

Buru executes Strategic Development Agreement with Clean Energy Fuels Australia for the Rafael Gas Project

Buru Energy Limited (Buru, Company) (ASX:BRU) is pleased to provide the following update regarding the progress of its 100% owned Rafael Gas Project located in the Canning Basin, approximately 150 km east of Broome and approximately 85 km south of Derby in the Shire of Derby-West Kimberley, Western Australia.

The Rafael Gas Project (Project) is targeting the replacement of long-haul trucked or imported fuel used for power generation and mining in the northwest of Western Australia with a local source of trucked Liquefied Natural Gas (LNG) and liquids, supporting the development of new market opportunities in the region, and delivering projected long term cashflows from 2H 2027.

Highlights

- **Buru has executed a Strategic Development Agreement (SDA) with Clean Energy Fuels Australia Pty Ltd (CEFA) to co-develop the Rafael Gas Project.**
- **The SDA provides a clear pathway to building a valuable long-term gas and condensate business in the northwest of Western Australia, combining Buru's upstream resource and expertise with CEFA's strong downstream and midstream capabilities, strong financial backing and incumbency in the Western Australian domestic LNG market.**
- **CEFA, an Octa Group portfolio company has a track record of developing and operating small scale LNG infrastructure assets in Australia. Octa Group is owned by I Squared Capital (ISQ), a top 5 global infrastructure fund with US\$40 billion in assets under management.**
- **Buru and CEFA have agreed a business model as the basis for future binding agreements, expected to be executed in late 2025. CEFA will fully finance, build, own and operate an LNG plant with a capacity of up to 300 tonnes per day and associated condensate infrastructure on the Rafael 1 wellsite.**
- **CEFA/Octa Group will be responsible for the midstream elements of the Project involving the distribution of LNG and condensate to end users.**
- **Buru and CEFA will work together to conduct sales and marketing with customers.**
- **CEFA's investment in the Rafael Gas Project will be recovered through gas processing fees charged to Buru over an estimated 20-year production life, the terms of which will be negotiated over the coming months.**
- **Buru is responsible for the financing, construction and operation of the upstream elements of the Project, which currently consist of two wells (including the Rafael 1 discovery well), Native Title negotiations and Western Australian State Government environmental approvals for the small footprint Project.**
- **Buru is pursuing several options to fund its 2025 Rafael 1 well recompletion and testing program to support independent certification of the Rafael reserves, and the drilling of a development well in 2026. Reserves certification is a key condition precedent to binding agreements with CEFA.**
- **Final Investment Decision for the Project is planned for late 2025 / early 2026, with robust cashflows targeted to commence from 2H 2027.**

Buru CEO, Mr Thomas Nador said:

“The agreement with CEFA is a watershed moment for Buru and the Rafael Gas Project. It marks a clear demonstration of the Company’s gas strategy and transition from explorer to developer and long-term producer.

Rafael is the only confirmed source of conventional gas and liquids in onshore Western Australia north of the North West Shelf Project. It is a unique opportunity to provide energy to a growing market that is not connected to a gas pipeline and currently faces challenges with high energy costs and security of supply.

Combining forces with the I Squared backed CEFA/Octa Group is a material development on the path to commercialising the Rafael resource. I look forward to our collective effort to deliver the economically attractive Rafael Gas Project.”

CEFA/Octa Group CEO and Director, Mr Basil Lenzo said:

“We are very pleased to be working with Buru on the Rafael Gas Project as part of our Energy Transition Platform. Our proven virtual pipeline or ‘trucked LNG’ model lowers long-term regional energy costs and emissions and provides a viable alternative to diesel for new and existing energy users.”

Agreement Rationale

Executing the Strategic Development Agreement (SDA) with Clean Energy Fuels Australia Pty Ltd (CEFA) is a significant development for the Rafael Gas Project. The terms of the SDA outline the respective and joint roles and responsibilities of Buru and CEFA in working toward the execution of binding agreements in late 2025.

Buru and CEFA will develop gas pricing arrangements to enable competitive LNG sales to customers, provide robust economic returns for each party and include a mechanism to share upside value that may be captured. The parties will also collaborate on condensate production, transport and sales.

Under the binding agreements, CEFA will finance, build, own and operate a small-scale LNG plant with a capacity of up to 300 tonnes per day and condensate facilities situated on the existing cleared Rafael 1 well pad. A processing tariff to be paid by Buru to CEFA will be negotiated.

This structure will materially derisk the downstream/midstream capital components of the Rafael Gas Project for Buru. It means Buru’s upfront costs are limited to the upstream components of the Project which currently consist of 2 wells (including the Rafael 1 discovery well) and the gas and condensate upstream processing facilities.

This LNG processing tariff model will enable predictable, regular long-term cash flows for both Buru and CEFA, which can be beneficial for financing and operational planning. It also provides greater flexibility in managing operational costs and adjusting to market conditions, as fees can be structured to reflect changes in demand or operating expenses.

A processing tariff model will incentivise efficient processing operations, encouraging CEFA as downstream operator to optimise plant performance to minimise costs and maximise throughput.

Agreement Structure

Under the SDA, Buru and CEFA have agreed an in-principle business model for collaboration and the basis for future binding agreements for the Rafael Gas Project. The binding agreements will cover:

- Gas and condensate supply arrangements by Buru;
- LNG production arrangements and facilities by CEFA;

- Conditions Precedent (CP) for binding agreements covering Buru, CEFA and Joint CPs. For Buru these consist of Independent Reserves Certification, Production Licence over EP 428, Regulatory approvals and Native Title approvals. CEFA CP's relate to works and development approvals, and Joint CPs relate to LNG and condensate sales and marketing activities;
- Supply commencement window and telescoping window arrangements targeting 2H 2027 commencement and a supply period of 20 years;
- Gas and condensate pricing framework;
- LNG and condensate marketing; and
- Other standard industry terms and conditions.

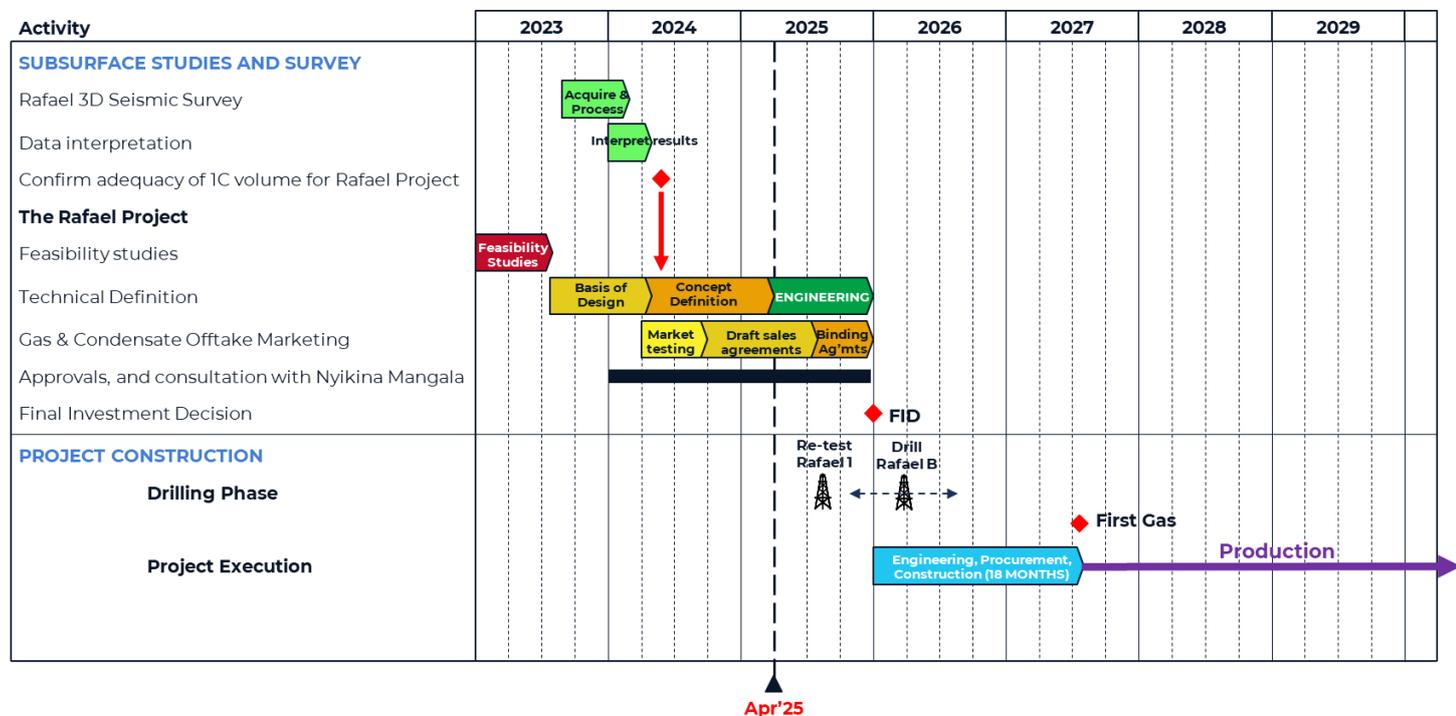
Next Steps

Buru continues to expedite Native Title and regulatory approvals in support of the Rafael Gas Project development timeline below.

Preparations are under way to conduct the recompletion and extended flow testing of Rafael 1 in the 3Q 2025. This activity is required to support Independent Reserves Certification, a key Condition Precedent under the SDA.

Buru continues to mature the 2026 drilling program and has defined the second well for the development (Rafael B) to be drilled from the existing Rafael 1 well pad during next year's operating window to provide further appraisal, flow assurance and backup for the Rafael LNG plant.

Buru is pursuing a number of funding strategies including the introduction of a farm-in party to fund the forward drilling program for the Rafael Gas Project.



The timeline is indicative and is subject to capital availability, future discussions with potential asset partners, offtake arrangements, land access and regulatory approvals.

About I Squared Capital

I Squared Capital (ISQ, isquaredcapital.com) is a US private equity firm focusing on global infrastructure investments. ISQ has US\$40 billion in assets under management, with investments in 89 companies operating across 70+ countries. Headquartered in Miami USA, the company invests in energy, utilities, transport and telecommunication projects in North America, Europe, Asia and Latin America.

ISQ acquired CEFA in 2021 with the parties announcing plans to invest into an Energy Transition Platform that is focused on reducing the carbon footprint of energy intensive industries in Australia.

The Energy Transition Platform, initially focused on Western Australia, is aimed at supporting remote mining customers to meet their evolving energy needs. This includes end-to-end logistics for Liquefied Natural Gas (LNG) for power generation, innovative solutions for utilising LNG in place of diesel for heavy mine haul vehicles and hybrid power solutions including re-deployable solar and wind which can adapt with the unique requirements of mining operations with shorter mine lives.

About Clean Energy Fuels Australia Pty Ltd

Clean Energy Fuels Australia (cefa.com.au), based in Perth, Western Australia, builds, owns and operates integrated LNG solutions for remote mining operations, communities and industry in Australia.

CEFA is part of the OCTA group of privately held companies (octa.net.au), which also includes EVOL LNG and PWR Hybrid. The group has collective experience in gas extraction, field development, virtual pipelines, fixed infrastructure and power solutions from both a market development and operations perspective.

The company is owned by ISQ Global Infrastructure Fund II, a private equity fund which is managed and advised by I Squared Capital Advisors (US) LLC.

OCTA provides both LNG transportation and remote hybrid power generation solutions to customers requiring reliable and firm delivery of energy to their operations. LNG unlocks the penetration of renewable energy, providing remote energy users access to a lower emission fuel that also offers stability and the flexibility to maximise renewable energy sources.

CEFA owns and operates a 250 tonne per day Mid-West LNG processing plant in Mount Magnet, with a strong portfolio of West Australian customers including Westgold Resources, Vault Minerals, Lynas Rare Earths, Pilbara Minerals and Bellevue Gold.

CEFA also has a 50% interest in the Mid-West Pipeline, through an unincorporated joint venture with Horizon Power. The Mid-West pipeline is a 353km transmission pipeline that transports gas from the Dampier to Bunbury Natural Gas Pipeline and is utilised to transport gas to CEFA's Mid-West LNG processing plant.

In 2024, CEFA acquired EVOL LNG, Wesfarmer's LNG distribution business. EVOL LNG provides trucked LNG as a fuel for remote power stations, industrial facilities, marine bunkering and transportation.

In addition to OCTA's interests in LNG through CEFA, OCTA also operates PWR Hybrid which is a thermal gas and renewable energy company focussed on providing alternative energy generation solutions to mining and resource projects in Australia.

Authorisation

This ASX announcement has been authorised for release by the Chair of the Board of Directors.

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