



Buru Energy Limited
ABN 71 130 651 437
Level 1, 418 Murray 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

ASX ANNOUNCEMENT (ASX: BRU) 15 September 2009

Notice of 2009 Annual General Meeting and Proxy Form

Please find attached Buru Energy Limited's Annual General Meeting 2009 Notice of Meeting and Proxy Form.

The AGM will be held at 10.00am on Friday 16 October 2009 at the QV1 Conference Centre, Level 2, QV1 Building, 250 St Georges Terrace, Perth.

The Notice of Meeting and Proxy Form have been sent to all shareholders today.

This information will be available on the company website at: www.buruenergy.com.

For inquiries please contact:

Adrian Cook	Managing Director
Telephone	+61 8 9215 1800
Freecall	1800 337 330
Email	adriancook@buruenergy.com

Yours faithfully,

A handwritten signature in black ink, appearing to be "Adrian Cook", written in a cursive style.

ADRIAN COOK
Managing Director

NOTICE OF 2009 ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting (“**AGM**” or “**Meeting**”) of shareholders of Buru Energy Limited (the “**Company**”) will be held at the QV1 Conference Centre, Level 2, the QV1 building, 250 St George’s Terrace, Perth on Friday, 16 October 2009 commencing at 10.00am (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 16 April 2008 to 30 June 2009.

Shareholders can view the Annual Report, which contains these reports on the website of the Company (www.buruenergy.com), under ASX Releases and News.

B. QUESTIONS AND COMMENTS

Following the consideration of the Reports, the Chairman will give shareholders a reasonable opportunity to ask questions about or comment on the affairs of the Company.

The Company’s auditor, KPMG, (“**Auditor**”) will be present at the meeting and the Chairman will also 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 AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the AGM.

C. ITEMS FOR APPROVAL

1. Re-election of Graham Riley as Director

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

“That Graham Riley, who retires in accordance with the Constitution of the Company, and for all other purposes, and having offered himself for re-election and being eligible, is hereby re-elected as a Director of the Company.”

2. Re-election of Eric Streitberg as Director

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

“That Eric Streitberg, who retires voluntarily, and having offered himself for re-election and being eligible, is hereby re-elected as a Director of the Company.”

3. Remuneration Report

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

“That the Company’s Remuneration Report for the financial year ended 30 June 2009 be adopted.”

Note: The vote on this resolution is advisory only and does not bind the Company.

4. Appointment of auditor

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

“That KPMG be appointed as auditor of the Company.”

5. Approval of prior issue of shares to New Standard Energy Limited

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

“That for the purposes of ASX Listing Rule 7.4, the issue of 18,000,000 fully paid ordinary shares in the Company to New Standard Energy Limited by the Company, as more fully described in the Explanatory Notes accompanying this notice of meeting, be approved.”

Voting restrictions for item 5

The Company will disregard any votes cast on item 5 by New Standard Energy Limited and its associates.

6. Approval of issue of securities to Eric Streitberg

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

“That for the purposes of ASX Listing Rule 10.11, the proposed issue of 2,650,000 fully paid ordinary shares in the Company, and 15,000,000 attaching unlisted options to acquire fully paid ordinary shares in the Company, to Eric Streitberg by the Company, for total consideration of \$609,500 on the terms as more fully described in the Explanatory Notes accompanying this notice of meeting, be approved.”

Voting restrictions for item 6

The Company will disregard any votes cast on item 6 by Eric Streitberg and his associates.

7. Approval for change to the terms and conditions of options

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

“That in accordance with the waiver granted by ASX of ASX Listing Rule 6.23.3, and for all other purposes, approval is given to amend the terms of the 7,220,000 options held by directors and employees of the Company (“D&E Options”) by reducing the exercise price of each D&E Option to \$0.30 from \$0.94 and extending the expiry date of each D&E Option to 31 December 2011 from 27 August 2010 as more fully described in the Explanatory Notes accompanying this notice of meeting.”

Note: ASX has granted the Company a waiver from ASX Listing Rule 6.23.3 to permit the Company to make these changes to the D&E Option terms, subject to prior shareholder approval.

Voting restrictions for item 7

The Company will disregard any votes cast on item 7 by the holders of D&E Options and their associates.

8. Approval for Employee Share Acquisition Scheme

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

“That the Company approve for all purposes the Employee Share Acquisition Scheme as described in the Explanatory Notes accompanying this notice of meeting.”

Voting restrictions for item 8

The Company will disregard any votes cast on item 8 by any person who is eligible to participate in the Employee Share Acquisition Scheme and their associates.

Qualification regarding all voting restrictions

Where a voting restriction is stated to apply to any of the above items, the Company will not disregard a vote if:

- a) it is cast by a person as proxy for a shareholder who is entitled to vote, in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the Meeting as proxy for a shareholder who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

By order of the Board

A handwritten signature in black ink, appearing to read "Adrian Di Carlo", with a horizontal line underneath.

Adrian Di Carlo
Company Secretary
4 September 2009

ENTITLEMENT TO ATTEND AND VOTE

In accordance with Reg 7.11.37 of the Corporations Regulations 2001, the Board has determined that persons who are registered holders of shares of the Company as at 5:00pm (Perth time) on 14 October 2009 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, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

Voting by proxy

If you are a shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. A personalised proxy form is included with this notice of meeting.

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 proxy need not be a shareholder of the Company.

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.

To be effective, the proxy must be received at the share registry of the Company no later than 10.00am (Perth time) on 14 October 2009. Proxies must be received before that time by one of the following methods:

By post: Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235

By facsimile: +61 2 9287 0309

By delivery: Link Market Services Limited
 Level 12, 680 George Street
 Sydney South NSW 2000

Voting by attorney

If the proxy form is signed by an attorney, the proxy form and the original power of attorney (or other authority) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 10.00am (Perth time) on 14 October 2009.

Corporate representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any 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:

www.linkmarketservices.com.au/public/forms/general.html

Attending the meeting

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.

Shareholder questions

If you wish a question to be put to the Chairman of the Meeting or Auditor and you are not able to attend the AGM, please email your question to the Company Secretary at dicarlo@companymatters.com.au.

To allow time to collate questions and prepare answers, questions are to be received by the Company Secretary by 5:00 pm (Perth time), 5 business days prior to the AGM.

We will attempt to respond to as many of the more frequently asked questions as possible at the Meeting. Due for the potential for a large number of questions to be received, we will not be replying on an individual basis.

EXPLANATORY NOTES

These Explanatory Notes have been prepared for the information of shareholders of the Company (“**Shareholders**”) to provide information about the items of business to be conducted at the Company’s 2009 Annual General Meeting (“**AGM**” or “**Meeting**”).

The Directors recommend that Shareholders read these Explanatory Notes before determining how to vote in respect of the resolutions.

All of the resolutions to be voted on 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.

1. Re-election of Graham Riley as Director

Graham Riley was appointed as a Director of the Company on 22 May 2008 pursuant to article 9.7 of the Company’s Constitution which allows the appointment of a Director by the Board.

Mr Riley retires as required by article 9.3(b) of the Company’s Constitution and, being eligible, offers himself for re-election as Director. Mr Riley holds office until the conclusion of the AGM, and if re-elected, he will continue to be a Director.

Mr Riley is a qualified legal practitioner having gained his Bachelor of Law and Bachelor of Jurisprudence Degrees. After 10 years legal practice as a partner of a commercial firm in Perth, he resigned to pursue private interests in the resources and exploration sector. In the past 20 years Mr Riley has been responsible for the foundation and growth of a number of petroleum and mining companies. He was a Non-Executive Director of ARC Energy Limited from 1993 to 2005 and was Chairman of Red Hill Iron Limited from 2005 to 2008 where he oversaw both companies’ significant exploration success and growth. He is currently Chairman of Giralia Resources NL and a Non-Executive Director of Adelphi Energy Limited.

2. Re-election of Eric Streitberg as Director

Eric Streitberg was appointed as a Director of the Company on 16 April 2008. Mr Streitberg’s appointment was an initial appointment of directors upon the registration of Buru Energy Limited as a public company on 16 April 2008.

Mr Streitberg retires voluntarily and, being eligible, offers himself for re-election as Director. Mr Streitberg holds office until the conclusion of the AGM, and if re-elected, his re-election will take effect immediately after the conclusion of the AGM.

Mr Streitberg (BSc (App Geoph)) has over 35 years experience in petroleum geology and geophysics, petroleum exploration and production and public company management. He has been responsible for establishing and growing two ASX listed exploration and production companies from small explorers to successful mid-size oil and gas producers. He was the founding Managing Director of Discovery Petroleum NL and held that position until its takeover by Premier Oil plc in 1997, having transformed the company into a successful mid-sized oil and gas production

company with a market capitalisation of over \$100m. He subsequently founded and held the position of Managing Director of ARC Energy Limited from 1997 until August 2008. During Mr Streitberg's time at ARC the company was responsible for the discovery and commercialisation of a series of oil and gas fields in the Perth Basin, growing to a market capitalisation of in excess of \$500m at the time of its merger with Australian Worldwide Exploration Limited.

Mr Streitberg is a Fellow of the Australian Institute of Mining and Metallurgy and the Australian Institute of Company Directors, a member of the Society of Exploration Geophysicists, Petroleum Exploration Society of Australia and the American Association of Petroleum Geologists. He is currently Chairman of the Australian Petroleum Production and Exploration Association and the Marine Parks & Reserve Authority of Western Australia. He is also a Non-Executive Director of Adelphi Energy Limited.

3. Remuneration Report

Section 250R(2) of the Corporations Act 2001 ("**Corporations Act**") requires a resolution, that the Company's Remuneration Report (the "**Report**") be adopted, must be voted on.

The Report details the Company's remuneration policy for Non-Executive Directors, Executive Directors and senior executives. The Report is set out from page 9 in the Company's Annual Report, which can be viewed in the "ASX Releases and News" section of the Company's website (www.buruenergy.com). The Chairman will give Shareholders a reasonable opportunity to ask questions about or make comments on the Report.

The vote on the adoption of the Report is advisory only and does not bind the Company.

4. Appointment of auditor

KPMG has held the office of auditor of the Company since its incorporation on 16 April 2008. Section 327A(2) of the Corporations Act provides that KPMG holds office until the Company's first AGM.

As required by section 327B(1) of the Corporations Act, the Company in general meeting must appoint an auditor of the Company at the AGM. KPMG has given, and has not withdrawn, its consent to act as auditor of the Company.

In accordance with section 328B(1) of the Corporations Act, notice in writing nominating KPMG as auditor has been given to the Company by a Shareholder. A copy of this notice is shown in Attachment A to this notice of meeting.

5. Approval of prior issue of shares to New Standard Energy Limited

Introduction

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, a company may not, without shareholder approval, issue in any 12 month period, a number of equity securities which is more than 15% of the number of fully paid ordinary shares on issue 12 months before the issue.

The number of equity securities that may be issued by a company under ASX Listing Rule 7.1 without shareholder approval is not impacted by equity securities which are issued under an exception contained in ASX Listing Rule 7.2 or which have received shareholder approval.

ASX Listing Rule 7.4 provides that an issue by a company of equity securities made without shareholder approval under ASX Listing Rule 7.1 is treated as having been made with approval, if the issue did not breach ASX Listing Rule 7.1 when made and the company's shareholders subsequently approve it.

The Board has decided to seek Shareholder approval under ASX Listing Rule 7.4 for the issue of 18,000,000 fully paid ordinary shares in the Company ("**Shares**") to New Standard Energy Limited ("**NSE**") pursuant to an agreement between the Company and NSE dated 11 August 2009. Details of this agreement were announced to ASX on that date.

The Shares issued to NSE represent approximately 10% of the Company's Shares on issue as at the date of this notice of meeting.

Why is the Company seeking Shareholder approval?

The approval of Shareholders is being sought to provide the Company with the maximum flexibility to undertake future equity raisings without the need for further Shareholder approval. The requirement to obtain Shareholder approval for an issue, at the time of issue, could limit the Company's ability to take advantage of opportunities that may arise to raise equity capital.

It should be noted that, notwithstanding an approval by Shareholders of the proposed resolution relating to this item of business, any future equity raisings will remain subject to the 15% limit set out in ASX Listing Rule 7.1.

Other than the proposed issue of securities to Mr Streitberg in item 6, no decision has been made by the Board to undertake any further issue of equity securities in the event that approval is received from Shareholders in respect of item 5. The Board will only decide to issue further equity securities if it considers it is in the best interests of the Company to do so. This may depend, among other things, on the capital position of the Company, its funding requirements, and conditions in domestic and international capital markets.

Details of the Shares issued for which approval is being sought under this item

The following information is provided in connection with the approval under this item sought from Shareholders for the issue of the Shares to NSE. The Company confirms that the issue of the Shares to NSE, at the time of their issue, did not breach ASX Listing Rule 7.1.

All of the Shares issued to NSE were fully paid ordinary shares, ranking equally in all respects with all Shares then on issue.

The Shares were issued to NSE as part of the consideration for the acquisition by the Company of NSE's interests in Canning Basin permits EP 442, EP 442A, acreage release L08-3 and application 30/07-8 ("**Acacia Permits**"). No monetary amounts were received for the issue of the Shares to NSE and, accordingly, there is no applicable use of funds raised from the issue of those Shares. The Company does, however, intend to conduct exploration activities on the Acacia Permits.

Further details of the Acacia Permits are contained in the Company's 11 August 2009 announcement to ASX, which can be viewed in the "ASX Releases and News" section of the Company's website (www.buruenergy.com). In consideration for the transfer of the interests held in the Acacia Permits, the Company also transferred its 10% interest in Canning Basin permits EP 443, EP450, EP 451 and EP 456 to NSE and paid cash consideration to NSE of \$3.2 million.

6. Approval of issue of securities to Eric Streitberg

Shareholder approval is sought for the proposal to issue 2,650,000 new Shares and 15,000,000 attaching unlisted options ("**Options**") (together, the "**Relevant Securities**") to Eric Streitberg for total consideration of \$609,500, on the terms and conditions outlined below.

Why is the Company seeking Shareholder approval?

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including options) to a related party. As Mr Streitberg is a Director, he is considered a related party of the Company and therefore approval is being sought for the purposes of ASX Listing Rule 10.11. Subject to certain exceptions, ASX Listing Rule 7.1 prevents a listed company from issuing or agreeing to issue more than 15% in new capital in a 12 month period without shareholder approval.

As approval for the issue of the Relevant Securities is being obtained pursuant to ASX Listing Rule 10.11, the Company is not required to also obtain approval under ASX Listing Rule 7.1 and the grant of the securities to Mr Streitberg under item 6 will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

Information regarding the proposed issue of the Relevant Securities

The following information is provided to Shareholders and is required for the purposes of ASX Listing Rule 10.13:

- the person to whom the Relevant Securities are proposed to be issued is Eric Streitberg;
- the maximum number of securities proposed to be issued in connection with item 6 is 2,650,000 Shares and 15,000,000 attaching Options;
- each Share and the attaching Options are to be issued for the aggregate price of \$0.23 per Share;
- if approved by Meeting the Company proposes to issue the Relevant Securities as soon as practicable following the Meeting and in any event, not later than 1 month from the date of the Meeting; and
- the funds raised by the proposed issue of the Relevant Securities will augment existing working capital.

All of the Shares proposed to be issued to Mr Streitberg will be fully paid ordinary shares, ranking equally in all respects with all other Shares on issue at the time of issue. However, the issue of Shares to Mr Streitberg will be conditional upon him first entering into a voluntary escrow deed with the Company on usual terms (including terms permitting the release of the escrow in the event of a change of control transaction).

Each Option proposed to be issued to Mr Streitberg provides a right to acquire a new Share in the future at the exercise price of the Option. Of the 15,000,000 Options, each will expire on 31 December 2011 and:

- 5,000,000 will have an exercise price of \$0.25 per Option;
- 5,000,000 will have an exercise price of \$0.30 per Option; and
- 5,000,000 will have an exercise price of \$0.35 per Option,

and otherwise be issued on the terms set out in Attachment B to this notice of meeting.

For the purposes of ASX Listing Rule 10.13, Shareholders are also directed to the voting exclusion statement set out in the Notice of Meeting.

Why is the Company proposing to issue the Relevant Securities

Discussions between the Board and Mr Streitberg indicated that the issue of the Relevant Securities was the minimum requirement for Mr Streitberg to continue his involvement with the Company at a level the Board considers to be in the best interests of the Company. By subscribing for the Relevant Securities Mr Streitberg is demonstrating his long term support for the Company and indicating his continued commitment to the Board. The Board considers this ongoing support and commitment to the Company significantly enhances the Company's depth of

technical and management experience and will play an important role in the success of the Company's exploration program and the creation of Shareholder wealth and accordingly the Board considers it is appropriate to put the proposal to shareholders.

The Board (excluding Mr Streitberg due to his interest in the matter) considers the price at which the Relevant Securities are proposed to be issued to be reasonable as:

- The Share component of the Relevant Securities will effectively be issued at a fair price, particularly having regard to the fact that, if the Company were to conduct a capital raising that raising would likely be at a discount to the current market share price.
- The Shares will be subject to voluntary escrow for a period of 1 year from their issue. The escrow of the Shares secures Mr Streitberg's ongoing support for the Company and further aligns his interest with those of Shareholders and the creation of Shareholder wealth.
- The exercise price of the 3 tranches of Options has been set at a price that is 31.6%, 57.9% and 84.2% above the Company's 30 Day VWAP, for the \$0.25, \$0.30 and \$0.35 Options respectively.

The Board (excluding Mr Streitberg due to his interest in the matter) considered the price at which the Relevant Securities are proposed to be issued and the benefits anticipated to flow from Mr Streitberg's ongoing involvement in the Company and determined that, in the Company's current circumstances, the issue of the Relevant Securities are necessary if shareholders wish Mr Streitberg to continue his involvement in the Company.

7. Approval for change to the terms and conditions of options

Introduction

The Company was formed by a demerger from ARC Energy Limited ("**ARC**") as part of ARC's merger with Australian Worldwide Exploration Limited by scheme of arrangement, which completed on 25 August 2008. As a result of this demerger, ARC shareholders were issued Shares in the Company and the Company was listed on ASX.

At the time of the demerger ARC disclosed that the Company intended to grant options to directors and employees of the Company ("**D&E Options**") for the purpose of incentivising the Company's Directors and employees and to align their interests with Shareholders. The terms of the D&E Options were set by ARC prior to the demerger and before the Company's Shares had commenced trading on the ASX. Following completion of the demerger 33,900,000 D&E Options were issued. The D&E Options have an exercise price of \$0.94 and an expiry date of 27 August 2010.

The Company currently has 7,220,000 D&E Options on issue, following a number of cancellations. The D&E Options currently on issue represent less than 3% of the fully diluted capital of the Company as at the date of this notice of meeting. All of the D&E Options are held by the Company's Directors and employees.

Why is the Company seeking to amend the terms of the D&E Options

The Company's Shares have largely traded in a band of \$0.16 to \$0.22 since October 2008. Consequently, the exercise price of the D&E Options is significantly higher than the Company's current and historical Share price.

In these circumstances, the Directors consider that it is likely that the D&E Options will simply lapse, and that they no longer serve their intended purpose of incentivising the holders of D&E Options nor aligning their interests with the interests of Shareholders.

The Directors considered other alternatives to incentivise and align the interests of the holders of D&E Options, including issuing the holders new options on the terms for which it is proposed to reset the D&E Options. The Directors determined that this was not an attractive alternative as it would result in further equity securities being issued (which could potentially dilute existing security holdings) and would expose holders to uncertain treatment under the Commonwealth Government's proposed (but not finalised) employee incentive scheme taxation regime.

Details of the waiver granted by ASX

ASX Listing Rule 6.23.3 provides that a change affecting options that has the effect of reducing the exercise price, or increasing the period for exercise, of an option cannot be made. ASX has granted a waiver from this rule to the Company, subject to prior Shareholder approval, to amend the terms of the D&E Options as outlined below.

Details of the proposed changes to the terms of the D&E Options

If the resolution in item 7 is approved, the terms of each of the 7,220,000 D&E Options will be altered so that:

- the exercise price of each D&E Option will be \$0.30 (rather than \$0.94 currently); and
- the expiry date of each D&E Option will be 31 December 2011 (rather than 27 August 2010 currently).

All other terms of the D&E Options, including vesting periods, will not be changed. The full terms of the D&E Options, if the resolution in item 7 is approved, will be as set out in Attachment C to this notice of meeting.

8. Approval for Employee Share Acquisition Scheme

Background

The Board is committed to incentivising executives and employees and ensuring a close alignment between their interests and Shareholder's interests. The Board believes that owning shares in the Company aligns executives' and employees' rewards with the strategic long term goals and performance of the Company and the creation of Shareholder wealth.

The resolution in item 8 proposes the approval of a new Employee Share Acquisition Scheme designed to encourage executives and employees to acquire shares in the Company on market (“**Scheme**”).

Overview of the Scheme

The Scheme will operate as follows:

- On invitation by the Company, eligible executives and employees may elect to participate in the Scheme (“Participants”). Each Participant may nominate a dollar amount that they wish to contribute to the Scheme.
- For every one dollar that a Participant contributes to the Scheme the Company will loan the Participant four dollars. The total amount of loans the Company will advance under the Scheme is capped at \$500,000.
- The Participant’s contribution together with their loan from the Company will be held on trust for the Participant by a trustee appointed for the purposes of the Scheme (“Trustee”). The Trustee will acquire Shares on market on behalf of the Participant. No new Shares will be issued under the Scheme.
- Participants may direct the Trustee to sell the Shares acquired on their behalf under the Scheme at any time during the loan period at a price greater than the average price at which those Shares were acquired. The loan period runs until 31 December 2011. All Shares sold prior to the conclusion of the loan period must be used to repay the Participant’s loan. Once the loan has been repaid in full the proceeds of sales will be made available to the Participant.
- If the loan has not been repaid on the conclusion of the loan period, Participants may elect to either:
 - repay the outstanding loan amount to the Company; or
 - surrender sufficient Shares to the Trustee (at a price deemed to be the volume weighted average price of Shares for the 30 day period preceding the surrender) to satisfy the outstanding loan amount. If the Participant holds insufficient Shares to satisfy the outstanding loan amount the surrender of the Participant’s Shares to the Trustee will constitute full and final satisfaction of the outstanding loan amount.

Executives and employees will only be invited to participate in the Scheme once, being immediately following receipt of Shareholder approval of the Scheme at the AGM. However, the Board may consider similar arrangements in future years depending on the prevailing circumstances of the Company and its executives and employees.

Further details of the key elements of the Scheme are set out below. Note that the following is a summary only and not the full terms of the Scheme.

Participation

The Plan will be open to all the Company's employees as at the date it is approved by Shareholders. It will not be open to Non-Executive Directors. Accordingly, Mr Graham Riley and Mr Eric Streitberg will not be eligible to participate in the Scheme.

The Scheme is not a salary sacrifice scheme. Contributions to the Scheme will be made on a post-tax basis.

Loans

The Company will provide a maximum of \$500,000 of loans in total under the Scheme. The loans will be provided on a one dollar for four dollar matching basis, so that for every one dollar a Participant contributes the Company will make available a loan of four dollars. However, the Board has a discretion to make a maximum loan amount available in respect of each Participant to ensure all Participants are able to participate in the Scheme at an appropriate level.

No interest will be payable on loans made under the Plan. The loan period under the Plan ends on 31 December 2011 and, except where a Participant ceases to be an employee of the Company, the Company generally cannot call for repayment of the loan prior to the end of the loan period. There is no redraw available for loans made under the Scheme.

The loans will be of a limited recourse nature such that if, on the conclusion of the loan period, the Participant does not repay any outstanding loan amount the Company will accept in full satisfaction of the outstanding loan amount the market value of the shares acquired under the Scheme, including those notionally acquired using the Participants contribution. To the extent that the market value of those shares is less than the outstanding loan amount, the Company has no other recourse against Participants.

Acquisition and sale of Shares

All funds contributed to the Scheme (both contributions from Participants and loans from the Company) will be held on trust by the Trustee. The Trustee will be responsible for all acquisitions under the Scheme. All acquisition will be made in accordance with the Company's share trading guidelines.

The Trustee will hold Shares acquired under the Scheme on behalf of Participants. Participants may direct the Trustee to sell Shares on their behalf at any time during the loan period provided that the sale price is greater than the average price at which the Shares were acquired and subject to the Company's share trading guidelines. All proceeds from the sale of Shares must be applied first to the repayment of the Participant's loan.

Rights and entitlements

All Shares acquired under the Scheme will be beneficially owned by the Participant. Participants will have full voting rights and the right to participate on equal terms with all other Shareholders including, for example, in entitlement offers, bonus issues and dividends (if paid). In the event that a dividend is paid that dividend must be applied first to the repayment of the Participant's loan.

Why is the Company seeking Shareholder approval?

The Company is seeking approval of the Scheme for the purposes of sections 259B(2) and 260C(4) of the Corporations Act in order to facilitate the Company financially assisting Participants to acquire Shares under the Scheme and the Company taking an interest in security over those Shares for the purposes of securing the loan provided to Participants.

Those sections respectively provide exemptions for the operation of employee share schemes approved by shareholders from the restrictions applying to the Company providing financial assistance for the acquisition of its Shares and taking security over its own Shares

As no new Shares will be issued under the Employee Share Acquisition Scheme, the Company is not seeking approval of the scheme for the purposes of Exception 9 of ASX Listing Rule 7.2.

Attachment A

4 September 2009

Board of Directors
Buru Energy Limited
Level 1, 418 Murray St
West Perth WA 6005

Dear Directors

Nomination of auditor

I nominate KPMG to be appointed as auditor of Buru Energy Limited at the annual general meeting to be held on 16 October 2009.

I am a shareholder of Buru Energy Limited.

Yours sincerely

A handwritten signature in black ink, appearing to read "Adrian Cook", with a stylized, cursive script.

Adrian Cook

Attachment B

Terms of the Options to be issued to Eric Streitberg (If the resolution in item 6 is approved)

Exercise Price: Tranche 1 of 5,000,000 Options - \$0.25
Tranche 2 of 5,000,000 Options - \$0.30
Tranche 3 of 5,000,000 Options - \$0.35

Other terms:

- a) No monies will be payable for the issue of the Options.
- b) The Options will be issued as a certificated holding.
- c) The Options expire at 5.00pm (Perth Time) on the earlier of 31 December 2011 or one month following resignation of the optionholder as a director of the Company ("**the Expiry Date**").
- d) Each Option is a right in favour of the optionholder to subscribe for one Share.
- e) The optionholder may exercise the Options at any time prior to the Expiry Date.
- f) Shares allotted to the optionholder on exercise of Options shall be issued at the Exercise Price noted above.
- g) The Exercise Price shall be payable in full on exercise of each Option.
- h) The Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the optionholder to:
 - i) exercise all or a specified number of Options held by the optionholder and specifying the Tranche of Options being exercised; and
 - ii) pay the Exercise Price in respect of those Options in full.
- i) The notice must be accompanied by a cheque made payable to the Company for the Exercise Price. An exercise of some (but not all) of the Options shall not affect the rights of the optionholder to the balance of the Options held by the optionholder.
- j) The Company shall allot the resultant Shares and deliver the required holding statement within 10 Business Days of the exercise of the Options.
- k) The Options are not transferable except for a transfer between legal holders where the Company is satisfied there is no change in beneficial ownership of the Options.

- l) Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with existing Shares in all respects.
- m) The Company shall, in accordance with the ASX Listing Rules, make an application to have shares allotted pursuant to an exercise of Options listed for official quotation.
- n) No Option will give any right to participate in dividends, bonus issues or entitlement offers until the Shares, if an Option has been exercised, have been allotted in respect of that Option before the record date for determining entitlements to the issue. The Company must give notice to the optionholder of any new issue at least 10 Business Days before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
- o) If the Company makes a bonus issue of Shares or other securities pro rata to shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Shares have been allotted in respect of any particular Option before the record date for determining entitlements to the bonus issue then the number of Shares over which the Option is exercisable will be increased by the number of Shares which the optionholder would have received if the Option had been exercised before the record date for the bonus issue.
- p) If the Company makes an offer of Shares pro rata to all or substantially all shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) for a subscription price which is less than the market price (defined below as “**P**”) and no Shares have been allotted in respect of any particular Option before the record date for determining entitlements to the rights issue, then the exercise price for that Option will be reduced according to the following formula:

$$O' = O - \frac{E(P - (S + D))}{N + 1}$$

where:

O' is the new exercise price of the Option;

O is the old exercise price of the Option;

E is the number of underlying securities into which one Option is exercisable;

P is the average market price of Shares (weighted by reference to volume) sold in the ordinary course of trading on the ASX during the five trading days before the ex rights date or ex entitlements date;

S is the subscription price (application money plus calls) for new Shares issued under the rights issue;

D is equal to the amount of any dividends due but not yet paid on existing Shares (except those to be issued under the rights issue); and

N is the number of Shares required to be held to receive a right to one new Share. The number of Shares which the optionholder is entitled to subscribe for on exercise of the Option will not change.

- q) In the event of a reorganisation of the capital of the Company, the rights of the optionholder will be changed to the extent necessary to comply with the ASX Listing Rules applying to such reorganisation at the time of the reorganisation.
- r) If, on the making of any adjustment contemplated by these terms, the optionholder becomes entitled to a fraction of a Share, that fraction will be disregarded.

Attachment C

Restated terms of the D&E Options

(If the resolution in item 7 is approved)

Exercise Price: \$0.30

Other terms:

- a) No monies will be payable for the issue of the Options.
- b) The Options will be issued as a certificated holding.
- c) The Options expire at 5.00pm (Perth Time) on the earlier of 31 December 2011 or one month following resignation as an employee or (as the case may be) a director of the Company ("**the Expiry Date**").
- d) Each Option is a right in favour of the optionholder to subscribe for one Share.
- e) The optionholder may exercise Options at any time after vesting and prior to the Expiry Date.
- f) The Options held by an optionholder will vest (or have vested) as follows:
 - i) one third on 1 March 2009 ("Tranche 1");
 - ii) one third on 1 September 2009 ("Tranche 2");
 - iii) one third on 1 Mach 2010 ("Tranche 3").
- g) Shares allotted to the optionholder on exercise of Options shall be issued at the Exercise Price noted above.
- h) The Exercise Price shall be payable in full on exercise of each Option.
- i) The Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the optionholder to:
 - i) exercise all or a specified number of Options held by that optionholder and specifying the Tranche of Options being exercised; and
 - ii) pay the Exercise Price in respect of those Options in full.
- j) The notice must be accompanied by a cheque made payable to the Company for the Exercise Price. An exercise of some (but not all) of the Options held by any particular optionholder shall not affect the rights of the optionholder to the balance of the Options held by the optionholder.

-
- k) The Company shall allot the resultant Shares and deliver the required holding statement within 10 Business Days of the exercise of the Options.
 - l) The Options are not transferrable.
 - m) Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with existing Shares in all respects.
 - n) The Company shall, in accordance with the ASX Listing Rules, make an application to have Shares allotted pursuant to an exercise of Options listed for official quotation.
 - o) No Option will give any right to participate in dividends, bonus issues or entitlement issues until the Shares, if an Option has been exercised, have been allotted in respect of that Option before the record date for determining entitlements to the issue. The Company must give notice to optionholders of any new issue at least 10 Business Days before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
 - p) If the Company makes a bonus issue of Shares or other securities pro rata to shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Shares have been allotted in respect of any particular Option before the record date for determining entitlements to the bonus issue then the number of Shares over which the Option is exercisable will be increased by the number of Shares which the optionholder would have received if the Option had been exercised before the record date for the bonus issue.
 - q) If the Company makes an offer of Shares pro rata to all or substantially all shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) for a subscription price which is less than the market price (defined below as “**P**”) and no Shares have been allotted in respect of any particular Option before the record date for determining entitlements to the rights issue, then the exercise price for that Option will be reduced according to the following formula:

$$O' = O - \frac{E(P - (S + D))}{N + 1}$$

where:

O' is the new exercise price of the Option;

O is the old exercise price of the Option;

E is the number of underlying securities into which one Option is exercisable;

P is the average market price of Shares (weighted by reference to volume) sold in the ordinary course of trading on the ASX during the five trading days before the ex rights date or ex entitlements date;

S is the subscription price (application money plus calls) for new Shares issued under the rights issue;

D is equal to the amount of any dividends due but not yet paid on existing Shares (except those to be issued under the rights issue); and

N is the number of Shares required to be held to receive a right to one new Share. The number of Shares which the optionholder is entitled to subscribe for on exercise of the Option will not change.

- r) In the event of a reorganisation of the capital of the Company, the rights of the optionholder will be changed to the extent necessary to comply with the ASX Listing Rules applying to such reorganisation at the time of the reorganisation.
- s) If, on the making of any adjustment contemplated by these terms, the optionholder becomes entitled to a fraction of a Share, that fraction will be disregarded.
- t) If the Company receives a Bidder's Statement in accordance with Chapter 6 of the Corporations Act, enters into merger implementation agreement or similar agreement committing it to undertake a scheme of arrangement in accordance with Part 5.1 of the Corporations Act, or the Directors of Buru become aware of any other circumstance that is reasonably likely to result in any single party acquiring a beneficial interest in 50% or more of the Buru Energy Shares then any Options which have not vested will immediately vest at the Exercise Price.



Buru Energy Limited
ABN 71 130 651 437

LODGE YOUR VOTE

By mail:
Buru Energy Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

By fax: +61 2 9287 0309

ONLINE www.linkmarketservices.com.au

All enquiries to:
 Telephone: 1800 810 859
(02) 8280 7211



X99999999999

SHAREHOLDER VOTING FORM

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

STEP 1 **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 (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 10:00am on Friday, 16 October 2009, at QV1 Conference Centre, Level 2, the QV1 Building, 250 St George's Terrace, Perth and at any adjournment or postponement of the meeting.

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 **X**

STEP 2 **VOTING DIRECTIONS**

	For	Against	Abstain*		For	Against	Abstain*
Resolution 1 Re-election of Graham Riley as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 5 Approval of prior issue of shares to New Standard Energy Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Eric Streitberg as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 6 Approval of issue of securities to Eric Streitberg	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7 Approval for change to the terms and conditions of options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Appointment of auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8 Approval for Employee Share Acquisition Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the Abstain box for a particular Item, 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.

STEP 3 **IMPORTANT - VOTING EXCLUSIONS**

If the Chairman of the Meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of Resolutions 1 and 7 above, please place a mark in this box. By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even though he/she has an interest in the outcome of those Resolutions and that votes cast by him/her for those Resolutions, other than as proxyholder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Resolutions 1 and 7 and your votes will not be counted in calculating the required majority if a poll is called on those Resolutions. The Chairman of the Meeting intends to vote undirected proxies in accordance with the majority of validly appointed and directed proxies.

STEP 4 **SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED**

Shareholder 1 (Individual) <input type="text"/>	Joint Shareholder 2 (Individual) <input type="text"/>	Joint Shareholder 3 (Individual) <input type="text"/>
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).

BRU PRX902



HOW TO COMPLETE THIS 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 a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

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 item of business. 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 item 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:

- (a) 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.
- (b) 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.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 10:00am on Wednesday, 14 October 2009, 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:

 **by mail:**
Buru Energy Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

 **by fax:**
+61 2 9287 0309

 **online:** **ONLINE** www.linkmarketservices.com.au

lodging it online at Link's website (www.linkmarketservices.com.au) in accordance with the instructions given there (you will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website);

 **by hand:**
delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

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.