well. The Ungani Far West 1 oil has similar attributes to the Ungani Dolomite crude and is believed to be from the same source rocks.

Buru estimates the gross, unrisks Prospective Resources within the Reeves Formation of the Mars Prospect to range between 0.74 MMstb recoverable oil (low estimate) and 6.2 MMstb (high estimate), with a Best Estimate of 2.80 MMstb and a 40% geological chance of success.

Prospective Resources relate to the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s), and relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Further information on the Mars prospect is included in Attachment 2 of this ASX release.

Ungani Production Restart

Buru and Sabre both share a common vision to restart production from the Ungani Oilfield as soon as practicable. To this end, the parties are continuing discussions and planning to bring the Ungani facilities and wells back online, potentially as early as Q4 this year.

About Sabre Energy

Sabre Energy Pty Ltd (Sabre) is a private Australian upstream energy company focused on assets that deliver accelerated revenue and sustainable supply generation. Sabre is chaired by Mr. Allan Bougoure, a veteran of the resources industry, and Managing Director, Mr. Regie Estabillo, an experienced petroleum engineer and former Chief Operating Officer of Omega Oil and Gas (ASX:OMA).

Sabre specialises in the exploration, appraisal and development of critical onshore energy assets that support local and regional economic growth while helping preserve Australia's energy security.

Sabre is supported by experienced energy professionals with specialist skills and experience in commercialising Australian onshore energy assets. Sabre is actively investing in Australian onshore oil assets, most recently farming into PELA 679 in the Cooper/Eromanga Basin.

Sabre's investment in the Ungani Oilfield in Western Australia's Canning Basin is an exciting addition to the company's growing portfolio of first-class resources assets. Sabre recognises the immense potential of the Canning Basin and is committed to further investment as a trusted partner with Buru to help unlock the basin's energy resources.

Authorisation

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

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Attachment 1

Details of the Transactions in accordance with ASX Guidance Note 8

A. Parties to the Farm-in Agreement are:

Buru Energy Limited (Buru)
Sabre Energy Pty Ltd (Sabre)

B. The assets the subject of the Transactions with before and after holdings:

Permit	Registered Holder before Transaction	Permit Type	Registered Holder after Transaction
Ungani Production Licences			
L 20	Buru 100%	Production License	Buru 30% and Sabre 70%
L 21	Buru 100%	Production License	Buru 30% and Sabre 70%

C. Summary of key contractual matters

Farm-in Agreement (FIA) – Ungani Oilfield

1. The FIA was executed on 14 June 2024.
2. Sabre agrees to pay the Farm-in Amount as follows:
 - Sabre agrees to pay and incur 100% of the first \$1 million of expenditure associated with the restart of the Ungani Oilfield; and
 - Sabre agrees to pay and incur 100% of the first \$5 million of expenditure on a single Farm-in Well, which has been identified as the Mars Prospect in Production Licence L 20.

Any costs incurred in excess of the above respective carry amounts will be paid by the Parties in accordance with their post Transaction interests (i.e. Sabre 70%, Buru 30%).

3. As part of the Transaction, Sabre agrees to fund 50% of the first \$5.6 million of any future abandonment and rehabilitation costs (ABEX) for the Ungani Production Licences, and 70% of any ABEX incurred in excess of \$5.6 million.
4. Buru to transfer operatorship of the Ungani Oilfield to Sabre through a structured handover process.
5. Completion of the Transaction is subject to WA Government regulatory approval and registration of the FIA and Production Licence transfers to Sabre. On Completion, the Parties will enter into a joint venture which will be governed by a joint operating agreement that will be negotiated in accordance with agreed principles.

The Farm-in Assets are subject to a number of agreements with third parties relating to native title, land use and access, Government and private royalties/payment obligations which will be assigned to Sabre in respect of its 70% interest.

D. Commercial implications

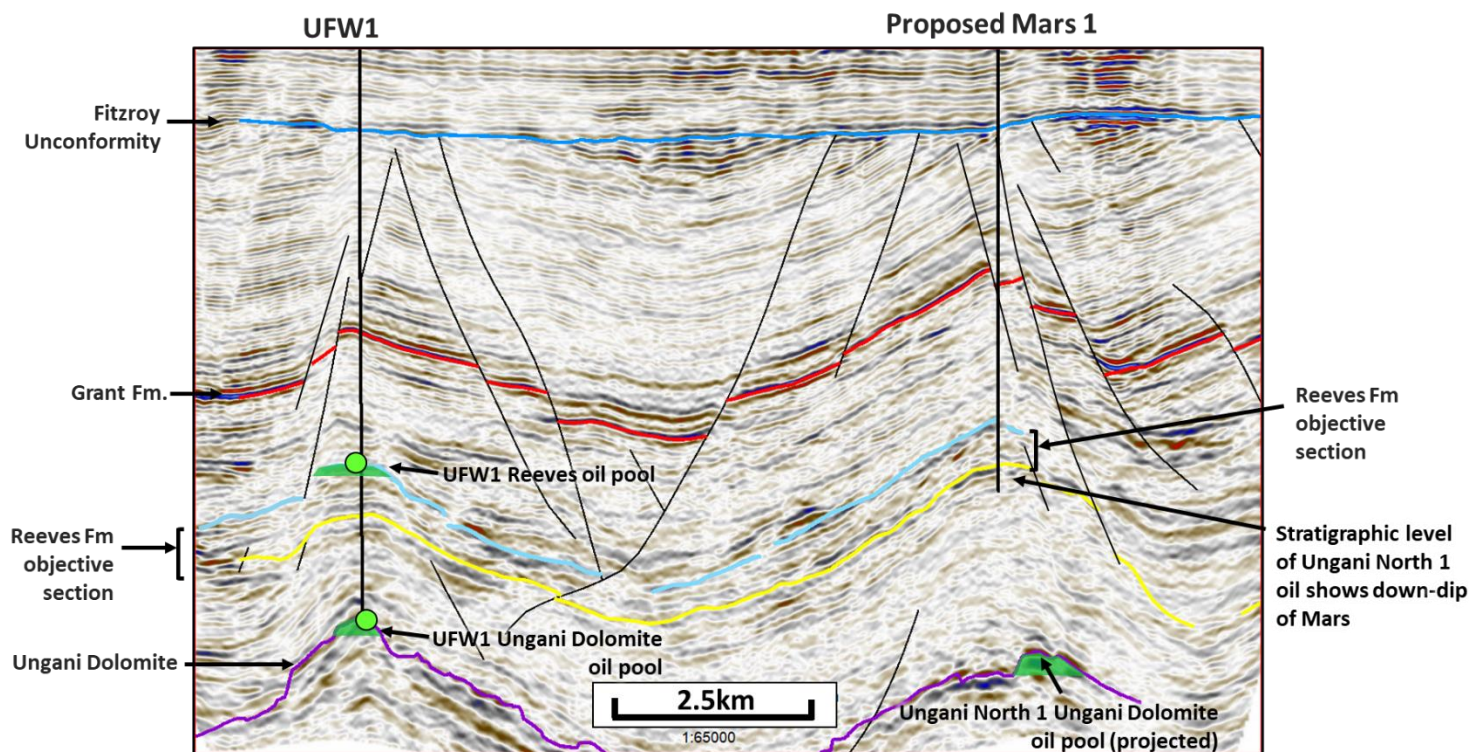
Upon Completion, Buru will be entitled to 30% of the income and be responsible for 30% of all operating and capital costs (development and exploration) in relation to the Ungani Oilfield and prospects within the Production Licences.

E. Other matters

The Transaction does not involve the issue of securities or changes to the Board or management of Buru.

Attachment 2

Details of the Mars Prospect



Section from Ungani Far West 1 (UFW1) to Mars Prospect

Further information in accordance with ASX Listing Rule 5

- The estimated Prospective Resources in this ASX release are as at 17 June 2024.
- The probabilistic method has been used to estimate the Prospective Resources.
- The Mars prospect is a feature that has been sufficiently well defined through analysis of geological and geophysical data, and is a drillable target.
- Further evaluation of this prospect will entail the drilling of the Mars well, currently proposed for the 2024 Canning Basin operating season subject to rig availability and regulatory approvals.
- 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 40%. 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 a 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.