

Activities Update

Buru Energy Limited (Buru, Company) (ASX: BRU), provides the following update on progress made across several work fronts associated with its re-focused strategy to deliver enduring cashflows built on the foundation Rafael Project.

Highlights

- **Rafael Project partnering and gas/liquids offtake discussions are advancing - target execution of commercial agreements in 1Q 2025.**
- **Enhanced subsurface imaging of Rafael accumulation, and the Ungani Dolomite reservoir has provided increased confidence of the in-place resources to support the Rafael Project.**
- **Planning underway for on-ground activity in 2025 to provide added confidence in Rafael well productivity and flow assurance.**
- **Engagement with parties linked with offtake and sales options to support the resumption of Ungani oil production is continuing.**
- **Focus on the prime Canning Basin areas - surrender of non-core permit areas is underway, with a target reduction of some 60% total area.**
- **On schedule to divest subsidiary companies 2H Resources and Battmin in 1Q 2025.**

The CEO Mr Thomas Nador said:

“Buru Energy is finishing the year with a very clear focus. This is to do all that is needed to deliver the foundation Rafael Project and thereby establish long term foundation cash flow.

I thank our shareholders for their support as we implement the changes directed at generating significantly increased value.”

1. Rafael Project development

Buru is focused on establishing a Kimberley based gas and liquids business that will generate long term annual cashflows from late 2027 that is in excess of Buru's market capitalisation today.

Rafael is the only proven conventional gas and liquids resource in the greater Kimberley region. The Rafael Project is targeting the replacement of long-haul trucked or imported fuel used for power generation and mining with a local source of trucked Liquefied Natural Gas (LNG) and liquids. This provides a cost competitive, secure and emissions reduced source of dispatchable energy for the region.

The target Final Investment Decision (FID) for the Rafael Project is late 2025 and First Gas in 2H 2027. This is a unique opportunity for Buru to establish itself as the future regional gas and liquids energy supplier. Coincidentally the timeline aligns with the Western Australian State Government's plans to overhaul the Kimberley energy system by 2028.

With development concept selection completed, Buru's near-term priority is to secure commercial agreements for the Rafael Project development and offtake agreements for gas and liquids supply, with the latter targeted as an alternative diesel fuel source.

Discussions with several parties are underway, including potential customers, LNG facility builders, owners and operators. The discussions include funding facilities and customers seeking supply from late 2027/early 2028. Buru is targeting the execution of commercial agreements in 1Q 2025.

Buru is also working with the Northern Australian Infrastructure Facility (NAIF), the Australian Government entity that supports economic and population growth in northern Australia. NAIF provides finance for projects across sectors such as energy and resources.

2. Rafael subsurface update

Focused geological and geophysical work to support the development of the Rafael Project is continuing.

The Rafael gas and condensate discovery was made in 2021. The initial production flow tests were conducted in 2022. Further production testing and the drilling of a second well (Rafael 2) is planned for a 2025 drilling campaign.

The drilling program will provide added confidence in well productivity and flow assurance to support the foundation Rafael Project and provide additional resource volumetric insights to inform future potential expansion phases.

Several studies have recently been completed which support the characterisation of the Ungani Dolomite reservoir and aid development planning for the Rafael Project.

Buru has completed an Amplitude versus Offset (AVO) compliant prestack time migration (PSTM) and prestack depth migration (PSDM) of the Rafael 3D seismic dataset. This work has enhanced the imaging of the Ungani Dolomite reservoir and increased confidence in the estimates of the in-place resources.

A 3D inversion dataset and rock physics study has also been completed over the core of the Rafael 3D seismic survey area. The results have been used to support optimisation of the proposed Rafael 2 well path toward the thick sections of porous reservoir.

In addition, carbonate studies of the Ungani Dolomite reservoir interval in Rafael 1 were undertaken. These studies improve the understanding of pore space created by dolomitisation and fracturing. These learnings will be applied to the 2025 production flow testing.

3. Ungani Oilfield

Buru is working with third parties to review opportunities to re-establish production and revenues from the Ungani Oilfield by establishing an alternative regional export route to the previous Wyndham trucking, storage and shipping model.

The Company is also investigating domestic offtake pathways for direct use of Ungani crude for power generation and marine fuel applications.

Analysis to date indicates that the most economic path to produce the remaining Ungani resources involves a field production rate of 200-250 bopd after initial flush production. This is lower than the previous operating model that required well production rates of 400 bopd to account for the higher fixed costs associated with the Wyndham export route.

The restart of Ungani production on optimised production and a different route to market will require the renegotiation of certain commercial terms pursuant to the existing Ungani Native Title agreements and requisite field management regulatory approvals.

Buru is focused on achieving the restart of the field as early as practicable upon conclusion of the analysis and negotiations.

Discussions with potential partners to participate in the high impact Mars exploration prospect and other exploration and appraisal opportunities within the Ungani Production Licences are also ongoing.

4. Canning Basin acreage rationalisation

Buru is communicating with the Western Australia Department of Energy, Mines, Industry Regulation and Safety (DEMIRS) on the rationalisation of acreage identified as "non-core" in the onshore Canning Basin.

This process involves:

- maintaining a corridor of exploration areas around key assets and the highest potential prospects and leads and surrendering non-core acreage;
- surrendering areas with operational limitations within the Fitzroy River Buffer; and
- retaining areas with outstanding decommissioning and rehabilitation obligations.

This process is aimed to deliver:

- a reduction in exploration permit and production licence areas from 13,200km² (165 blocks) to 5,440km² (68 blocks);
- reduced exploration work program commitments and expenditure associated with surrendered areas; and
- reduced internal costs, annual fees, levies and surcharges.

It is expected that the process will be concluded by end 2Q 2025.

5. Monetisation of 2H Resources, a natural hydrogen and helium exploration focused subsidiary

A process for third parties to acquire all or some of the 2H Resources corporate entity and its strategically located natural hydrogen and helium exploration portfolio in Australia has commenced. The process has attracted Australia and international parties who are undertaking due diligence.

This follows a period of two years of relatively low levels of investment during which 2H Resources secured a material foothold in this frontier area of clean energy innovation with significant upside potential.

The 2H Resources exploration portfolio consists of 17 licence areas, covering 70,000 km² in three Australian states. This provides access to a range of natural hydrogen and helium sources with scalable commercialisation options.

2H Resources anticipates the award of several blocks in South Australia, Tasmania, and Western Australia in Q1 2025, paving the way for on-ground exploration activities. As this phase of activity will be more capital and resource intensive, 2H Resources is targeting the conclusion of the corporate divestment process in 1Q 2025.

6. Monetisation of Battmin, a battery minerals exploration focused subsidiary

Since September 2020, Buru Energy via its Battmin subsidiary has been exploring the Barbwire Terrace Project in a 50:50 Joint Venture (JV) with Sipa Resources (ASX:SRI, Operator).

The Project is located south-east of Broome in Western Australia, covering the south-western margin of the Fitzroy Trough where historic drilling has confirmed the potential for Mississippi Valley Type ('MVT') base-metal mineralisation, similar to the well-known Lennard Shelf deposits located along the north-eastern margin of the Trough.

Following diamond drilling in 2023, the JV completed an on-ground gravity program in September 2024, with the next round of diamond drilling planned for 2025.

In line with the outcomes of the recent Buru-wide business review, and ahead of the next phase of capital requirement for Battmin, Buru is in advanced discussions with a third party to divest its interest in the Barbwire Terrace Project and expects to conclude the divestment in early 1Q 2025.

Authorisation

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

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