

Asset Transactions Update and Successful Capital Raising

- *Buru terminates the Rafael Shallow and Ungani Farm-in Agreements with Sabre Energy.*
- *Buru executes binding Term Sheets which secures alternative funding of \$3 million for the Rafael Shallow 1 exploration well, with two entities associated with long-term Buru shareholders to collectively earn a total 25% interest in a Commercial Discovery and subsequent Production License.*
- *Buru retains a 75% interest in the Rafael Shallow 1 exploration well and 100% interest in the Ungani Oilfield.*
- *Buru successfully completes an oversubscribed and scaled back share placement of \$6.7 million (before costs) at 6.2 cents per share which was strongly supported by institutional and professional investors and directors¹.*
- *Placement provides funding towards the commercialisation of the Rafael Gas Project, drilling of the Rafael Shallow 1 exploration well, and restarting of the Ungani Oilfield.*
- *Buru executes drilling contract with Silver City Drilling (SCD) for Rafael Shallow 1. SCD Rig 24 has mobilised and is preparing to commence drilling in October 2024.*

Buru Energy Limited (**Buru** or the **Company**) (ASX: BRU) provides the following update in relation to the Corporate Asset Transactions recently executed by the Company with Sabre Energy Pty Ltd (Sabre).

Following lengthy discussions, Sabre failed to meet their financial obligations under the Rafael Shallow Farm-in Agreement (FIA) announced on 5 August 2024.

Buru and Sabre have therefore executed agreements to terminate both the Rafael Shallow and Ungani FIAs. Pursuant to those termination agreements, Buru and Sabre release, waive, and discharge each other from any and all claims, liabilities or demands arising out of, or relating to the FIAs.

Buru is pleased to announce that it has executed binding Term Sheets for alternative funding of \$3 million for the Rafael Shallow 1 well with two entities associated with long-term Buru shareholders. They have entered into separate farm-in transactions with Buru to earn a total 25% interest in the Rafael Shallow 1 well which has been negotiated largely based on the same pro-rata farm-in terms as the previous Farm-in Agreement with Sabre. Further details of these new Transactions are provided in Attachment 1.

Buru is also pleased to announce that it has completed a successful Share Placement, which has raised a total of \$6.7 million (**Placement**) before costs associated with the Placement.

The Placement was made to mainly new institutional and professional investors who are strongly supportive of the Company's progress and direction in the commercialisation of the Rafael Gas Project, drilling the Rafael Shallow exploration well and restarting the Ungani Oilfield. Buru Directors have also participated in the Placement subject to shareholder approval¹.

¹ A shareholder General Meeting is to be arranged at which Shareholder approval for the shares to be issued to Directors will be sought.

Commenting on the asset transactions and the capital raising, Buru's CEO Thomas Nador said:

"Despite the challenges faced by Buru due to a third party having failed on their commitments, the Company continues to demonstrate resilience to safeguard its strategic objectives towards preserving and growing shareholder value.

Through the strong support of existing shareholders, new institutional and professional investors and our Directors, Buru is well placed to maintain the development momentum of its foundation Rafael gas project; the drilling of the high potential Rafael Shallow 1 oil target in the near future and work toward restarting oil production from the Ungani Oilfield."

Use of Proceeds

The funds raised will supplement Buru's existing cash reserves and provide support for the following activities:

Activity	Use of Proceeds
Commercialisation of Rafael Gas Project	Prepare for Rafael 1 well testing/completion and Rafael B drilling in 2025. Complete SELECT Phase development engineering. Gas and condensate sales and offtake agreements. Progress approvals and Native Title negotiations.
Drill Rafael Shallow 1 Exploration Well	Drill Rafael Shallow oil prospect. Commence drilling in October 2024.
Restart of Ungani Oilfield	Develop new potential Ungani crude oil offtake pathways and prepare for restart of the Ungani Oilfield production.

Placement Details

The Placement price of \$0.062 per share represents a 17.3% discount to the closing Buru trading price on 25 September 2024 and a 19.7% discount to the 5-day VWAP up to the last trading date prior to this announcement.

The Placement shares totaling 102,983,879 are expected to be issued on 4 October 2024 under the Company's placement capacity pursuant to ASX Listing Rule 7.1 and 7.1A. A further 5,080,646 shares are planned to be issued to two Buru Directors and are subject to Shareholder approval which will be sought at a General Meeting planned to be held in early November 2024.

The new shares issued under the Placement will rank equally with existing Buru shares.

The key indicative dates for the Placement are as follows:

Event	Date
Announcement of Placement and re-commencement of trading of Buru shares	Monday, 30 September 2024
Settlement of the Placement	Thursday, 3 October 2024
Issue of Placement shares	Friday, 4 October 2024
General Meeting to approve Director participation in the Placement	Early November 2024

Wilsons Advisory and Wallabi Group acted as Joint Lead Managers for the placement to new institutional and professional investors.

Authorisation

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

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

Thomas Nador, Chief Executive Officer

Telephone: +61 8 9215 1800

Freecall: 1800 337 330

Email: info@buruenergy.com



For personal use only

Attachment 1

Details of the new Transactions in accordance with ASX Guidance Note 8

A. Parties to each Agreement are:

(i) *Twinsouth Transaction*

Buru Energy Limited (**Buru**)
Buru Canning Gas Pty Ltd (**Buru Canning**)
Twinsouth Holdings Pty Ltd (**Twinsouth**)

(ii) *Jingie Transaction*

Buru
Buru Canning
Jingie Investments Pty Ltd (**Jingie**)

B. The assets the subject of the Transactions with before and after holdings:

Permit	Registered Holders before Transactions	Permit Type	Registered Holders after Transactions
EP 428	Buru 50% and Buru Canning 50%	Exploration Permit	Buru 50% and Buru Canning 50%

As part of the two Transactions, Twinsouth and Jingie are granted respective interests of 15% and 10% in the Rafael Shallow Permit Right (refer below) which is a contractual right to be registered against the Permit. The registered Permit holders and interests as between Buru and Buru Canning (collectively the **Buru Parties**) remain the same.

C. Summary of key contractual matters

Binding Farm-in Term Sheets (Agreements) – Rafael Shallow

- Both Agreements were executed on 26 September 2024 (**Effective Date**). This followed the termination (effective as at 25 September 2024) of the Rafael Shallow Farm-in Agreement dated 2 August 2024 (and the associated Rafael Shallow joint venture) between the Buru Parties and Sabre Energy Pty Ltd.
- Twinsouth and Jingie are granted by the Buru Parties the respective right to a 15% and 10% interest in any Commercial Discovery (as defined and determined pursuant to each Agreement) and subsequent production licence resulting from the Rafael Shallow 1 well (**Rafael Shallow Permit Right**). The right is limited by depth to 1,800 metres in terms of producing any hydrocarbons from any Rafael Shallow development.
- As from the Effective Date, the Parties have formed the Rafael Shallow Joint Venture (**Joint Venture**) with the following respective participating interests:
 - Buru (37.5%) and Operator
 - Buru Canning (37.5%)
 - Twinsouth (15%)
 - Jingie (10%)

The Joint Venture is governed by agreed joint venture principles which will form the basis of a joint operating agreement (**JOA**) to be negotiated and entered into subsequent to the Effective Date.

4. In the event that the Rafael Shallow 1 well (**Farm-in Well**) does not result in a Commercial Discovery the Rafael Shallow Permit Right and the Joint Venture terminate.
5. The respective Farm-in Considerations to be provided by Twinsouth and Jingie are as follows:
 - Twinsouth agrees to pay and incur 30% of the first A\$6 million (i.e. A\$1.8 million) of any expenditure associated with the Farm-in Well; and
 - Jingie agrees to pay and incur 20% of the first A\$6 million (i.e. A\$1.2 million) of any expenditure associated with the Farm-in Well.

The Buru Parties will collectively pay and incur 50% of the first A\$6 million (i.e. A\$3 million) of any expenditure associated with the Farm-in Well.

Any costs incurred on the Farm-in Well in excess of A\$6 million will be paid by the Parties in accordance with their respective Joint Venture participating interests.

6. In the event of a Commercial Discovery in relation to Rafael Shallow, the Parties agree to negotiate and enter into a Coordination Agreement that provides for the potential co-development and shared production licence in relation to Rafael Shallow and the Rafael 1 gas/condensate discovery.

D. Commercial implications

Apart from the respective Farm-in Considerations, Twinsouth and Jingie will fund their respective share of operator costs in relation to any future Rafael Shallow Joint Venture operations after the Farm-in Well.

E. Other matters

The Transactions do not involve the issue of shares or changes to the Board or management of Buru and its wholly owned subsidiaries.