



7 September 2017

Rights Issue Significantly Oversubscribed - Forward Program Fully Funded

Highlights:

- \$14.5 million in total entitlement and shortfall subscriptions from existing shareholders substantially exceeds \$10.2 million target
- All entitlement shares to be issued in full
- Top up placement of ~\$3.6 million to existing sophisticated investor (708) shareholders reduces overall scale back requirement
- Minimum scale back threshold set at \$5,000
- No issue of shortfall shares to new investors despite strong demand
- Share allotment for rights issue and placement expected on or about 11 September
- Forward drilling program fully funded with extra funds providing flexibility and contingency

Further to the announcement made on 4 September 2017, Buru Energy Limited (ASX:BRU) ("Buru" or the "Company") is pleased to advise that the Company's 1 for 5 entitlement issue at 15 cents per share ("Rights Issue") has been very strongly supported by its existing shareholders.

Applications of some \$14.5 million for entitlement and shortfall shares received from eligible shareholders significantly exceeded the \$10.2 million full subscription amount under the Rights Issue.

The Board has carefully considered the options available to the Company in dealing with the oversubscription amount of approximately \$4.3 million. Rather than undertaking a wholesale pro-rata scale back in respect of shareholders who have applied for shortfall shares to reduce the total subscription amount to \$10.2 million, the Board has decided to make an additional placement of shares in respect of approximately \$3.6 million of the excess funds. This top-up share placement has been made only to existing Buru shareholders who submitted

shortfall applications and who qualified as sophisticated and professional investors for the purposes of section 708 of the Corporations Act 2001 (Cth) ("Top-up Placement").

The approximately 24 million Top-up Placement shares are being issued at the same price and terms as shares issued under the Rights Issue. The Top-up Placement is being undertaken pursuant to the Company's ASX Listing Rule 7.1 placement capacity (representing approximately 47% of Buru's existing 15% placement capacity). No related parties have participated in the Top-up Placement.

The additional funds of \$3.6 million will provide more funding flexibility and contingency allowances for Buru's 2017/18 Ungani accelerated development program which is planned to commence later this month with the mobilization of the drilling rig to Ungani.

The Top-up Placement has also significantly reduced the requirement for a scale back under the Rights Issue shortfall offer which the Company is currently in the process of finalising through its share registry. The overall scale back requirement is for approximately \$0.7 million as shown in more detail in the summary table below.

As is set out in the Rights Issue Prospectus, the scale back mechanism provides for a priority allowance to unmarketable parcel holders and takes into account the number of shortfall shares applied for in proportion to the applicant's shareholding as at the record date of 7 August 2017. The Rights Issue terms further provide the Directors with sole discretion for the allocation of shortfall shares and any required scale back. To accommodate shareholders with smaller holdings who have applied for shortfall shares, the Directors have resolved to increase the minimum scale back threshold to \$5,000.

Upon completion of this scale back process, the allotment of shares pursuant to the Rights Issue and Top-up Placement is expected to be made on or about 11 September 2017 and Buru shareholders will be notified by the Company's share registry of their respective share allotments and any refunds of excess shortfall share applications made by them. All refund payments will be made by cheque irrespective of whether the funds were originally submitted by BPAY® or cheque.

Refund payments are expected to be mailed out by the end of next week. Shareholders are requested to advise Buru's share registry (Link Market Services – refer contact details below) of any changes to their mailing address to ensure that they will receive their allotment notifications and refund cheques.

Rights Issue and Top-up Placement Summary

	Shares	Amount
Rights Issue Shares Offered	68,000,662*	\$10,200,099*
Entitlement Applications Received	43,069,096	\$6,460,364
Shortfall Share Applications Received	<u>53,728,712</u>	<u>\$8,059,307</u>
Total Applications Received	96,797,808	\$14,519,671
Excess Shortfall Share Applications	28,797,146	\$4,319,572
Less: Top-up Placement Made	(24,023,593)	(\$3,603,539)
Excess subject to scale-back	4,773,553	\$716,033

*variation to Prospectus due to rounding of individual shareholder entitlements

The total capital raised by Buru under the Rights Issue and Top-up Placement is approximately \$13.8 million (before costs) and upon share allotment the Company's issued capital will be approximately 432 million shares.

Buru's Executive Chairman Eric Streitberg said:

"We are delighted with the strong support demonstrated by Buru's large shareholder base with more than 2,250 applications received for this capital raising and applications for 42% more than the issue target.

When we set out to seek the necessary funding to accelerate the development of our Ungani Oilfield, we wanted to give our existing shareholders first priority to participate in this funding process. The response to our new strategic direction and upcoming drilling program has been exceptional from both Buru shareholders and other investors as demonstrated by the rights issue take-up as well as the strong market support for the Company's shares.

The extra capital raised provides added funding flexibility and contingency allowances as we are about to embark on a very exciting development phase of our 100% owned Ungani Oilfield."

Visit www.buruenergy.com for information on Buru Energy's current and future activities.

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