



BURU ENERGY LIMITED
ACN 130 651 437

ENTITLEMENT ISSUE PROSPECTUS

For a pro-rata non-renounceable entitlement issue of 1 Share for every 6 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.16 per Share to raise up to approx. \$14.4 million (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Shares offered by this Prospectus should be considered as speculative.

IMPORTANT NOTICE

This Prospectus is dated 3 May 2022 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares offered by this Prospectus should be considered speculative.

Applications for Shares offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your

financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Shares under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or

to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia, New Zealand, Hong Kong, Singapore and the United Kingdom.

For further information on overseas Shareholders please refer to Section 2.10.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.buruenergy.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian, New Zealand, Hong Kong, Singapore and United Kingdom resident and must only access this Prospectus from within those jurisdictions.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 9215 1800 during office hours or by emailing the Company at info@buruenergy.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 7.

All references to time in this Prospectus are references to Australian Eastern Standard Time unless otherwise stated.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer please call the Company Secretary on +61 8 9215 1800.

CORPORATE DIRECTORY

Directors

Mr Eric Streitberg (Executive Chairman)
Ms Joanne Kendrick (Non-Executive Director)
Mr Malcolm King (Non-Executive Director)
Mr Robert Willes (Non-Executive Director)

Company Secretary

Mr Shane McDermott

Share Registry*

Link Market Services Limited
Level 12 QV1 Building
250 St Georges Terrace
PERTH WA 6000

Tel: 1800 810 859 (Within Australia)
+61 1800 810 859 (Outside Australia)

Email: registrars@linkmarketservices.com.au
Website: www.linkmarketservices.com.au

Registered Office

Level 2
16 Ord Street
WEST PERTH WA 6005

Telephone: +61 (08) 9215 1800
Facsimile: +61 (08) 9215 1899

Email: info@buruenergy.com
Website: www.buruenergy.com

Legal Advisers

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Auditor

KPMG
235 St George's Terrace
PERTH WA 6000

*This entity is included for information purposes only. They have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

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1. KEY OFFER INFORMATION

1.1 Timetable

| | |
|---|-------------|
| Lodgement of Prospectus with the ASIC | 3 May 2022 |
| Lodgement of Prospectus and Appendix 3B with ASX | 3 May 2022 |
| Ex date | 6 May 2022 |
| Record Date for determining Entitlements (7pm AEST) | 9 May 2022 |
| Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed | 12 May 2022 |
| Last day to extend the Closing Date | 26 May 2022 |
| Closing Date as at 5:00pm (AEST)* | 31 May 2022 |
| Shares quoted on a deferred settlement basis | 1 June 2022 |
| ASX notified of under subscriptions (if any) | 3 June 2022 |
| Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares | 7 June 2022 |
| Quotation of Shares issued under the Offer* | 8 June 2022 |

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Shares are expected to commence trading on ASX may vary.

1.2 Key statistics of the Offer

Shares

| | Maximum Subscription |
|--|--------------------------------|
| Offer Price per Share | \$0.16 |
| Entitlement Ratio (based on existing Shares) | 1 for 6 |
| Shares currently on issue | 538,442,991 |
| Shares to be issued under the Offer | 89,740,499¹ |
| Gross proceeds of the issue of Shares | \$14,358,480 ¹ |
| Shares on issue Post-Offer | 628,183,490¹ |

Notes:

1. Assuming the Maximum Subscription of Shares is achieved under the Offer and that no Options are exercised before the Record Date.
2. Refer to Section 4.1 for the terms of the Shares.

1.3 Key Risk Factors

Prospective investors should be aware that subscribing for Shares involves a number of risks and an investment in the Company should be considered as speculative. The future performance of the Company and the value of the Shares may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated

with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

1.4 Directors' Interests in Securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

| Director | Shares | Options | Share Entitlement | \$ |
|-----------------|-------------------------|---------|-------------------|---------|
| Eric Streitberg | 21,425,409 ¹ | - | 3,570,902 | 571,344 |
| Robert Willes | 192,000 ² | - | 32,000 | 5,120 |
| Malcolm King | 66,600 ³ | - | 11,100 | 1,776 |
| Joanne Kendrick | - | - | - | - |

Notes:

1. Comprising 18,989,858 Shares held directly by Mr Streitberg, 2,204,334 Shares held indirectly by Aegis Exploration Pty Ltd, an entity of which Mr Streitberg is a director, and 231,217 Shares held indirectly by Streitex Pty Ltd, an entity of which Mr Streitberg is a director.
2. Comprising 192,000 Shares held indirectly by the Willes Netis Family Trust, a trust of which Mr Willes is a beneficiary.
3. Comprising 66,600 Shares held indirectly by the King Avonmore Trust, a trust of which Mr King is a beneficiary.

The Board recommends all Shareholders take up their Entitlements.

Mr Willes and Mr King have advised their respective intentions to take up their full Entitlements. Mr Streitberg has stated that he will take up what portion of his Entitlement is appropriate for his then current personal financial situation, and having regard to his previous substantial commitments to the Company.

1.5 Details of Substantial Holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

| Shareholder | Shares | % |
|------------------------------|------------|------|
| Birkdale Enterprises Pty Ltd | 41,394,936 | 7.69 |
| Chemco Pty Ltd | 35,666,666 | 6.62 |

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

1.6 Effect on control

Based on current shareholding and Entitlements of Shareholders (including substantial Shareholders) as at the date of this Prospectus, regardless of the

amount raised under the Offer, no Shareholder will increase their holding, to an amount in excess of 19.9% through applying for their Entitlements.

Further as set out in Section 2.6, on the basis of the allocation policy, no person will acquire, through participation in the Shortfall Offer a holding of Shares of, or increase their holding to, an amount in excess of 19.9% of all the Shares on issue on completion of the Offer.

1.7 Potential dilution on non-participating Shareholders

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 14.29% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

| Holder | Holding as at Record date | % at Record Date | Entitlements under the Offer | Holdings if Offer not taken Up | % post Offer |
|---------------|---------------------------|------------------|------------------------------|--------------------------------|--------------|
| Shareholder 1 | 30,000,000 | 5.57% | 5,000,000 | 30,000,000 | 4.78% |
| Shareholder 2 | 5,000,000 | 0.93% | 833,333 | 5,000,000 | 0.80% |
| Shareholder 3 | 1,500,000 | 0.28% | 250,000 | 1,500,000 | 0.24% |
| Shareholder 4 | 500,000 | 0.09% | 83,333 | 500,000 | 0.08% |
| Shareholder 5 | 100,000 | 0.02% | 16,667 | 100,000 | 0.02% |

Notes:

1. This is based on a share capital of 538,442,991 Shares as at the date of the Prospectus and assumes no Options currently on issue are exercised.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

2. DETAILS OF THE OFFER

2.1 The Offer

The Offer is being made as a pro-rata non-renounceable entitlement issue of one (1) Share for every six (6) Shares held by Shareholders registered at the Record Date at an issue price of \$0.16 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no Shares are issued prior to the Record Date, including on the exercise of Options) approximately 89,740,499 Shares may be issued under the Offer to raise up to approximately \$14.4 million (before costs).

As at the date of this Prospectus the Company has 7,200,000 unlisted Options on issue (held by employees, with an exercise price of \$0.23) all of which may be exercised prior to the Record Date in order to participate in the Offer. Please refer to Section 3.4 of this Prospectus for further information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer and the intended use of funds raised are set out in Section 3 of this Prospectus.

2.2 What Eligible Shareholders may do

The number of Shares to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which accompanies this Prospectus and can be accessed at <https://www.buruenergy.com> as from the Offer opening date. Eligible Shareholders may choose any of the options set out in the table below.

| Option | Key Considerations | For more information |
|--|--|------------------------------|
| Take up all of your Entitlement | <ul style="list-style-type: none">• Should you wish to accept all of your Entitlement, then your application for Shares under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form. Please read the instructions carefully.• Payment can be made by the methods set out in Section 2.3. As set out in Section 2.3, if you pay by BPAY, you do not need to return the Entitlement and Acceptance Form. | Section 2.3 and Section 2.4. |
| Take up all of your Entitlement and also apply for Shortfall Securities | <ul style="list-style-type: none">• Should you wish to accept all of your Entitlement and apply for Shortfall Shares, then your application for your Entitlement and additional Shortfall Shares under this Prospectus must be made by following the instructions on your personalised Entitlement and | Sections 2.3, 2.4 and 2.6. |

| Option | Key Considerations | For more information |
|---|---|------------------------------------|
| | <p>Acceptance Form. Please read the instructions carefully.</p> <ul style="list-style-type: none"> • Payment can be made by the methods set out in Section 2.3. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying. If you pay by BPAY, you do not need to return the Entitlement and Acceptance Form. • If you apply for Shortfall Shares beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Shares is at the Company's absolute discretion as per the allocation policy set out in Section 2.6. Accordingly, your application for additional Shortfall Shares may be scaled-back. • The Company's decision on the number of Shortfall Shares to be allocated to you will be final. | |
| <p>Take up a proportion of your Entitlement and allow the balance to lapse</p> | <ul style="list-style-type: none"> • If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form for the number of Shares you wish to take up and making payment using the methods set out in Section 2.3 below. As set out in Section 2.3, if you pay by BPAY, you do not need to return the Entitlement and Acceptance Form. | <p>Section 2.3 and Section 2.4</p> |
| <p>Allow all or part of your Entitlement to lapse</p> | <ul style="list-style-type: none"> • If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Offer to you will lapse. | <p>N/A</p> |

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

2.3 Payment options

(a) By BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application Monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Shares (if any) under the Shortfall Offer, to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment and/or may impose daily limits, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 5pm (AEST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

Guidance where you have more than one BPAY® Customer Reference Number (CRN) (shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those shareholdings only use the CRN specific to that shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your shareholdings.** This can result in your Application Monies being applied to your Entitlement in respect of only one of your shareholdings (with the result that any application in respect of your remaining shareholdings will not be valid).

(b) **By Electronic Funds Transfer (EFT) – Overseas Shareholders ONLY**

Only Eligible Shareholders outside of Australia who cannot make payment by BPAY® or cheque, may pay by EFT in Australian Dollars. In accordance with the EFT instructions on the Entitlement and Acceptance Form provided to Eligible Shareholders outside of Australia, you are required to:

- (i) make payment to the entitlement offer bank account using your Entitlement Number as your payment reference (the bank account details and your Entitlement Number are shown on your personalised Entitlement and Acceptance Form). **If you do not use your Entitlement Number as your payment reference then your application may not be reconciled and may be considered an incomplete application, in which case your application may be rejected;** and
- (ii) return your completed Entitlement and Acceptance Form by email to capitalmarkets@linkmarketservices.com.au

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment and/or may impose daily limits, and you should therefore take this into consideration

when making payment. **It is your responsibility to ensure that funds submitted by EFT are received by 5pm (AEST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the EFT payment.**

(c) **By Cheque**

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Buru Energy Limited" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry (refer mailing address below) no later than 5pm (AEST) on the Closing Date.

Mailing Address:

Buru Energy Limited
c/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Any Application Monies received for more than your final allocation of Shares (\$2.00 or greater) will be refunded. No interest will be paid on any Application Monies received or refunded.

2.4 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application Monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application Monies, the application may not be varied or withdrawn except as required by law.

2.5 Minimum subscription

There is no minimum subscription.

2.6 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer (**Shortfall Shares**).

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date at the discretion of the Directors. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.16 being the price at which Shares have been offered under the Offer.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other

third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Offer.

Eligible Shareholders who wish to subscribe for Shares above their Entitlement are invited to apply for Shortfall Shares under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Shares in accordance with Sections 2.3.

The Board presently intends to allocate Shortfall Shares as follows:

- (a) to Eligible Shareholders who apply for an excess of their full Entitlement, so long as the issue of Shortfall Shares to that Eligible Shareholder would not take their voting power to in excess of 19.99%; and then
- (b) to other parties identified by the Directors, which may include parties who are not currently Shareholders.

No Shares will be issued to a party under the Shortfall Offer if the effect would be to increase that party's voting power in the Company to an amount greater than 19.99%.

The Company reserves the right to issue an Eligible Shareholder a lesser number of Shortfall Shares than applied for or no Shortfall Shares at all. However, the Directors do not intend to refuse an application for Shortfall Shares from Eligible Shareholders other than in circumstances of oversubscription or where acceptance may result in a breach of the Corporations Act. If the number of Shortfall Shares applied for by Eligible Shareholders exceeds the total Shortfall, the Shortfall Shares will be allocated among applying Eligible Shareholders proportionate to their existing holdings.

All decisions regarding the allocation of Shortfall Shares will be made by the Directors and will be final and binding on all applicants under the Shortfall Offer; as such there is no guarantee that any Shortfall Shares applied for will be issued to Eligible Shareholders.

The Company will have no liability to any Applicant who receives less than the number of Shortfall Shares they applied for under the Shortfall Offer. If the Company scales back any applications for Shortfall Shares under the Shortfall Offer any Application Monies will be returned (without interest) as soon as practicable.

2.7 Commissions payable

The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts of Shortfall subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

2.8 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at Section 1. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the

Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application Monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

2.9 Issue of Securities

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.

Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all Application Monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Shares issued under the Offer will be mailed as soon as practicable after the issue of Shares and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

2.10 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia, New Zealand, Hong Kong, Singapore or the United Kingdom.

New Zealand

The Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Hong Kong

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Singapore

This document and any other materials relating to the Shares have not been and will not be lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document relating to the Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act of Singapore (**SFA**), or another exemption under the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's shares. In the event that you are not an existing holder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore. Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The

investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia, New Zealand, Hong Kong, Singapore or the United Kingdom without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

Nominees and custodians who apply for additional shares are to submit a custodian schedule along with their Entitlement and Acceptance Form. A custodian schedule can be obtained by emailing capitalmarkets@linkmarketservices.com.au.

3. PURPOSE AND EFFECT OF THE OFFER

3.1 Background

In 2021, the Company drilled the Rafael-1 well in the Canning Basin as operator and 50% equity participant of the EP 428 joint venture. The Rafael-1 well discovered a potentially significant wet gas accumulation and was subsequently flow tested in late February/early March 2022. The flow test results were announced to ASX on 1 March 2022, 8 March 2022 and 22 March 2022 and confirmed a flow of high-quality gas and condensate to surface. Gas flow rates of up to 7.6 mmsfd with condensate production of approximately 40 barrels per million cubic feet of gas and low levels of inerts (~2% CO₂) were recorded during the test.

The flow test was of the uncased open hole part of the Ungani Dolomite reservoir section. The upper part of the Ungani Dolomite reservoir section where the gas influx was noted during drilling of the well did not form part of this test as it was covered by the 7-inch casing string to ensure well control could be maintained during drilling. An additional interpreted dolomitic reservoir section in the Upper Laurel Carbonates above the Ungani Dolomite is interpreted to contain a gross 75 metre hydrocarbon column (most probably wet gas) with approximately 10 metres of net pay. This section was also not part of the flow test operation as it is behind the 7-inch casing.

The pressure data subsequently obtained from Rafael-1 indicates that there is no evidence of reservoir depletion or reservoir boundaries within the radius of investigation of the flow test. Significantly, the reservoir pressure of some 6,200 psi measured from the static gradient survey during the test indicates that there is potential for a substantial gas column to continue downdip from the gas column intersected in the Rafael-1 well. These factors are very encouraging for the potential resource volumes of this discovery, but further flow testing and additional appraisal wells will be necessary to confirm the extent of the resource.

The other indication from the interpretation of the well log and pressure data is that there is apparent near wellbore restriction from invasion by drilling and completion fluids that has reduced the flow capacity of the tested zone. Experience in similar reservoirs indicates that this form of reservoir effect can be remedied by standard workover operations.

This has formed part of the recommendation to the joint venture for remediation and re-testing of the well with the addition of the yet to be tested upper interpreted pay zones behind casing as detailed above. A recommendation has been made to the joint venture that the recompletion and testing operations are undertaken as soon as a suitable rig becomes available.

On 26 April 2022 the Company announced the results of an independent resources review undertaken by ERCE Australia Pty Ltd (**ERCE**) of the gas and liquids contained in the Rafael structure on a contingent and prospective basis (**ERCE Report**). The ERCE Report supports the Company's view that the Rafael structure has the potential to contain a significant gas and liquids accumulation, with gross 3C recoverable contingent resources of 1.02 TCF of gas and 20.5 million barrels of condensate within the Ungani Dolomite reservoir section (refer below table). Shareholders should refer to the Company's 26 April 2022 ASX release for further details, assumptions and qualifications with regard to the ERCE Report.

Contingent Resources of the Ungani Dolomite Reservoir as of 12 April 2022

| | Oil and Condensate (MMstb) | | | Gas (Bscf) | | |
|----------------------------|----------------------------|-----|------|------------|-----|-------|
| | 1C | 2C | 3C | 1C | 2C | 3C |
| Gross Contingent Resources | 1.2 | 5.3 | 20.5 | 59 | 260 | 1,024 |
| Net Contingent Resources | 0.6 | 2.6 | 9.7 | 29 | 126 | 486 |

On the basis of the encouraging well test results and Rafael's contingent resource potential, Buru has recommended to the EP 428 joint venture that it undertake an approximately 200 sq km 3D seismic survey to better define the Rafael structure and, based on those results, to undertake an appraisal drilling program. A portion of this 200 sq km 3D seismic survey extends into the adjoining EP 457 permit which is also operated by the Company with a 40% participating interest. In addition to its share of the Rafael 3D seismic survey, it is also proposed for the EP 457 joint venture to acquire some 58 kms of 2D seismic lines to better image an interpreted exploration target to the immediate south of the currently mapped Rafael structure.

The timing of the seismic surveys, the Rafael 1 well workover and subsequent appraisal drilling program are subject to regulatory and joint venture approvals as well as third party contractor availability including seismic crew and drilling rigs. However, it is the Company's intention that these appraisal activities are undertaken successively during the 2022 and 2023 Canning Basin field seasons.

Accordingly, the Company's Rafael related funding requirements in 2022 are expected to comprise the Rafael 1 well recompletion, remediation and testing operations, seismic acquisition/processing, well long lead items and well planning activity, and gas commercialisation and field development study costs.

The Company's other funding requirements during 2022 relate to other potential Canning Basin exploration and field development activities, progressing the Company's multi-faceted energy transition initiatives (including a planned drilling campaign for battery minerals and potential natural hydrogen field exploration activities), ongoing working capital and general and administrative overheads.

The Ungani oilfield joint venture (operated by the Company with a 50% participating interest) is also considering the drilling of a development well on the field during the 2022 or 2023 drilling seasons subject to the operation meeting suitable commercial, operational and risk hurdles, and the availability of a suitable drilling rig, well equipment and the requisite regulatory and joint venture approvals. The Company would fund its share of any potential development well and any alternative workover activity from existing cash reserves.

3.2 Purpose of the offer

The purpose of the Offer is to raise up to approximately \$14.4 million before costs.

The funds raised from the Offer are intended to be applied in accordance with the table set out below:

| Item | Proceeds of the Offer | Full Subscription (\$'000) | % |
|------|--|----------------------------|-------------|
| 1. | Rafael 2022 estimated appraisal costs & gas commercialisation/field development study expenditures (net to the Company) ¹ | 7,200 | 50% |
| 2. | Other estimated development & exploration costs | 2,800 | 19% |
| 3. | Working capital | 4,250 | 30% |
| 4. | Expenses of the Offer ² | 150 | 1% |
| | Total | 14,400 | 100% |

Notes:

- Pursuant to the farm-in terms with Origin Energy West Pty Ltd, the Company is carried for the first \$4 million of expenditure incurred by the EP 428 joint venture for the Rafael 3D seismic acquisition. This is accounted for in this 2022 Rafael appraisal program cost estimate as detailed above.
- Refer to Section 6.7 for further details relating to the estimated expenses of the Offer.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

Actual expenditures may also differ significantly from the above estimates due to a number of factors including joint venture and regulatory approvals, availability of contractor equipment and services and other factors (including the risk factors outlined in section 5).

As at the date of this Prospectus, the Company has existing working capital funds of approximately \$10 million which will be available for its permit maintenance, corporate and administration costs as well as additional future discretionary development and exploration expenditures (including the potential drilling of an Ungani development well).

Accordingly, on completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Offer is not fully subscribed, operational objectives are likely to be modified, which may result in delay or substantial changes to the Company's future plans. The Company's exploration and development activities over the next year are generally discretionary in nature so that in this event the Company may scale back its currently planned and potential exploration and development activities.

3.3 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Shares are issued including on exercise of Options on issue prior to the Record Date, will be to:

- increase the cash reserves by approximately \$14,208,480 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and

- (b) increase the number of Shares on issue from 538,442,991 as at the date of this Prospectus to 628,183,490 Shares.

3.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Shares are issued including on exercise of Options on issue prior to the Record Date, is set out below.

Shares

| | Number |
|--|--------------------|
| Shares currently on issue | 538,442,991 |
| Shares offered pursuant to the Offer | 89,740,499 |
| Total Shares on issue after completion of the Offer | 628,183,490 |

Options

| | Number |
|---|------------------|
| Options currently on issue: | |
| Unquoted Options exercisable at \$0.23 ¹ on or before 31 December 2023 | 7,200,000 |
| Options to be issued pursuant to the Offer | Nil |
| Total Options on issue after completion of the Offer | 7,200,000 |

Notes:

1. The exercise price of such Options which are not exercised before the Record Date will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 545,642,991 Shares and on completion of the Offer (assuming all Entitlements are accepted and no Shares are issued including on exercise of Options on issue prior to the Record Date) would be 635,383,490 Shares.

No Securities on issue are subject to escrow restrictions, either voluntary or ASX imposed.

3.5 Pro-forma balance sheet

The audited balance sheet as at 31 December 2021 and the unaudited pro-forma balance sheet as at 31 December 2021 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The unaudited pro-forma balance sheet has been prepared by adjusting the balance sheet as at 31 December 2021 to reflect the financial effect of the following transactions as if they had occurred at 31 December 2021:

- (a) the issue of 89,740,499 Shares at an issue price of 16 cents per Share issued in accordance with this Prospectus raising approximately \$14,358,480;
- (b) expenses of \$150,000 associated with the Shares issued under this

Prospectus as detailed in Section 6.7; and

(c) net cash proceeds of the Offer therefore being \$14,208,480.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

| | AUDITED (Consolidated) 31 December 2021 \$'000 | PROFORMA Adjustments \$'000 | PROFORMA (Consolidated) 31 December 2021 \$'000 |
|--|--|-----------------------------------|---|
| CURRENT ASSETS | | | |
| Cash | 23,723 | 14,208 | 37,931 |
| Receivables | 919 | | 919 |
| Inventories | 2,035 | | 2,035 |
| TOTAL CURRENT ASSETS | 26,677 | | 40,885 |
| | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 3,349 | | 3,349 |
| Exploration and evaluation expenditure | 9,501 | | 9,501 |
| Oil and gas assets | 22,028 ¹ | | 22,028 ¹ |
| TOTAL NON-CURRENT ASSETS | 34,878 | | 34,878 |
| TOTAL ASSETS | 61,555 | | 75,763 |
| | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 8,953 | | 8,953 |
| Lease liabilities | 1,249 | | 1,249 |
| Provisions | 1,776 | | 1,776 |
| TOTAL CURRENT LIABILITIES | 11,978 | | 11,978 |
| Lease liabilities | 790 | | 790 |
| Provisions | 5,334 | | 5,334 |
| TOTAL NON-CURRENT LIABILITIES | 6,124 | | 6,124 |
| TOTAL LIABILITIES | 18,102 | | 18,102 |
| | | | |
| NET ASSETS | 43,453 | | 57,661 |
| | | | |
| EQUITY | | | |
| Issued capital | 286,891 | 14,208 | 301,099 |

| | AUDITED (Consolidated) 31 December 2021 \$'000 | PROFORMA Adjustments \$'000 | PROFORMA (Consolidated) 31 December 2021 \$'000 |
|---------------------|--|-----------------------------------|---|
| Reserves | 565 | | 565 |
| Accumulated losses | (244,003) | | (244,003) |
| TOTAL EQUITY | 43,453 | | 57,661 |

Notes:

- Subsequent to the 31 December 2021 balance date the drilling of the Ungani 8 well by the Ungani oilfield joint venture was concluded, with the well unable to be completed as a producing well for operational reasons. A non-cash impairment of \$8,031,000 was recorded after the end of the reporting period being the Company's share of costs associated with the Ungani 8 well incurred and capitalised as "Oil and gas assets", including \$4,219,000 that had been incurred and capitalised as of 31 December 2021 as reflected in the balance sheet above.

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held.

(c) Dividend rights

Subject to the rights of holders of any Shares created or raised under any special arrangement as to dividend (at present there are none), the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of

the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5. RISK FACTORS

5.1 Introduction

The Shares offered under this Prospectus should be considered as speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Shares may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Company specific

| Risk Category | Risk |
|---|---|
| Regulatory Approvals | Operating onshore in Western Australia requires comprehensive approval processes (depending on the particular activity) from a number of government agencies including the Department of Mines, Industry Regulation and Safety (the agency primarily tasked with regulating the WA onshore oil and gas industry), the Department of Water and Environment Regulation and the Environmental Protection Authority (depending on the potential impacts of the activity). It is possible that the Company may experience delays in the receipt of approvals from the relevant agencies which can have an adverse impact on the Company's ability to plan and undertake activities in the Canning Basin. Many of these approvals are also subject to appeals by third parties that have the potential to further delay the approval process. |
| Government Policy and Hydraulic Fracture Stimulation | Based on the Western Australian Government (Government) hydraulic fracture stimulation (HFS) policy, the majority of the areas within the Company's Canning Basin exploration permits and licences allow the potential application of HFS. However, any HFS operations in |

| Risk Category | Risk |
|--|---|
| | <p>Western Australia remain subject to the implementation plan of the Government's response to the Independent Scientific Panel Inquiry into HFS (Inquiry) being concluded. The Inquiry reported its findings to the Government in September 2018.</p> <p>As stated by the Government, the actions required to implement the recommendations from the Inquiry are expected to include substantive changes to the way HFS is regulated. There remains considerable uncertainty about the outcome of stakeholder consultation, the extent and type of legislative amendments including a code of practice and the potential enactment of new regulations to deliver the key actions.</p> <p>HFS will be required as part of the exploration, appraisal and development of the Company's tight gas and unconventional gas resources.</p> <p>The Company has no immediate plans to undertake any HFS operations.</p> <p>HFS is not necessary or intended for the Company's conventional oil and gas resources including the Ungani Oilfield and the Rafael gas discovery operations intended to be carried out subsequent to this capital raising.</p> |
| <p>Native Title and Heritage Clearances</p> | <p>The Company's exploration permits and production licences are located in the Kimberley region of Western Australia and overlap lands that are subject to native title. Before any exploration activities can be undertaken, the Company is required to obtain heritage clearances from the relevant native title holders or claimants to ensure that no Aboriginal sites will be interfered with by the proposed activities. Although the Company has contractual relationships with the various traditional owner groups and their representative bodies for the areas in which the Company operates, there can be lengthy delays associated with this process, due to weather, availability of traditional owners and representative body staff, and the number of clearances requested by other operators.</p> |
| <p>Gas Development Activity</p> | <p>Any commercialisation of gas resources in the Canning Basin will be dependent on the volumes available and may require the development of the infrastructure and contractual arrangements required to service local gas markets, the establishment of local petrochemical projects, or the transport and processing infrastructure including gas pipelines required to access customer markets outside the Canning Basin. The scope of developing such infrastructure will be largely a function of available gas resource volumes, customer gas contracting and economics as well as access to infrastructure funding. Regulatory, environmental and native title approvals will also be a requirement as part of any such developments.</p> <p>Accordingly, there is considerable uncertainty as to the</p> |

| Risk Category | Risk |
|---|---|
| | <p>timing and scope of the potential commercialisation of the Company's gas resources.</p> |
| <p>Additional requirements for capital</p> | <p>The funds raised under the Offer are considered to be sufficient to meet the immediate needs of the Company but will be insufficient to execute the Company's longer-term plans and strategies. In particular, the Company has a number of appraisal and exploration projects within its portfolio, and additional funding will be required at the appropriate time to fund these projects. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities.</p> <p>There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its strategy, plans or operations or to look to other funding mechanisms including asset sales or dilution.</p> |
| <p>Reliance on Key Personnel</p> | <p>The Company's success depends to a significant extent upon its key management personnel, as well as other technical and management personnel including contractors, sub-contractors and consultants specific to the oil and gas industry. The loss of the services of any of these personnel or the insolvency or other managerial failure by any of the contractors, sub-contractors or other service providers used by the Company could have an adverse effect on the future operations of the Company.</p> <p>Whilst the Company makes every reasonable effort to retain key employees, there can be no guarantee that it will be able to retain its management team. As announced to ASX on 8 March 2022, the Company intends to strengthen its key personnel by the hire of a Chief Executive Officer who will assume day to day management of the Company with the current Executive Chairman relinquishing his executive duties in due course following any new appointment.</p> |
| <p>Abandonment and rehabilitation of lands</p> | <p>The Company is required to comply with various regulations regarding plugging, abandonment and rehabilitation of oil and natural gas wells and production sites and has made provisions in the financial statements for the expected future cost of abandonment and rehabilitation in relation to its Canning Basin assets. Whilst these provisions are derived from an internal review of the liabilities, and are subject to regular external review to ensure the quantum of the liabilities are properly reflected in the financial statements, there is a risk that these provisions may prove inadequate.</p> |
| <p>Weather</p> | <p>Rainfall associated with the Kimberley's monsoonal wet season (December to March) can isolate sections of the road network in the region, restricting access and hampering drilling, seismic and other operations. The</p> |

| Risk Category | Risk |
|--------------------------------------|--|
| | Company is able to conduct operations during the wet season in certain areas where access is available all year round including in and around the Ungani Oilfield, except for short periods following extreme weather events including cyclones. |
| Availability of Services | Western Australia does not have a robust land rig and onshore seismic acquisition equipment market, which can lead to delays in the Company's exploration work programs. As a result, the Company may experience difficulties and delays in mobilising the equipment required for its future exploration and appraisal activities. |
| Potential for dilution | <p>Upon implementation of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, the number of Shares in the Company will increase from 538,442,991 currently on issue to 628,183,490. This means that immediately after the Offer each Share will represent a lower proportion of the ownership of the Company.</p> <p>It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.21 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.</p> |
| Energy Transition Initiatives | The Company is actively participating in the energy transition, particularly in areas where it can leverage its core strengths in its petroleum activities. The initiatives being pursued by the Company are still at an early stage and there is no certainty that any of them will result in a commercially viable business. |

5.3 Industry specific

The Company operates in the oil and gas sector which, by its nature, is subject to risks which may not generally be associated with other sectors.

| Risk Category | Risk |
|--|--|
| Exploration, Appraisal and Development Risk | <p>Oil and gas exploration and development involves significant risk and there is no assurance that exploration within the Company's current portfolio, or any other projects that may be acquired in the future, will result in a hydrocarbon discovery. Even if an apparently viable hydrocarbon deposit is discovered or identified, there can be no guarantee that the discovery will be sufficiently productive or the appraisal of the discovery sufficiently positive to justify commercial development or assure a profit on the investment.</p> <p>The ultimate success and continuous profitability of exploration and development activities of the Company</p> |

| Risk Category | Risk |
|--|---|
| | <p>is influenced by many factors, such as access to customer markets, capital, costs, regulatory conditions, community sentiments towards oil & gas activities, actual hydrocarbons and formations encountered by wells, flow consistency and reliability, as well as access to appropriately skilled personnel and other risks such as those outlined in this section.</p> |
| <p>Hydrocarbon Product Price and Volatility</p> | <p>The demand for, and price of, oil and natural gas is dependent on a variety of external factors, including local and global supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative fuels (including renewable fuels), actions taken by governments and international cartels, and global economic and political developments.</p> <p>Oil and gas prices lie wholly outside of the Company's control, have fluctuated widely in recent years and may continue to fluctuate. If the price of hydrocarbons should drop significantly and remain depressed it may have a material adverse effect on the Company's business, financial condition and operational results.</p> <p>The marketability of hydrocarbons can also be affected by numerous other factors beyond the control of the Company, including government regulations relating to royalties, allowable production, and importing and exporting of oil and gas and petroleum products, the effect of which cannot be accurately predicted.</p> |
| <p>Hydrocarbon Reserve and Resource Estimates</p> | <p>Hydrocarbon reserve and resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly when new information becomes available.</p> <p>In addition, reserve and resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove inaccurate. Should the Company encounter oil and/or gas deposits or formations different from those predicted by past drilling, sampling and similar examinations, then reserve and resource estimates may have to be adjusted and production plans may have to be altered in a way that could adversely affect the Company's operations. Where possible, the Company will seek to have any such estimates verified or produced by an independent expert.</p> |
| <p>Drilling Risks</p> | <p>Oil and gas drilling activities are subject to numerous risks, many of which are beyond the Company's control. The Company's drilling operations may be curtailed, delayed or cancelled due to several factors including weather conditions, mechanical difficulties, shortage or delays in the delivery of rigs and/or other equipment and specialist service providers, as well as compliance with governmental requirements. Hazards incidental to the</p> |

| Risk Category | Risk |
|------------------------|--|
| | <p>exploration and development of oil and gas properties such as unusual or unexpected geological formations, pressure, temperatures and/or other factors are inherent in drilling and operating wells and may be encountered by the Company.</p> <p>Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. Whilst wells drilled may yield some hydrocarbons there can be no guarantee that the discovery will be sufficiently productive to justify commercial development or cover operating costs.</p> |
| Operating Risks | <p>Industry operating risks include but are not limited to the risk of fire, explosions, blow-outs, pipe failure, weather conditions, industrial disputes, unexpected equipment shortages or cost increases, mechanical failure or breakdown, abnormally pressured formations and environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures or discharges of toxic gases. The occurrence of any of these risks could result in substantial losses to the Company due to injury or loss of life, severe damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation and penalties and suspension of operations or claims against the Company resulting from damages, especially where such risks are not covered or not fully covered by its insurances.</p> |
| Joint Parties | <p>Venture</p> <p>Oil and Gas ventures are typically operated under Joint Operating Agreements (JOAs), which include provisions that require certain decisions to be voted upon by each participant. A decision will be approved under the JOA when the operator has received sufficient positive votes; the approval threshold for which varies with each JOA and for different activity types within a particular JOA.</p> <p>The decisions and activities of its joint venture partners are taken independently from the Company and as a result there exists a risk that the Company may have the value of its interest in such properties reduced by votes or actions undertaken by other venture participants. The Company cannot guarantee that joint ventures will be operated or managed in accordance with the Company's preferred direction or strategy, or guarantee that joint ventures will be operated in accordance with work program commitments in respect of the relevant projects. This may result in projects being delayed, losing value, being forfeited or fines imposed on the joint venture parties.</p> <p>Further, the Company is unable to predict the risk of financial failure, non-compliance with obligations or default by a participant in any venture to which the Company is, or may become, a party.</p> |

| Risk Category | Risk |
|--|--|
| Contract Party Risk | <p>The Company has a number of key contractual relationships with third parties including suppliers, service providers and customers for the transport, storage and sale of crude oil. If these relationships break down and the agreements are terminated, there is a risk that the Company may not be able to find a satisfactory replacement.</p> <p>With respect to these contract parties and despite applying best practice in terms of pre-contracting due diligence, the Company is unable to completely avoid the risk of:</p> <ul style="list-style-type: none"> (a) financial failure or default by a participant in any agreement to which the Company is or may become a party; and/or (a) insolvency, default on performance or delivery by any operators, contractors or service providers. |
| Environmental and Other Regulatory Requirements and Approvals | <p>Before exploration and production activity can commence on any permit or licence, the Company must obtain environmental and other regulatory approvals and there is no assurance that such approvals will be obtained or granted in a timely manner. Delays in the regulatory process and granting of environmental and other necessary approvals could hinder the Company's ability to pursue operational activities which in some cases could materially impact the outcome.</p> <p>The Company's operations are subject to environmental laws, including but not limited to, those governing the management of waste, the protection of water and air quality, the discharge of materials into the environment, and the preservation of natural resources which may impact and influence the Company's operations. If the Company fails to comply with environmental laws regarding the discharge of oil, gas, or other materials into the air, soil or water it may be subject to liabilities to the government and third parties, including civil and criminal penalties. Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. The Company may from time to time in the future agree to indemnify sellers of producing properties against some liabilities for environmental claims associated with these properties.</p> <p>The Company confirms it is not aware of any material breach of its environmental obligations as at the date of this Prospectus.</p> |
| Land Tenure | <p>Exploration Permits and Petroleum Licences held by the Company are subject to the approval of the relevant government bodies. Government regulatory authorities generally require permit and licence holder(s) to undertake certain obligations, including work program</p> |

| Risk Category | Risk |
|----------------------------|--|
| | <p>commitments, and failure to meet those obligations could result in forfeiture or termination. Exploration Permits and Production Licences may also be subject to partial or full relinquishment after certain tenure periods if no alternative permit or licence arrangements (e.g. production licence after periods of non-production) are applied for and approved. In an event of forfeiture, termination or relinquishment, the Company's overall land position would be reduced.</p> |
| <p>Climate Risk</p> | <p>The Company is exposed to a number of climate change related risks. Material climate related risks include:</p> <ul style="list-style-type: none"> • changes in demand for products due to regulatory and technological changes (transitional risk); • increases in operating costs of assets due to carbon-pricing policies or other market mechanisms; • physical damage to assets or interruption to operations from climatic changes and extreme weather events; • restrictions on capital deployment to carbon intensive industries; and • reputational damage driven by stakeholder activism and changing societal expectations. <p>The occurrence of any of these risks could result in asset impairment, lost revenue, difficulties in accessing project financing, and damage to brand value, amongst other things. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences.</p> |
| <p>Competition</p> | <p>The industry in which the Company is involved is subject to global competition. The Company has no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.</p> <p>Many of the Company's competitors have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company will compete effectively with these companies and other industry participants and thereby be successful in acquiring additional oil and gas properties on reasonable commercial terms.</p> |

5.4 General risks

| Risk Category | Risk |
|--------------------------------------|---|
| <p>Coronavirus (COVID-19)</p> | <p>There continues to be considerable uncertainty as to the duration and further impact of the COVID-19 pandemic on the global and Australian economies, including in relation to government, regulatory or health authority actions, work stoppages, lockdowns, quarantines, and travel restrictions. The impact of some or all of these factors could cause significant disruption to the Company's operations and financial performance.</p> <p>In particular, a quarantining of Company and contractor personnel and any suspension of business operations will affect the Company's overall operations and operating results. A continuation or escalation of the COVID-19 pandemic could also materially affect the ability of the Company's suppliers to provide products and services and threaten their ability to continue trading. If the Company or its contractors are unable to source spare parts for machinery and operations or other products and services, including personnel, then the Company and its contractors may need to suspend certain operations on a temporary or a prolonged basis.</p> <p>These factors are beyond the Company's control and could have an adverse effect on the overall business sentiment and environment, causing the Company's business to suffer in ways that cannot be predicted with any reasonable certainty, and which may materially adversely impact the Company's business, financial condition and results of operations. The effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt.</p> <p>The Company has implemented a wide range of strategies to mitigate the risks posed by COVID-19 to its business activities including employment of predominantly local workforces for production operations (which limit the impact of border restrictions), vaccination for site personnel, health monitoring and rapid antigen testing as required.</p> <p>The Directors have in place active monitoring processes, however, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on the Company's business and generally in the industry in which the Company operates and will advise Shareholders of any potential or actual adverse impact on the Company and its operations. If any of these impacts appear material prior to close of the Offer, the Company will notify investors under a supplementary prospectus.</p> |
| <p>Foreign Exchange Risk</p> | <p>Oil is principally sold throughout the world in US dollars whereas most of the Company's cost base is in Australian</p> |

| Risk Category | Risk |
|--------------------------|---|
| | dollars. As a result, any significant and/or sustained fluctuations in the exchange rate between these two currencies could have a materially adverse effect on the Company's operations, financial position (including revenue and profitability) and performance. The Company may undertake measures, where deemed necessary by the Board to mitigate such risks. |
| Insurance | The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of operations of the Company. The Company will, where possible and economically practicable, endeavour to mitigate some project and business risks by procuring relevant insurance cover considered to be appropriate for the Company's needs. However, such insurance cover may not always be available, economically justifiable, fully cover a particular claim or the policy provisions and exclusions may render a particular claim by the Company outside the scope of the insurance cover. Additionally, while the Company will undertake all reasonable due diligence in assessing the creditworthiness of its insurance providers, there will remain the risk that an insurer defaults in payment of a legitimate claim by the Company under an insurance policy. |
| Market conditions | <p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in the oil and gas sector in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p> |
| Litigation risks | The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, |

| Risk Category | Risk |
|------------------|--|
| | financial performance and financial position. |
| Dividends | Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company. |
| Taxation | <p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.</p> |

5.5 Speculative investment

The above list of risk factors ought not to be taken as an exhaustive review of all of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Prospective investors should consider that an investment in the Company is speculative.

Before deciding whether to subscribe for Shares under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

6. ADDITIONAL INFORMATION

6.1 Litigation

As at the date of this Prospectus, the Company is not involved in any litigation proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company.

6.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report (on 18 March 2022) and before the lodgement of this Prospectus with the ASIC are set out in the table below.

| Date | Description of Announcement |
|---------------|--|
| 18 March 2022 | Annual Report |
| 18 March 2022 | Corporate Governance Statement and Appendix 4G |
| 18 March 2022 | Sustainability Report |

| Date | Description of Announcement |
|---------------|---|
| 22 March 2022 | Rafael Flow Test Update |
| 28 March 2022 | Listing Rule 3.13.1 Disclosure |
| 8 April 2022 | Operations Update |
| 14 April 2022 | Notice of Annual General Meeting/Proxy Form |
| 14 April 2022 | Letter to Shareholders – Annual General Meeting |
| 20 April 2022 | Buru offered Government Grant for onshore CCS Project |
| 26 April 2022 | Rafael Independent Resources Report |
| 26 April 2022 | Corporate Presentation |
| 29 April 2022 | Quarterly Report |
| 2 May 2022 | Request for trading halt |
| 3 May 2022 | Rights Issue to Fund Rafael Appraisal Program |

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.buruenergy.com.

6.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

| | (\$) | Date |
|---------|----------|--------------------|
| Highest | \$0.29 | 23 March 2022 |
| Lowest | \$0.1625 | 8 and 9 March 2022 |
| Last | \$0.21 | 29 April 2022 |

6.4 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or

(c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

(d) as an inducement to become, or to qualify as, a Director; or

(e) for services provided in connection with:

(i) the formation or promotion of the Company; or

(i) the Offer.

Security holdings

The relevant interest of each of the Directors in the Shares as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.4.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$600,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's 2020 and 2021 Annual Report.

| Director | FY ending 31 December 2021¹ | FY ending 31 December 2020¹ |
|------------------------------|---|---|
| Eric Streitberg | \$606,953 ² | \$529,072 ³ |
| Robert Willes | \$129,505 ⁴ | \$103,368 ⁵ |
| Malcolm King ⁶ | \$108,531 ⁷ | - |
| Joanne Kendrick ⁸ | \$101,775 ⁹ | - |

Notes:

1. Annual Remuneration includes salary, superannuation and non-monetary benefits.
2. Comprising \$492,420 in salary and fees, \$49,126 in superannuation benefits and \$43,192 in leave entitlements and \$22,215 in other non-monetary benefits.
3. Comprising \$419,300 in salary and fees, \$41,602 in superannuation benefits and \$48,023 in leave entitlements and \$20,147 in other non-monetary benefits.

4. Comprising \$118,000 in salary and fees and \$11,505 in superannuation benefits.
5. Comprising \$94,400 in salary and fees and \$8,968 in superannuation benefits.
6. Appointed February 2021.
7. Comprising \$98,846 in salary and fees and \$9,685 in superannuation benefits.
8. Appointed February 2021.
9. Comprising \$92,693 in salary and fees and \$9,083 in superannuation benefits.

6.5 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
- (b) promoter of the Company,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (c) the formation or promotion of the Company;
- (d) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (e) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (f) the formation or promotion of the Company; or
- (g) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$25,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$3,802.25 (including GST) for legal services provided to the Company.

6.6 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

KPMG has given its written consent to being named as auditor to the Company in this Prospectus and the inclusion of the 31 December 2021 audited balance sheet of the Company in Section 3.5. KPMG has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

6.7 Expenses of the offer

In the event that all Entitlements are accepted¹, the total expenses of the Offer are estimated to be approximately \$150,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

| | \$ |
|---------------------------|----------------|
| ASIC fees | 3,206 |
| ASX fees | 26,063 |
| Legal fees | 25,000 |
| Printing and distribution | 50,000 |
| Miscellaneous | 45,731 |
| Total | 150,000 |

Notes:

1. To the extent of any Shortfall Shares that are placed to parties after the Closing Date of the Offer, these expenses would increase to reflect capital raising fees by way of any commissions payable to licensed securities dealers or Australian financial services licensees as detailed in section 2.7.

6.8 Directors' Authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Mr Eric Streitberg
Executive Chairman/Director
For and on behalf of
Buru Energy Limited

7. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

AEST means Australian Eastern Standard Time.

Applicant means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

Application Monies means the funds submitted by each Applicant pursuant to the Offer and the Shortfall Offer.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at Section 1 (unless extended).

Company means Buru Energy Limited (ACN 130 651 437).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

CRN means Customer Reference Number in relation to BPAY®.

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder as at the Record Date who is eligible to participate in the Offer. **Eligible Shareholding** has a corresponding meaning.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Entitlement Number means the unique Offer number assigned to each Eligible Shareholding as shown on each personalised Entitlement and Acceptance Form.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at Section 1.

Section means a section of this Prospectus.

Securities means Shares and/or Options as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Securities not applied for under the Offer (if any).

Shortfall Application Form means the Shortfall Offer application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall Shares on the terms and conditions set out in Section 2.6.

Shortfall Shares means those Shares not applied for under the Offer (if any) and offered pursuant to the Shortfall Offer.