

Buru confirms Rafael resource development strategy

Highlights

- *Buru confirms phased development strategy to commercialise its 100% owned and operated Rafael discovery – the first proven significant conventional gas and condensate field in the Canning Basin of Western Australia.*
- *This strategy follows completion of concept studies in collaboration with Petrofac Limited, Transborders Energy and Technip Energies¹ for development concepts that cover the full range of independently assessed contingent resources of gas and condensate ².*
- *Phased development generates early cashflows with staged capital expenditure, delivering accelerated benefits to shareholders and the Kimberley, and optimises larger scale development based on Rafael resource appraisal outcomes.*
- *Imminent commencement of high value Rafael 3D seismic survey, with resource appraisal drilling planned for 2024.*
- *Commercially attractive stand-alone Phase 1 ‘reference case’ development includes small footprint, scalable, Kimberley based hybrid gas to power and renewables project based on the already defined low volume estimate of the Rafael contingent resource. Development work underway to progress to Front End Engineering Design (FEED), targeting production in 2027.*
- *Phase 2 to follow rapidly, informed by appraisal drilling in 2024 with concept selection targeted by mid-2025 and commencement of FEED shortly thereafter. Concept studies completed demonstrating commercial attractiveness for methanol (reference case), ammonia, and LNG projects, complemented with Carbon Capture and Storage through Buru’s Geovault subsidiary, based on mid to high volume estimates of Rafael contingent resources.*
- *Disciplined strategy designed to support parallel partner selection process for the Rafael development, targeting both Australian and international potential partners.*
- *Buru continues to build on its capability as a successful developer and producer to deliver its first conventional gas and condensate project in the Canning Basin to fruition for the benefit of its shareholders, the Traditional Owners, the Western Australian Government, and the communities in the Kimberley.*

1. Refer to ASX Release of 18 April 2023 relating to completion of a compact Floating LNG study.

2. Refer to ASX Releases of 26 April 2022 and 13 February 2023 for full definitions and disclosures.

Buru Energy (**Buru, Company**) is pleased to provide investors with an update on the commercialisation of its Rafael conventional gas and condensate discovery, in the Canning Basin of northwest Western Australia.

Commenting on the release, Buru's CEO Thomas Nador said:

"With full ownership of the Rafael discovery, Buru continues to de-risk the development through a project realisation approach that is designed to balance certainty of development outcome and value with the ongoing maturity of understanding of the Rafael accumulation.

The work done to date confirms that Rafael gas and condensate can be technically, commercially, and economically developed across the full range of independently assessed contingent resources, with a sequenced development based on appraisal outcomes providing strategic advantages to resource development.

This strategy will support the potential transformation of the Kimberley power system by providing a mix of low carbon intensity, secure and affordable energy to regional industrial consumers and communities in the near term, and also help optimise a full-scale, CCS supported, and export focussed development in the medium to longer term.

With Buru's high appraisal value 3D seismic program due to commence within days, planning for appraisal drilling next year well advanced, and for the first time, a clear line of sight to the Rafael development via a staged, risk balanced commercialisation plan – Buru has the ingredients to generate significant value and benefits to stakeholders, and prospective development partners."

Background

The Rafael 1 discovery well was drilled in 2021 and defined a significant gas and condensate resource in the Ungani Dolomite equivalent reservoir with additional potential in the dolomitised Upper Laurel Carbonate reservoir.

A successful flow test of the Rafael 1 well in March 2022 confirmed the Ungani Dolomite conventional reservoir contained high quality gas with low reservoir CO₂, and a high condensate content of 40 barrels per million cubic feet of gas. Following an independent contingent resource assessment in April 2022, a Discovery Assessment Report was submitted to the Government in May 2022.

A Declaration of Location application for the Rafael discovery was submitted to Government in April 2023, which was subsequently approved in July 2023, triggering the four-year period during which Buru may apply for either a Production Licence or a Retention Lease.

A 3D seismic survey over the Rafael structure will be acquired, data processed, and fast track interpreted over the coming months to provide confirmation of Rafael structural size, confirm potential gas column extent, and inform appraisal well location selection for a targeted 2024 appraisal drilling campaign.

The opportunity for Rafael gas and condensate commercialisation is compelling. As a strategically sized and located, high quality, low CO₂ conventional gas accumulation, the development of this resource has the potential to transform Buru to a major upstream energy provider in Western Australia. Buru's commanding acreage position in the Canning Basin, and the potential of the basin for Carbon Capture and Storage being developed through Buru's Geovault subsidiary enables the pursuit of a fast tracked development.

Rafael development strategy

Building on its extensive previous knowledge and work on development concepts in the Basin, Buru has been rigorously evaluating a range of options to commercialise its Rafael gas and condensate discovery.

The first of these studies, completed in collaboration with Transborders Energy and Technip Energies in April 2023, was focused on the high case Rafael resource volume scenario and demonstrated that a Kimberley based Floating LNG (FLNG) facility is a technically, commercially, and economically feasible option to develop Rafael as an export project if appraisal outcomes confirm the resource volumes required. Refer to ASX Release of 18 April 2023 relating to the details of this study.

The other studies set out in this report have been conducted in parallel with this FLNG study by Buru with Petrofac Limited (Petrofac). Petrofac is an international energy services company that designs, builds, manages, and maintains oil, gas, refining, petrochemical and renewable energy infrastructure.

These studies confirmed that Rafael may be developed technically, commercially, and economically across lower Rafael resource volume scenarios, **including on the lowest independently assessed contingent resource volume case which is the already discovered resource in the Rafael 1 well.**

The insight from the first stage of the evaluation that the immediate discovered resource is sufficient for a first phase development has led Buru to formulate a development strategy to commercialise the Rafael resource in phases driven by appraisal resource volumes. This phased approach will deliver a robust first phase development, accelerate positive cashflows, reduce initial capital intensity and ensure an optimised second phase development will exploit a fully delineated Rafael resource.

Concept study outcomes

Table 1 describes the various development concepts that have passed technical, commercial, and economic feasibility hurdles across a range of Rafael contingent resource volume scenarios.

Concept	Development Phase	Rafael Resource threshold	Project
1	Phase 1	Less than 59bcf	Kimberley Power with Condensate Export
2	Phase 2	400bcf & 800bcf	Phase 1 plus blue methanol production for export or regional marine fuel bunkering with potential for blue ammonia production.
2a	Phase 2	400bcf & 800bcf	Phase 1 plus blue ammonia production for export.
2b	Phase 2	Greater than 1 TCF	Phase 1 plus LNG production for export.

Table 1 – Concept Studies confirm development feasibility

Note: A case to develop Rafael via infrastructure located at the North West Shelf processing precinct was not part of this screening process at this time due to the uncertainty in the nature and timing associated with approvals and the cost escalation for the pipeline infrastructure needed to transport the gas from the Rafael field to Karratha for liquefaction since the completion of Buru's previous studies on the Great Northern Pipeline.

The resource thresholds for the Development Phases fall within the independently assessed resource volumes in the ERCE Contingent Resources assessment as set out in Buru ASX release of 26 April 2022. These volumes were probabilistically derived and not based on a physical realisation. Buru has undertaken an internal deterministic assessment of resource volumes based on additional mapping and review of well data since the ERCE evaluation and as would be expected, these fall within the probabilistic volume ranges. Buru's view based on these internal evaluations is that the Phase 2 Development phases are supported by mid case deterministic volumes.

Based on the above, Buru is now progressing technical and commercial concept maturation for a Phase 1 project, whilst preparing for rapid concept selection and FEED entry for a Phase 2 project following resource appraisal in 2024.

More information on the concepts is provided as Attachment 1.

Opportunity delivery plan

Phasing the development will deliver numerous benefits including early cashflows to Buru and reduced capital expenditure to reach first production. Phasing the development will also facilitate a wider range of project financing options (including access to government grants and incentives), and an overall improved funding position for Buru.

Figure 1 below describes the high-level activities for a sequenced development of the Rafael resource.

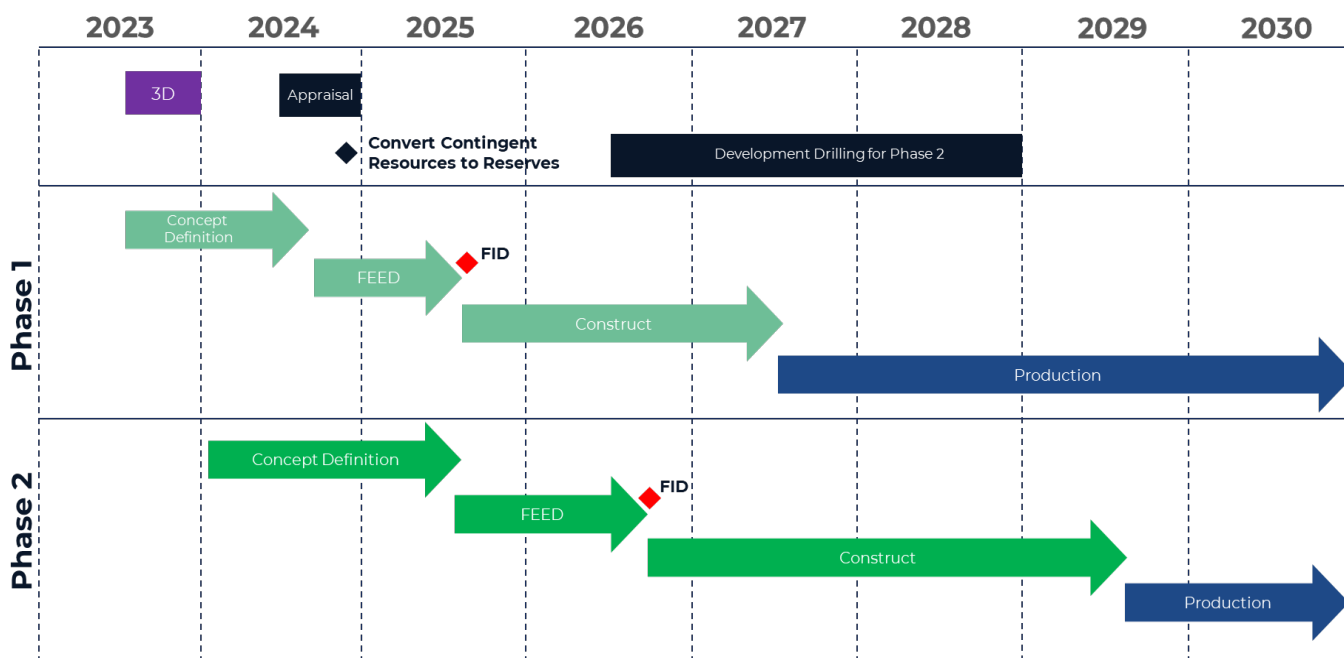


Figure 1 – High level development timeline

Timeline is indicative and is subject to capital availability, future discussions with potential asset partners, offtake arrangements, land access and regulatory approvals.

Next Steps

Discussions have commenced with potential third-party development partners, Traditional Owners, product offtakers and government in support of the above plan.

In addition, the selection of third-party engineering service providers has also commenced to mature the Phase 1 technical and commercial definition in support of FEED entry in 2024, Final Investment Decision (FID) in 2025 and first production in 2027.

Authorisation

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

For further information, visit www.buruenergy.com or contact:

Thomas Nador, Chief Executive Officer

Telephone: +61 8 9215 1800

Freecall: 1800 337 330

Email: info@buruenergy.com



Forward Looking Statements

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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. All contingent resources referenced in this report are pursuant to the Company's ASX releases of 26 April 2022 and 13 February 2023, respectively. The estimates of contingent resources included in this document have been prepared in accordance with the definitions and guidelines set forth in the SPE PRMS. Buru is not aware of any new information or data that materially affects the information included in this document and all material assumptions and technical parameters underpinning the estimates in this document continue to apply and have not materially changed. The probabilistic method was used to prepare the estimates of the contingent resources.

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ATTACHMENT 1 – Development Concept Study Data Sheets

Project	Rafael Phase 1 – Kimberley Power
Project Objective	Develop a small footprint, scalable LNG supply stream, complemented by 50% renewable energy supply via solar and battery storage, and local condensate production to meet the energy needs of Kimberley.
Project Key Parameters	
First Production	2027
Project Life	20 Years
No. of wells	1-2 (Rafael appraisal wells completed as producers)
Gas flowrate	8 – 16 mmscf/d
Product streams	LNG (0.05 – 0.10 MTPA), Condensate (225 -450 bopd)
Indicative basis of design	<ul style="list-style-type: none"> - Gas gathering system & liquids separation close to wellsite, - Underground pipelines for gas and condensate to Central Processing Facility (CPF) at Energy Hub, - Small scale, containerized LNG facility at CPF, - Product trucking for LNG to Broome and regional communities for power generation, condensate trucking to Broome, and - 50% renewable power generation (photovoltaic and battery storage) at each offtake site.
Market	Power for Broome, Derby, Camballin/Looma, Fitzroy Crossing and Halls Creek, with demand creation opportunities for other industrial gas customers. Condensate for domestic market or export.

Phase 1 (Reference Case) Concept Schematic



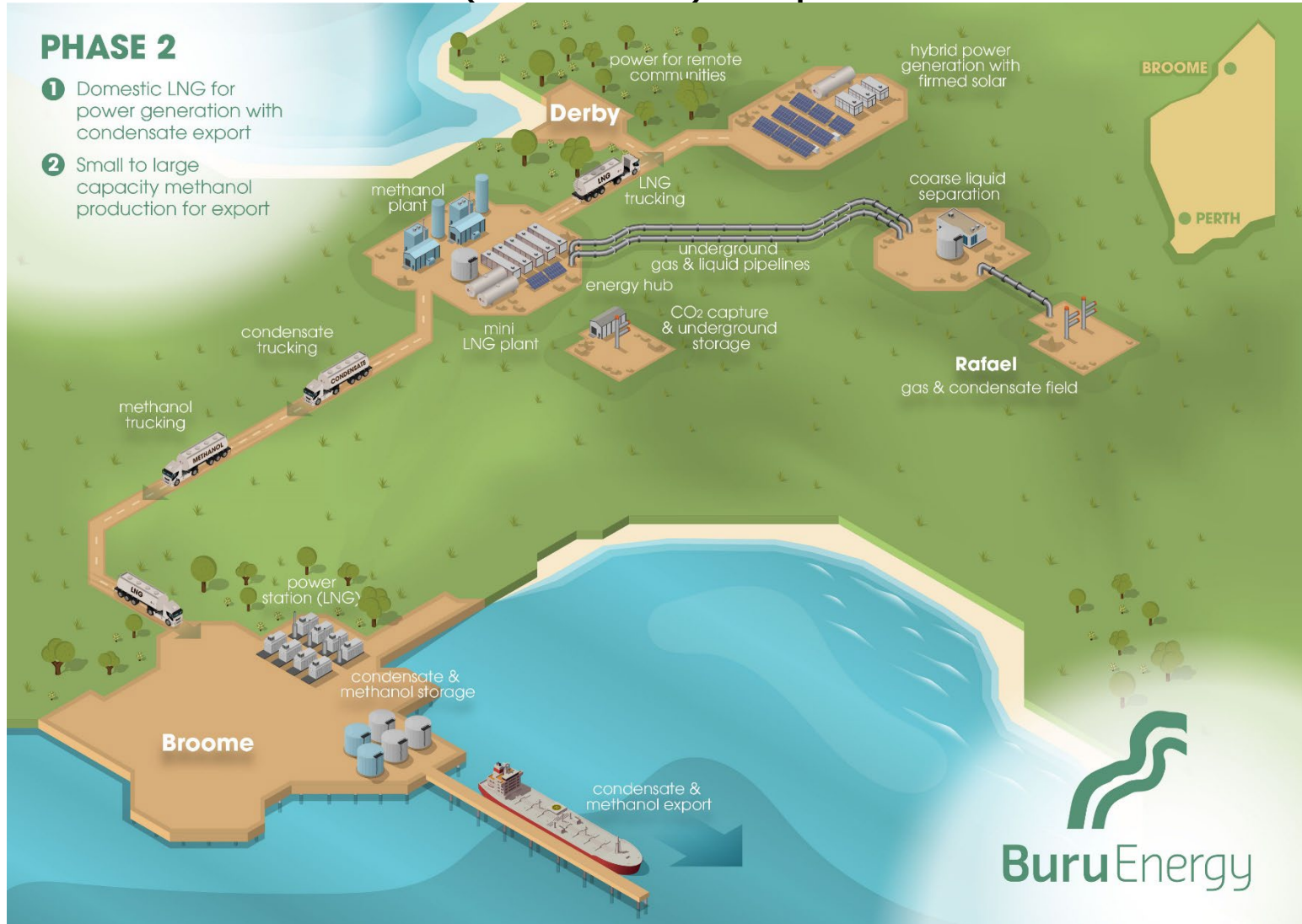
ASX Announcement

3 August 2023



Project	Rafael Phase 2 – Phase 1 plus blue methanol production for export or regional marine fuel bunkering.
Project Objective	Facilitate the development of a small (0.5 MTPA) – large (1 MTPA) methanol production facility, supported by CCS to meet export and local fuel bunkering demands.
Project Key Parameters	
First Production	2029
Project Life	20 Years
No. of wells	5 – 10 (including Rafael appraisal wells) depending on methanol production facility sizing
Gas flowrate	55 – 110 mmscf/d
Product streams	LNG (0.03 MTPA), Methanol (0.5 MTPA – 1 MTPA) Condensate (2,200 – 4,400 bopd)
Indicative basis of design	Phase 1 plus: <ul style="list-style-type: none">- Additional gas gathering and liquids separation close to wellsite,- Methanol plant and small scale, containerised LNG facility at Energy Hub, Product trucking for methanol and condensate to Broome. LNG trucking to Broome and regional communities, and- Methanol and condensate may be transported via underground pipeline to Broome on higher production rates.
Market	For export market and/or shipping fuel.

Phase 2 (Reference Case) Concept Schematic



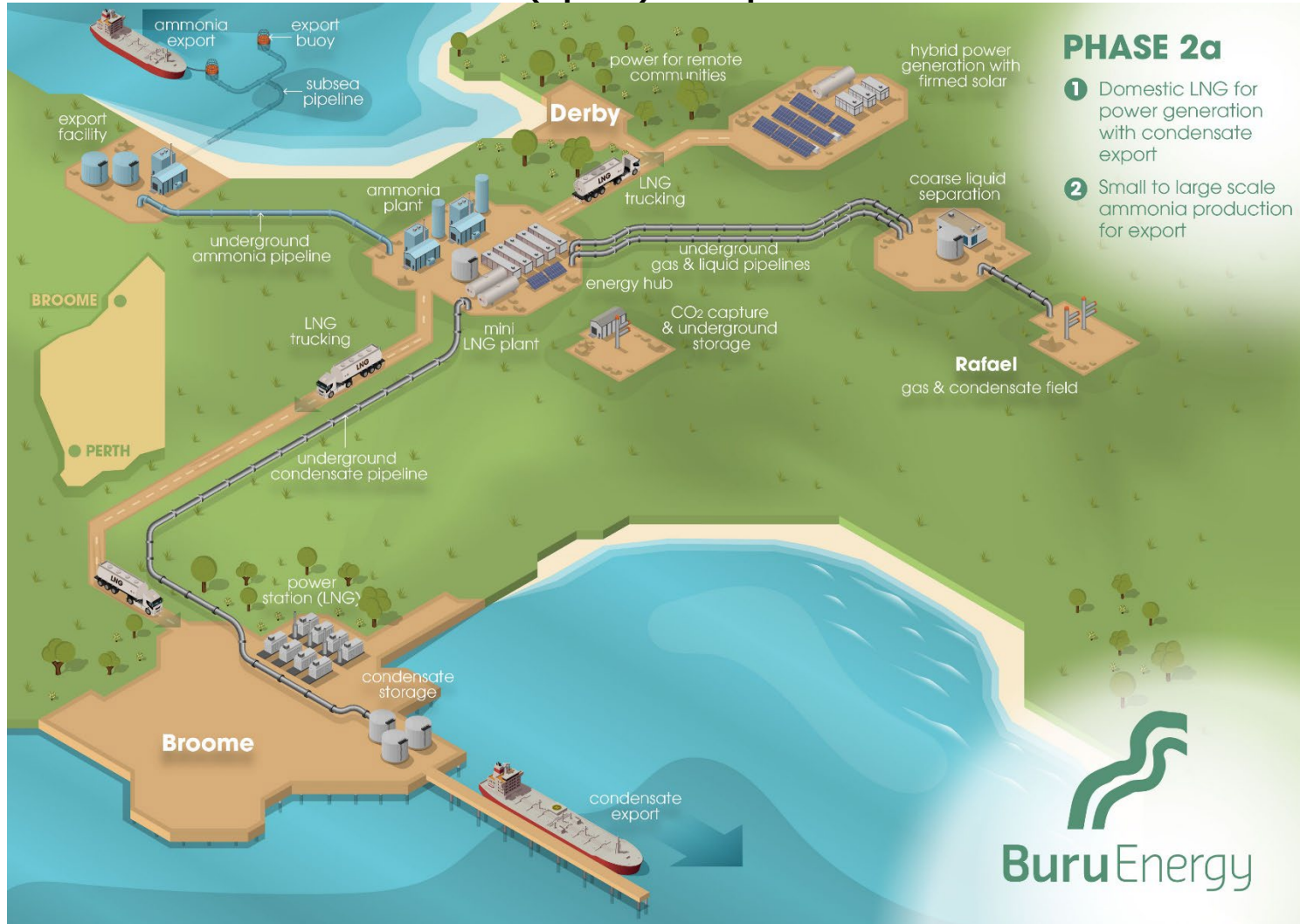
ASX Announcement

3 August 2023



Project	Rafael Phase 2a – Phase 1 plus blue ammonia production for export.
Project Objective	Facilitate the development of a small (0.5 MTPA) – large (1 MTPA) ammonia production facility, supported by CCS to meet the needs of export markets.
Project Key Parameters	
First Production	2029
Project Life	20 Years
No. of wells	5 – 10 (including Rafael appraisal wells) depending on ammonia production facility sizing
Gas flowrate	55 – 110 mmscf/d
Product streams	LNG (0.03 MTPA), Ammonia (0.5 MTPA– 1 MTPA) Condensate (2,200 – 4,400 bopd)
Indicative basis of design	Phase 1 plus: <ul style="list-style-type: none">- Additional gas gathering and liquids separation close to wellsite,- Ammonia plant at Energy Hub, and- Product pipeline for ammonia to King Sound area for export, with condensate pipeline to Broome for export. LNG trucking to Broome regional communities.
Market	Ammonia for export market.

Phase 2a (Option) Concept Schematic



ASX Announcement

3 August 2023



Project	Rafael Phase 2 – Phase 1 plus LNG production for export.
Project Objective	Facilitate the development of a compact, regionally located Floating LNG (FLNG) facility, in conjunction with onshore condensate and LPG processing.
Project Key Parameters	
First Production	2029
Project Life	10 Years
No. of wells	up to 12 (including Rafael appraisal wells)
Gas flowrate	280 mmscf/d
Product streams	LNG for domestic power (0.03 MTPA), LNG for export (1.6 MTPA) Condensate (5,100 bopd)
Indicative basis of design	Phase 1 plus: <ul style="list-style-type: none">- Additional product pre-treatment at Energy Hub,- Permanently moored, small scale FLNG facility located in King Sound area in 60m – 80m water depth, and- Side by side loading of LNG to trading tankers.- Refer to ASX Release 18 April 2023 for more technical details.
Market	LNG for export market.

Phase 2b (Option) Concept Schematic

