

Focus on oil as Buru waits on fracking

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The future of the Kimberley's Canning Basin could become clearer this year after Buru Energy's busy dry season of conventional exploration and the release of the State Government's fracking regulations.

Buru executive chairman Eric Streitberg said yesterday the next six months would be the most exciting of his decade with the company.

Buru is now drilling the first of two wells to boost oil production at its Ungani field, and it will then drill an exploration well at nearby Yakka Munga.

Speaking after the company's annual general meeting, Mr Streitberg said news from the three wells, which are 50 per cent owned by Roc Oil, should start flowing from July.

Buru will then test a conventional gas prospect at Yulleroo by perforating an existing well drilled when Buru was "chasing the big prize" of a deeper and larger unconventional prospect.

Mr Streitberg said the deeper gas that had been Buru's focus had been technically difficult and controversial because it required fracking.

"We had to work hard to get our social licence back, and that's taken us a couple of years," he said.

He said if sufficient gas flowed it could supply the Broome power station 70km away that trucks LNG in from Karratha or



Buru Energy director Robert Willes and chairman Eric Streitberg walk past anti-fracking protesters.

Sheffield Resources' proposed Thunderbird mineral sands project 30km away that plans to do the same.

Buru will wait until the State Government releases regulations to implement its December lifting of the fracking moratorium before deciding its plans for the deeper Yulleroo gas.

Buru plans one oil exploration well for a prospect closer to Derby, and there may be two more if partners agree.

Mr Streitberg said its rig might also drill for ASX-listed Doriemus' Butler conventional gas prospect near Derby that

extends into a Buru permit. He said Buru planned this year's work after a revaluation of the Canning Basin.

"This has been a long time coming, a very important program for the basin and for us," he said.

Buru became an oil-focused company two years ago after it split assets with its then joint venture partner Mitsubishi that retained a large gas permit south-east of Derby.

Mr Streitberg said Mitsubishi was not doing any work on their wholly owned permit while they looked for another investor.

A Government spokeswoman said work on new hydraulic fracturing regulations continued.

It is understood that the work, including community consultation on the boundary of the Dampier Peninsula where fracking will be prohibited, is expected to be implemented by the end of the year.

Greens Senator Jordon Steele-John, who joined a protest outside Buru's AGM, said the community did not want fracking.

"The only folks that want fracking are corporations like Buru and their corporate mates in Parliament," he said.