

Buru Energy Launches Rights Issue to Fund Rafael Appraisal Program

Buru Energy Limited (**Buru** or the **Company**) is pleased to announce a 1 for 6 non-renounceable entitlement offer (**Rights Issue**) to raise up to approximately \$14.4 million (before costs) in additional capital.

Funds raised will be used for a multi-phase appraisal program for the Rafael gas condensate discovery and support of commercialisation feasibility studies and activity on other Buru assets.

Overview

- 1 for 6 non-renounceable entitlement offer to raise approximately \$14.4 million
- New Shares to be issued at \$0.16 per share, a ~23.8% discount to the closing price of Buru shares on the ASX on 29 April 2022 (the last trading day of Buru shares before this announcement).
- Funds to support appraisal program and commercialisation studies of Rafael gas condensate discovery.
- Pro-rata issue to existing shareholders with opportunity to apply for unaccepted shares under a priority shortfall offer.

Rafael Appraisal Program

The Rafael 1 gas condensate discovery well was drilled in late 2021 and flow tested in March 2022. An independent resource estimation was completed in late April 2022 by ERCE Australia Pty Ltd. This review confirmed the Company's view that the Rafael structure has the potential to contain a regionally significant gas and condensate accumulation, and shareholders should refer to the 26 April 2022 ASX release for further details.

Given the potential of the discovery, a structured appraisal program aimed at quantifying and then commercialising the resource is being planned.

The planned 2022 program will include:

- The recompletion of the Rafael 1 well and testing of additional gas bearing zones
- The acquisition of a 3D seismic survey to help site the future appraisal wells
- Commercialisation and field development studies

This program will be followed by an appraisal drilling program in 2023.

The funds raised from the Rights Issue will also be applied towards costs of appraisal well planning and long lead items.

The timing of the seismic survey, the Rafael 1 well recompletion and testing program and the subsequent appraisal drilling program are subject to regulatory and joint venture approvals as well as third party contractor availability including seismic crew and drilling rigs. However, it is the Company's intention that these appraisal activities are undertaken successively during the 2022 and 2023 Canning Basin field seasons.

Other activity

The Rights Issue will also help fund other Canning and Carnarvon Basin exploration activities including prospect generation for future drilling programs.

The additional funding will also assist in progressing the Buru Group's multi-faceted energy transition initiatives that include a drilling campaign for battery minerals planned in Q3/2022, 2H Resources potential natural hydrogen field exploration activities and Geovault's CCS activity.

Buru Executive Chairman, Eric Streitberg, said:

"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. 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.

Having reviewed various funding options available to the Company, the Board considers an attractively priced rights issue is the fairest way to allow all shareholders to participate in this exciting forward program.

In addition to the Rafael program we also have drilling activity this year on our Battmin leases for significant lead/zinc targets, and an offer of a substantial grant from the Federal Government to add impetus to our Geovault CCS program. We are also planning initial field trials for our natural hydrogen exploration program.

Shareholders are encouraged to review the Company's recently released corporate presentation and ASX release of 26 April that contains further details of our forward strategy for the appraisal and the commercialisation options for Rafael as well as our other activities.

We have an exciting period ahead and this rights issue will support our ability to carry out our programs in timeframes that add the most value for shareholders."

Rights Issue Details

Buru shareholders are being offered the opportunity to acquire fully paid ordinary shares in the capital of the Company (**New Shares**) via a non-renounceable entitlement issue. The Rights Issue is on the basis of one (1) New Share for every six (6) shares held by eligible shareholders registered at 5.00pm (Perth time) on 9 May 2022 (**Record Date**), at an issue price of \$0.16 per New Share (**Offer Price**) to raise up to approximately \$14.4 million before costs (**Offer**).

The Offer Price represents a ~23.8% discount to the \$0.21 closing price of Buru shares on the ASX on 29 April 2022 (the last trading day of Buru shares before this announcement) and a ~23.8% discount to the Company's 10-day VWAP of ~\$0.21 (as determined on the 10 trading days prior to the date of this announcement).

Eligible Buru shareholders will comprise those shareholders with a registered address in Australia, New Zealand, Hong Kong, Singapore or the United Kingdom.

Eligible Buru shareholders will also be given first opportunity to apply for additional shortfall shares beyond their 1 for 6 entitlements. In the event that demand for the additional

shortfall shares exceeds the number of shortfall shares that are available (if any), then there will be a scale back on a pro rata basis in accordance with their entitlement.

The directors of the Company have reserved the right, subject to the requirements of the ASX Listing Rules and the Corporations Act 2001 (Cth), to place any shortfall shares in accordance with the allocation policy set out in section 2.6 of the prospectus within 3 months of close of the Offer. The Offer is not underwritten.

Further details of the Offer, including how to apply for entitlement and shortfall shares, are set out in a prospectus being lodged today with the ASIC and ASX (**Prospectus**) and which will be made available to all eligible shareholders in accordance with the indicative timetable set out below.

Assuming all entitlements are accepted, or if all shortfall shares are placed, following completion of both the Offer and the shortfall share placement, the Company will have issued approximately 89.7 million New Shares, resulting in a total of approximately 628 million fully paid ordinary shares on issue.

Indicative Timetable

The proposed timetable for the Offer is set out below. The dates are indicative only and the Company reserves the right to vary the dates including the right to extend the closing date.

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| Lodgement of Prospectus with ASIC | 3 May 2022 |
| Lodgement of Prospectus & Appendix 3B with ASX | |
| Existing Shares quoted on an "ex" basis | 6 May 2022 |
| Record Date for determining Entitlements | 9 May 2022 |
| Prospectus despatched to Eligible Shareholders and Offer opening date | 12 May 2022 |
| Last day to give notice to extend the Closing Date | 26 May 2022 |
| Closing Date | 31 May 2022 |
| New Shares quoted on a deferred settlement basis | 1 June 2022 |
| Company to notify ASX of under subscriptions (if any) | 3 June 2022 |
| Issue date and lodgement of Appendix 2A with ASX applying for quotation of the New Shares. Deferred settlement trading ends. | 7 June 2022 |
| Quotation of New Shares commences | 8 June 2022 |

This announcement is intended to lift the trading halt currently in place.

Authorisation

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

Enquiries

The Prospectus and associated ASX releases will be made available shortly on the Company's website at www.buruenergy.com and on ASX.

Copies of the Prospectus and entitlement forms will be sent to all eligible shareholders (by mail or email in accordance with their respective communication elections) and will also be accessible to download on the Buru website at www.buruenergy.com as from the Offer opening date.

For enquiries in regard to individual shareholdings please contact Link Market Services on 1800 810 859 (within Australia) or +61 1800 810 859 (outside Australia).

For all other enquiries, visit www.buruenergy.com or contact:

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