



BURU ENERGY LIMITED
ABN 71 130 651 437
NOTICE OF ANNUAL GENERAL MEETING

TIME: 10.30am (Perth time)

DATE: Wednesday, 29 April 2015

PLACE: Perth Exhibition and Convention Centre, 21 Mounts Bay Road, Perth

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

NOTICE OF 2015 ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Buru Energy Limited ABN 71 130 651 437 will be held at Perth Exhibition and Convention Centre, 21 Mounts Bay Road, Perth on Wednesday, 29 April 2015 at 10.30am (Perth time).

BUSINESS

A. CONSIDERATION OF REPORTS

To receive and consider the financial report of the Company, the Directors' report and the Auditor's report for the period 1 January 2014 to 31 December 2014.

Shareholders can view the Company's 2014 Annual Report, which contains these reports, in the "Investor Centre" section on the Company's website (<http://www.buruenergy.com/asx-announcements/annual-reports/>).

The Auditor, KPMG, will be present at the Meeting. The Chairman will give Shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the Auditor's report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by Shareholders that are relevant to the content of the Auditor's report or the conduct of the audit. A list of written questions, if any, submitted by Shareholders will be made available at the start of the Annual General Meeting and any written answer tabled by the Auditor at the Meeting will be made available as soon as practicable after the Meeting.

B. PROPOSED RESOLUTIONS

1. Resolution 1 - Adoption of Remuneration Report

To consider and, if thought fit, pass the following as an ordinary resolution:

"That the Company's Remuneration Report for the period ended 31 December 2014 be adopted."

Note: The vote on this Resolution is advisory only and does not bind the Directors.

Voting Exclusion Statement - Resolution 1: A voting exclusion statement for Resolution 1 is set out after Resolution 7.

2. Resolution 2 - Re-election of Mr Robert Willes as a Director

To consider and, if thought fit, pass the following as an ordinary resolution:

“That Mr Robert Willes, who retires in accordance with the Constitution and being eligible to offer himself for re-election, be re-elected as a Director of the Company.”

3. Resolution 3 - Re-election of Ms Eve Howell as a Director

To consider and, if thought fit, pass the following as an ordinary resolution:

“That Ms Eve Howell, who retires in accordance with the Constitution and being eligible to offer herself for re-election, be re-elected as a Director of the Company.”

4. Resolution 4 - Ratification of prior issue of Shares pursuant to Placement

To consider and, if thought fit, pass the following as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the prior issue by the Company of 37,504,998 fully paid ordinary shares in the Company for an issue price of \$0.75 per share, on the terms and conditions set out in the Explanatory Notes, be approved and ratified.”

Voting Exclusion Statement - Resolution 4: The Company will disregard any votes cast on Resolution 4 by or on behalf of any of the persons who participated in the issue of Shares and any associates of those persons, unless the vote is cast by:

- (a) a person as proxy for a person entitled to vote in accordance with a direction on the Proxy Form; or
- (b) the Chairman of the Meeting as proxy for a person entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. Resolution 5 - Re-approval of the Company's Employee Share Option Plan

To consider and, if thought fit, pass the following as an ordinary resolution:

“That the Buru Energy Limited Employee Share Option Plan, the principal terms of which are summarised in the Explanatory Notes, and the issue of Options under that plan (including the issue of Shares upon the exercise of those Options), be approved for all purposes, including for the purposes of ASX Listing Rule 7.2 (Exception 9).”

Voting Exclusion Statement - Resolution 5: The Company will disregard any votes cast on Resolution 5 by:

- (a) a Director (except one who is ineligible to participate in the ESOP) and any associate of such a Director; and
- (b) a member of the key management personnel (and their closely related parties) acting as a proxy,

unless the vote is cast by:

- (c) a person as proxy for a person entitled to vote in accordance with a direction on the Proxy Form; or

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- (d) by the Chairman of the Meeting as proxy for a person entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy sees fit and exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

6. Resolution 6 - Renewal of Proportional Takeover Provisions

To consider and, if thought fit, pass the following as a special resolution:

"That, for the purposes of section 648G of the Corporations Act 2001 (Cth), article 5.14 of the Constitution and for all other purposes, articles 5.9 to 5.13 of the Constitution be renewed for a period of three years after the date of the Annual General Meeting."

C. CONTINGENT BUSINESS ITEM

7. Resolution 7 – Board Spill Meeting (contingent upon outcome of Resolution 1)

If put, the Meeting is to consider the following as an ordinary resolution:

"That, as required by Division 9 of Part 2G.2 of the Corporations Act 2001 (Cth):

- (a) *a meeting of the Company's members be held within 90 days of the date of this Annual General Meeting (the **Spill Meeting**);*
- (b) *all of the Directors in office when the Board resolution to approve the Directors' report for the financial year ended 31 December 2014 was passed (excluding Mr Eric Streitberg, Executive Chairman, who has assumed the duties of the Company's previous Managing Director), and who remain in office as Directors at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and*
- (c) *resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting."*

Note: Resolution 7 is a **contingent** business item. This Resolution will only be put to the Meeting if at least 25% of votes cast on Resolution 1 (to adopt the Remuneration Report) are "against" that Resolution. If less than 25% of the votes cast on Resolution 1 are against that Resolution, then there will be **no** "second strike" for the purposes of section 250U of the Corporations Act and Resolution 7 will not be put to the Meeting.

Voting Exclusion Statement – Resolution 1 and (if considered) Resolution 7: The Company will disregard any votes cast on Resolution 1 and, if considered, Resolution 7 by or on behalf of a member of the key management personnel of the Company's consolidated group (at the date of the Meeting or whose remuneration is included in the Remuneration Report) and any of their closely related parties, unless the vote is cast by:

- (a) a person as proxy for a person entitled to vote in accordance with a direction on the Proxy Form; or
- (b) the Chairman of the Meeting as proxy for a person entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy sees fit and exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

Chairman voting intention: The Chairman of the Meeting (where appropriately authorised) intends to vote all available undirected proxies **in favour of** Resolutions 1, 2, 3, 4, 5 and 6. If Resolution 7 is considered (and where appropriately authorised), the Chairman intends to vote all available undirected proxies **against** Resolution 7.

By order of the Board



Shane McDermott
Company Secretary
25 March 2015

VOTING AND ATTENDANCE INFORMATION

Right to vote

The Board has determined that persons who are registered as Shareholders as at 5:00pm (Perth time) on Monday, 27 April 2015 will be entitled to attend and vote at the Meeting.

If more than one joint holder of Shares is present at the Meeting (whether personally or by proxy, attorney or representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

How to vote

Voting in person

To vote in person, attend the Annual General Meeting on the date at the place set out above.

If you attend the Meeting, please bring your personalised proxy form with you to assist with registration. If you do not bring your form with you, you will still be able to attend the meeting but you will need to verify your identity.

Voting by proxy

If you are a Shareholder entitled to attend and vote at the Meeting, you may appoint an individual or a body corporate as a proxy. A personalised Proxy Form accompanies this Notice of Meeting. A proxy need not be a Shareholder.

If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the Meeting.

A Shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the Shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the Shareholder's votes.

The Corporations Act provides that if proxy holders vote, they must cast all directed proxies as directed, and any directed proxies which are not voted will automatically default to the Chairman, who must vote the proxies as directed. If the proxy has two or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands.

To vote by proxy, the Proxy Form must be completed, signed and returned to the Share Registry in accordance with the methods set out below, so that it is received at least 48 hours before the Meeting (that is, by no later than 10.30am (Perth time) on Monday, 27 April 2015 (**Proxy Deadline**)):

By post:	Buru Energy Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235
By facsimile:	+61 2 9287 0309
By delivery:	Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138

You can also vote online at www.linkmarketservices.com.au. To vote online, select "Investor Login" and enter Buru Energy Limited or the ASX code BRU in the Issuer name field, your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) (which is shown on the front of your Proxy Form), postcode and security code which is shown on the screen and click 'Login'. Select the "Voting" tab and then follow the prompts. You will be taken to have signed and returned your Proxy Form if you vote online in accordance with the instructions given on the website. If you choose to vote online, you must vote by the Proxy Deadline.

Proxy Forms received after the Proxy Deadline will be invalid.

Voting by attorney

If a Shareholder has appointed an attorney to attend and vote at the Meeting, or if the Proxy Form is signed by an attorney, the power of attorney (or a certified copy of the power of attorney) under which the Proxy Form is signed must be sent using one of the methods listed above for the receipt of Proxy Forms and received by the Company before the Proxy Deadline (unless this document has previously been lodged with the Company's Share Registry for notation).

Corporate representatives

A body corporate that is a Shareholder, or that has been appointed as a proxy, is entitled to appoint a person to act as its representative at the Meeting. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment as the body corporate's representative, including any authority under which the appointment is signed.

Shareholders can download and fill out the "Appointment of Corporate Representation" form from the Link website:

<http://www.linkmarketservices.com.au/corporate/investorservices/forms.html>

Shareholder questions

Shareholders will have an opportunity to ask questions and make comments.

If you wish to put a relevant question to the Auditor or the Board, and you are not able to attend the Meeting, please email your question to the Company Secretary at info@buruenergy.com. To allow time to collate questions and prepare answers, questions must be received by the Company Secretary by 5:00pm (Perth time) on Wednesday, 22 April 2015.

We will endeavour to respond to as many of the more frequently asked questions as possible at the Meeting.

EXPLANATORY NOTES

These Explanatory Notes form part of the Notice of Meeting and provide information to Shareholders about the items of business to be considered at the Annual General Meeting.

The Directors recommend that Shareholders read these Explanatory Notes, together with the Notice of Meeting, in their entirety before deciding how to vote in respect of the Resolutions.

Resolutions 1 to 5 and 7 are ordinary resolutions. In order to be passed, an ordinary resolution requires a simple majority of votes cast by Shareholders entitled to vote on the Resolution. Resolution 6 is a special resolution. In order to be passed, a special resolution requires at least 75% of the votes cast to be in favour of the Resolution.

ORDINARY BUSINESS

1. Resolution 1 - Adoption of Remuneration Report

1.1 Introduction

The Corporations Act requires a resolution that the Company's Remuneration Report be adopted be put to a vote at the Annual General Meeting.

The Remuneration Report describes the Company's remuneration policy for non-executive Directors, executive Directors and other senior executives. The Remuneration Report is set out from page 28 to 39 of the Company's 2014 Annual Report, which can be viewed in the "Investor Centre" section on the Company's website (<http://www.buruenergy.com/asx-announcements/annual-reports/>). The Chairman will give Shareholders a reasonable opportunity to ask questions about or make comments on the Remuneration Report.

Section 250R(3) of the Corporations Act provides that the vote on the Remuneration Report is advisory only and does not bind the Directors or the Company. However, the Board will take into consideration the outcome of voting on this Resolution when assessing the Company's remuneration policy in the future.

If at least 25% of the votes cast on the adoption of the Company's remuneration report at two consecutive annual general meetings are against adopting the Company's remuneration report, and a resolution was not put to the vote at the first of those consecutive annual general meetings under a prior application of the two strikes rule, then Shareholders will have the opportunity to vote on a "spill resolution".

At last year's annual general meeting, approximately 71.87% of the votes cast on the resolution to adopt the remuneration report were cast against adopting the report, and so the Company received a "first strike" at that meeting. As a result, if at least 25% of the votes cast on Resolution 1 are cast against adopting the Remuneration Report at the Meeting, Resolution 7, which is a "spill resolution", will be put to the Meeting and voted on as required by section 250V of the Corporations Act.

The Board acknowledged and respected the outcome from last year's annual general meeting and is committed to consult with, and continuing to consult with, Shareholders to understand their comments and concerns in respect of the Company's remuneration structures and policies.

In response to a number of issues, including the "first strike" received in 2014, the Company has undertaken a process of significant organisational restructuring to achieve long term cost saving initiatives. Redundancies were an important and necessary part of this process. To illustrate the significant reduction in key management personnel remuneration, the Remuneration Report has been presented in a manner to show current Directors and key management personnel separately from former Directors and key management

personnel. This is intended to provide a more transparent summary of the current remuneration levels of the Company's Directors and key management personnel.

1.2 Board Recommendation

The non-executive Directors recommend that Shareholders vote in favour of Resolution 1 to adopt the Remuneration Report. As Mr Eric Streitberg is member of the key management personnel, he has resolved not to make a recommendation about how Shareholders should vote on this item of business.

2. Resolution 2 - Re-election of Mr Robert Willes as a Director

2.1 Introduction

Mr Robert Willes was appointed as a Director in July 2014. As required by article 9.3(b) of the Constitution, Mr Willes will retire at the conclusion of the Meeting unless re-elected. Being eligible to do so, Mr Willes offers himself for re-election as a Director of the Company. If Resolution 2 is passed, Mr Willes will be re-elected and, therefore, continue as a Director of the Company.

2.2 Experience

Mr Willes has over 25 years of extensive international experience in the oil and gas and energy industries.

He currently the Managing Director of Challenger Energy Ltd an ASX-listed oil and gas explorer with exposure to the emerging world-scale shale gas province in South Africa's Karoo Basin.

Mr Willes has previously served on a number of boards including the Australian Petroleum Production and Exploration Association (APPEA), North West Shelf Gas Pty Ltd, North West Shelf Liaison Co. Pty Ltd, North West Shelf Australia LNG Pty Ltd, North West Shelf Shipping Services Co. Pty Ltd, Carbon Reduction Ventures Pty Ltd and Perth Centre for Photography.

Mr Willes' early career with BP involved several positions in petroleum product supply, trading and marketing, and as a lead negotiator for numerous gas transactions in Europe. He subsequently joined BP's Group Mergers and Acquisitions team, where he led the divestments of Burmah Castrol's Chemicals Division and Great Yarmouth Power Ltd, and advised BP on a number of acquisition opportunities.

In Australia, Mr Willes was BP's General Manager of the North West Shelf LNG Project. Robert also had overall accountability for BP's interests in the Browse LNG and Greater Gorgon LNG Projects, and for business development activities in Asia Pacific. More recently, Mr Willes was Chief Executive Officer of Eureka Energy Limited, and was instrumental in managing the recommended A\$107million on-market takeover by Aurora Oil and Gas Limited.

2.3 Board recommendation

The Directors, other than Mr Willes whose re-election is the subject of the Resolution, are of the view that the Board has benefitted and will continue to benefit from the skills, knowledge and experience that Mr Willes brings to the Company and recommend that Shareholders vote in favour of Resolution 2.

3. Resolution 3 - Re-election of Ms Eve Howell as a Director

3.1 Introduction

Ms Eve Howell was appointed as a Director in July 2014. As required by article 9.3(b) of the Constitution, Ms Howell will retire at the conclusion of the Meeting unless re-elected. Being eligible to do so, Ms Howell offers herself for re-election as a Director of the Company. If Resolution 3 is passed, Ms Howell will be re-elected and, therefore, continue as a Director.

3.2 Experience

Ms Howell has over 40 years of experience in the oil and gas industry in a number of technical and managerial roles, primarily with Amoco Corporation, Apache Energy Ltd and Woodside Energy Ltd. She is currently a director of ASX-listed Downer EDI Limited and MMA Offshore Limited (formerly known as Mermaid Marine Australia Ltd).

In the private sector, Ms Howell is Non-executive Chairman of EMR Resources Pty Ltd and on the Senior Advisory Panel of Miro Advisors Ltd. She has previously served on a number of boards including Tangiers Petroleum (as Executive Chairman), the Fremantle Port Authority, the Australian Petroleum Production and Exploration Association, and as a board member and President of the Australian Mines and Metals Association. She is a member of the Australian Institute of Company Directors.

Ms Howell began her exploration career in the UK and since 1981 has worked for several Australian based companies including Apache Energy Ltd, during a time when the company developed significant oil production from the Carnarvon Basin and became the second largest domestic gas supplier. She held various senior positions in Apache Energy Ltd in Australia including Business Development Manager and Managing Director. Between 2006 and 2011, Ms Howell was a Woodside Executive Committee member, with her positions including Executive Vice President of the North West Shelf.

3.3 Board recommendation

The Directors, other than Ms Howell whose re-election is the subject of the Resolution, are of the view that the Board has benefitted and will continue to benefit from the skills, knowledge and experience that Ms Howell brings to the Company and recommend that Shareholders vote in favour of Resolution 3.

4. Resolution 4 - Ratification of prior issue of Shares pursuant to Placement

4.1 Introduction

As announced on 22 September 2014, the Company issued 37,504,998 Shares (representing approximately 12.5% of the Company's issued capital at the date of issue) to certain sophisticated and professional investors at an issue price of \$0.75 per Share, raising a total of approximately \$28 million.

The reasons underpinning Resolution 4 are set out below.

- **15% Threshold:** ASX Listing Rule 7.1 imposes a limit on the number of equity securities (including ordinary shares) that a company can issue or agree to issue without shareholder approval. Generally, the Company can issue up to 15% of its issued equity securities in a 12 month period (subject to certain exceptions) without Shareholder approval. The issue of the Shares pursuant to the Placement was within this 15% threshold.

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- **Ratification:** ASX Listing Rule 7.4 permits the approval of previous issues of equity securities made without prior shareholder approval, provided that the issue did not breach the 15% threshold in ASX Listing Rule 7.1, with the effect being that the issue is treated as having been made with shareholder approval.
 - **Reinstate placement capacity:** Resolution 4 seeks shareholder approval under ASX Listing Rule 7.4 to approve the prior issue of the Shares pursuant to the Placement. Resolution 4 has been included in this Notice to provide the Company with the maximum flexibility to issue further securities (if necessary) under ASX Listing Rule 7.1 without shareholder approval. Put another way, if Resolution 4 is passed, the Company will not need to include the Shares issued pursuant to the Placement when calculating how many Shares it has issued for the purposes of the 15% threshold. While the Company has no present intention to issue additional Shares (other than upon the valid exercise of existing Options), the Company considers it necessary to retain the maximum flexibility to do so, should this become necessary or desirable. The requirement to obtain Shareholder approval for a future issue pursuant to ASX Listing Rule 7.1 could limit the Company's to take advantage of some opportunities that may arise.

4.2 Information required by ASX Listing Rule 7.5

In accordance with ASX Listing Rule 7.5, the Company provides the following information:

- **Number of securities issued and issue price:** A total of 37,504,998 Shares were issued by the Company on 26 September 2014 for an issue price of \$0.75 per Share, raising approximately \$28 million (before costs).
- **Terms of securities:** The Shares issued are fully paid ordinary shares in the Company and rank equally with all other fully paid ordinary shares on issue.
- **Persons to whom Shares issued:** The majority of the Shares were issued to Coogee Chemicals Pty Ltd and its holding company, Chemco Pty Ltd (a new substantial shareholder), with the balance issued to certain other existing sophisticated and professional Shareholders. None of the subscribers for the Shares are Directors, associates of Directors or related parties of the Company.
- **Use of funds:** The funds raised from the issue of the Shares have been, and will be, used to fund the Company's 2015 work program and for general corporate purposes as detailed in the ASX release dated 22 September 2014.

4.3 Board recommendation

The Board believes that Resolution 4 is in the best interests of the Company and its Shareholders and recommends that Shareholders vote in favour of the Resolution.

5. Resolution 5 - Re-approval of the Company's Employee Share Option Plan

5.1 Introduction

The ESOP was first approved by Shareholders at the Company's 2010 annual general meeting on 5 November 2010 and was re-adopted at the Company's 2012 annual general meeting on 30 November 2012 (**2012 AGM**).

As discussed in further detail below, this means that, unless Shareholder approval is obtained, ASX Listing Rule 7.2, Exception 9 will cease to apply to the ESOP from 30 November 2015 (being, date of the third anniversary of the 2012 AGM).

The Board has decided to seek re-approval for the ESOP at this Meeting rather than wait for the existing approval to expire. In the absence of this, as the Company has changed its financial reporting year end from 30 June to 31 December, its other options would broadly be as follows:

- convene a separate member's meeting shortly before 30 November 2015; or
- seek re-approval for the ESOP at the Company's 2016 annual general meeting, in which case there would be a period of time in which ASX Listing Rule 7.2, Exception 9 would not apply to the ESOP.

5.2 Requirement for Shareholder approval

The reasons underpinning Resolution 5 are set out below.

- **15% Threshold:** As previously noted, ASX Listing Rule 7.1 imposes a limit on the number of equity securities (including Options) that a company can issue without shareholder approval. Generally, a company must not, without shareholder approval, issue in any 12 month period, a number of equity securities that is more than 15% of the number of fully paid ordinary shares on issue 12 months before the issue.
- **Excluded from placement capacity:** ASX Listing Rule 7.2 sets out a number of exceptions to the 15% threshold imposed by ASX Listing Rule 7.1.

ASX Listing Rule 7.2, Exception 9 provides that an issue of equity securities under an employee incentive scheme (such as the ESOP) made without shareholder approval is effectively treated as having been made with shareholder approval if, within three years before the issue, shareholders had approved the issue of equity securities under the relevant scheme.

Resolution 5 seeks approval for the purposes of ASX Listing Rule 7.2, Exception 9 so that the issue of Options (and Shares on the exercise of those Options) under the ESOP will be excluded from the 15% limit imposed by ASX Listing Rule 7.1 for a period of 3 years from the date of the approval. In the absence of such Shareholder approval, the issue of Options under the ESOP can still occur, but those Options will be counted as part of the 15% limit which would otherwise apply during the 12 month period.

The approval of Resolution 5 will provide the Company with the maximum flexibility to incentivise employees and to undertake equity raisings, or equity funded acquisitions, without the need for Shareholder approval for the purposes of ASX Listing Rule 7.1.

5.3 Information required by ASX Listing Rule 7.2

In accordance with ASX Listing Rule 7.2, Exception 9, the Company provides the following information:

- **Key terms of ESOP:** A summary of the terms of the ESOP are set out in Schedule 2 to this Notice. A copy of the full terms of the ESOP can be obtained by contacting the Company Secretary.

There have been no material changes to the style or design of the ESOP since it was last approved by Shareholders at the 2012 AGM.

- **Options issued since 2012 AGM:** 6,580,000 Options have been issued under the ESOP since the plan was last approved by Shareholders at the 2012 AGM. Relevant details in relation to those Options are set out in the table below.

Tranche	Number of Options issued	Issue date	Exercise price	Expiry date
1	180,000	04/12/2012	\$4.13	31/12/2014
2	6,400,000	28/12/2014	\$1.12	31/12/2016

- **Voting exclusion statement:** Refer to the voting exclusion statement immediately following Resolution 5 on pages 2 and 3 of this Notice.

5.4 Some further information in relation to the ESOP

The number of Options to be issued under the ESOP will be determined by the Directors from time to time. However, the maximum number of securities which may be issued to employees under the ESOP (and any other employee incentive plans operated by Buru) in a 5 year period is limited to 5% of the issued shares in the Company (calculated at the date of the invitation under the ESOP), subject to a range of exclusions, including securities issued under a disclosure document, to certain senior executives or to persons outside of Australia.

Under the terms of the ESOP, the Directors have the discretion to determine the exercise price of the Options. However, unless the Board determines otherwise, the exercise price must not be less than 150% of the average market price per share (weighted by reference to volume) sold in the ordinary course of trading on ASX during the 30 trading days prior to the date of the invitation under the ESOP. The Board currently intends to grant Options under the ESOP with an exercise price determined on this basis.

The Directors have discretion to determine the expiry date of the Options. However, unless the Board determines otherwise, the expiry date of Options granted under the ESOP will be the date that is 24 months after the end of the calendar year in which the invitation for the Option under the ESOP is made.

If the employee ceases to be employed by the Company, Options held in respect of that employee will lapse unless they are exercised within 30 days of cessation of employment, unless the Committee established for the purpose of administering the ESOP otherwise determines.

If the Options are exercised, this will have a diluting effect on the percentage interest of existing Shareholders' holdings. If the Options issued under the ESOP are exercised and the prevailing Share price is higher than the exercise price, the value of Shares may be diluted.

5.5 Board recommendation

The Directors (other than Mr Streitberg) recommend that Shareholders vote in favour of Resolution 5 to approve the ESOP. Mr Streitberg is the only Director currently entitled to participate in the ESOP. Accordingly, Mr Streitberg may be interested in the outcome of Resolution 5 and does not consider it appropriate to make a recommendation to Shareholders.

6. Resolution 6 - Renewal of Proportional Takeover Provisions

6.1 Introduction

Articles 5.9 to 5.13 of the Constitution (referred to in this Notice as the **Proportional Takeover Provisions**) provide that the Company is prohibited from registering a transfer of shares resulting from a proportional takeover bid unless a resolution to approve the bid is passed (or deemed to have been passed) by holders of shares in the relevant bid class. The Proportional Takeover Provisions have been extracted in full in Schedule 3 to this Notice.

It is a requirement of section 648G of the Corporations Act that proportional takeover bid approval rules apply for a maximum period of three years unless renewed. This requirement is also reflected in article 5.14 of the Constitution.

The Proportional Takeover Provisions were last renewed at the 2012 AGM. This means that, unless Shareholder approval is obtained, the Proportional Takeover Provisions will cease to have effect on 30 November 2015 (being, the date of the third anniversary of the 2012 AGM).

The Board has decided to seek re-approval for the Proportional Takeover Provisions at this Meeting. In the absence of this, as the Company has changed its financial reporting year end from 30 June to 31 December, its other options would broadly be as follows:

- convene a separate member's meeting shortly before 30 November 2015; or
- seek re-approval for the Proportional Takeover Provisions at the Company's 2016 annual general meeting, in which case there would be a period of time in which those provisions would not apply.

If Resolution 6 is passed, then for a period of 21 days after the Meeting, the holders of 10% or more of the Company's Shares will have the right to apply to the court to have the Resolution set aside. The court may set aside the Resolution if the court is satisfied in all the circumstances that it is appropriate to do so.

6.2 Information required by the Corporations Act

The Corporations Act requires certain information to be included in a notice of meeting where a company seeks the approval of its shareholders to renew its proportional takeover provisions. This information is set out below.

Proportional takeover bid

A proportional takeover bid is a takeover bid that is sent to all shareholders in a class, offering to purchase only a specified proportion of each shareholder's shares. If a shareholder accepts, the shareholder disposes of that specified portion and retains the balance.

Effects of the Proportional Takeover Provisions

The effect of the Proportional Takeover Provisions is as follows:

- If a bidder makes a proportional takeover bid for any class of shares in the Company, the Board must ensure that a resolution to approve the proportional takeover bid is voted upon by holders of shares in the relevant bid class. The vote is decided on a simple majority. The bidder and its associates are excluded from voting on that approving resolution.
- The vote on the approving resolution must take place more than 14 days before the last day of the bid period.
- If the approving resolution is rejected before the deadline, the bid cannot proceed and any transfers giving effect to takeover contracts for the bid will not be registered.
- If the approving resolution is not voted on, the bid will be deemed to have been approved.
- If the approving resolution is passed (or deemed to have been passed), the transfers must be registered (subject to other provisions of the Corporations Act and the Constitution).

The Proportional Takeover Provisions do not apply to full takeover bids.

Reasons for the Proportional Takeover Provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having an opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of not being able to exit their investment in the Company by selling their entire shareholding and consequently being left as a minority Shareholder in the Company. The bidder may be able to acquire control of the Company without payment of an adequate control premium.

The Board believes that the Proportional Takeover Provisions are desirable to give Shareholders protection from these risks. They give effect to a protection that the Corporations Act provisions are intended to provide.

The Proportional Takeover Provisions allow Shareholders to decide if a proportional takeover bid is acceptable in principle, and may assist in ensuring that any proportional takeover bid is appropriately priced.

To assess the merits of the Proportional Takeover Provisions, Shareholders should make a judgement as to what events are likely to occur in relation to the Company during the three year life of those provisions.

Review of Proportional Takeover Provisions

The Corporations Act requires these Explanatory Notes to discuss retrospectively the advantages and disadvantages for Directors and Shareholders of the Proportional Takeover Provisions which are proposed to be renewed.

While the Proportional Takeover Provisions have been in effect, there have been no takeover bids for the Company, either proportional or otherwise. Consequently there are no actual examples against which to review the advantages or disadvantages of the Proportional Takeover Provisions for the Directors and Shareholders of the Company. The Directors are not aware of any potential takeover bid which was discouraged by the Proportional Takeover Provisions.

Potential advantages and disadvantages

In addition to the retrospective discussion of the provisions proposed to be renewed, the Corporations Act also requires these Explanatory Notes to discuss the potential future advantages and disadvantages of the Proportional Takeover Provisions for both Directors and Shareholders of the Company.

The Directors consider that the Proportional Takeover Provisions have no potential advantages or disadvantages for any of them, and that they would remain free to make a recommendation on whether or not an offer under a proportional takeover bid should be accepted.

The Board notes that it could be argued that the Proportional Takeover Provisions are an advantage to the Directors as a takeover defence mechanism that could be exploited to entrench the incumbent Board. However, the Board believes that argument ignores the basic object of the Proportional Takeover Provisions which are to empower shareholders, not the Directors.

The potential advantages of the Proportional Takeover Provisions for Shareholders include the following:

- Shareholders will have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- the provisions may assist Shareholders and protect them from being locked in as a minority;
- they increase the bargaining power of Shareholders and may assist in ensuring that any proportional takeover bid is adequately priced; and
- each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders and assist in deciding whether to accept or reject an offer under a proportional takeover bid.

The potential disadvantages for Shareholders include the following:

- proportional takeover bids for Shares in the Company may be discouraged;
- Shareholders may lose an opportunity to sell some of their Shares at a premium;
- individual Shareholders may consider that the Proportional Takeover Provisions would restrict their ability to deal with their Shares as they see fit; and
- the likelihood of a proportional takeover bid succeeding may be reduced.

Knowledge of any acquisition proposals

As at the date of this Notice, no Director is aware of a proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

All Directors apart from Robert Willes are also Shareholders of the Company and, therefore, those Directors have the same interest in Resolution 6 as all Shareholders. Details of the respective shareholdings of the Directors are set out in the Company's 2014 Annual Report.

6.3 Board Recommendation

The Board considers that it is in the interest of shareholders for the Company to have a proportional takeover bid approval article, and therefore recommends that Shareholders vote to adopt the renewed Proportional Takeovers Provisions.

CONTINGENT BUSINESS

7. Resolution 7 – Board Spill Meeting (contingent upon outcome of Resolution 1)

7.1 Introduction

Resolution 7 (the **Spill Resolution**) is a contingent resolution. The Resolution will only be put to the Meeting, and voted on, if the Company receives a "second strike" – ie 25% or more of the votes cast on Resolution 1 are cast against the adoption of the Remuneration Report.

If less than 25% of votes cast are against the Remuneration Report at this Annual General Meeting (ie the Company does not receive a "second strike"), Resolution 7 will not be put to the Meeting.

If put, the Spill Resolution will be considered as an ordinary resolution. If this Spill Resolution is passed and becomes effective, then it will be necessary for the Board to convene a Spill Meeting, within 90 days of this Meeting in order to consider the composition of the Board.

7.2 Mechanics of the potential Spill Meeting

Shareholders should note the following if the Spill Resolution is approved and a Spill Meeting is required to be held by the Company.

- (a) All of the Directors who remain in office as Directors at the time of the Spill Meeting and were in office when the Board resolution to approve the Directors' report for the financial year ended 31 December 2014 was passed (but excluding Mr Streitberg, Executive Chairman, who has assumed the duties of the Company's previous Managing Director), being each of:

- (i) The Hon. Peter Jones;
- (ii) Mr Robert Willes; and
- (iii) Ms Eve Howell.

(the **Relevant Directors**), will automatically vacate their office immediately before the end of the Spill Meeting unless they are willing to stand for re-election and are re-elected at the Spill Meeting. For the avoidance of doubt, this includes Mr Robert Willes and Ms Eve Howell despite those Directors already being subject to re-election at this Meeting.

- (b) No voting exclusions will apply to any resolutions appointing Directors at a Spill Meeting. Accordingly there is no barrier for any Shareholder exercising their voting rights to support the re-appointment of the existing Directors at the subsequent Spill Meeting. If the Spill Resolution is passed, each of the Relevant Directors intends to

stand for re-election at the Spill Meeting and, if the Spill Meeting is held, may vote their own Shares in support of their re-appointment.

- (c) Shareholders will be able to put forward their own nominees for consideration and potential election at the Spill Meeting.

Notwithstanding the results of the Spill Meeting, the Company must retain at least three Directors (ie Mr Streitberg, plus two other Directors), being the minimum number of directors required for a public company under the Corporations Act.

If, following the Spill Meeting, the Company has fewer than three directors (including Mr Streitberg), then the persons with the highest percentage of votes in favour of their election at the Spill Meeting are taken to be appointed, even if less than half the votes cast on the resolution were in favour of their appointment. If two or more persons have the same percentage of votes in favour of their appointment, the other Directors will choose one of those persons as the appointed Director.

The 3rd edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations recommend that a listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively. The Board also should be large enough to comprise a variety of perspectives and skills, and to represent the best interests of the Company as a whole. The skills and experience matrix of the current members of the Board may not be reflected in the Board elected as a result of the Spill Meeting.

7.3 Consequences of voting “for” the Spill Resolution

The impact of the Spill Resolution on the composition of the Board should be considered carefully by Shareholders.

If the Spill Resolution is put to the Meeting and passes:

- (a) The Company will need to incur expenses (including legal, printing, mail out and Share Registry costs) which the Board estimates will be in excess of \$30,000.
- (b) The Spill Meeting is likely to disrupt the Board and the Company's focus away from core business operations due to the necessary diversion of resources and time towards organising the Spill Meeting.
- (c) There will be uncertainty as to the composition and continuity of the Board until the Spill Meeting is held. Such uncertainty may create instability within the Company and may have a negative effect on the Company's share price, and potentially on its operations.

7.4 Board Recommendation

If Resolution 7 is put to Shareholders and you support your current Directors and wish them to continue as Directors, you should vote **against** the Spill Resolution (Resolution 7).

If it is required to be put to the Meeting, the Board unanimously recommends that Shareholders vote **against** Resolution 7.

Schedule 1 – Definitions

Term	Meaning
Annual General Meeting or Meeting	The annual general meeting of the Company notified to Shareholders by this Notice.
ASX	ASX Limited (ABN 98 008 624 691) or the financial market conducted by it (the Australian Securities Exchange), as the context requires.
ASX Listing Rule	The official listing rules of ASX, as amended or waived from time to time.
Auditor	KPMG.
Board	The board of Directors of the Company.
Chairman	The chairman of the Meeting appointed in accordance with the Constitution.
closely related party	<p>Closely related party of a member of the key management personnel means:</p> <ul style="list-style-type: none"> • a spouse or child of the member; or • a child of the member's spouse; or • a dependant of the member or of the member's spouse; or • anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company; or • a company that the member controls; or • a person prescribed by the <i>Corporation Regulations 2001</i> (Cth).
Company	Buru Energy Limited (ABN 71 130 651 437).
Constitution	The constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	A director of the Company.
ESOP	The Buru Energy Limited Employee Share Option Plan, which is summarised in Schedule 2 and is the subject of Resolution 5.
Explanatory Notes	The explanatory notes enclosed with and forming part of this Notice.
key management personnel	Key management personnel has the same meaning as in the accounting standards. The term broadly includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any Director of the Company.
Notice of Meeting or Notice	This notice of meeting incorporating the Explanatory Notes and the Proxy Form.
Option	An option issued under the ESOP to certain employees to subscribe for a Share in the Company.

Term	Meaning
Proportional Takeover Provisions	Articles 5.9 to 5.13 of the Constitution, which are set out in Schedule 3.
Proxy Form	The proxy form enclosed with and forming part of this Notice.
Placement	The placement of Shares to certain sophisticated and professional investors at an issue price of \$0.75 per share and announced on 22 September 2014, which is the subject of Resolution 4.
Remuneration Report	The remuneration report set out from page 28 to 39 of the Company's annual report for the period 1 January 2014 to 31 December 2014.
Resolution	A resolution referred to in this Notice.
Share	A fully paid ordinary share in the capital of the Company.
Share Registry	Link Market Services Limited.
Shareholder	A registered holder of a Share.
Spill Meeting	The meeting that the Company will hold within 90 days' of the date of this Meeting if Resolution 7 is passed, as required by Division 9 of Part 2G.2 of the Corporations Act.
\$	A reference to "\$" is to Australian currency.

Schedule 2 – Summary of terms of the ESOP

The key features of the ESOP, and the proposed terms of the options to be issued under it, are set out below.

Purpose The ESOP is established to provide eligible employees with a potential ownership interest in the Company for the purpose of:

- (a) providing them with an opportunity to share in the growth in value of the Company;
- (b) encouraging them to improve the longer-term performance of the Company and its returns to shareholders; and
- (c) assisting in the recruitment, reward and retention of employees of the Company and an Associated Company.

Commencement The ESOP commenced on 5 November 2010.

Eligible employees The Board, or its authorised delegate, may, in its absolute discretion, decide that any employee (full time or part time) of the Company or an Associated Company (including a person who becomes such an employee after the commencement of this Plan and any Director who holds a salaried office with the Company) is eligible to be issued Options on terms fixed by the ESOP.

Invitation to participate The Board, or its authorised delegate, may, from time to time, invite an employee they consider to be eligible (**Participant**) to apply for a specified number of Options under the ESOP on specified terms. A Participant, or its permitted nominee, may then apply for an Option under an invitation by doing the following on or before the closing date stated in the invitation:

- (a) complete all steps specified in the invitation to apply for the Option; and
- (b) sign the relevant section of the invitation form and deliver it to the Board, or its authorised delegate.

A permitted nominee of a Participant is:

- (a) a person who is the spouse, parent, brother, sister or child (close relative) of the Participant or of the Participant's spouse;
- (b) a superannuation fund maintained for the benefit of the Participant or a close relative which is approved by the committee established by the Board to administer the ESOP; and
- (c) a body corporate in which the Participant or a close relative of the Participant has, or any two or more of the Participant and close relatives of the Participant together have, a controlling interest (including any interest that gives control).

Entitlement Subject to the terms of the ESOP, each Option entitles the holder to subscribe for one fully paid ordinary share in the Company (**Share**) on the exercise of the Option.

Number of Options	<p>The Board will determine the number of Options a Participant is invited to apply for.</p> <p>The Board, or its authorised delegate, must not invite an application for an Option or grant an Option if to do so would result in the aggregate of the number of Shares, as specified in the ESOP, exceeding 5% of the total number of issued Shares at the date of the relevant invitation.</p>
Exercise price	<p>The Board will fix the exercise price of an Option at the time when the Participant is invited to apply for Options under the ESOP, which must not, unless the Board otherwise determines, be less than 150% of the average market price per Share (weighted by reference to volume) sold in the ordinary course of trading on ASX during the 30 trading days prior to the date of the invitation. The exercise price can be adjusted in accordance with the ESOP in certain circumstances.</p>
Expiry date	<p>The Directors have discretion to determine the expiry date of the Options. However, unless the Board determines otherwise, the expiry date of Options granted under the ESOP will be the date that is 24 months after the end of the calendar year in which the invitation for the Option under the ESOP is made.</p>
New issues	<p>Holders may only participate in new issues of securities to holders of Shares in respect of an Option if that Option has been exercised, and Shares issued or transferred in respect of that Option, before the record date for determining entitlements to the new issue.</p>
Adjustments to Options	<p>The ESOP contains provisions providing for adjustments to unexercised Options granted under the ESOP, including if during the relevant option period the Company:</p> <ul style="list-style-type: none"> (a) makes a pro rata issue (other than a bonus issue) to holders of Shares, in which case the Options will be adjusted in accordance with a formula consistent with that set out in ASX Listing Rule 6.22.2; (b) makes a pro rata bonus issue to holders of Shares other than an issue in lieu or in satisfaction of dividends by way of dividend reinvestment, in which case the number of Shares over each Option is exercisable will be increased by the number of Shares that would have been issued to the holder if the Option had been exercised before the record date for determining entitlements to that bonus issue; (c) subdivides or consolidates its Shares, in which case the Options will be subdivided or consolidated (as the case may be) in the same ratio as the Shares and the exercise price will be amended in inverse proportion to that ratio; (d) makes a return of capital, in which case the number of Options will remain the same, and the exercise price of each Option will be reduced by the same amount as the amount returned in relation to each Share (or in relation to a number of Shares equal to the number of Shares to be issued on exercise of the Option if that number is not one); (e) makes a cancellation of any paid up capital that is lost or not represented by available assets, in which case the number of

Options and the exercise price of each Option will remain unaltered;

- (f) reduces its issued share capital on a pro rata basis, in which case the number of Options will be reduced in the same ratio as the Shares and the exercise price of each Option will be amended in inverse proportion to that ratio; or
- (g) reorganises its issued share capital in any way, in which case the number of Options or the exercise price, or both, will be reorganised so that the holder will not receive a benefit that holders of Shares do not receive.

Notwithstanding the above, an adjustment to the Options will not be made unless it is consistent with the ASX Listing Rules. The Company may also amend the terms of any Option, or the rights of any holder under the ESOP, to comply with the ASX Listing Rules applying at the time to any reorganisation of capital of the Company.

Exercising Options

The registered holder of an Option (**Holder**) may exercise the Option before the end of the option period specified in the invitation by giving to the Company a notice specifying that it exercises the Option (**Option Exercise Notice**) and accompanied by:

- (a) the option certificate issued by the Company for the Option; and
- (b) unless the Board has determined (in its absolute discretion) that the cashless exercise provisions apply, payment of the full amount of the exercise price to the Company in cleared funds.

The Holder must either exercise all the Options that the Holder is then entitled to exercise or exercise a number of Options that the Holder is then entitled to exercise such that the Company will issue at least 1,000 Shares.

Cashless exercise

The Board may determine, in its sole and absolute discretion, that a Holder will not be required to provide payment of the full amount of the exercise price to the Company for the number of Options (as specified in the Option Exercise Notice) but that on exercise of the Options, the Company will issue the number of Shares equal in value to the difference between the Market Value of the Shares and the Exercise Price otherwise payable in relation to the Options (with the number of Shares rounded down).

"Market Value of the Shares" means the average market price of the Shares (weighted by reference to volume) sold in the ordinary course of trading on ASX during the five trading days before the date on which the Holder exercises its Options.

Ranking of Shares

Each Share issued on exercise of an Option ranks equally in every way with those then issued fully paid Shares whose holders are entitled to participate in full in any dividend.

Listing

Options will not be quoted on ASX. However, application will be made to ASX for official quotation of the Shares allotted pursuant to the exercise of Options if the Company's Shares are quoted on ASX at that time.

Transferability

Under the ESOP, Options are only transferrable:

- (a) to a permitted nominee of the relevant Participant (as defined in the ESOP), unless the Board determines otherwise;
- (b) to a person whose voting power in the Company increases from less than 50% to 50% or more, or a body corporate where a court has sanctioned a compromise or arrangement pursuant to which that body corporate is to be amalgamated with the Company; or
- (c) with the prior written consent of the Board.

Administration of the ESOP

The Board will manage and administer the ESOP for the Company. The Board may delegate management and administration of the ESOP to a committee as the Board thinks fit.

Lapse of Options

Any Option granted will lapse:

- (a) on exercise of the Option;
- (b) if the Option has not been exercised by the end of the option period as specified in the invitation to apply for that Option;
- (c) unless the Board determines otherwise from time to time, if the relevant Participant ceases to be an employee of the Company or an Associated Company (other than as a result of the Participant's death or permanent disablement) and the Option is not exercised within 30 days after that time;
- (d) if in the opinion of the Board, the relevant Participant:
 - (i) has committed an act which amounts or would amount to dishonest or fraudulent misconduct, wilful breach of duty or negligence in the performance of the Participant's duties to the Company or an Associated Company; or
 - (ii) is convicted of a criminal offence or is guilty of any other wilful or recklessly indifferent conduct that in the opinion of the Board tends to injure the reputation or business of the Company or an Associated Company,and the Board determines that the Option lapses; or
- (e) if the Company commences to be wound up.

Amendment

The Board may, at any time, amend any or all of the provisions of the ESOP and such amendments may operate retrospectively.

The amendments, however, must not materially reduce the rights of any Participant, unless the amendment is introduced primarily:

- (a) for the purpose of complying with legislation;
- (b) to correct any manifest error or mistake;
- (c) for the purpose of enabling any body corporate of the Company or Associated Company or the Participants generally to receive a more favourable taxation treatment in relation to the ESOP; or
- (d) to enable the ESOP or any body corporate of the Company or Associated Company to comply with the Corporations Act, the Listing Rules, the Constitution or relevant instruments of relief granted by the Australian Securities and Investments

Commission.

Expiry date

The Board will determine when the ESOP is to end. The Board may suspend the operation of the ESOP for a fixed period or indefinitely.

Schedule 3 – Proportional Takeover Provisions

5.9 Resolution required for proportional takeover provisions

Despite articles 5.1, 5.2 and 5.3, if offers are made under a proportional takeover bid for securities of the Company in accordance with the Corporations Act:

- (a) articles 5.9 to 5.13 apply;
- (b) the registration of a transfer giving effect to a takeover contact resulting from acceptance of an offer made under the takeover bid is prohibited unless and until a resolution (an "approving resolution") to approve the bid is passed or taken to be passed in accordance with article 5.12 or article 5.13; and
- (c) the Directors must ensure that an approving resolution is voted on in accordance with article 5.10 to 5.11 before the fourteenth day before the last day of the bid period.

5.10 Procedure for resolution

The Directors may determine whether the approving resolution is voted on:

- (a) at a meeting of persons entitled to vote on the resolution convened and conducted, subject to the provisions of article 5.11, as if it were a general meeting of the Company convened and conducted in accordance with this Constitution and the Corporations Act with such modifications as the Directors determine the circumstances require; or
- (b) by means of a postal ballot conducted in accordance with the following procedure:
 - (i) a notice of postal ballot and ballot paper must be sent to all persons entitled to vote on the resolution not less than 14 days before the date specified in the notice for closing of the postal ballot, or such lesser period as the Directors determine the circumstances require;
 - (ii) the non-receipt of a notice of postal ballot or ballot paper by, or the accidental omission to give a notice of postal ballot or ballot paper to, a person entitled to receive them does not invalidate the postal ballot or any resolution passed under the postal ballot;
 - (iii) the notice of postal ballot must contain the text of the resolution and the date for closing of the ballot and may contain any other information the Directors consider appropriate;
 - (iv) each ballot paper must specify the name of the person entitled to vote;
 - (v) a postal ballot is only valid if the ballot paper is duly completed and:
 - (A) if the person entitled to vote is an individual, signed by the individual or a duly authorised attorney; or
 - (B) if the person entitled to vote is a corporation, executed under seal or as permitted by the Corporations Act or under the hand of a duly authorised officer or duly authorised attorney;

-
- (vi) a postal ballot is only valid if the ballot paper and the power of attorney or other authority, if any, under which the ballot paper is signed or a copy of that power or authority certified as a true copy of statutory declaration is or are received by the Company before the close of business on the date specified in the notice of postal ballot for closing of the postal ballot as the Registered Officer or share registry of the Company or at such other place as is specified for that purpose in the notice of postal ballot; and
 - (vii) a person may revoke a postal ballot vote by notice in writing which to be effective must be received by the Company before the close of business on the date for closing of the postal ballot.

5.11 Persons entitled to vote

The only persons entitled to vote on the approving resolution are those persons who, as at the end of the day on which the first offer under the bid was made, held bid class securities. Each person who is entitled to vote is entitled to one vote for each bid class security held by that person at that time.

Neither the bidder nor any associate of the bidder is entitled to vote on the resolution.

5.12 Resolution passed or rejected

If the resolution is voted on in accordance with articles 5.9 to 5.11 then it is to be taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than one-half, and otherwise is to be taken to have been rejected.

5.13 Resolution taken as passed


If a resolution to approve the bid has not been voted on as at the end of the day before the fourteenth day before the last day of the offer period, then a resolution to approve the bid is taken to have been passed in accordance with articles 5.10 to 5.12.


LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Buru Energy Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138, during business hours (Monday to Friday, 9:00am–5:00pm (Sydney time))

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474

LODGE MENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10:30am (Perth time) on Monday, 27 April 2015**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Shareholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where those Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

PROXY FORM

I/We being a member(s) of Buru Energy Limited (the **Company**) and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:30am (Perth time) on Wednesday, 29 April 2015 at Perth Exhibition and Convention Centre, 21 Mounts Bay Road, Perth** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 5 and 7: By completing and returning this form, if the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 5 and 7 and vote as he sees fit, even though those Resolutions are connected directly or indirectly with the remuneration of a member of the key management personnel (**KMP**).


The Chairman of the Meeting (where appropriately authorised) intends to vote all eligible undirected proxies in favour of each Resolution except Resolution 7 where undirected proxies will be voted against that Resolution (if considered at the Meeting).

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an .

Please Note: to fully inform shareholders in exercising their right to vote, please be aware that if the Chairman of the Meeting is appointed as your proxy (or becomes your proxy by default), the Chairman of the Meeting intends to vote available proxies in the manner set out beside each resolution. This reflects the recommendation of the Board or certain directors (as the case may be).

Resolutions	For	Against	Abstain*	
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	FOR
2 Re-election of Mr Robert Willes as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	FOR
3 Re-election of Ms Eve Howell as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	FOR
4 Ratification of prior issue of Shares pursuant to Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	FOR
5 Re-approval of the Company's Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	FOR
6 Renewal of Proportional Takeover Provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	FOR
CONTINGENT BUSINESS ITEM				
Note: Resolution 7 will only be considered at the Meeting if 25% or more of the votes cast on Resolution 1 are against that Resolution. If you mark the "For" box to vote for Resolution 7, you are directing your proxy to vote for the holding of a special meeting of members to consider the spill of the whole of the Company's Board other than Mr Eric Streitberg, Executive Chairman.				
7 Board Spill Meeting (contingent upon outcome of Resolution 1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	AGAINST

 * If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



STEP 1

STEP 2

STEP 3