Buru Energy Ltd

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Rafael Development Options

NEED TO KNOW

- Rafael gas engineering concepts are documented for a range of field sizes, with production potentially from mid-2027.
- Non-operated Carnarvon Basin acreage sold for cash to strengthen balance sheet and focus on Rafael.
- Consolidation continues in the W.A gas market highlighting the rising value and scarcity of gas.

The Rafael gas field, in the onshore Canning Basin WA is transformational and on 3 August 2023, Buru unveiled a development strategy that covers the full range of resource estimates. Concepts range from small-scale LNG production for the Kimberly power market, to methanol, ammonia, or LNG production for export. This report tables the revenue opportunities in each of these concepts.

Buru has sold its 20% non-operated interests in Carnarvon Basin acreage to joint venture partner MinRes, for $5M. This augments the balance sheet and frees up Buru to focus on Rafael.

Consolidation continues in the WA gas market with the most recent event being the Strike Energy and Talon Energy merger. Buru's assets are remote from the Perth Basin, but the markets for gas and value-added gas products for export are driving this activity, and underpinning value for gas resources in general.

Investment Thesis

The Rafael conventional condensate-rich, gas discovery justifies a re-rating. The resource has been independently assessed at 260 Bcf (2C) and up to 1Tcf of gas and 20 million barrels of condensate at the 3C level.

The engineering studies position Buru to advance to production rapidly, after the Rafael field size is understood. Identification of target markets and appropriate development are critical, and often time-consuming processes.

Consolidation continues in the WA gas market driven by a combination of themes which are common to Buru. Markets for gas to aid the global "energy transition" are expanding and the value of gas in various forms is rising.

Valuation: Core value A$0.39 (Prev. $0.40)

MST's A$0.39 valuation is a combination of a risked DCF of a Rafael export LNG gas project, and equity market values of peers active in hydrogen exploration, and carbon capture and storage. Major de-risking milestones as Rafael progresses are documented in our Initiation report dated 7 June 2023 and result in an un-risked upside value of $1.62.

Risks

Buru will require additional capital to advance its projects, and this may not be available. Rafael appraisal may result in lower resources, and development options are reliant on WA and export gas markets, which are competitive and where prices are volatile. As a fossil fuel producer Buru faces societal pressure. Plans to exploit Hydrogen and CCS may not be feasible.

Equities Research Australia

Energy

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Buru Energy is an oil producer and explores for oil and gas in WA's Canning Basin and is participating in the new energy economy through initiatives in natural Hydrogen, and carbon, capture and storage.

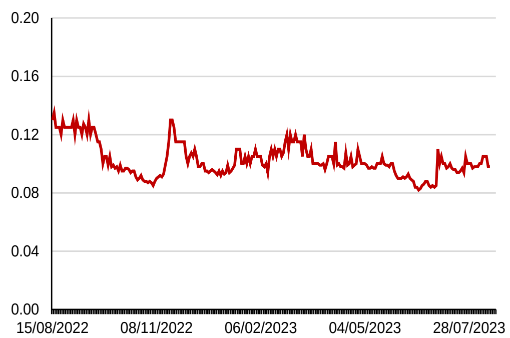
https:www.buruenergy.com.au

Valuation	**A$0.39** *(Previously A $0.40)*
Current price	**A$0.10**
Market cap	**A$60M**
Cash on hand	**A$11M**

Upcoming Catalysts and News flow

Period	
2H CY23	Rafael 3D, commercial studies
CY24	Rafael farm-out and appraisal drilling
CY24	Independent resource estimates

Share Price (A$)

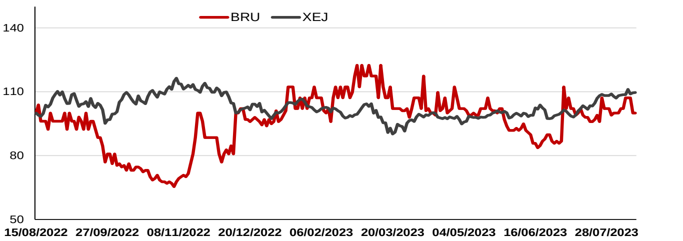


Source: FactSet, MST Access

Figure 1: Financial summary

Market Data	Y/E Dec 31	A$	Lo	Hi
Share price	A$/sh	0.100		
52 week range	A$/sh		0.08	0.21
Shares on issue	M	596		
Perf shrs + Options	M	0.00		
Market Cap	A$M	60		
Net Cash	A$M	11.3		
Enterprise Value	A$M	48		

Chart



Valuation multiples	2021A	2022A	2023	2024	2024
EPS (us cents)	NM	NM	NM	NM	NM
PE	-	-	-	-	-
DPS (US cents)	-	-	-	-	-
Yield-%	-	-	-	-	-
EBITDAX/sh (US cents)	-	-	-	-	-
P/FCF	-	-	-	-	-
EV/EBITDAX	-	-	-	-	-
EV/(2P+2C)- A$/ GJ	-	0.05			
Revenue/MM boe	-	-	-	-	-
EBITDAX/Sales-%	-	-	-	-	-
Net cash (US$M)	23.7	17.9	15.3	7.7	4.6
ND/(ND+E)	-	-	-	-	-
Realised prices	**2021A**	**2022A**	**2023**	**2024**	**2025**
Gas- A$/ GJ	0.00	0.00	0.00	0.00	0.00
Oil-US$/bbl	67.95	0.00	0.00	0.00	0.00
A$/US$ rate metrics	0.73	0.7	0.7	0.7	0.7
Production (Net)	**2021A**	**2022A**	**2023**	**2024**	**2025**
Gas- Bcf	0.00	0.00	0.00	0.00	0.00
Liquids (MMbbl)	0.13	0.10	0.06	0.07	0.06
MMboe	0.1	0.1	0.1	0.1	0.1
% liquids	-	-	-	-	-

Reserves (MM boe)	2P	1C	2C	3C
Gas- PJ	0	380	974	2291
Liquids	0.2	11	30	68
Total Mmboe	0	74	193	450
% oil		14%	16%	15%

SoP Valuation	Unrisked	Risk	Risked	cps
Ungani 2P	1	100%	1	0.00
Rafael -2C gas & Cond.	911	20%	182	0.31
Yulleroo & tight gas	10		10	0.02
GeoVault CCS	11		11	0.02
2H Resources	11		11	0.02
Carnarvon Acreage	5		5	0.01
Other				
Core E&P Assets	**949**		**220**	**0.37**
Cash	11		11	0.02
Debt	0		0	0.00
Other	0		0	0
Total equity value	**961**		**232**	**0.39**
Shares FD	596			596
Value Per share	**1.62**			**0.39**

Income statement	2021A	2022A	2023	2024	2025
Gas Revenue	0.0	0.0	0.0	0.0	0.0
Oil Revenue	9.6	13.9	5.1	7.6	6.4
Total Revenue	9.8	14.1	5.6	7.6	6.4
Production costs	6.5	7.3	5.4	4.8	4.0
Corporate costs	3.3	3.9	3.4	3.4	3.4
Other	-1.5	0.7	0.0	0.0	0.0
EBITDAX	**1.4**	**2.2**	**-3.1**	**-0.6**	**-1.0**
Exploration exp.	9.2	7.0	1.8	2.0	2.0
Depreciation	2.9	2.7	1.5	1.7	1.4
EBIT u/l	-10.8	-7.5	-6.4	-4.3	-4.4
Finance charges	0.0	0.0	0.0	0.0	0.0
Tax	0.0	0.0	0.0	0.0	0.0
NPAT-underlying	**-10.8**	**-7.5**	**-6.4**	**-4.3**	**-4.4**
Impairments	0.0	-25.2	0.0	0.0	0.0
Reported NPAT	-10.8	-32.8	-6.4	-4.3	-4.4
Share cout at EOP (M)	538	596	596	746	746
Cash flow	**2021A**	**2022A**	**2023**	**2024**	**2025**
Receipts	9.6	13.9	5.1	7.6	6.4
Payments	-8.7	-10.2	-8.8	-8.2	-7.4
Payments for E&A	-7.0	-8.5	0.0	0.0	0.0
Interest & other	0.2	-1.1	-2.2	-5.3	-4.9
Net cash from ops.	-5.9	-5.9	-5.9	-5.9	-5.9
Exp & Devb capex	-5.8	-9.0	-4.2	-22.0	-2.2
Acquistions / other	0.0	0.0	5.0	0.0	0.0
Net investing	-5.8	-9.0	0.8	-22.0	-2.2
Equity issuance	15.0	9.1	0.0	15.0	0.0
Debt Issue /(repay)	0.0	0.0	0.0	0.0	0.0
Lease Pmnts	-1.2	-1.3	0.0	0.0	0.0
Net cash Finaning	13.8	7.8	0.0	15.0	0.0
Increase in cash	2.3	-5.8	-2.6	-7.6	-3.2
Cash at EOP	23.7	17.9	15.3	7.7	4.6
Balance sheet	**2021A**	**2022A**	**2023**	**2024**	**2025**
Cash	23.7	17.9	15.3	7.7	4.6
Rcvbls / Inventory	3.0	2.2	2.5	2.5	2.5
Exploration /Eval	9.5	10.2	11.1	29.4	28.2
Oil/gas properties	22.0	0.0	0.0	0.0	0.0
other	3.3	3.8	3.8	3.8	3.8
Total Assets	**61.6**	**34.1**	**32.8**	**43.4**	**39.0**
Payables	9.0	2.0	1.9	1.7	1.5
Debt	0.0	0.0	0.0	0.0	0.0
Other	9.1	12.3	12.7	12.5	12.3
Total liabilities	18.1	14.4	14.7	14.3	13.9
Total equity	43.5	19.8	18.1	29.2	25.2

Source: MST Access

Activity update: Plenty happening.

On 3 August 2023, Buru announced the Rafael resource development strategy. This describes a series of concepts which are phased and structured around the size of the Rafael field, and which has yet to be determined. Although conceptual at this time, having the engineering strategy mapped out in advance shortens the time to future production. We consider the revenue opportunities in this report, as a precursor to more detailed valuation work once development costs and operating costs are determined.

Buru has divested its Carnarvon Basin permits interests to JV partner MinRes for $5M cash. These permits are to be drilled in 2024 and divestment eliminates exposure to the upside or down-side, but given Buru's working interest was 20%, any outcome was not going to impact Buru to the same extent as Rafael.

In WA's Perth basin, the merger between Strike Energy and Talon continues a consolidation theme which puts a material dollar value on gas reserves and resources in the gas-short southern WA. Buru's Canning Basin assets are physically distant, but there is a common theme. Most obviously, industry participants are finding value in equities that investors are missing. Decades of low gas prices have likely conditioned investor perceptions. The looming shortages for domestic gas are well documented, but now add to this, the growing market for value-added gas as an "energy transition" fuel in the form of LNG, ammonia, methanal, and hydrogen. These are value-added gas products which are traded globally and offer higher prices than those paid by captive local buyers.

Rafael Development concepts

We re-iterate our key investment case here.

Buru's industry leading understanding and decades of experience in WA's Canning Basin culminated in a major discovery at the Rafael conventional gas and condensate discovery in 2021. This potentially ~1 Tcf gas field, if successfully progressed to commercial production will materially re-rate Buru. Proving up Rafael reserves and pursuing commercial development are key strategic objectives. The next step is 3D-seismic surveying with commencement imminent, partly funded by Origin Energy. Initial interpretation of results is anticipated in Q4 2023, to inform sub-surface structure and drilling locations for 2024 appraisal drilling.

Our un-risked value for Buru in the Raphael success case is $1.62, set out in our valuation section. To this, we apply risk factors to reflect the early stages of Rafael.

On 3 August Buru announced the Rafael development strategy, which in broad terms, is a range of different development concepts sized to the field. The concept studies are a collaborative effort between Buru and engineering specialists Petrofrac Ltd, Transborders Energy and Technip Energies

We summarise these concepts and the revenue opportunities in this report.

Rafael Development concept study outcomes

Buru outlines four development scenarios, depending on the size of the resource, which Buru indicates have passed technical, commercial and economic feasibility hurdles. These are as follows:

- Phase 1: If the field is <59 Bcf (which is the current 1C figure), the concept is for a small scale, containerised LNG plant, to produce LNG for trucking to regional power plants and industrial gas customers in the Kimberly region.
- Phases 2 and 2a, are in addition to phase 1, and require resource thresholds of between 400Bcf and up to 800Bcf. These are larger than the current 2C resource, which is currently ~260 Bcf, but lower than the 3C estimate which is > 1 Tcf. Phase 2 postulates methanol production for the global market. Phase 2b postulates production of Ammonia as the primary export revenue stream.
- Phase 2b is in addition to phase 1,and requires a field resource threshold of > 1 Tcf of gas. In this scenario, Buru would be able to achieve the greatest value per molecule of gas, by producing LNG for the export market. This concept proposes a floating LNG plant located offshore of Derby, with a 1.6 MTPA capacity

Phase 2 & 2a and 2b, are effectively value-added gas processing solutions to Rafael's remote location. Opening up export channels for liquids and gas derivatives frees Buru from the constraints imposed by local markets. In all these scenarios, storage and export infrastructure would need to be installed at Broome, which is approximately 3-4 hours by road from the field. All scenarios produce significant volumes of condensate, which Buru proposes trucking, storing and exporting from Broome.

Phase 1: Mini LNG for the Kimberly power market

Phase 1 is feasible for gas volumes of less than 59 Bcf, which is the 1C resource estimate.

This concept is for a small scale LNG plant on-site. Small modular LNG plants are common in remote locations where pipeline gas networks are not available or impractical. In Buru's case, a <60 Bcf resource would be too small to support investment in long-distance pipelines to access southern markets, or export facilities at Karratha. Phase 1 proposes feed-stock gas from just one or two wells to be liquified on site and trucked to end-users in the Kimberly region of WA. There is a precedent project. EDL Energy operates a 200 tpd plant at Karratha, with LNG trucked to mine sites and regional power plants.

Phase 1 envisages utilising 2 wells flowing at 8-16 MMcfd, to yield 50,000-100,000 tonne per annum (TPA) of LNG. Associated condensate would be trucked to Broome for export. At current LNG export prices this is a ~US$39M p.a revenue opportunity however because the market is local power generators, export pricing is not relevant. Relevance for end-users is the price of alternative fuels, predominantly diesel, which is more expensive and comes with higher greenhouse gas emissions than gas.

Phase 2 & 2a: Methanol or ammonia for export

Buru indicates that these phases require 400-800 Bcf of gas. This resource range is higher than the current 2C estimate of 260 Bcf so appraisal success in 2024 is required to confirm a field capable of supplying this volume. These developments are in conjunction with phase 1. Phase 2 and 2a aims to produce either methanol or ammonia for the global market. In general, these are very large markets and can absorb products from a scaled-up project, but pricing is opaque. There are markers and price series from intermediaries, but observable prices vary widely depending on destination, are very volatile and correlate to natural gas prices. In general pricing is lower than LNG with the offset being that LNG production is typically more complex and capital intensive.

Phase 2 envisages production of methanol for the export market, from a plant sized between 0.5 MTPT to 1 MTPA. Methanol is globally traded and globally priced, and depending on destination, realises US$300-500/T, according to global leader Methanex Corporation (TSX:MX).

Phase 2a contemplates a 0.5-1MTPA Ammonia plant for export, instead of Methanol. Ammonia export price data we have sighted is for ~$340/t in the Far East Asia market, according to Platts

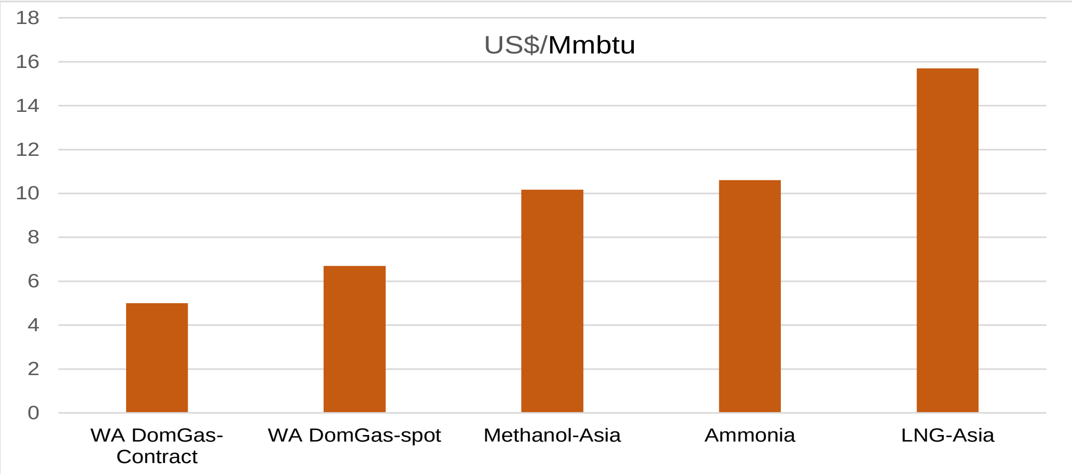
According to Buru, both of these concepts would require field gas flow rates between 55-110 MMcfd. In terms of annual production volumes these equate to 20-40 Bcf ex-field. Hence a 20-year project would require 400-800 Bcf of gas to support the low and high side field rates.

Phase 2b: LNG export

Rafael 3C contingent of 1024 Bcf is large enough to underpin LNG production for the export markets

On 18 April 2023, Buru announced the result of a pre-feasibility study, conducted in conjunction with Transborders Energy and Technip Energies, for a compact, 1.6MTPA floating LNG facility. Collaboration partners include Kyushu Electric Power, Mitsui O.S.K Lines, Technip, SBM Offshore, and Add Energy (part of ABL Group ASA). The concept is to mount a modular LNG plant on an offshore facility in King Sound, offshore from Derby, and with gas pre-treatment, LPG and condensate processing taking place onshore. As with the other phases, condensate would be exported from Broome. At current North-Western Australia export LNG prices, a plant of this size could provide a revenue stream >US$1B p.a.

Figure 2: Indiciative value of gas and gas-related products



Source: MST Access.

Facilitation of exports

On 17 August 2023, Buru announced that the Western Australian Government had updated its Domestic Gas Policy, which essentially facilitates the export of gas from the Canning Basin, with 15% of the export volume to be reserved for the domestic market.

This is consistent with the gas reservation policy applicable to LNG exporters elsewhere in WA. From a practical perspective, this doesn't constrain Buru's development options, with Phase 1 and subsequent phases producing ~60 Bcf of gas for the domestic market as a starting point.

Revenue opportunity: A wide range, but potentially huge

Figure 3 shows indicative revenue opportunity for each of the proposed development concepts. These are based on current prices for each of these products, but prices are volatile, and vary widely depending on destination.

Our intention at this time is to put some context of revenue from development options for the methanol and ammonia production scenarios. Our previous research on the value for an LNG export project stands, as the highest potential revenue stream but requires high-side drilling outcomes. The methanol and ammonia concepts will accrue in importance if Rafael appraisal drilling points to a resource in the 400Bcf-800Bcf range.

Key pricing assumptions are:

- Spot LNG price of US$12.5/MMBtu is the current price. The high case is US$15.7/MMBtu which is the current CY forward price for JKM LNG according to Platts.
- The methanol price references postings by global producer Methanex, for delivery in the Far East and North Asia market. Prices for delivery to Europe are > $500/T.
- The Ammonia price is a spot price for delivery to North Asia, sourced from Platts, however prices in North America during 2022 rose to over US$1000/T.

Figure 3: Value of product stream for various phases

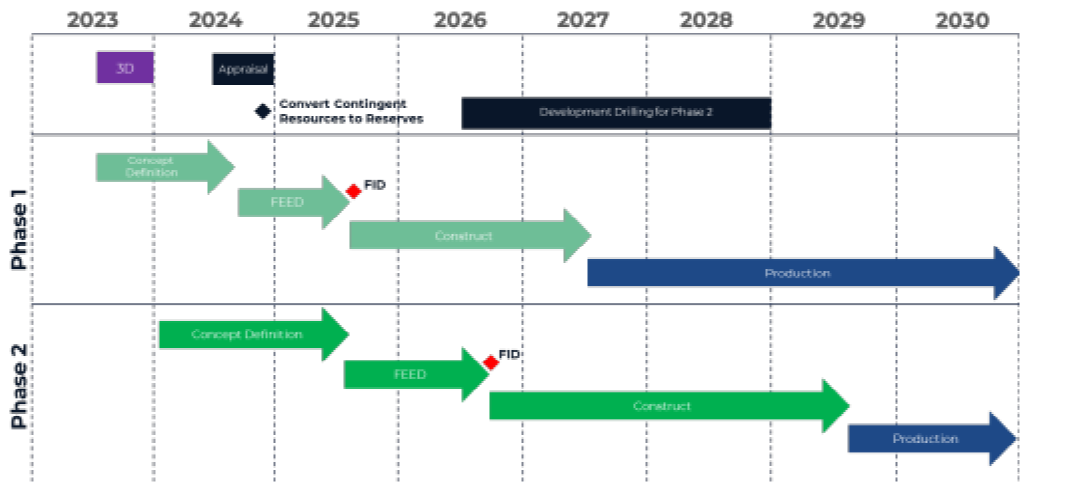
	Unit	Phase 1-Lo	Phase 1-Hi	Phase 2-Lo	Phase 2-Hi	Phase 2a-Lo	Phase 2a-Hi	Phase 2b-Lo	Phase 2b-Hi
Key market		Kimberly-Power		Methanol		Ammonia		LNG-Export	
Reserouce size	Bcf	<59	<59	400	800	400	800	>1000	>1000
Project life	Years	20	10	20	20	20	20	20	20
Gas rate	MMcfd	8	16	55	110	55	110	280	280
Gas Prod p.a.	Bcf	2.92	5.84	20.08	40.15	20.08	40.15	102.20	102.2
No. wells		1	2	5	10	5	10	12	12
Product streams									
LNG	MTPA	0.05	0.1	0.03	0.03	0.03	0.03	1.6	1.6
Condensate	MMbbls p.a	0.08	0.16	0.80	1.61	0.80	1.61	1.86	1.86
Methanol	MTPA			0.5	1				
Ammonia	MTPA					0.5	1		
Unit price LNG	US$/MMbtu	12.5	15.7	12.5	15.7	12.5	15.7	12.5	15.7
Unit price-Cond	US$/bbl	82	82	82	82	82	82	82	82
Unit Price- Methanol	US$/tonne			305	305				
Unit price- Ammonia	US$/tonne					340	340		
Revenue- LNG	US$M	32	81	19	24	19	24	1034	1299
Revenue-Condensate	US$M	7	13	66	132	66	132	153	153
Revenue-Methanol	US$M			153	305				
Revenue- Ammonia	US$M					170	340		
Total Rev. opportun	**US$M**	**39**	**95**	**238**	**461**	**255**	**496**	**1187**	**1451**

Source: MST Access.

Timelines through development to production.

We re-produce in Figure 4 Buru's indicative timing around the various projects. Phasing allows Buru to scale development in sync with the product market, financing and engineering. In general, the larger and more complex the project, the longer it will take. We consider a small-scale LNG plant for local markets is realistic from mid-2027. The Phase 2 proposals are more complex and are late decade projects.

Figure 4: Project timeline



Source: Buru Energy ASX release August 3, 2023.

Rafael background recap

Rafael#1 commenced drilling in August 2021 and reached a total depth In November 2021 of 4141m and intersected 120m of gross reservoir pay which was identified as gas bearing. Figure 6 shows a cross section of the reservoir sequence and relation to resource definition.

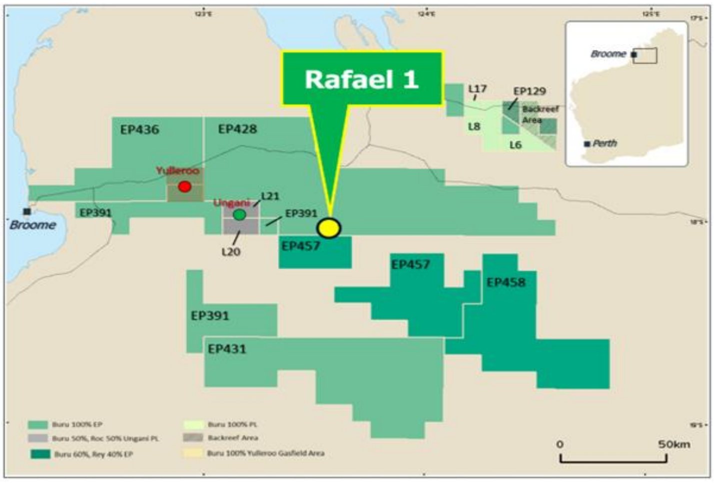
Production tests were carried out in the following months. Testing over an extended period in 1Q CY2022 delivered gas flow rates of 7.6 mmcfd accompanied by condensate of approximately 40 bbls/mmcf. The gas quality is good with CO2 content measured in test gas at <2% CO2.

These results point to a substantial resource and has been independently assessed by ERCE as follows:

- 1C: 59 Bcf and 1.2 mmbbls of oil and condensate base on the gas seen in the well.
- 2C: 260 Bcf and 5.3 mmbbls of oil & condensate, a probabilistic assessment.

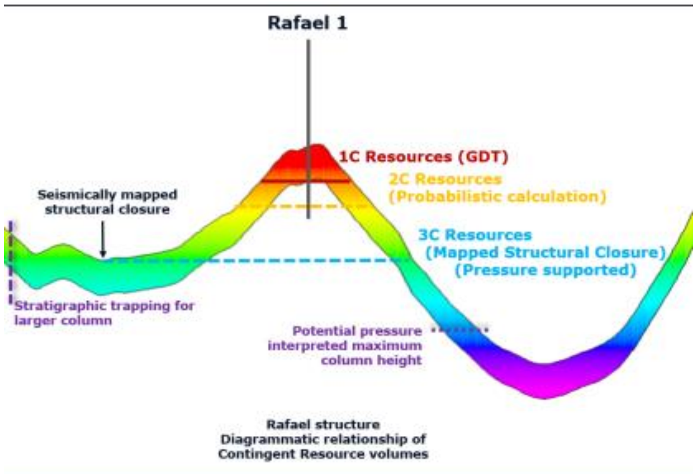
3C: 1024 Bcf and 20.5 mmbbls of oil and condensate, based on inferred gas in the structural closure, and backed by pressure data.

Figure 5: Rafael permit location, Canning Basin



Source: Buru Energy

Figure 6: Rafael structural schematic cross section



Source: Buru Energy

Valuation A$0.39 (previously A$0.40)

MST's valuation is a sum-of-parts capturing (1) risked value for a future Rafael gas project (2) value for new ventures based on market peers (3) cash at 30 June, 2023 of $11.3M and proceeds from sale of Carnarvon Basin acreage for $5M. Refer to Figure 7.

Figure 7: Sum-of-part valuation

Asset Value (A$M)		Method	Unrisked	A$M	CPS	Risk	A$M	CPS
Core E&P assets			Unrisked NAV			Risekd NAV		
Ungani 2P		DCF of oil to 2026	100%	1.1	0.00	100%	1.1	0.00
Rafael -2C gas & Cond.		DCF to 2040	100%	911	1.53	20%	182	0.31
Expln- Carnarvon		Sold		5	0.01		5	0.01
Net Cash		June 30, 2023		11	0.02		11	0.02
Core E&P Value				929	1.56		200	0.34
New Vetnures & Other								
Yulleroo tight gas		Option value		10	0.02		10	0.02
GeoVault CCS		Market Value, PGY peer		11	0.02		11	0.02
2H Resources H / He		Market value, GHY peer		11	0.02		11	0.02
Total new Ventures				32	0.05		32	0.05
Total equity value				961	1.61		232	0.39
Shares on issue				596			596	
Value Per share					1.62			0.39

Source: MST Access.

Methodology

- We value the existing Ungani oil field at the DCF of our forecast oil production to anticipated end-of-field life in ~2026.
- We asses value for Rafael based on a conceptual small-scale FLNG project. Our risked valuation assumes a 20% risk factor to account for uncertainty. Over time as the project progresses and is de-risked, our inputs and risk factors are likely to change.
- Canning Basin tight gas (Yulleroo). This significant 2C contingent resource is potentially valuable if technologies, capital costs and gas markets align to enable an unlocking of value but until these elements are determined, we assign a modest but positive value.
- CCS and Hydrogen business units are assigned value which is consistent with a small group of ASX-listed pure play companies.

Rafael risked DCF

We have constructed discounted cashflow models for a conceptual Rafael field development delivering gas to and exporting from a 1.6 MTPA-nameplate small-scale FLNG plant, in line with Buru's guidance. Key variables determining this projects' value are to be determined and at this time, there is commercial and technical uncertainty therefore we risk our DCF value at 20%

Key assumptions are:

- Nameplate 1.6 MTPA operating at 90% capacity for 15 years from 2028, as a base case, with size and project life to be determined after quantification of the field's ultimate economic recovery.
- Export LNG prices a key variable, with inputs from US$6/MMBtu to US$16/MMBtu. We adopt US$12/MMBtu as a base case.
- Condensate price of US$80/bbl in real terms.
- Gross capex of US$1.6 B, or ~US$1000/T of installed capacity.
- Operating costs including royalties and taxes of US$3.0/MMBtu
- US$ cashflows discounted at a real pre-tax WACC of 11% and converted to AUD at a rate of 67c.

The gross un-risked project NPV calculates to be A$1.822 billion, on a 100% basis. However, we make two critical adjustments.

The first is to risk the cashflow at 20%. Reserves, project configuration, capital and operating costs, timing and method of funding are to be determined. As these elements are informed, risks would dissipate, and value will accrue.

The second relates to finance. The gross project value is theoretically independent of how it is financed, but in reality, Buru would need a combination of debt, equity issuance and asset sell down to bring in capital and development expertise. In our analysis, we assume that Buru's working interest is reduced to 50% in order to facilitate the project.

Reserves are a key variable and need to be established. The 2C resource is a probabilistic measure and does not reflect the reservoir column encountered but not tested, but appraisal success in 2024 is required to firm up and potentially increase this figure.

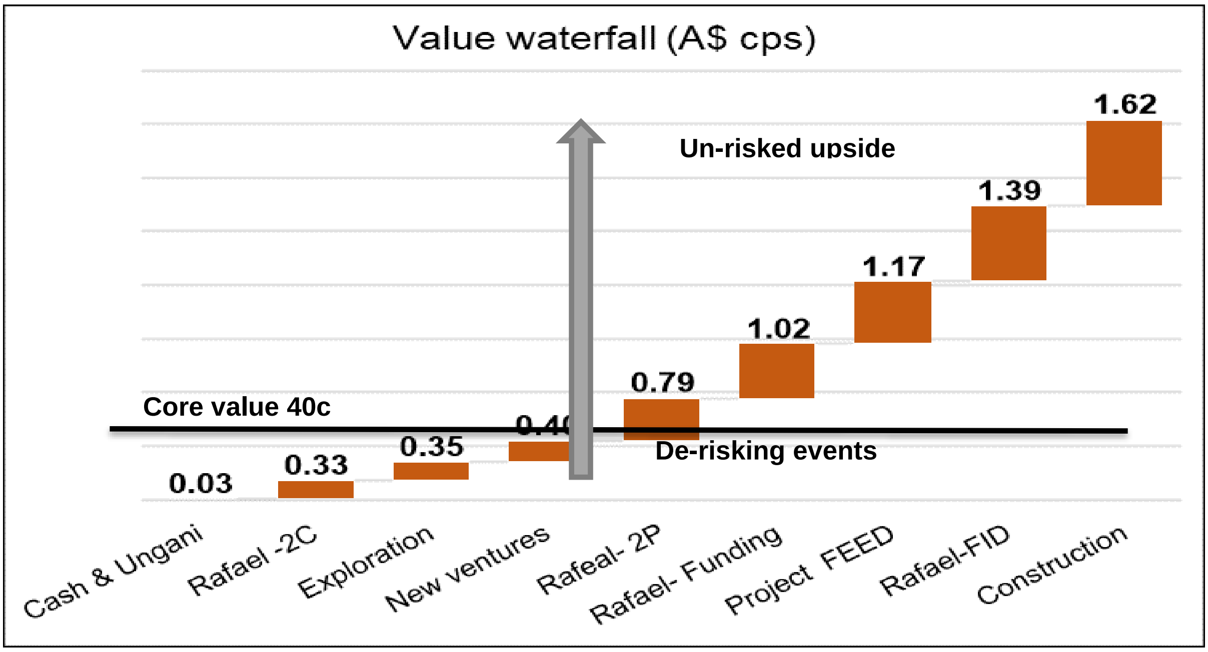
Upside from Rafael progress and de-risking

Our core $0.39 valuation assumes a 20% risk factor for a Rafael project given its present pre-development status. The fully de-risked upside is $1.62 but to achieve that, Buru needs to meet a number of engineering and commercial milestones. The outcomes Buru needs to deliver, and value uplift are:

- Reserves and resource resolution. We risk this at 25% in our "waterfall". At this time, there are contingent resources from a single well. Additional drilling is required to de-risk the resource and firm up marketable proven reserves.
- Engineering is risked 25%. Progression through all that is required to scope a project is to be resolved, including progress through pre-feasibility studies and FEED.
- Post FEED activities and commercial outcomes to sell the gas and attract development capital are risked at 15%.
- At the point of FID (Final investment decision), when the Board and all stakeholders commit to a project, our risk factor is up to 85%. The remaining 15% post FID is 15% for construction risk and potential for over-runs and delays.

Figure 8 illustrates the accretion in value when critical activities are realised over time.

Figure 8: Value water fall chart from core value to un-risked upside (A$/sh)



Source: MST Access.

Risk Factors

- Access to funds is a risk. Buru will require additional capital for Rafael appraisal and future development. Cash-flow from operations is likely to be immaterial so Buru will be reliant on external sources for funds, and / or industry partners.
- Appraisal drilling of Rafael may result in low size outcomes which would negatively impact development options and value.
- Commercial development of Rafael would require market opportunities to sell gas, and related products, and prices are volatile and to be determined.

- Buru is a predominantly a fossil fuel company, and in general faces increasing pressure from sections of society and Government. Social or Government opposition may delay or defer development.
- There is regulatory risk, evidenced in the Federal Government intervention in December 2022, and the newly introduced “industry code of conduct”.
- Legislation governing future CO2 capture and storage in WA is formative. Legislative delays or impositions may impact the timing and likelihood of Burus’ carbon capture opportunity.

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