

Rafael Gas Project and Corporate Activity Update

Buru Energy Limited (Buru, Company) (ASX:BRU) provides the following update in relation to the development of its 100% owned Rafael Gas Project (Project), located in EP 428 in Western Australia's onshore Canning Basin and other activities.

Leveraging the achievements of 2025, the Company continues to prioritise its transformation from explorer to producer, targeting potential first long-term cashflows from its Rafael Gas Project from 2028.

Highlights

- **Global process to secure funding for planned 2026 Rafael resource and flowrate validation well underway, with multiple interested parties conducting due diligence.**
- **Present stage of the process is targeting completion in 1Q 2026 to enable commitment to long lead items for drilling program.**
- **Rafael Gas Project schedule targeting Final Investment Decision in 2H 2026 and first cashflow from 2028.**

Status of upstream funding for 2026 drilling activity

With the support of its Corporate Advisor, Buru is actively progressing a global process to secure a funding partnership to finance the estimated A\$40 million required for the 2026 Rafael resource and flowrate validation program, and subsequent independent reserves certification.

The process has attracted international and domestic parties who are undertaking detailed due diligence on the opportunity to participate in a high value business with significant growth opportunities.

The parties include but are not limited to E&P companies, utilities, commodity traders, asset managers, investment banks, institutional investors, private equity, private credit and royalty companies. The process is continuing over the Christmas and New Year period and into 1Q 2026.

Conducting Rafael resource and flowrate validation and independent reserves certification is the primary condition to finalising binding agreements with Buru's strategic development partner, Clean Energy Fuels Australia (CEFA), and reaching a Final Investment Decision (FID) for the Project in the second half of 2026.

Regulatory approvals have been secured for the planned 2026 drilling campaign.

The Well Drilling Environment Plan was approved by the Western Australia Government's Department of Mines, Petroleum and Exploration in September 2025. The program includes drilling the Rafael 2H (previously named Rafael B) well and recompleting the Rafael 1 well, potentially with horizontal sections. Drilling activities are targeted to start in Q2 2026, subject to the upstream funding partner selection process.

Key milestones to support Rafael Gas Project development

2025 has seen the achievement of several key strategic and operational milestones to support the timely development of the Rafael Gas Project which is targeting potential first long-term cashflow from 2028.

During the year, Buru has:

- executed a Strategic Development Agreement with Clean Energy Fuels Australia (CEFA) to co-develop the Project. Under the agreement, CEFA will finance, build, own and operate the LNG plant with a capacity of up to 300 tonnes per day,
- identified a lower risk, higher certainty pathway to Rafael resource validation and reserves certification,
- obtained environmental approval for the proposed 2026 Rafael resource appraisal campaign,
- identified the high impact Flying Fox prospect, a deeper target beneath Rafael, with substantial gas and condensate potential and significant synergies with the Rafael Gas Project,
- received a 2-year extension from the Government to apply for a Production Licence, providing the necessary time to complete technical and commercial work for the Project and
- initiated a global process to secure funding to drill a second well (Rafael 2H) in 2026 (as noted above).

In line with the Company's re-focused strategy to prioritise the securing of enduring cashflow built on the foundation Rafael Gas Project, Buru has:

- implemented the recommendations of a major business review carried out in late 2024, cutting headcount by 40% and reducing G&A costs by ~\$3 million annually,
- reduced capital expenditure and streamlined operations by reducing exploration permit areas in the Canning Basin by 60% and divesting non-core subsidiary assets (2H Resources and Battmin) whilst maintaining future potential exposure to value,
- secured funding via Placement and Share Purchase Plan, raising a total of \$4.4 million to support Rafael development and de-risking activities, and
- maintained a debt-free balance sheet.

Next Steps

With a streamlined business focused on the delivery of the Rafael Gas Project and targeting first cashflow from 2028, the Company is well placed for an active 2026 during which Buru plans to:

- secure funding for Rafael resource and flowrate validation and independent reserves certification,
- conduct safe drilling operations in support of the above,
- secure environmental approvals and traditional owner approvals required under the Strategic Development Agreement with CEFA to unlock the development,
- finalise the commercial terms with CEFA, and
- take Final Investment Decision in 2H 2026.

Authorisation

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

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