

Rights Issue to help fund the appraisal of the Rafael gas condensate discovery

Dear Buru Energy Shareholder

Included with this letter is the Prospectus for a Rights Issue to help fund the appraisal of the Company's recent very exciting Rafael gas condensate discovery in the Canning Basin in the Kimberley region of Western Australia.

As per Buru's ASX release dated 26 April 2022, the Rafael discovery has been independently assessed to have the potential to contain over a trillion cubic feet (TCF) of producible gas. That is enough gas to provide Western Australian retail customers with gas for over 30 years, and to supply the whole of Western Australia's domestic market needs for approximately three years. If the potential volumes are proven up they will be bigger than some of the recent Perth Basin gas discoveries that have generated so much excitement. Rafael also potentially contains more than 20 million barrels of condensate, a light oil, which could make it one of the biggest onshore Australian oil discoveries in decades.

We do need to do a lot more work to prove up the Rafael discovery, including well testing and detailed seismic surveys this year, with a further drilling program next year. We are also making good progress on ways to commercialise the discovery including possible LNG export through the North West Shelf infrastructure and lower carbon local gas supply in the Kimberley. This Rights Issue funding will ensure we are able to advance the appraisal activity and the commercialisation studies as quickly as possible.

Our work on energy transition activity is also gathering pace with a recent offer from the Federal Government of a significant grant to help advance our Carbon Capture and Storage (CCS) initiatives through our Geovault subsidiary, and continued focus on natural hydrogen through our 2H Resources subsidiary.

Information about the rights issue, including an indicative timetable, the use of funds and the risks associated with any investment in Buru shares is set out in the accompanying Prospectus. Detailed instructions as to how to apply for your entitlement can be found in section 2.2 of the Prospectus and on the back of the enclosed personalised Entitlement and Acceptance Form.

Shareholders can also apply for an allocation of shortfall shares and the details of this are set out in the Prospectus. This issue is not underwritten and if there are any shortfall shares above those taken up by current shareholders we will aim to allocate those to appropriate supportive new shareholders.

We are very excited about the future of the Company and look forward to your continued support.

Eric Streitberg
Executive Chairman
Buru Energy Limited
12 May 2022



Summary of Rights Issue

- Record Date 9 May 2022
- 1 for 6 Entitlement Offer
- Issue price of 16 cents per share
- 24% discount to pre-rights announcement share price
- Right to apply for additional shares
- Closing date 31 May 2022

For enquiries in regard to individual shareholdings please contact Link Market Services on 1800 810 859.