

Buru Energy Ltd

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Buru Energy continues oil production ramp up amid surging prices

Buru Energy Limited (ASX:BRU) continues to deliver for its shareholders regarding development and production from its 100% owned Ungani Oilfield, located in the Canning Basin of Western Australia.

Since production recommenced in late October 2017, the pumping systems have been operating well, delivering fluid to meet the capacity of current road tankers and oil storage.

Oil from the Ungani Field is trucked to the Wyndham Port and stored in an 80,000-barrel tanker.

Recently, ~55,000 barrels worth an estimated \$A4.15 million were lifted from the tank by Trafigura.

READ: Buru Energy's shares trade higher as all going to plan at Ungani

The next lifting is expected to be early in 2018 when Trafigura, with whom Buru has an oil sales agreement, has ship availability.

Plan in place to increase daily pumping capacity

Currently, pumps are producing 1,200 barrels of oil per day as that is the current trucking and field storage capacity.

Additional trucking capacity has been ordered and will be progressively available over the coming weeks.

Furthermore, current installation of new field tanks will increase daily oil handling capacity from 2,400 barrels to 4,900 barrels with work expected to be complete by mid-December.

Ungani 4 well will increase production further

The Ungani 4 well has intersected a 60+ metre oil column similar to the other wells in the field.

Production from Ungani 4 is expected to tie-in with the increase in field capacity expected in mid-December.

Buru is currently sourcing additional equipment for reservoir logging and completion of the well.

While the Ungani 4 completion program is finalised, the drilling rig has been moved to Ungani 5 to drill that well.

Price: 0.096

Market Cap: \$41.48 m

1 Year Share Price Graph



Share Information

Code: BRU

Listing: ASX

52 week High Low
0.25 0.062

Sector: Oil & Gas

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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Ungani 5 to spud shortly

The Ungani 5 well is a test of the eastern fault block of the Ungani Field and is being drilled to appraise the Ungani 3 well.

The Ungani 3 well was an oil discovery but is interpreted to have not accessed the more porous section of the reservoir.

The well is expected to spud this week and a full update is expected at that time.

Chairman looks forward to Ungani 5

Eric Streitberg, chairman, said: "The Ungani 5 well is also very exciting as it has the potential to add to both reserves and production capacity to the field and we are looking forward to a nice Christmas present when we see the results of that well.

"We are of course also reviewing how we are drilling Ungani 5 to make sure that any potential problems are identified, and contingency plans put in place."

Recent oil price moves to support balance sheet

Under the sales agreement, oil is sold crude is sold to Trafigura, who is responsible for all shipping related charges to the relevant refinery.

The final realised price of the recent ~55,000 barrel cargo will be dependent on the average Brent price over the month of November.

With Brent Crude Oil recently trading near to its three-year highs, Buru will capture the benefits of the recent oil price surges.

READ: Buru Energy's forward program fully-funded following oversubscribed placement

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