



Chairman's Letter



Rights Issue to Fund Accelerated Development of Ungani

Dear Shareholder

You will find enclosed a Prospectus for a 1 for 5 rights issue at 15 cents per share to raise approximately \$10.2 million. The issue is non-renounceable and the closing date of the issue is 1 September 2017.

The funds are being raised to accelerate the development of our 100% owned Ungani Oilfield by drilling an additional two wells expected during the fourth quarter of this year. After reviewing the funding alternatives for the wells, your Board considered that an attractively priced rights issue was the fairest way to allow all shareholders to participate in the forward program. Our two largest shareholders support this strategy and have confirmed their intention to take up their full entitlement for a total of approximately \$1.7 million.

This acceleration of the development program at Ungani has been made possible by our recent completion of an asset swap deal with Mitsubishi that has given us 100% ownership of the Ungani Oilfield and the surrounding conventional oil exploration acreage. We have also restarted oil production from Ungani through a new and more profitable oil export system in Wyndham, and a review of our exploration portfolio has confirmed a number of attractive oil and gas exploration targets within our extensive Canning Basin acreage holdings.

Further details of the Company's forward strategy for the development of Ungani and of our exploration portfolio are set out in our most recent corporate presentation which is available on the Company's website and on ASX.

We also encourage you to carefully read the enclosed Prospectus which sets out further information about the rights issue, including an indicative timetable, the use of funds and the risks associated with any investment in Buru shares. Detailed instructions as to how to apply for your entitlement can be found in section 4 of the Prospectus and on the back of the enclosed personalised Entitlement and Acceptance Form.

Shareholders can also apply for an allocation of shortfall shares and the details of this are set out in the Prospectus. This issue is not underwritten and Hartleys Limited have been appointed Lead Manager for the placement of shortfall shares that are not taken up by existing Buru shareholders.

The Company has been revitalised by the recent transformational transactions and operational activity and we look forward to your continued support.

Yours sincerely

Eric Streitberg

For enquiries in regard to individual shareholdings please contact Link Market Services on 1800 810 859.

For enquiries in relation to Buru Energy corporate matters please contact the Company Secretary on 08 9215 1800 between 08:30 and 17:00 WST or by email at shanemcdermott@buruenergy.com