

3 August 2017

Dear Shareholder

### NON-RENOUNCEABLE 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.

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"> <li>• Ungani 3 Sidetrack drilling and well completion costs</li> <li>• Ungani 4 development well drilling and completion costs</li> </ul> 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
	<b>Total</b>	<b>10,199,912</b>

### **Further details about the Offer**

The Offer is non-renounceable. Accordingly, entitlements do not trade on ASX, nor can they be transferred or otherwise disposed of.

Eligible Shareholders who take up their full entitlement, may subscribe for additional New Shares from a pool of those not taken up by Eligible Shareholders as at the closing date of the Offer (**Shortfall Offer**). There is no guarantee that applicants under the Shortfall Offer will receive the number of New Shares applied for under the Shortfall Offer, or any. The Directors reserve the right to allot and issue New Shares under the Shortfall Offer at their discretion.

As required under the ASX Listing Rules, the Company informs you that no Shareholder approval is required for the Offer and, therefore, no Shareholder approval will be sought.

### **Prospectus**

The Offer is being made under a prospectus in accordance with section 713 of the Corporations Act 2001 (Cth) (**Corporations Act**).

***This letter is not an offer document but rather an advance notice of some key terms and conditions of the Offer. Full details of the Offer are set out in the Prospectus.***

On 10 August 2017, Eligible Shareholders will be sent a Prospectus and a personalised application form which contains important information about the Offer and sets out the number of New Shares they are entitled to purchase under the Offer. A copy of the Prospectus has been lodged with ASX and is available on the ASX website at [www.asx.com.au](http://www.asx.com.au) and the Company's website at [www.buruenergy.com](http://www.buruenergy.com).

Eligible Shareholders should read the Prospectus carefully before deciding whether to participate in the Offer. For the purposes of calculating the entitlements of Eligible Shareholders, fractions of entitlements will be rounded up to the nearest whole number of New Shares.

### **Action required by Eligible Shareholders**

***Your entitlement may have value and it is important you determine whether to take up your entitlement (in whole or in part) or do nothing in respect of your entitlement.***

**Take up an entitlement:** if you wish to take up all or part of your entitlement, you will need to complete and return the personalised application form together with the requisite application monies, or alternatively pay your application monies via BPAY® by following the instructions set out on the form. In each case, applications and application monies must be received by no later than 3.00 pm (AWST) on 1 September 2017.

**Take up more than your entitlement:** if you wish to apply for more New Shares than your entitlement you will need to complete the relevant section of the personalised application form and return it, with the requisite application monies, or alternatively pay your application monies via BPAY® by following the instructions set out on the form. In each case, applications and application monies must be received by no later than 3.00pm (AWST) on 1 September 2017.

**Note: No application form is required if payment is made via BPAY®.**

***Do nothing:*** entitlements not taken up will lapse and New Shares in respect of those entitlements will form part of the Shortfall Offer.

### 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.

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.

### Key dates for Eligible Shareholders

Lodgement of Prospectus with ASIC Lodgement of Prospectus & Appendix 3B with ASX Notice sent to Optionholders	1 August 2017
Notice sent to Shareholders	3 August 2017
Existing Shares quoted on an "ex" basis	4 August 2017
Record Date for determining Entitlements	7 August 2017
Prospectus despatched to Eligible Shareholders & Company announces despatch has been completed	10 August 2017
Last day to give notice to extend the Closing Date	29 August 2017
Closing Date*	1 September 2017
Shares quoted on a deferred settlement basis	4 September 2017
Company to notify ASX of under subscriptions (if any)	6 September 2017
Anticipated date for the issue of the Shares. Deferred settlement trading ends	8 September 2017
Normal trading (on a T+2 basis) commences*	11 September 2017

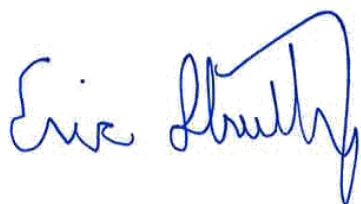
\* These dates are indicative only and are subject to change. Buru reserves the right to vary these dates, including extending the closing date of the Offer or accepting late applications, without prior notice but subject to the Corporations Act, ASX Listing Rules and other applicable laws.

### Further details

A copy of the Prospectus may be viewed on the ASX website at [www.asx.com.au](http://www.asx.com.au) , or alternatively at the Company's website at [www.buruenergy.com](http://www.buruenergy.com) .

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**