

SE Business
HD **Buru close to deal with cornerstone partner**

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BURU **Energy** is on the cusp of a deal it hopes will reinvigorate efforts to tap the potential of its huge acreage position in the north of Western Australia.

Buru entered a trading halt yesterday pending an announcement "in relation to a proposed **equity** raising including to a new strategic cornerstone shareholder". Sources estimated Buru needed around \$50 **million** to step up its exploration campaign.

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The **company**'s efforts to progress its permits in WA's Canning Basin have suffered a series of setbacks in the past 18 months and its shares have fallen by more than 70 per cent over that time.

The move into a trading halt sparked a flurry of speculation about the identity of the new cornerstone partner.

On Wednesday, Buru executive chairman Eric Streitberg told an investor breakfast in Perth the **company** had engaged in "robust discussions" with a number of **iron ore** miners over possible gas supply from its potentially huge but remote projects.

Those comments prompted some observers to flag **iron ore** miner Fortescue Metals as the possible partner. Fortescue has previously expressed its desire to fuel much of its **operations** through gas rather than diesel, and is believed to have looked at a number of gas investment opportunities around the state.

Fortescue has also previously considered picking up exposure to the Canning Basin through a deal that would have seen it become a cornerstone investor in ASX-listed **Oil** Basins in January last year, but the deal fell over soon after it was announced.

Buru has already partnered with Japan's Mitsubishi Corp in the Canning Basin, while US group Apache **Energy** agreed to farm into a portion of the landholding last year.

The Australian understands Buru had been close to a broader deal with Apache **Energy** earlier this year, but the deal was scuttled when activist shareholders successfully agitated for the group to pull back from assets outside North America. At least one **Chinese** group is understood to have looked closely at a deal with Buru.

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