

Buru Energy Ltd

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Buru Energy buoyed by review which indicates strong gas and liquids potential for Butler conventional sand prospect

Buru Energy Limited (ASX:BRU) is encouraged by an independent review that confirms the potential for significant gas and liquids resources at the Butler Sand prospect in the northern Canning Basin near the WA town of Derby.

The report by globally recognised independent specialist resource assessment consulting group ERC Equipoise Pte Ltd (ERCE) was commissioned by two interest holders in two exploration permits - Buru and Doriemus PLC (ASX:DOR).

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ERCE confirms the view of the interest holders that the prospect has the potential to host a very significant conventional gas and liquids accumulation in conventional Butler Sands.

It estimates gross unrisked mean prospective resources of 3.14 TCF of recoverable gas, with an associated 42 million barrels of condensate.

Price: 0.265

Market Cap: \$114.5 m

1 Year Share Price Graph



Share Information

Code: BRU

Listing: ASX

52 week High Low
0.36 0.195

Sector: Energy

Website: www.buruenergy.com

Company Synopsis:

Buru Energy Ltd (ASX:BRU) petroleum assets and tenements are located onshore in the Canning Basin in the southwest Kimberley region of Western Australia.

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Prospective recoverable gas resources in the Butler Sand prospect by permit and equity interest.

The Butler undrilled exploration prospect is a regionally significant onshore conventional gas, condensate and oil prospect that straddles permits EP 487 and EP 129.

Doriemus chairman David Lenigas said: "This is a great result and gives us the confirmation we need to aggressively pursue the drilling of this prospect."

His sentiments were echoed by Buru's executive chairman Eric Streitberg: "We are very excited to have identified a play that we have been chasing in the Canning for some years and to now have a chance to get it tested, and will work closely with Doriemus to help them achieve their objective of getting the well drilled this year."

READ: Buru Energy ships 70,000 barrels of oil in March lifting as production remains steady at Ungani

The Butler prospect is mapped on good quality 2D seismic data and this demonstrates that the prospect is principally contained in two permits, EP 487 with Doriemus farming in to earn a 50% interest from the 100% interest held by Rey Resources Limited (ASX:REY), and EP 129 held 100% by Buru.

Location of the Butler prospect.

ERCE has further identified that the regionally pervasive Basin Centered Gas System (BCGS) accumulation in the Laurel Formation is also likely to be present in the permits, including underlying the conventional Butler Sand prospect.

This accumulation is likely to have contributed to the source of the potential gas and liquids accumulation in the Butler Sand, and to also contain significant quantities of gas and liquids in tight sands.

Streitberg said: "The Butler Sand prospect is a unique and extremely attractive play.

"The Butler area appears to have a very different Laurel Formation depositional history to other areas of the basin, with potential to have much coarser grained sediments and hence more porous and permeable reservoirs than elsewhere along the Lennard Shelf margin of the Fitzroy Trough."

Forward plan

Doriemus and Buru are collaborating on plans for drilling of the Butler 1 well to a total depth of up to 4,000 metres at a location in EP 487 close to the boundary of EP 129.

The well could potentially be drilled with the Loc 405 rig at the completion of Buru's drilling program that is due to begin shortly with the Ungani 6 development well.

Lenigas added: "The identification of the Butler Sand play provides an exploration target that could potentially deliver high flow rates and recoveries from good to excellent reservoir sands with potential resources that are more than sufficient to support a major gas and liquids development with low capital costs and low environmental impact."

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