

ASX ANNOUNCEMENT (ASX: BRU) 31 December 2010

Share Trading Policy

In compliance with ASX Listing Rule 12.9, please find attached Buru Energy Limited's ("Buru" or "Company") Share Trading Policy. The policy was adopted by the Board on 5 November 2010.

Further information on the Company is available on the Buru website at:
www.buruenergy.com

For inquiries please contact:

Eric Streitberg	Executive Director
Telephone	+61 8 9215 1800
Freecall	1800 337 330
Email	ericstreitberg@buruenergy.com

Yours faithfully

A handwritten signature in black ink, appearing to read "Eric Streitberg", written over a printed name and title.

ERIC STREITBERG
Executive Director



SHARE TRADING POLICY

1. POLICY AIMS

To put in place mechanisms to minimise the risk that Buru Energy Limited (“**Buru**”), its directors, employees and contractors compromise their obligations in relation to the insider trading provisions of the *Corporations Act 2001* (Cth) (“**Act**”).

2. APPLICATION

2.1 Designated Individuals

This Policy applies to all of Buru's directors, officers, employees, contractors and consultants (each a “**Designated Individual**”).

3. PROHIBITIONS

3.1 Legal Prohibitions

The Act prohibits insider trading and imposes severe penalties on parties that are found to have breached these prohibitions. All Designated Individuals have been provided with an overview of the insider trading prohibitions. All Designated Individuals are required to read the overview and ensure that they do not breach the prohibitions.

3.2 Buying and Selling Shares

If any Designated Individual is in possession of material non-public information relating to Buru neither that person nor any related person may buy or sell Buru shares or options or exercise options. In addition, no Designated Individual may at any time undertake active trading in Buru shares or options, being a series of purchases and disposals of Buru shares or options conducted over a relatively short time period.

3.3 Procuring Trades

A Designated Individual must not procure others to buy or sell Buru shares and options or exercise options when the Designated Individual is in possession of material non-public information relating to Buru.

3.4 Tipping

A Designated Individual must not pass on material non-public information to others. In addition to breaching this Policy, such actions will breach the Designated Individual's duty of confidentiality to Buru.

3.5 Trading in Financial Products

Designated Individuals must not trade in financial products issued or created over Buru's shares or options by third parties, or trade in associated products.

3.6 Risk limitation

The Company prohibits Designated Individuals from entering into transactions in associated products that operate to limit the economic risk of their security holdings in the company.

4. TRADING WINDOWS

4.1 Trading Black-out: Drilling

Designated Individuals must not buy or sell Buru shares or options or exercise options during the drilling of any well in a permit in which Buru has an interest from the spud date until the rig has been released from the location. This prohibition applies equally to the buying and selling of shares and options in any company in joint venture with Buru during the drilling of the relevant well. For the purposes of this policy “drilling” includes all down hole operations, for example well tests.

4.2 Trading Black-out: Reporting

Designated Individuals must not buy or sell Buru shares or options or exercise options:

- one week prior to the release of Buru’s quarterly results;
- two weeks prior to the release of Buru’s half yearly and full yearly results;
- two weeks prior to any general meeting of shareholders held by the Company;
- at no time after such meeting until the results of the meeting have been released to the ASX; or
- for a period of two business days following the release to the ASX of any announcement deemed by the ASX to be price sensitive.

4.3 Trading Permissions

Outside Trading Black-outs, a Designated Individual may only buy or sell Buru shares if they first request and receive permission from the Executive Director specifying a number or value of shares they wish to buy or sell (which may be stated as a range) and a time frame in which they propose to undertake the trades. The Executive Director may not unreasonably refuse a trading request, subject to ensuring the intent of this Policy is fulfilled, but may impose conditions having regard to this Policy, for example imposing a reduced time frame from that proposed by the Designated Individual. This will require the Executive Director to determine whether any trading request forms part of a pattern of active trading prohibited under Section 3.2 above.

5. OTHER MATTERS

5.1 No Profit

A Designated Individual will breach the prohibitions, and will breach this Policy, if they undertake any of the acts prohibited by the Act or this Policy. It is irrelevant whether or not the Designated Individual derived any profit or other benefit from their actions.

5.2 Associates

Designated Individuals are responsible for ensuring that their associates, being immediate family, including spouse, children, parents, brothers and sisters, comply with the trading restrictions set out in this policy.

5.3 Notification

Delegated Individuals or their associates are required to notify the Executive Director no more than one day after any dealings in the Company's securities in writing by providing the following information:

- name of security holder;
- date of trade; and
- type of transaction.

5.4 Specific Circumstances

A Designated Individual will breach the prohibitions, and will breach this Policy, if they undertake any of the acts prohibited by the Act or this Policy. It is irrelevant that the acts may be necessary or justifiable for independent reasons (such as an emergency or personal financial circumstances).

5.5 Material Non-public Information

This is any information that has not been publicly announced by Buru (or is not otherwise in the public domain) that an investor would consider in making a decision to buy, hold or sell Buru shares and options.

5.6 Serious Matters

The Act imposes severe penalties for breaches of the insider trading prohibitions. A breach by a Designated Individual of this Policy is also likely to cause severe reputational damage to Buru. Accordingly, any non-compliance with this Policy will be regarded as serious misconduct which may entitle Buru to terminate the engagement of any Designated Individual found to be in breach of this Policy.

5.7 Individual Responsibility

Notwithstanding compliance with this Policy, each Designated Individual remain personally responsible for their share and option trading activity and may be liable for any breach of the Act resulting from that activity. Compliance with this Policy will not be a defence of itself and the Company will accept no responsibility for any Designated Individual's actions.

5.8 Board Discretion

Notwithstanding any other section of this Policy, the Board has the authority to modify this Policy and its application in any particular circumstance as it sees fit.

Approved by the Board

5 November 2010