

## **ASX ANNOUNCEMENT (ASX: BRU)      7 September 2010**

### **Option Expiry Notification**

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Buru Energy Limited advises that an Option Expiry Notice has today been sent to all Listed Optionholders in relation to the expiry of the Listed Options (ASX Code: BRUO) on 10 October 2010.

Listed Options not exercised by 5.00pm WST on 10 October 2010 will automatically expire. Quotation and trading of the Listed Options will cease on 4 October 2010 in accordance with ASX Listing Rule 6.24.

A copy of the letter sent to all Listed Optionholders and the Option Expiry Notice are both attached.

**For inquiries please contact:**

<b>Eric Streitberg</b>	<b>Executive Director</b>
<b>Telephone</b>	<b>+61 8 9215 1800</b>
<b>Freecall</b>	<b>1800 337 330</b>
<b>Email</b>	<b><a href="mailto:ericstreitberg@buruenergy.com">ericstreitberg@buruenergy.com</a></b>

Yours faithfully

A handwritten signature in black ink, appearing to read "Eric Streitberg", written in a cursive style with a large loop at the end.

**ERIC STREITBERG**  
**Executive Director**



**Buru Energy Limited**  
ABN 71 130 651 437  
Level 1, 418 Murray Street  
Perth, Western Australia 6000  
PO Box 7794, Perth  
Cloisters Square WA 6850  
Ph: 61-8 9215 1800  
Fax: 61-8 9215 1899  
www.buruenergy.com

7 September 2010

**Option Expiry Notice**  
**Listed Options exercisable at \$0.94**  
**Expiring at 5pm WST on 10 October 2010**

Dear Optionholder

I am writing to you in relation to your holding of listed options in Buru Energy Limited ("**Company**"). Quotation of the listed options on the Australian Securities Exchange ("**ASX**") will cease on 4 October 2010 and the listed options will expire on 10 October 2010.

An Expiry Notice pursuant to the ASX listing rules is attached to this letter. The Expiry Notice contains an Application Form for the exercise of your listed options. The Expiry Notice sets out the number of listed options that you presently hold. This is the total number of listed options that you may exercise, if you have not already done so, by completing the Application Form and paying the exercise price of \$0.94 (ninety four cents) per listed option before the listed options expire. For each listed option you exercise you will be issued one new fully paid ordinary share in the Company.

As a holder of listed options, you have three alternatives:

**Alternative 1:** Complete the attached Application Form and send it with your cheque for the exercise price to the following address before 8 October 2010 and your shares will be issued to you immediately.

**Buru Energy Limited**  
**PO Box 7794**  
**Perth Cloisters Square WA 6850**

**Alternative 2:** Sell your listed options on the ASX. Quotation of the options on the ASX will cease at the close of trading on 4 October 2010.

**Alternative 3:** Do nothing. Your listed options will expire at 5pm WST on 10 October 2010.

In your assessment of whether to exercise your listed options, the following information may be relevant. The closing price on the ASX of the Company's shares on 6 September 2010, the last full day of trading before this letter, was \$0.30 (thirty cents). The highest sale price on the ASX of the Company's shares during the 3 months prior to 6 September 2010 was \$0.41 (forty one cents) on 28 June 2010. The lowest sale price on the ASX of the Company's shares during the 3 months prior to 6 September 2010 was \$0.23 (twenty three cents) on 8 June 2010.

If you have any queries, please contact Link Market Services Limited on 1800 810 859 (within Australia) or +61 2 8280 7211 (from outside Australia).

Yours faithfully

  
**ERIC STREITBERG**  
**Executive Director**

Att

L0262 T:\BC4.00 Shareholders\Link



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

All Registry communications to:  
Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia  
Telephone: 1800 810 859  
From outside Australia: +61 2 8280 7211  
Facsimile: (02) 9287 0303  
ASX Code: BRUO  
Email: registrars@linkmarketservices.com.au  
Website: www.linkmarketservices.com.au

**Securityholder Reference Number/  
Holder Identification Number:**



**X999999999**

**Number of Listed Options held:**

**Notice of Exercise of Options (ASX Code: BRUO)  
BURU ENERGY LIMITED OPTIONS  
EXPIRING 5:00PM PERTH TIME 10 OCTOBER 2010 EXERCISE PRICE A\$0.94\***

**PLEASE COMPLETE BELOW**

I/We apply to exercise the following number of Options and attach a cheque in Australian currency drawn on an Australian branch of a financial institution for the amount payable. Please allot me/us Ordinary Shares calculated on the basis of one (1) Ordinary Share for every one (1) Option which I/we exercise. I/We agree to accept such Shares subject to the Constitution of Buru Energy Limited.

**A NUMBER OF OPTIONS EXERCISED**

**B TOTAL PAYMENT REQUIRED**

at A\$0.94\* per  
Option Exercised \$A

You may exercise either part of, or all of, your Options holding. Please write in Box A the number of Options that you wish to exercise. If you do not indicate the number of Options you wish to Exercise, or enter a number greater than your holding of Options, the Company will exercise as many Options as your accompanying cheque will pay for. However, the number of Options exercised will not exceed the number of Options you hold.

\*Subject to adjustment in accordance with the terms of the Options.

**C PLEASE INSERT YOUR CHEQUE DETAILS**

Cheques must be drawn on an **Australian branch** of a financial institution in **Australian currency** and made payable to "Buru Energy Limited" and crossed "Not Negotiable".

Cheque Number

BSB

Account Number




**D YOUR CONTACT DETAILS**

Please provide your telephone number where you can be contacted during business hours regarding your Notice, if necessary.

Telephone Number

Contact Name (PRINT)



**F HOW TO LODGE THE NOTICE OF EXERCISE OF OPTIONS**

The completed notice with the accompanying payment must be mailed to the address set out below:

Buru Energy Limited  
PO Box 7794  
Perth Cloisters Square, WA 6850

**Privacy Clause:** Link Market Services Limited advises that Chapter 2C of the *Corporations Act 2001* requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your securityholding and if some or all of the information is not collected then it might not be possible to administer your securityholding. Your personal information may be disclosed to the entity in which you hold securities. You can obtain access to your personal information by contacting us at the address shown on this form. Our privacy policy is available on our website ([www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)).

**BRUO OPT001**



# Terms and Conditions

The full terms of the Bonus Options are as follows:

- (a) No monies will be payable for the issue of the Bonus Options.
- (b) The Bonus Options will be issued as an uncertificated holding.
- (c) The Bonus Options will not carry any voting rights.
- (d) The Bonus Options will expire at 5.00pm Perth time on 10 October 2010 (the "Expiry Date").
- (e) Each Bonus Option is a right in favour of the optionholder to subscribe for one Share.
- (f) The optionholder may exercise Bonus Options at any time prior to the Expiry Date.
- (g) Shares allotted to optionholders on exercise of Bonus Options shall be issued at a price of \$0.94 (the "Exercise Price").
- (h) The Exercise Price shall be payable in full on exercise of each Bonus Option.
- (i) Bonus Options shall be exercisable by the delivery to the registered office of Buru Energy Limited ("Buru") of a notice in writing stating the intention of the optionholder to:
  - (i) exercise all or a specified number of Bonus Options held by that optionholder; and
  - (ii) pay the Exercise Price in respect of those Bonus Options in full.
- (j) The notice must be accompanied by a cheque made payable to Buru for the Exercise Price. An exercise of some (but not all) of the Bonus Options held by any particular optionholder shall not affect the rights of the optionholder to the balance of the Bonus Options held by the optionholder.
- (k) Buru shall allot the resultant Shares and deliver the required holding statement within 10 Business Days of the exercise of the Bonus Options.
- (l) The Bonus Options will be freely transferable.
- (m) Shares allotted pursuant to an exercise of Bonus Options shall rank, from the date of allotment, equally with existing Shares in all respects.
- (n) Buru shall, in accordance with the Listing Rules, make an application to have Shares allotted pursuant to an exercise of Bonus Options listed for official quotation.
- (o) No Bonus Option will give any right to participate in dividends, bonus issues or entitlement issues until the Shares, if a Bonus Option has been exercised, have been allotted in respect of that Bonus Option before the record date for determining entitlements to the issue. Buru must give notice to optionholders of any new issue at least 10 Business Days before the record date for determining entitlements to the issue in accordance with the Listing Rules.
- (p) If Buru makes a bonus issue of Shares or other securities pro-rata to Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) and no Shares have been allotted in respect of any particular Bonus Option before the record date for determining entitlements to the bonus issue then the number of Shares over which the Bonus Option is exercisable will be increased by the number of Shares which the optionholder would have received if the Bonus Option had been exercised before the record date for the bonus issue.
- (q) If Buru makes an offer of Shares pro-rata to all or substantially all Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) for a subscription price which is less than the market price (defined below as "P") and no Shares have been allotted in respect of any particular Bonus Option before the record date for determining entitlements to the rights issue, then the exercise price for that Bonus Option will be reduced according to the following formula:

$$O' = O - \frac{E(P - (S + D))}{N + 1},$$

where:

**O'** is the new exercise price of the Bonus Option;

**O** is the old exercise price of the Bonus Option;

**E** is the number of underlying securities into which one Bonus Option is exercisable;

**P** is the average market price of Shares (weighted by reference to volume) sold in the ordinary course of trading on ASX during the five trading days before the ex rights date or ex entitlements date;

**S** is the subscription price (application money plus calls) for new Shares issued under the rights issue;

**D** is equal to the amount of any dividends due but not yet paid on existing Shares (except those to be issued under the rights issue); and

**N** is the number of Shares required to be held to receive a right to one new Share. The number of Shares which the optionholder is entitled to subscribe for on exercise of the Bonus Option will not change.

- (r) In the event of any reorganisation of the capital of Buru, the rights of an optionholder will be changed to the extent necessary to comply with the Listing Rules applying to such reorganisation at the time of the reorganisation.
- (s) If, on the making of any adjustment contemplated by these terms, an optionholder becomes entitled to a fraction of a Share, that fraction will be disregarded.