

Buru Energy Ltd

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Buru Energy forms innovative alliance to explore hydrocarbon and mineral potential in the Canning Basin

Buru Energy Limited (ASX:BRU) (OTCMKTS:BRNGF) has formed an innovative alliance with Sipa Resources Limited (ASX:SRI) to jointly explore the hydrocarbon and lead/zinc potential of the Barbwire Terrace Project in Western Australia's north.

The intention of the binding Heads of Agreement is to form a 50:50 joint venture using Buru's petroleum industry technical capabilities and Sipa's minerals exploration expertise to unlock value at the Barbwire Terrace project.

The Barbwire Terrace project covers the southern margin of the Fitzroy Trough and is adjacent to Buru tenements and also includes an Area of Mutual Interest covering a wider area.

Price: 0.093

Market Cap: \$40.18 m

1 Year Share Price Graph



Share Information

Code: BRU

Listing: ASX

52 week High Low
0.2375 0.062

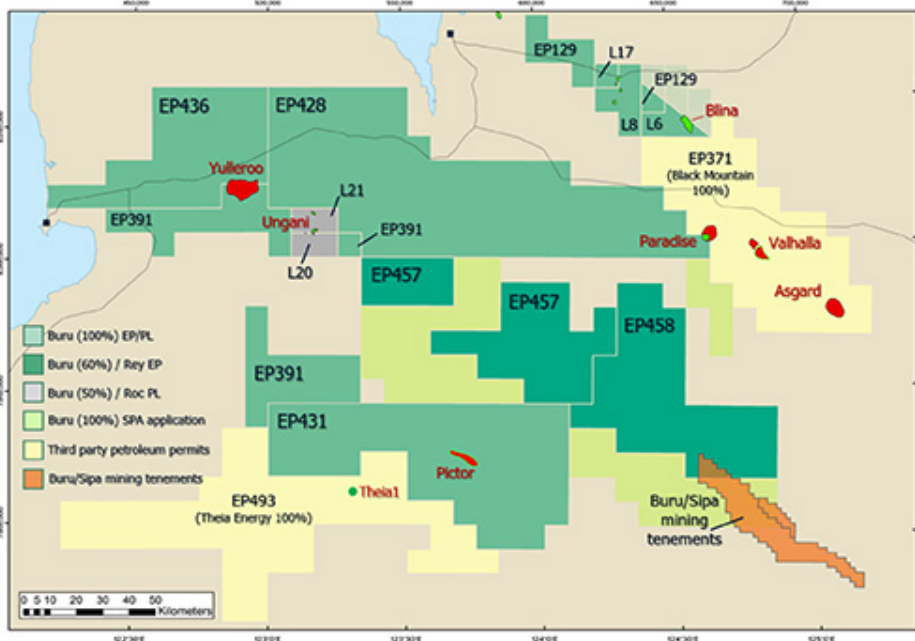
Sector: Oil & Gas

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.

action@proactiveinvestors.com.au



Barbwire Terrace location at lower right in relation to Buru petroleum leases.

MVT style mineralisation potential

Geological and geophysical interpretation together with the results of previous petroleum wells has confirmed the potential for mineralisation of an identical Mississippi Valley Type (MVT) style to the well-known Lennard Shelf deposits along the northern margin of the trough.

Buru will fund the first \$250,000 of on-ground exploration activities to earn a 50% interest of the existing tenements and Sipa will be the operator of on-ground exploration activities.

All expenditure in excess of \$250,000 will be funded by the parties in accordance with their respective participating interests.

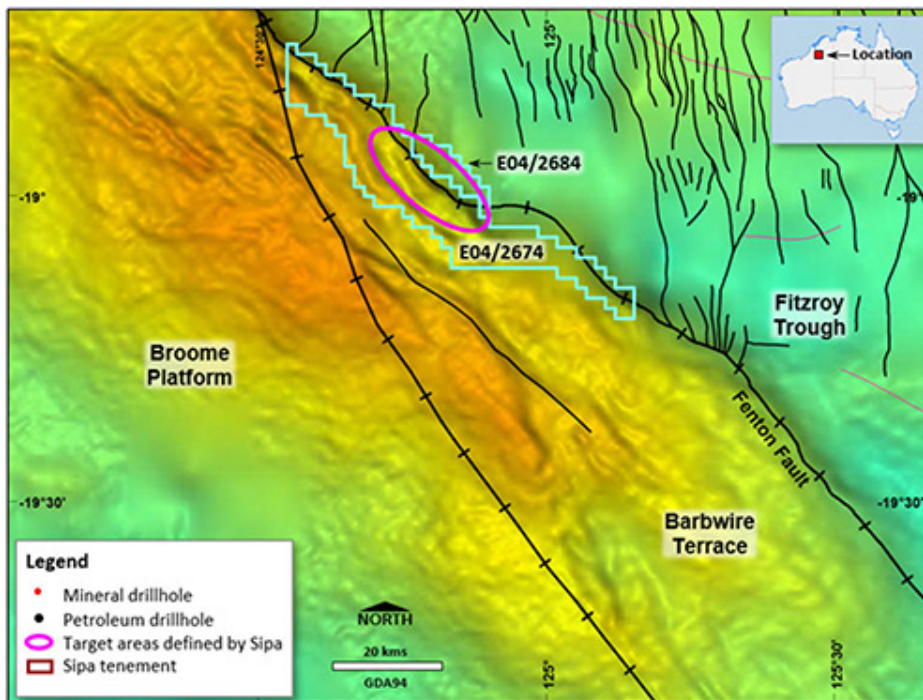
"Synergistic exploration move"

Buru's executive chairman Eric Streitberg said: "We have made a synergistic exploration move with our core geological and geophysical capabilities being brought to bear on mineral exploration targets that are complementary to our oil and gas targets."

This initiative was a result of the intersection of substantial discrete mineralised zones in a petroleum well previously drilled by Buru.

These mineralised zones were identified from drill cuttings and petroleum petrophysical logs over an aggregate of 15 metres over depths from 2,160 metres to 2,300 metres.

Although these specific zones are too deep to be economically mineable, their interpreted hydrothermal origin provides a valuable insight into mineralisation in the basin and the location of much shallower targets.



Barbwire Terrace tenements over a regional gravity image (from Sipa Resources).

Extensive database

Buru has an extensive geological and seismic database in the basin and the genesis of carbonate-hosted hydrothermal lead/zinc deposits has many parallels to the genesis of oil and gas in carbonate provinces, including Buru's producing Ungani Oilfield.

Most notably locally is the discovery in 1981 of the world-class Admiral Bay lead-zinc deposit in the central Canning Basin by oil exploration drilling companies, but its mineral potential was not recognised at the time.

Although deeply buried and challenging to develop, Admiral Bay nevertheless confirmed the close association of mineral and petroleum accumulations in hydrothermal settings.

Consequently, Buru approached Sipa, which is already active in the basin in the search for these deposits, to cooperate in future mineral exploration activity.

The joint mineral exploration initiatives within the area bring together the complementary strengths and knowledge of the two companies.

Buru will supply geological, geophysical and logistical support and input to the exploration program which is planned to

include the drilling of mineral holes in the 2021 Canning Basin field season.

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Contact us +61 (0)2 9280 0700 action@proactiveinvestors.com.au

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