

ASX Announcement

23 November 2021

Rafael 1 gas condensate discovery being prepared for production test

Buru Energy Limited (Buru Energy) is pleased to provide the following update on Buru Energy's Canning Basin Rafael 1 well drilling operations.

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 the Origin Energy Limited Group.

Operational

Since the last report, wireline logs have been acquired over the 6 inch hole section below the 7 inch casing shoe and the well is currently being prepared for well testing with a 2 $\frac{3}{8}$ inch (60mm) tubing string as a "barefoot" completion to be set inside the 7 inch casing. This completion configuration leaves the reservoir section below the 7 inch casing shoe uncased and is designed to maximise the flow potential of the reservoir.

Geological

Good quality wireline logs have been obtained over the interval from the 7 inch casing shoe at 3,868 metres measured depth to the total depth of the well at 4,141 metres.

Together with the dolomite section encountered at 3,785 metres before the 7 inch casing was set to control gas influxes, a total gross interval of 165 metres of interpreted gas column is present from 3,785 metres to 3,950 metres measured depth. From wireline log interpretation there appears to be at least 50% net dolomite reservoir section in this gas column interval at the well location.

Petrophysical interpretation and wireline image logs suggest that the net reservoir section is similar to the highly productive conventional dolomite reservoir at the Ungani Oilfield.

There also appears to be "gas on rock" with the entire Ungani Dolomite reservoir section being gas charged and immediately underlain by the May River Shale equivalent.

Several factors imply that a gas column greater than that seen at the well location could be present. These include the estimated reservoir pressure in excess of 6,000 psi calculated from the mud weights required to control the gas influx from the dolomite zone at 3,785 metres. The presence of a thick Laurel Shale top seal combined with a large structural closure is also supportive of the potential for a significantly larger gas column in the greater Rafael structure than seen at the well location, but this interpretation requires validation, including the results of the planned flow test.

Chromatographic analysis of the gas influxes to the well bore during drilling suggests that the gas in the reservoir is likely to have very low CO₂ content similar to other gas recoveries in the Canning Basin. The percentage and composition of the liquids phase in the gas can only be fully determined from a sample from the production test, but chromatographic analysis indicates significant amounts of condensate and LPG fractions are present.

Implications

The interpreted reservoir quality and thickness, the mapped size of the structure, and the potential for a gas column in excess of that seen in the well suggests there is potential for a substantial accumulation of wet gas to be present in the Rafael structure. A production test to gather information on reservoir deliverability, reservoir fluids, reservoir pressures and potential reservoir boundaries is required to define this potential. As set out below, this test will be conducted as soon as practicable.

Forward Program

The immediate forward program is preparing the well for the production test by running a 2 $\frac{3}{8}$ inch tubing string for a "barefoot completion" of the reservoir section. Once this operation is completed the rig will be demobilised from the Rafael site to the Ungani 8 location. The production test equipment will be mobilised to the Rafael site as soon as the rig operations are completed with the intention of completing the production test by late December (subject to any weather restrictions). All equipment required for the production test is on hand.

All of the data on the accumulation including the production test data will then be reviewed by an independent reserves certifier to estimate the Contingent Resources in the accumulation. This review is expected to be available in early 2022.

Eric Streitberg, Buru's Executive Chairman, commented

"Subject to further analysis of data to hand, and to the results of the impending production test, the Rafael discovery has the potential to be a very material wet gas accumulation in conventional high quality dolomite reservoir, with very low CO₂ content in the gas. We are taking a methodical and considered approach to the evaluation of the discovery and intend to waste no time in commercialising the resource if its potential is realised."

Buru Energy has been operating in the Canning Basin for many years and we have a deep understanding of the operating and stakeholder environment. Our extensive studies of the commercialisation pathways for gas in the Canning Basin have also given us a good understanding of how a resource can be monetised. The commercial value of a gas resource is considerably enhanced if the field is large and contains a conventional high flow rate reservoir with high pressure and significant liquids content, as we hope Rafael is confirmed to be. We have several more critical steps we need to take to understand what we have encountered at Rafael, but the indications are promising."

Authorisation

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

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