

ASX Announcement

25 October 2021

Operations Update

Buru Energy Limited (Buru Energy) is pleased to provide the following update on Buru Energy's Canning Basin operations

Rafael 1 well drilling operations

Operational

Since the last report the well has been drilled ahead in 12¼ inch (311 mm) hole to the planned section depth of 3,500 metres, above the anticipated main reservoir objective section, and wireline logging has been completed to that section depth. The current operation is proceeding as planned to complete the running and cementing of the 9⅝ inch (244 mm) casing. The well will then be drilled ahead in 8½ inch (216 mm) hole through the prognosed principal reservoir objective to a planned final total depth of some 4,000 metres.

Drilling operations have been consistent with no significant rig related downtime, but the rate of penetration has been slow due to hard and abrasive sandstones in the Anderson Formation. It is expected that drilling rates from this point will increase in the smaller hole size and different formations.

The Rafael 1 well is located in Exploration Permit EP 428 in the Canning Basin in northwest Western Australia some 50 kilometres to the east of the Ungani Oilfield. Equity in the permit and the well is held 50% each by Buru Energy and Origin Energy.

Geological

The well has encountered a thicker Anderson Sandstone section than prognosed and this section has accounted for most of the slow drilling rates. As planned, the casing has been set below this sandstone and above the interpreted main reservoir objective section which will be penetrated in the next hole section below the casing.

The basal section of the Anderson Sandstone had elevated mudgas indications of some 10 times over background (average 2% and up to 4%), over the gross interval from 3,285 metres to 3,429 metres drill depth. However, no material increases in drill rate were seen, and subsequent wireline logging has confirmed the section is generally tight.

The top of the interval with gas shows is generally coincident with the highest level of closure on the structure above the main objective, so despite not having producible reservoir in this upper zone, this is a positive indication that the structural closure is present as mapped and is capable of trapping hydrocarbons.

The specialised hydrogen mudgas detection unit on the rig has also detected up to 4.9% hydrogen over small intervals shallower in the well, and in the zone with mudgas hydrocarbon shows it detected hydrogen up to 2%. It also detected helium at low concentrations but significantly above background.

The significance of these hydrogen indications needs to be further evaluated, but together with a number of legacy wells that encountered hydrogen, they demonstrate the widespread occurrence of natural hydrogen in the Canning Basin.

2021 seismic program

Acquisition of the 2021 seismic program of some 990 kilometres has been completed with no significant incidents and good data quality being observed from the field data.

The seismic has been acquired over highly prospective areas of the Joint Venture's extensive acreage holdings in the Canning Basin and was principally funded by Origin Energy under the terms of the December 2020 farmin agreement.

Buru Energy's Executive Chairman Eric Streitberg commented:

"The somewhat unexpected but very welcome presence of hydrocarbon shows with additional indications of above background helium and hydrogen content in the sandstones above the expected main reservoir section indicates that there is an active petroleum system and valid trapping mechanism at the Rafael location.

We are very much looking forward to the next hole section where we will be drilling through the main objective of the seismically very distinctive carbonate reservoir section."

Authorisation

This ASX announcement has been authorised for release by Eric Streitberg, the Executive Chairman of Buru Energy.

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

Eric Streitberg, Executive Chairman

Telephone: +61 8 9215 1800

Freecall: 1800 337 330

Email: info@buruenergy.com



Media enquiries

Peter Kermode, Cannings Purple

+61 411 209 459

pkermode@canningspurple.com.au

Investor relations

Evy Litopolous, ResolveIR

+61 419 773 505

evy@resolveir.com