

RISK MANAGEMENT POLICY

1.0 POLICY AIMS

The Board of Directors of Buru Energy Limited (“**Buru**” or “**Company**”) recognises the importance of implementing a sound risk management programme to ensure that the risks that the Company is exposed to as part of its business operations are properly understood and appropriately managed.

This Policy sets out the broad principles, responsibilities and practices that will be used to manage the Company’s risk exposures and the various risk management systems and internal controls operated by the Company to respond to those risks.

2.0 SCOPE

The Board of Buru is ultimately responsible for overseeing the establishment and implementation of effective risk management systems and the monitoring of internal controls and compliance.

The Board has delegated this responsibility to the Company’s Audit and Risk Committee. The Audit and Risk Committee is responsible for reviewing and updating the Company’s risk profile and monitoring the effectiveness of the risk management framework.

Risk is an inherent part of the Company’s business and the industry in which it operates. In addition to industry systemic risk, there are other material risks specific to Buru’s asset portfolio and business structure.

Buru’s material business risks include:

- Health and safety
- Environmental
- Reputational
- Operational
- Commercial
- Exploration/Reserves
- Legal/contractual
- Financial risks
- Compliance
- Commercial
- Technology

3.0 POLICY

The objective for managing risk is to facilitate the identification of material risks, manage those risks and internally report on those material risks.

Buru has implemented a Risk Management Framework for the management and oversight of material risks and internal controls. The Risk Management framework is designed to address risks that have been identified to have a material impact on the Company's business and to ensure that the Board regularly reviews the risk management and oversight policies.

Buru has developed an organisational approach to risk management and the key elements of the risk management process are as follows:

- Maintaining the Risk Management Framework for the management and oversight of material business risks and internal control
- Ensuring risk management is included in strategic and business planning
- Maintaining and updating the Risk Management Register which
 - Identifies the material business risks
 - Details the current controls
 - Provides an assessment of the likelihood and consequences of the risk happening
 - Details further actions to eliminate, reduce, transfer, manage or accept each risk; and
 - Provides management responsibilities for dealing with the risk
- Obtaining assurance from the Executive Chairman and Chief Financial Officer that the financial statement declaration provided is founded on a sound system of risk management and internal control
- The Audit and Risk Committee and Board satisfying themselves that management has developed and implemented a sound system of risk management and internal control
- Providing the Risk Management Register to the Audit and Risk Committee and Board on a regular basis for the management and review of the material business risks
- Providing the Board with updates on the management risk activity including an assessment of whether the material business risks are being effectively managed; and
- Preparing annual disclosure with respect to ASX recommendations under Corporate Governance Principle 7.

4.0 RISK MANAGEMENT PRACTICES

The Board has overall responsibility for the oversight of matters relating to risk, compliance and internal control. The Audit and Risk committee has a number of responsibilities including making recommendations to the Board with respect to financial compliance, auditor independence, effectiveness of systems of internal control and the management of risk.

The Company recognizes that HSSE risks can be present in all environments, on all Sites and in all activities. The company believes that effective protection of people, the environment and Assets can be achieved through detailed risk identification, assessment and implementation of proactive preventative and mitigation controls.

The Company will strive to continuously identify and implement such mitigation measures as are required to reduce identified risks to levels which are As Low As Reasonably Practicable (ALARP) levels.

The Risk management process will be applied to all levels of the organization and Functional Managers and Asset Managers are responsible for maintaining Hazard and Risk registers relating to their areas of responsibility.

The Company's internal control processes are in place to ensure that information is reported to the Board and senior management on a regular basis. The internal control process includes:

- Audit and Risk Committee Charter
- Audit and Risk Committee and Board review of financial statements
- Review of the Company budget
- Updating and review of the Risk Register and Risk Management framework by the Board and management
- Corporate Governance Statement
- Comprehensive Insurance Program
- Regular internal reporting
- Defined authorities for expenditure

5.0 RISK MANAGEMENT ROLES AND RESPONSIBILITIES

The attached table outlines a summary of the roles and responsibilities for managing risk in the Company on a day to day basis:

Risk	Responsible Person
Overall responsibility for risk management	Board of Directors
Overall responsibility for all material business risks	Board of Directors
Reputational	Executive Chairman
Health and Safety	Operations Manager
Environmental	Operations Manager
Operations	Operations Manager
Exploration/Reserves	Exploration Manager
Legal/contractual	Commercial Manager
Commercial	Commercial Manager
Compliance	Chief Financial Officer
Financial risks	Chief Financial Officer
Technology	Chief Financial Officer

Approved by the Board

Date: 25 September 2018