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## **ASX ANNOUNCEMENT (ASX: BRU)      10 December 2012**

### **Buru Continues to Build Leading Western Australian Oil and Gas Company with Appointment of Managing Director to Executive Team**

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Buru Energy Limited is pleased to announce a further significant strengthening of the Company's senior management team, with Dr Keiran Wulff, currently a Non-executive Director of the Company, being appointed as the Company's Managing Director with effect from 14 January 2013. Mr Eric Streitberg, Buru's Executive Director, will continue in this role.

As Managing Director, Dr Wulff will have responsibility for the Company's day to day operations and for delivery of a forward program to capitalise on the enormous value identified in the Company's world class asset portfolio. He will in particular be focusing on the near term commercialisation of the Ungani Oilfield and exploration of the Ungani oil trend, and on the continued development of the very significant potential of the Company's gas resources. He will also be focused on building the Company's organisational strength, and it is expected that additional senior management appointments will be made to ensure the Company has the internal capability to deliver on its strategic objectives.

This appointment will allow Mr Streitberg to focus on the strategic and technical aspects of the management of the Company's asset portfolio, where he will work closely with Dr Wulff to ensure value is added for shareholders as effectively as possible.

Dr Wulff's appointment provides further depth, strength and balance to the Company's dynamic senior leadership team. The development of a well rounded and first class management team is an important part of Buru's transition to a leading Western Australian oil and gas producer.

## **Dr Wulff's Background**

Dr Wulff holds a PhD. in petroleum geology and has worked in the oil and gas industry for over 25 years. He brings extensive and highly relevant experience to the Company with a proven history of delivering projects and creating shareholder value. In particular he spent 17 years with Oil Search Limited and was intimately involved in the development of that company from a small explorer to a major oil and gas production company.

During that time Dr Wulff contributed to all aspects of Oil Search's development, in roles including Exploration Manager, Group Chief Operating Officer and President of the Middle East business unit.

Dr Wulff has also established an unlisted company operating in developing countries which focuses on the development of power projects with strong ties to local social development and sustainability. Dr Wulff will remain on the Board of that company in a non-executive capacity as it has the potential to deliver synergies with his role with Buru.

A summary of the terms of Dr Wulff's employment agreement with the Company is attached.

Commenting on Dr Wulff's appointments, Buru's Chairman, Mr Graham Riley, said:

*"We are delighted that Keiran has agreed to become the Company's Managing Director. It was clear from the moment he joined the Board that his interest in and passion for the Company's activities made him an outstanding candidate to take a more active role in the management of the Company. His experience with Oil Search also makes him uniquely qualified to lead and manage Buru on what we expect will be a similar growth path. He has a proven track record of delivering the organisational and management change required for a high growth company, together with the technical and operational expertise and experience to manage a major oil and gas development.*

*In combination with Eric's technical capability and long background in the Western Australian oil and gas industry, the Board is confident that we have the right senior executive team to deliver on Buru's potential."*

**For inquiries please contact:**

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## Summary of Employment Terms

Key Terms	
<b>Base Salary</b>	\$620,000, plus superannuation in accordance with law.
<b>Short Term Incentive</b>	45% of Base Salary, at Board discretion having regard to performance.
<b>Long Term Incentive</b>	2,500,000 Share Appreciation Rights on the terms summarised below.  The prospective discretionary issue of Share Appreciation Rights, share options or performance rights annually based on agreed targets.
<b>Review</b>	Base Salary to be reviewed annually having regard to CPI, market relativities and the performance of the Company and the Executive.
<b>Termination by Company without cause and redundancy</b>	12 month's notice or payment in lieu.
<b>Termination by Executive</b>	4 months notice.
<b>Termination for redundancy</b>	12 month's pay inclusive of notice.
<b>Leave entitlements</b>	Standard in accordance with law.
<b>Restraints</b>	Non-competition and non-solicitation for 1 year post employment within Australia.

### Outline of terms of Share Appreciation Rights (SAR)

Each SAR entitles the Managing Director to the increase in value of one Buru share above a specified "Base Price". The SARs are divided into two tranches with each tranche vesting (and therefore becoming exercisable) on and from a specified date as follows:

Number of SARs	Base Price	Vesting Date
1,000,000	150% of the 30 day VWAP on the date of commencement	1 February 2015
1,500,000	200% of the 30 day VWAP on the date of commencement	1 February 2016
<b>Total: 2,500,000</b>		

This increase in value will be satisfied by the issue of shares to the Managing Director (or at the option of the Company, the payment of cash).

The SARs will be the subject of shareholder approval in accordance with ASX Listing Rule 10.14.

SARs will lapse and be incapable of exercise if not exercised by the later of:

- (a) 30 June 2016; and
- (b) the date the employment of the Managing Director with the Company ends.

The SARs are exercisable following the relevant Vesting Date. The SARs may only be exercised if the Managing Director would, at the time of exercise, be permitted to deal with shares in the Company in accordance with the Company's Share Trading Policy.

If the Executive ceases to be employed by the Company (whether by reason of death, resignation or termination of employment for misconduct), SARs which are not exercisable when the Managing Director ceases employment will lapse, and may not be exercised unless the Board determines that, in its absolute discretion and to the extent permitted by law, some or all of the SARs held by the Managing Director which have not become exercisable at the time they cease to be employed, will become exercisable.