

Operations Update

- *Successful crude oil lifting of ~73,000 bbls on 16 November 2022, contributing approximately A\$3.8 million (net) to Buru (subject to realised average Dated Brent price for November 2022)*
- *Canning Basin 2023 JV budgets for permit evaluation and maintenance approved with contingent approval for field operations. Origin Energy exit process from its Canning Basin interests being closely monitored with ongoing discussions*
- *2H Resources (natural hydrogen) business analog provides validation of potential substantial value*
- *Geovault (carbon capture and storage) joint venture with EnRes proceeding and technical studies on other Buru acreage underway*
- *Battmin (battery minerals - zinc and lead) exploration assay results imminent*

Buru Energy (Buru - ASX: BRU) is pleased to provide an update on the key developments across its core oil and gas activities and its new energy businesses.

Ungani Oil Production and Sales

There was one oil lifting from Wyndham Port by the crude tanker Grand Ace10 which was completed on 16 November 2022 for a total of ~73,000 bbls. Buru's 50% revenue share from the lifting is estimated at ~A\$3.8 million, subject to the realised average Dated Brent price for November 2022. This is the third, and final oil-lifting for CY2022 from the Ungani oilfield, for a total exported volume for 2022 of ~220,000 bbls to the Southeast Asian market. The next lifting from the Wyndham Port is expected to be in April 2023.

Technical and commercial work on the Ungani Oilfield is continuing to investigate oil production optimisation options, including the potential to drill additional wells during the 2023 Canning Basin field operational season. Any additional wells are subject to this analysis, rig availability and relevant joint venture and regulatory approvals.

Canning Basin Joint Venture

Buru, as operator of a portfolio of seven exploration permits and five production licences in the Canning Basin, with working interests ranging from 40% to 100%, has secured joint venture approvals for a 2023 Work Program and Budget which includes Buru internal personnel and operating costs to ensure permits are subject to continuing evaluation and maintenance.

The budget approvals include Origin Energy's (Origin) approval for all non-field related activities for the Rafael development and Origin's contingent approval for field activities.

Securing budget approvals for the non-field related activities ensures that Buru's operating capability is maintained to progress geological and geophysical analysis, planning, and commercialisation activities for the Rafael conventional gas and condensate discovery.

Origin's budget approval for the previously planned additional flow testing of the Rafael 1 discovery and the 3D seismic acquisition over the Rafael structure is contingent on a further Joint Venture Operating Committee approval by them.

These approvals were obtained against a backdrop of Origin's initial announcement on 19 September 2022 that it intends to divest its upstream exploration interests, including its joint venture interests with Buru in the Canning Basin, followed by its announcement on 10 November 2022 that it has received an indicative, conditional, and non-binding takeover offer of Origin by Brookfield Asset Management Inc. (Brookfield) and MidOcean Energy (MidOcean).

Buru is in dialogue with Origin to understand the implications of their potential corporate acquisition by Brookfield and MidOcean on their stated intention to exit their joint venture interests with Buru in the Canning Basin, whilst protecting Buru's rights under the respective governing Joint Operating Agreements and Farmin Agreement.

Buru will provide updates as they are available and is aggressively pursuing all avenues to ensure a return to field operations in the 2023 Northern Australian operating season.

Rafael gas and condensate commercialisation

In addition to the various other commercialisation options being explored for Rafael gas, Buru advised on 16 November 2022 that it had executed an agreement with Transborders Energy (Transborders) to conduct a prefeasibility study for a Kimberley based compact marinised LNG plant solution. Buru and Transborders and its associates will work collaboratively on the study, the results of which are expected to be available by the end of Q1 CY2023.

This is a strategic agreement that will provide commercialisation optionality for the Rafael gas and condensate resource. Transborders has access to development and sales expertise via Kyushu Electric Power Co, Mitsui O.S.K. Lines, Technip Energies, SBM Offshore and Add Energy as part of an established collaboration agreement to support resource owners to fast track the monetisation of their discovered resources.

Geovault (Carbon Capture and Storage)

Geovault, a wholly owned subsidiary of Buru was a previously successful applicant for a \$7 million grant to support a feasibility study of greenhouse gas sequestration in the onshore Carnarvon Basin focused on exploration permit EP 510. However, as advised on 27 October 2022, the Commonwealth Government confirmed the cancellation of its entire Carbon Capture, Use and Storage Hubs and Technologies Program and associated funding including the grant to Buru.

Despite the cancellation of the grant, this work is continuing under an established Carbon Capture and Storage (CCS) joint venture with Energy Resources Limited.

Geovault is also progressing the technical evaluation of the CCS prospectivity of the Canning Basin, where it has ~22,000 sq kms of contiguous petroleum permits backed up by significant geological knowledge and technical expertise.

Buru has since been advised by the Commonwealth Government that a revised round of grants will be made available in 2023 under a new Carbon Capture Technologies program. Geovault will be pursuing this program to support the development of its Intellectual Property, business model and business development activities to support third party industry CO₂ emitters to meet their own emissions reduction targets under a commercial construct with Geovault.

2H Resources (Natural Hydrogen)

2H Resources, a wholly owned subsidiary of Buru Energy, is pursuing naturally occurring hydrogen (White or Gold hydrogen) as a potential low/no emissions way forward to help decarbonise Australia's energy, transport, and industrial sectors. Australia is considered one of the most prospective locations for geologic hydrogen due to its favourable geology and presence of potentially suitable hydrogen traps.

On 11 February 2021, the South Australian Petroleum and Geothermal Energy Regulations were amended to declare hydrogen, hydrogen compounds and by-products from hydrogen production as regulated substances under the Petroleum and Geothermal Energy Act 2000, paving the way for 2H Resources to explore for naturally occurring hydrogen in that State.

2H Resources has 35,500 sq km of acreage applications in South Australia across seven exploration licence areas on trend with legacy discoveries, and two gas storage exploration licence applications with potential for greenhouse gas or hydrogen storage.

Preparations for field work and sampling is ongoing for when on ground access is approved, in collaboration with the University of Adelaide Institute for Sustainability, Energy and Resources.

2H Resources is also evaluating other areas in Australia where there is potential for natural hydrogen occurrences.

Investment momentum continues to build for naturally occurring hydrogen projects in Australia, with analogous projects in South Australia securing seed and pre-Initial Public Offering (IPO) funding to support their respective development pathways. One of the proponents is targeting a capital raise of \$20 million for a 28.6% stake in the project via an IPO in early 2023.

Battmin (Battery Minerals)

Battmin, a wholly owned subsidiary of Buru Energy, in joint venture with Sipa Resources (Buru 50%, Sipa Resources 50% and operator) is currently pursuing zinc and lead targets on the Barbwire Terrace in the central Canning Basin. Zinc and lead are used in clean energy applications, including large scale energy storage systems, battery manufacturing and solar panel manufacturing.

The joint venture has completed a drilling program of three diamond drill core holes, with the presence of base metal sulphides observed within large thicknesses of variably altered Pillara Limestone, which hosts several zinc-lead deposits along the Lennard Shelf in an analogous setting.

Battmin is awaiting laboratory assay results from the collected cores and will advise the market of the results once available.

Commenting on the operations update, Buru's Chief Executive Officer Thomas Nador said:

"Buru is making significant progress across its portfolio of core and new energy businesses to generate shareholder value.

We are working our oil and gas assets hard to meet the strong and enduring forecast demand for these commodities, the heart of which is our Rafael conventional gas and condensate discovery. At the same time, we are front end loading our new energy businesses to ensure we are part of the future energy ecosystem."

Authorisation

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

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