



**Buru Energy Limited**  
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## **ASX ANNOUNCEMENT (ASX: BRU)      20 September 2011**

### **2011 AGM Notice of Meeting and Proxy Form**

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Please find attached Buru Energy Limited's ("**Buru**" or "**Company**") Notice of Meeting and Proxy Form for the Company's Annual General Meeting ("**AGM**"). A hard copy of the Notice of Meeting and Proxy Form will today be distributed to those shareholders that have not requested to receive it electronically.

The AGM will be held at the Hay Room, BDO, 38 Station Street, Subiaco, Western Australia on Friday, 21 October 2011 at 10:00am.

Further information on the Company is available at: [www.buruenergy.com](http://www.buruenergy.com)

**For inquiries please contact:**

**Eric Streitberg** Executive Director  
**Telephone:** +61 8 9215 1800  
**Freecall:** 1800 337 330  
**Email:** [ericstreitberg@buruenergy.com](mailto:ericstreitberg@buruenergy.com)

## **NOTICE OF 2011 ANNUAL GENERAL MEETING**

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Notice is given that the Annual General Meeting (“**AGM**” or “**Meeting**”) of Shareholders of Buru Energy Limited ABN 71 130 651 437 (the “**Company**”) will be held at the Hay Room, BDO, 38 Station Street, Subiaco, Western Australia on Friday, 21 October 2011 commencing at 10.00am (Perth time).

### **BUSINESS**

#### **A. CONSIDERATION OF REPORTS**

To receive and consider the Financial Report of the Company, the Directors’ Report and the Auditor’s Report for the period 1 July 2010 to 30 June 2011.

Shareholders can view the Annual Report, which contains these reports, on the Company’s website ([www.buruenergy.com](http://www.buruenergy.com)) in the “Investor Centre – Annual Reports” section.

#### **B. QUESTIONS AND COMMENTS**

Following the consideration of Reports, the Chairman will give Shareholders a reasonable opportunity to ask questions about or comment on the affairs of the Company.

The Company’s auditor, KPMG (“**Auditor**”), will be present at the Meeting. The Chairman will give Shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- a) the conduct of the audit;
- b) the preparation and content of the Auditor’s Report;
- c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- d) the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by Shareholders that are relevant to the content of the Auditor’s Report or the conduct of the audit. A list of written questions, if any, submitted by Shareholders will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the AGM.

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## **C. ITEMS OF BUSINESS**

### **1. Re-election of Graham Riley as Director**

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

*“That Graham Riley, who retires in accordance with the Constitution of the Company, and having offered himself for re-election and being eligible, is hereby re-elected as a Director of the Company.”*

### **2. Remuneration Report**

To consider and, if thought fit, pass the following ordinary resolution:

*“That the Company’s Remuneration Report for the financial year ended 30 June 2011 be adopted.”*

Note: The vote on this resolution is advisory only and does not bind the Directors or Company.

#### ***Voting Prohibition Statement for item 2***

A vote on item 2 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the key management personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a closely related party of such a member.

However, a person described above may cast a vote on item 2 if:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above.

### **3. Approval of prior issue of shares – placement**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

*“That the issue by the Company of 27,400,000 fully paid ordinary shares in the Company to sophisticated investors as described in the Explanatory Notes, be approved for the purposes of ASX Listing Rule 7.4.”*

#### ***Voting Exclusion Statement for item 3***

The Company will disregard any votes cast on the resolution in item 3 by or on behalf of any of the persons who participated in the issue of the ordinary shares and any associate of those persons, except as described under the heading "Qualification regarding all voting restrictions" below.

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**4. Approval of grant of Options to Eric Streitberg under the Buru Employee Share Option Plan**

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

*“That the Company approves, for the purposes of ASX Listing Rule 10.14 and all other purposes: (a) the grant of up to a maximum of 7,500,000 options to acquire fully paid ordinary shares in the Company to Eric Streitberg, an Executive Director of the Company, in accordance with the Buru Employee Share Option Plan and on the terms described in the Explanatory Notes accompanying this Notice of Meeting; and (b) any issue of shares to him upon the exercise of any such options.”*

**Voting Prohibition and Voting Exclusion Statement for item 4**

A person appointed as a proxy must not vote, on the basis of that appointment, on item 4 if:

- (a) the proxy is either;
  - (i) a member of the key management personnel for the Company; or
  - (ii) a closely related party of a member of the key management personnel for the Company; and
- (b) the appointment does not specify the way the proxy is to vote on item 4.

However, the above prohibition does not apply if:

- (a) the proxy is the Chairman of the meeting; and
- (b) the appointment expressly authorised the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the key management personnel of the Company.

The Company will disregard any votes cast on the resolution in item 4 by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of such a Director, except as described under the heading "Qualification regarding all voting restrictions" below.

**5. Approval of grant of Options to Tom Streitberg under the Buru Employee Share Option Plan**

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

*“That the Company approves, for the purposes of ASX Listing Rule 10.14 and all other purposes: (a) the grant of up to a maximum of 396,000 options to acquire fully paid ordinary shares in the Company to Tom Streitberg, the Chief Operating Officer and Company Secretary of the Company, in accordance with the Buru Employee Share Option Plan and on the terms described in the Explanatory Notes accompanying this Notice of Meeting; and (b) any issue of shares to him upon the exercise of any such options.”*

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***Voting Prohibition and Voting Exclusion Statement for item 5***

A person appointed as a proxy must not vote, on the basis of that appointment, on item 5 if:

- (a) the proxy is either;
  - (i) a member of the key management personnel for the Company;  
or
  - (ii) a closely related party of a member of the key management personnel for the Company; and
- (b) the appointment does not specify the way the proxy is to vote on item 5.

However, the above prohibition does not apply if:

- (a) the proxy is the Chairman of the meeting; and
- (b) the appointment expressly authorised the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the key management personnel of the Company.

The Company will disregard any votes cast on the resolution in item 5 by Tom Streitberg and his associates and by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of such a Director, except as described under the heading "Qualification regarding all voting restrictions" below.

**Qualification regarding all voting restrictions**

Where a voting restriction is stated to apply to any of the above items and, subject to the prohibitions described above, the Company will not disregard a vote if:

- it is cast by a person as proxy for a shareholder who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person Chairing the Meeting as proxy for a shareholder who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

By order of the Board



Tom Streitberg  
Chief Operating Officer and Company Secretary  
16 September 2011

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## **ENTITLEMENT TO ATTEND AND VOTE**

In accordance with Reg 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that persons who are registered holders of fully paid ordinary shares of the Company ("**Shares**") as at 4:00pm (Perth time) on 19 October 2011 will be entitled to attend and vote at the Meeting.

If more than one joint holder of Shares is present at the Meeting (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

### ***Voting by proxy***

If you are a shareholder entitled to attend and vote at the Meeting, you may appoint an individual or a body corporate as a proxy. A personalised proxy form is included with this Notice of Meeting.

If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the *Corporations Act 2001* (Cth) (**Corporations Act**) to exercise its powers as proxy at the Meeting.

A proxy need not be a shareholder of the Company.

A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes.

New sections 250BB and 250BC of the Corporations Act took effect on 1 August 2011 and apply to voting by proxy. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this meeting. Broadly, the changes mean that:

- (a) if proxy holders vote, they must cast all directed proxies as directed; and
- (b) any directed proxies which are not voted will automatically default to the Chairman, who must vote the proxies as directed.

More detail on these changes is provided below.

### ***Proxy vote if appointment specifies way to vote***

Section 250BB provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- (c) if the proxy is the Chairman of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (ie as directed); and

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- (d) if the proxy is not the Chairman – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

***Transfer of non-Chairman proxy to Chairman in certain circumstances***

Section 250BC provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the Chairman of the meeting;
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
- (i) the proxy is not recorded as attending the meeting;
  - (ii) the proxy does not vote on the resolution,

the Chairman of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

To be effective, the proxy must be received by the Company no later than 10.00am (Perth time) on 19 October 2011. The following methods of delivery for proxies are specified:

Online: The proxy form can be lodged online by visiting [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au). Select 'Investor Login' and enter Buru Energy Limited or the ASX code (BRU) in the Issuer name field, your Security Reference Number (SRN) or Holder Identification Number (HIN) (which is shown on the front of your proxy form), postcode and security code which is shown on the screen and click 'Login'. Select the 'Voting' tab and then follow the prompts. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.

By post: Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235

By facsimile: +61 2 9287 0309

By delivery: Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000

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### ***Voting by attorney***

If the proxy form is signed by an attorney, the proxy form and the original power of attorney (or other authority) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 10.00am (Perth time) on 19 October 2011.

### ***Corporate representatives***

A body corporate that is a shareholder, or that has been appointed as a proxy, is entitled to appoint a person to act as its representative at the Meeting. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment as the body corporate's representative, including any authority under which the appointment is signed.

Shareholders can download and fill out the 'Appointment of Corporate Representation' form from the Link website:

<http://www.linkmarketservices.com.au/corporate/investorservices/forms.html>

### ***Attending the meeting***

If you attend the Meeting, please bring your personalised proxy form with you to assist with registration. If you do not bring your form with you, you will still be able to attend the meeting but you will need to verify your identity.

### ***Shareholder questions***

If you wish a question to be put to the Chairman of the Meeting or Auditor and you are not able to attend the AGM, please email your question to the Company Secretary at [info@buruenergy.com](mailto:info@buruenergy.com).

To allow time to collate questions and prepare answers, questions must be received by the Company Secretary by 5:00pm (Perth time), 19 October 2011.

We will endeavour to respond to as many of the more frequently asked questions as possible at the Meeting. Due for the potential for a large number of questions to be received, we will not be replying on an individual basis.

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## EXPLANATORY NOTES

These Explanatory Notes form part of the Notice of Meeting (“**Notice**”) and have been prepared for the information of Shareholders of the Company (“**Shareholders**”) to provide information about the items of business to be conducted at the Company’s 2011 AGM.

The Directors recommend that Shareholders read these Explanatory Notes before deciding how to vote in respect of the resolutions.

All of the resolutions to be voted on are ordinary resolutions. In order to be passed, an ordinary resolution requires a simple majority of votes cast by Shareholders entitled to vote on the resolution.

### 1. Re-election of Graham Riley as Director

Mr Riley retires as required by article 9.3(c) of the Constitution and, being eligible, offers himself for re-election as Director. Mr Riley holds office until the conclusion of the AGM, and if re-elected, he will continue to be a Director.

Mr Riley is a qualified legal practitioner having gained his Bachelor of Law and Bachelor of Jurisprudence Degrees. After 10 years of legal practice as a partner of a commercial firm in Perth, he resigned to pursue private interests in the resources and exploration sector. Graham has been responsible for the foundation and growth of a number of petroleum and mining companies. He is currently the Chairman of Gascoyne Resources Limited and Entek Energy Limited. Prior to their takeovers, he was the Chairman of Giralia Resources NL from 1998 until March 2011 and of Red Hill Iron Limited from 2005 to 2008. He is currently a Non-executive Director of Target Energy Limited. He was a Non-executive Director of Adelphi Energy Limited from 2005 until its takeover in 2010 and a founding Non-executive Director of ARC Energy Limited from 1993 to 2005. Mr Riley has been a Director of the Company since May 2008 and Chairman since March 2009.

The Board (excluding Mr Riley because of his interest) supports and recommends that Shareholders vote in favour of, the re-election of Mr Riley as a Director.

### 2. Remuneration Report

Section 250R(2) of the Corporations Act 2001 (“**Corporations Act**”) requires a resolution that the Company’s Remuneration Report be adopted must be voted on.

The Remuneration Report details the Company’s remuneration policy for Non-executive Directors, Executive Directors and senior executives. The Remuneration Report is set out from page 20 in the Company’s Annual Report, which can be viewed in the “Investor Centre – Annual Reports” section of the Company’s website ([www.buruenergy.com](http://www.buruenergy.com)). The Chairman will give Shareholders a reasonable opportunity to ask questions about or make comments on the Remuneration Report.

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Section 250R(3) of the Corporations Act provides that the vote on the adoption of the Remuneration Report is advisory only and does not bind the Directors or the Company. However, with effect from 1 July 2011, the Corporations Act has been amended to require that if a company's remuneration report receives an 'against' vote of 25 per cent or more at two consecutive annual general meetings, a resolution must be put at the later annual general meeting that another meeting be held (within 90 days) at which all directors (other than the managing director, in the case of the Company, this is the Executive Director) who were in office at the date of that resolution must stand for re-election. So, in summary, Shareholders will be entitled to vote in favour of holding a general meeting to re-elect the board if the Remuneration Report receives "2 strikes".

### **3. Approval of prior issue of shares pursuant to placement**

As announced on 2 September 2011, the Company issued 27,400,000 fully paid ordinary shares in the Company ("**Placement Shares**") to sophisticated investors for a subscription price of \$17.81 million at a price of \$0.65 per share.

#### ***Listing Rule requirements***

ASX Listing Rule 7.1 imposes a limit on the number of equity securities (including ordinary shares) that a company can issue or agree to issue without shareholder approval. Generally, the Company can issue up to 15% of its issued equity securities in a 12 month period (subject to certain exceptions) without shareholder approval. The issue of the Placement Shares was within this 15% threshold.

ASX Listing Rule 7.4 provides that an issue by a company of equity securities made without shareholder approval under ASX Listing Rule 7.1 is treated as having been made with approval if the issue did not breach Listing Rule 7.1 when made if shareholders subsequently approve it.

Resolution 3 seeks shareholder approval under ASX Listing Rule 7.4 to approve the prior issue of the Placement Shares made without approval under Listing Rule 7.1. Resolution 3 has been included in this Notice to provide the Company with the maximum flexibility to issue further securities (if necessary) under Listing Rule 7.1 without shareholder approval. The requirement to obtain shareholder approval for a future issue, at the time of issue, could limit the Company's ability to take advantage of opportunities that may arise.

The effect of approval of Resolution 3 will be that the issue of the Placement Shares will not be counted towards reducing the number of securities which the Company can issue in the future without Shareholder approval under the 15% limit imposed by ASX Listing Rule 7.1. The result is that the 15% limit under ASX Listing Rule 7.1 will be "refreshed" to the extent of the approval so that the Company has a renewed ability to issue securities up to the 15% limit.

If Resolution 3 is not approved by Shareholders, it may limit the ability of the Company to issue securities without shareholder approval until the

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Company's 15% capacity is replenished, in accordance with ASX Listing Rule 7.1.

***Information required by ASX Listing Rule 7.5***

In accordance with ASX Listing Rule 7.5, the Company provides the following information:

- the total number of Placement Shares issued by the Company on 2 September 2011 was 27,400,000;
- the Company allotted and issued the Placement Shares at an issue price of \$0.65 per Placement Share;
- the Placement Shares issued are fully paid ordinary shares in the Company and rank equally with all other fully paid ordinary shares on issue;
- the allottees of the Placement Shares were selected and approved by the Board on the basis that they were sophisticated and professional investors for the purposes of section 708 of the Corporations Act;
- none of the allottees of the Placement Shares are Directors, associates of Directors or related parties of the Company;
- as announced to ASX on 2 September 2011, the funds raised by issuing the Placement Shares will be used to fund an acceleration of the appraisal of the Company's Valhalla-2 wet gas discovery and further appraisal of the Yulleroo-2 wet gas field. The funds will also be used to help fund the Company's 2012 exploration and appraisal program.

**Directors' recommendation**

The Board unanimously recommends that Shareholders vote in favour of the resolution in item 3 on the basis set out above.

**4. Approval of grant of Options to Eric Streitberg under the Buru Employee Share Option Plan**

***Background***

The Buru Employee Share Options Plan ("**ESOP**") provides eligible employees with an opportunity to be issued options ("**Options**") to acquire fully paid ordinary shares in Buru ("**Shares**"). The ESOP was approved by Shareholders at the 2010 annual general meeting on 5 November 2010.

A summary of the terms of the ESOP were set out in the schedule to the Notice of the 2010 annual general meeting that was released on ASX on 4 October 2010 and can be downloaded from [www.asx.com.au](http://www.asx.com.au) or [www.buruenergy.com](http://www.buruenergy.com). A copy of the full terms of the ESOP can be obtained by contacting the Company Secretary.

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Shareholder approval is sought for the proposal to issue 7,500,000 Options to Mr Eric Streitberg, the Executive Director of the Company, in accordance with the terms of the ESOP and having regard to the information below, and the issue of Shares to him on exercise of any such Options.

The relevant Options will be issued on the same terms as Options issued to other eligible employees under the ESOP with the exception of the exercise price and expiry date, both of which the Board, in accordance with the ESOP rules, has determined to set at the levels determined below. The exercise price and expiry date have been designed to ensure that Mr Eric Streitberg has an ongoing incentive to achieve share price appreciation as part of his overall remuneration by the Company. The Options will be issued immediately in the event that they are approved by Shareholders on the following terms:

2,500,000 of the Options will expire on 30 April 2013 and have an exercise price equal to 125% of the average market price per Share (weighted by reference to volume) sold in the ordinary course of trading on ASX during the 30 trading days prior to the date of the invitation given to him under the ESOP to apply for those Options.

2,500,000 of the Options will expire on 31 October 2013 and have an exercise price equal to 135% of the average market price per Share (weighted by reference to volume) sold in the ordinary course of trading on ASX during the 30 trading days prior to the date of the invitation given to him under the ESOP to apply for those Options.

2,500,000 of the Options will expire on 30 April 2014 and have an exercise price equal to 145% of the average market price per Share (weighted by reference to volume) sold in the ordinary course of trading on ASX during the 30 trading days prior to the date of the invitation given to him under the ESOP to apply for those Options.

***Why is the Company proposing to issue the relevant Options***

The proposed issue of the above Options was determined in conjunction with a review of Mr Eric Streitberg's remuneration and retention arrangements, along with those of other senior executives. This review was undertaken to ensure that the Company's remuneration policies continue to be comparable and competitive with market remuneration and retention arrangements.

The Options proposed to be granted to Mr Eric Streitberg are designed to recognise his current performance and provide a strong alignment of his rewards with future share price performance. In this regard, the relevant Options will only provide a benefit to Mr Eric Streitberg to the extent the Company's share price increases above the relevant Options' exercise price. Mr Eric Streitberg is required to pay the relevant Options' exercise price on the exercise of the relevant Options. Accordingly, and as the Options are generally not transferrable, the Options will deliver no realisable value until the Company's share price is above the relevant Options' exercise price.

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The Board also considered Mr Eric Streitberg's current option package which will expire or be exercised on or before 31 December 2011. The Board considers it to be in the best interest of the Company, that a material equity incentive is maintained for the Executive Director following the expiry or exercise of these options.

Having regard to the factors above, the Board considers it reasonable and appropriate to grant 7,500,000 Options to Mr Eric Streitberg as part of his remuneration as Executive Director.

***Requirement for Shareholder approval***

ASX Listing Rule 10.14 requires a listed company to obtain Shareholder approval by ordinary resolution prior to the issue of securities (including options) under an employee incentive scheme to a director of a company or his or her associate. As Mr Eric Streitberg is a Director of the Company, approval is being sought for the purposes of ASX Listing Rule 10.14.

***Information required by ASX Listing Rule 10.15***

The following information is provided to Shareholders and is required for the purposes of ASX Listing Rule 10.15:

- the person to whom the relevant Options are proposed to be issued is Mr Eric Streitberg, the Executive Director of the Company;
- the maximum number of relevant Options proposed to be issued in connection with the resolution in item 4 is 7,500,000;
- the relevant Options will be granted for no cash consideration as they are to be granted as part of the remuneration for Mr Eric Streitberg's services to the Company as Executive Director;
- persons referred to in ASX Listing Rule 10.14 who received options under the ESOP, following the last approval at the 2010 annual general meeting were:

<b>Name of Participant</b>	<b>Number of Options Received</b>	<b>Acquisition Price</b>
Eric Streitberg	1,080,000 Options	No cash consideration
Tom Streitberg	1,050,000 Options	No cash consideration

- the only person other than Mr Eric Streitberg who may be a person referred to in ASX Listing Rule 10.14 that is entitled to participate in the ESOP is Mr Tom Streitberg, the Chief Operating Officer and Company Secretary (and a direct family member of Mr Eric Streitberg);
- no loan will be provided by the Company in relation to the grant of the relevant Options to, or exercise of those Options by, Mr Eric Streitberg; and
- if the resolution in item 4 is approved, the Company proposes to issue

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the relevant Options as soon as practicable following the Meeting and in any event, not later than 1 month from the date of the Meeting.

#### **Directors' recommendation**

The Non-executive Directors recommend that Shareholders vote in favour of the resolution in item 4 to approve the issue of the relevant Options to Mr Eric Streitberg on the basis outlined above.

#### **5. Approval of grant of Options to Tom Streitberg under the Buru Employee Share Option Plan**

Shareholder approval is sought for the Board's proposal to issue 396,000 Options to Mr Tom Streitberg, the Chief Operating Officer and Company Secretary of the Company (and a direct family member of Mr Eric Streitberg) in accordance with the terms of the ESOP and having regard to the information below, and the issue of any Shares to him on exercise of any such Options.

The relevant Options will be issued on the same terms as Options issued to other eligible employees under the ESOP and each Option will constitute the right to subscribe for one Share in the Company at any time before 31 December 2013 upon payment of an exercise price equal to 150% of the average market price per Share (weighted by reference to volume) sold in the ordinary course of trading on ASX during the 30 trading days prior to the date of the invitation given to him under the ESOP to apply for the relevant Options.

#### ***Why is the Company proposing to issue the relevant Options***

The proposed issue of the above Options was determined in conjunction with a review of Mr Tom Streitberg's remuneration and retention arrangements, along with those of other senior executives. This review was undertaken to ensure that the Company's remuneration policies continue to be comparable and competitive with market remuneration and retention arrangements.

The Options proposed to be granted to Mr Tom Streitberg are designed to recognise his current performance and provide a strong alignment of his rewards with future share price performance. In this regard, the relevant Options will only provide a benefit to Mr Tom Streitberg to the extent the Company's share price increases above the relevant Options' exercise price. Mr Tom Streitberg is required to pay the relevant Options' exercise price on the exercise of the relevant Options. Accordingly, and as the Options are generally not transferrable, the Options will deliver no value until the Company's share price is above the relevant Options' exercise price.

Following the remuneration review, the Board considers it reasonable and appropriate to grant 396,000 Options to Mr Tom Streitberg as part of his remuneration as Chief Operating Officer and Company Secretary.

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### ***Requirement for Shareholder approval***

ASX Listing Rule 10.14 requires a listed company to obtain Shareholder approval by ordinary resolution prior to the issue of securities (including options) under an employee incentive scheme to a director of a company or his or her associate. As Mr Tom Streitberg is taken to be an associate of Mr Eric Streitberg (the Executive Director of the Company) because he is a director of another body corporate of which Mr Eric Streitberg is also a director, approval is being sought for the purposes of ASX Listing Rule 10.14.

Mr Tom Streitberg is a related party of the Company due to him being a direct family member of Mr Eric Streitberg. As Shareholder approval is being sought for the purposes of ASX Listing Rule 10.14, it is not being sought for the grant of the relevant Options to Mr Tom Streitberg under ASX Listing Rule 10.11.

### ***Information required by ASX Listing Rule 10.15***

The following information is provided to Shareholders and is required for the purposes of ASX Listing Rule 10.15:

- the person to whom the relevant Options are proposed to be issued is Mr Tom Streitberg, the Chief Operating Officer and Company Secretary of the Company (and an associate of Mr Eric Streitberg);
- the maximum number of relevant Options proposed to be issued in connection with the resolution in item 5 is 396,000;
- the relevant Options will be granted for no cash consideration as they are to be granted as part of the remuneration for Mr Tom Streitberg's services to the Company as Chief Operating Officer and Company Secretary;
- persons referred to in ASX Listing Rule 10.14 who received options under the ESOP, following the last approval at the 2010 annual general meeting were:

<b>Name of Participant</b>	<b>Number of Options Received</b>	<b>Acquisition Price</b>
Eric Streitberg	1,080,000 Options	No cash consideration
Tom Streitberg	1,050,000 Options	No cash consideration

- the only person other than Mr Tom Streitberg who may be a person referred to in ASX Listing Rule 10.14 that is entitled to participate in the ESOP is Mr Eric Streitberg, the Executive Director of the Company (and a direct family member of Mr Tom Streitberg);
- no loan will be provided by the Company in relation to the grant of the relevant Options to, or exercise of those Options by, Mr Tom Streitberg; and
- if the resolution in item 5 is approved, the Company proposes to issue

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the relevant Options as soon as practicable following the Meeting and in any event, not later than 1 month from the date of the Meeting.

**Directors' recommendation**

The Non-executive Directors recommend that Shareholders vote in favour of the resolution in item 5 to approve the issue of the relevant Options to Mr Tom Streitberg on the basis outlined above.

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## GLOSSARY

**closely related party** of a member of the key management personnel means:

- a spouse or child of the member; or
- a child of the member's spouse; or
- a dependant of the member or of the member's spouse; or
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company; or
- a company that the member controls; or
- a person prescribed by the Corporations Regulations 2001 (Cth).

**key management personnel** has the same meaning as in the accounting standards. So the term broadly includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any director of the Company.



**Buru Energy Limited**  
ABN 71 130 651 437

**LODGE YOUR VOTE**



**ONLINE**

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



**By mail:**  
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Locked Bag A14  
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**All enquiries to: Telephone:** 1800 810 859 **Overseas:** +61 2 8280 7211

**SHAREHOLDER VOTING FORM**

I/We being a member(s) of Buru Energy Limited and entitled to attend and vote hereby appoint:

**STEP 1**

**APPOINT A PROXY**

the Chairman of the Meeting<sup>1</sup> (mark box) OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 10:00am (Perth time) on Friday, 21 October 2011, at Hay Room, BDO, 38 Station Street, Subiaco, Western Australia and at any adjournment or postponement of the meeting.

**i** <sup>1</sup> If you appoint a proxy, we encourage you to direct your proxy how to vote on each item of business. The Chairman of the Meeting, Directors and other Key Management Personnel of the Company and their closely related parties (see the Notice of Meeting and overleaf) will not cast any votes in respect of Item 2 (Remuneration Report) that arise from any undirected proxy that they hold.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an **X**

**STEP 2**

**VOTING DIRECTIONS**

	For	Against	Abstain <sup>2</sup>		For	Against	Abstain <sup>2</sup>
<b>Resolution 1</b> Re-election of Graham Riley as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 4</b> Approval of grant of Options to Eric Streitberg under the Buru Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b> Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 5</b> Approval of grant of Options to Tom Streitberg under the Buru Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b> Approval of prior issue of shares - placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

**i** <sup>2</sup> If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**STEP 3**

**IMPORTANT - VOTING EXCLUSIONS**

If the Chairman of the Meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of Items 4 and 5 above, please place a mark in this box. By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even though he/she has an interest in the outcome of those Items and that votes cast by him/her for those Items, other than as proxyholder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Items 4 and 5 and your votes will not be counted in calculating the required majority if a poll is called on these Items. The Chairman of the Meeting intends to vote undirected proxies in favour of Items 4 and 5.

**STEP 4**

**SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED**

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

**BRU PRX104**



## HOW TO COMPLETE THIS PROXY FORM

### Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

### Votes on Items of Business - Proxy Appointment

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

If the Chairman of the meeting or another of the Key Management Personnel of the company or their closely related parties is your proxy, that person will not vote your shares on Item 2 (Remuneration Report) if you have not directed them how to vote on that item.

Key Management Personnel of the company are the Directors and those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly. The Remuneration Report identifies the company's Key Management Personnel for the financial year to 30 June 2011. Their closely related parties are defined in the *Corporations Act 2001* (Cth), and include certain of their family members, dependants and companies they control.

### Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

### Signing Instructions

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's share registry.

### Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (Perth time) on Wednesday, 19 October 2011**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:



**ONLINE** > [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



**by mail:**

Buru Energy Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



**by fax:**

+61 2 9287 0309



**by hand:**

delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.  
This will assist in registering your attendance.**