

3 August 2017

Dear Shareholder

NON-RENOUCEABLE ENTITLEMENT ISSUE

On 1 August 2017, Buru Energy Limited (**Buru** or the **Company**) announced that it will be offering eligible shareholders the opportunity to acquire fully paid ordinary shares in the capital of Buru (**New Shares**) via a non-renounceable entitlement issue on the basis of one (1) New Share for every five (5) shares held by shareholders registered at 5.00pm (AWST) on 7 August 2017 (**Record Date**) at an issue price of \$0.15 per New Share to raise approximately \$10.2 million before costs (**Offer**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 1 August 2017 and it may be viewed on the ASX website at www.asx.com.au or alternatively at the Company's website at www.buruenergy.com.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members as at 5.00 pm (AWST) on 7 August 2017, whose registered address is in Australia, New Zealand, Hong Kong, Singapore or the United Kingdom (**Eligible Shareholders**).

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue. Assuming all entitlements are accepted, following completion of the Offer, the Company will have issued approximately 67,999,416 New Shares resulting in total Shares on issue of approximately 407,996,494.

The lead manager to the Offer is Hartleys Limited. For information relating to the fee payable to the lead manager please refer to the Prospectus

Use of Funds

As set out in the Prospectus, the Company intends to apply the funds raised under the Offer as follows:

Item	Proceeds of the Offer	\$
1.	Phase 3 Ungani development estimated expenditure <ul style="list-style-type: none"> • Ungani 3 Sidetrack drilling and well completion costs • Ungani 4 development well drilling and completion costs Total Estimate	3,000,000 6,500,000 9,500,000
2.	Expenses of the Offer (Estimate)	245,000
3.	Working capital & administrative/corporate	454,912
	Total	10,199,912

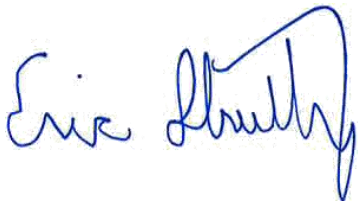
Ineligible Shareholders

A Shareholder who has a registered address outside Australia, New Zealand, Hong Kong, Singapore or the United Kingdom (**Ineligible Shareholder**) will not be eligible to participate in the Offer.

You are not eligible to participate in the Offer and you will not be sent a copy of the Prospectus. This decision has been made pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules after taking into consideration the costs of complying with legal and regulatory requirements in jurisdictions outside of Australia, New Zealand, Hong Kong, Singapore or the United Kingdom compared with the small number of Ineligible Shareholders and the number and value of New Shares to which they would otherwise be entitled.

If you have any queries concerning the Offer, please contact your financial adviser or the Company on +61 8 9215 1800.

Yours sincerely



Eric Streitberg

EXECUTIVE CHAIRMAN