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ASX ANNOUNCEMENT (ASX: BRU) 16 June 2009

Termination of Arenite Proposal

On 20 April 2009, Buru Energy Limited ("Buru or Company") announced a proposal to shareholders and listed optionholders under which Buru shares and listed options would be acquired by Arenite Pty Ltd ("Arenite") by way of schemes of arrangement between Buru and its shareholders and listed optionholders ("Schemes").

The contractual arrangements between the companies were set out in a Merger and Implementation Agreement ("MIA") which contained a number of Conditions Precedent which are required to be satisfied in order for the Schemes to be implemented.

The Company announced on 24 May 2009 that a number of matters, including addressing certain third party contractual arrangements that Buru currently has in place, had resulted in delays to the proposed Scheme timetable.

These contractual matters have been unable to be resolved in a way that would enable the Schemes to be implemented, and Buru has today received a notice of termination of the Merger and Implementation Agreement from Arenite. The notice of termination is specifically in regard to the failure of a Condition Precedent relating to an objection by a party having an interest in the Schemes. Despite extensive negotiations between the parties, this objection has not been able to be addressed to the satisfaction of all parties, and consequently the MIA has been terminated, and the Parties have no further obligations to each other. In particular, Buru is not liable for any termination fees to Arenite.

For further information please contact:

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Yours faithfully,

A handwritten signature in black ink, appearing to read "Adrian Cook", written over a light grey circular stamp.

ADRIAN COOK
Managing Director