

1 August 2017

 Level 2, 88 William Street
 Perth, Western Australia 6000
 PO Box 7794, Perth
 Cloisters Square WA 6850
 Ph: +61 8 9215 1800
 Fax: +61 8 9215 1899
 www.buruenergy.com

Dear Option holder

Via Email

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.

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

The terms and conditions of the options you currently hold do not entitle you to participate in the Offer unless you exercise your options in time for Shares to be allotted and to be entered on the Company's register of members on or before 5.00pm (AWST) on 7 August 2017, the Record Date.

Please note that it is not compulsory to exercise your options. If you do wish to exercise your options, you may do so by completing all of the steps required by the terms and conditions of those options, including payment of the relevant exercise price.

Only vested options may be exercised.

To exercise your options and thereby participate in the Offer, you will need to deliver the following to the Company:

- (a) a notice of exercise of options;
- (b) an option certificate (where the options are certificated) or a copy of a holding statement (where the options are uncertificated) in respect of those options to be exercised; and
- (c) payment for the exercise price in respect of those options to be exercised by way of a cheque made payable to "Buru Energy Limited".

To ensure that your new shares are issued prior to the Record Date, the above must be received by the Company no later than 5.00 pm (AWST), 4 August 2017. If received after this date, issue of Shares prior to the Record Date cannot be assured.

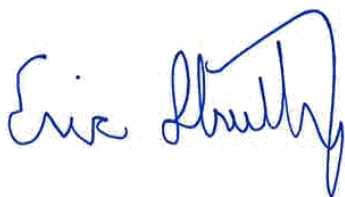
Further details

A copy of the Prospectus has been lodged with ASX and may be viewed on the ASX website at www.asx.com.au , or alternatively at the Company's website at www.buruenergy.com .

Before deciding whether to exercise any or all of your options, you should read the Prospectus in its entirety.

This notice is important and requires your immediate attention. If you have any queries concerning the Offer, or the action you are required to take to subscribe for New Shares, please contact your financial adviser or the Company on +61 8 9215 1800.

Yours Sincerely



Eric Streitberg
EXECUTIVE CHAIRMAN