

## **ASX ANNOUNCEMENT (ASX: BRU)      4 October 2010**

### **2010 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 which will be held on Friday, 5 November 2010. The Notice of Meeting and Proxy Form will be distributed to shareholders today.

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

**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 over a printed name and title.

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

## **NOTICE OF 2010 ANNUAL GENERAL MEETING**

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Notice is given that the Annual General Meeting (“**AGM**” or “**Meeting**”) of shareholders of Buru Energy Limited (the “**Company**”) will be held at the QV1 Conference Centre, Level 2, the QV1 building, 250 St Georges Terrace, Perth on Friday, 5 November 2010 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 2009 to 30 June 2010.

Shareholders can view the Annual Report, which contains these reports, on the Company’s website ([www.buruenergy.com](http://www.buruenergy.com)) in the “ASX Releases and News” 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 Peter Jones as Director**

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

*“That Peter Jones, 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 2010 be adopted.”*

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

### **3. Renewal of proportional takeover provisions**

To consider and, if thought fit, pass the following as a special resolution of the Company:

*“That, for the purposes of section 648G of the Corporations Act 2001 and article 5.14 of the constitution of the Company, the Company renew the proportional takeover approval provisions as set out in articles 5.9 to 5.13 of the constitution of the Company, for a period of three years after the date of this meeting.”*

### **4. Approval for increase to Non-Executive Directors' remuneration cap**

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

*“That, for the purposes of ASX Listing Rule 10.17 and article 9.8(a) of the constitution of the Company, and for all other purposes, the annual maximum aggregate amount that Non-Executive Directors of the Company are entitled to be paid as remuneration for their services as Directors out of the funds of the Company be increased by \$100,000 from \$200,000 to \$300,000.”*

#### ***Voting restrictions for item 4***

The Company will disregard any votes cast on the resolution in item 4 by a Director or any associate of a Director.

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**5. Approval for Buru Employee Share Option Plan**

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

*“That the Buru Employee Share Option Plan described in the Explanatory Notes be approved and that the Directors be authorised to implement and maintain that plan and to issue options to acquire fully paid ordinary shares in Buru in accordance with its terms from time to time.”*

***Voting restrictions for item 5***

The Company will disregard any votes cast on the resolution in item 5 by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) or any associate of such a Director.

**6. Approval of participation by Eric Streitberg in 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 1,080,000 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 restrictions for item 6***

The Company will disregard any votes cast on the resolution in item 6 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.

**7. Approval of participation by Tom Streitberg in 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 1,050,000 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 restrictions for item 7***

The Company will disregard any votes cast on the resolution in item 7 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.

**8. Approval of modification to the Employee Share Acquisition Scheme**

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

*“That the Directors be authorised to implement and maintain the Employee Share Acquisition Scheme that was approved at the Company's 2009 annual general meeting as modified in the manner described in the Explanatory Notes accompanying this notice of meeting.”*

**Qualification regarding all voting restrictions**

Where a voting restriction is stated to apply to any of the above items, 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  
Company Secretary  
4 October 2010

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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 shares of the Company as at 4:00pm (Perth time) on 3 November 2010 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.

To be effective, the proxy must be received by the Company no later than 10.00am (Perth time) on 3 November 2010. The following methods of delivery for proxies are specified:

Online:

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

Select the 'Proxy Voting' option on the top right of the home page. Select Buru Energy Limited from the drop down menu titled "Issuer", enter your holding details as shown on your proxy form and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Security Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of your Proxy Form). 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 3 November 2010.

### ***Corporate representatives***

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any 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:

[www.linkmarketservices.com.au/public/forms/general.html](http://www.linkmarketservices.com.au/public/forms/general.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), 29 October 2010.

We will attempt to respond to as many of the more frequently asked questions as possible at the Meeting. Due to 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 2010 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, except for the resolution in item 3, which is a special resolution. In order to be passed, an ordinary resolution requires a simple majority of votes cast by Shareholders entitled to vote on the resolution, whereas a special resolution requires a majority of at least 75% of votes cast by Shareholders entitled to vote on the resolution.

### 1. Re-election of Peter Jones as Director

Peter Jones was appointed as a Director of the Company on 19 October 2010 pursuant to article 9.7 of the Constitution of the Company which allows the appointment of a Director by the Board.

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

Mr Jones was a member of the Western Australian Parliament from 1974 to 1986 during which time he served as the Minister for Resources Development, Mines, Fuel and Energy. He was the founding Chairman of ARC Energy Limited and Chairman of AMMTEC Limited. He previously served as the Chairman of the Australian Defence Housing Association and the Water Corporation of Western Australia.

The Board (excluding Mr Jones because of his interest) supports the re-election of Mr Jones 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 9 in the Company’s Annual Report, which can be viewed in the “ASX Releases and News” 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.

The vote on the adoption of the Remuneration Report is advisory only and does not bind the Directors or the Company.

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### **3. Renewal of proportional takeover provisions**

Articles 5.9 to 5.13 of the Constitution ("**Proportional Takeover Provisions**") provide that the Company is prohibited from registering a transfer of shares resulting from a proportional takeover bid unless a resolution to approve the bid is passed (or deemed to have been passed) by holders of shares in the relevant bid class.

It is a requirement of section 648G of the Corporations Act that proportional takeover bid approval rules apply for a maximum period of three years unless renewed. This requirement is also reflected in article 5.14 of the Constitution. The Constitution, including the Proportional Takeover Provisions, was adopted by the Company on 16 April 2008. Accordingly, unless shareholder approval is obtained, the Proportional Takeover Provisions will cease to have effect on 16 April 2011.

If the resolution in item 3 is passed, then for 21 days after the Meeting the holders of 10% of the Company's Shares will have the right to apply to the court to have the resolution set aside. The court may set aside the resolution if the court is satisfied in all the circumstances that it is appropriate to do so.

The Corporations Act requires certain information to be included in a notice of meeting where a company seeks the approval of its shareholders to renew its proportional takeover provisions. This information is set out below.

#### ***Proportional takeover bid***

A proportional takeover bid is a takeover bid that is sent to all shareholders in a class, offering to purchase only a specified proportion of each shareholder's shares. If a shareholder accepts, the shareholder disposes of that specified portion and retains the balance.

#### ***Effects of the Proportional Takeover Provisions***

The effects of the Proportional Takeover Provisions are that:

- if a bidder makes a proportional takeover bid for any class of shares in the Company, the Board must ensure that a resolution to approve the proportional takeover bid is voted upon by holders of shares in the relevant bid class. The vote is decided on a simple majority. The bidder and its associates are excluded from voting on that approving resolution;
- the vote on the approving resolution must take place more than 14 days before the last day of the bid period;
- if the approving resolution is rejected before the deadline, the bid cannot proceed as any transfers giving effect to takeover contracts for the bid will not be registered;
- if the approving resolution is not voted on, the bid will be deemed to have been approved; and

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- if the approving resolution is passed (or deemed to have been passed), the transfers must be registered (subject to other provisions of the Corporations Act and the Constitution of the Company).

The Proportional Takeover Provisions do not apply to full takeover bids.

### **Reasons for the Proportional Takeover Provisions**

A proportional takeover bid may result in control of the Company changing without Shareholders having an opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of not being able to exit their investment in the Company by selling their entire shareholding and consequently being left as a minority Shareholder in the Company. The bidder may be able to acquire control of the Company without payment of an adequate control premium.

The Board believes that the Proportional Takeover Provisions are desirable to give Shareholders protection from these risks inherent in proportional takeover bids. They give effect to a protection that the Corporations Act provisions are intended to provide.

The Proportional Takeover Provisions allow Shareholders to decide if a proportional takeover bid is acceptable in principle, and may assist in ensuring that any proportional takeover bid is appropriately priced.

To assess the merits of the Proportional Takeover Provisions, Shareholders should make a judgement as to what events are likely to occur in relation to the Company during the three year life of those provisions.

### **Review of Proportional Takeover Provisions**

The Corporations Act requires these Explanatory Notes to discuss retrospectively the advantages and disadvantages for Directors and members of the Proportional Takeover Provisions which are proposed to be renewed.

While the Proportional Takeover Provisions have been in effect, there have been no takeover bids for the Company, either proportional or otherwise. Consequently there are no actual examples against which to review the advantages or disadvantages of the Proportional Takeover Provisions for the Directors and shareholders of the Company. The Directors are not aware of any potential takeover bid which was discouraged by the Proportional Takeover Provisions

### **Potential advantages and disadvantages**

In addition to the retrospective discussion of the provisions proposed to be renewed, the Corporations Act also requires these Explanatory Notes to discuss the potential future advantages and disadvantages of the proposed rule for both Directors and Shareholders of the Company.

The Directors consider that the Proportional Takeover Provisions have no potential advantages or disadvantages for any of them, and that they would remain free to make a recommendation on whether or not an offer under a proportional takeover bid should be accepted.

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The Board notes that it could be argued that the Proportional Takeover Provisions are an advantage to the Directors as a takeover defence mechanism that could be exploited to entrench the incumbent board of Directors. However, the Board believes that argument ignores the basic objective of the Proportional Takeover Provisions which are to empower Shareholders, not the Directors.

The potential advantages for Shareholders of the Proportional Takeover Provisions include the following:

- Shareholders will have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- the provisions may assist Shareholders and protect them from being locked in as a minority;
- they increase the bargaining power of Shareholders and may assist in ensuring that any proportional takeover bid is adequately priced; and
- each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders and assist in deciding whether to accept or reject an offer under a proportional takeover bid.

The potential disadvantages for Shareholders include the following:

- proportional takeover bids for shares in the Company may be discouraged;
- Shareholders may lose an opportunity to sell some of their shares at a premium;
- individual Shareholders may consider that the Proportional Takeover Provisions would restrict their ability to deal with their Shares as they see fit; and
- the likelihood of a proportional takeover bid succeeding may be reduced.

#### **Knowledge of any acquisition proposals**

Apart from the above general considerations, as at the day on which this Notice is prepared, no Director is aware of a proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

All Directors are also Shareholders of the Company and therefore have the same interest in the resolution contained in item 3 as all Shareholders of the Company have. Details of the respective shareholdings of Directors are contained in the Company's annual report for the year ended 30 June 2010.

#### **4. Approval for increase to Non-Executive Directors' remuneration cap**

In accordance with ASX Listing Rule 10.17 and the Constitution of the Company, the maximum annual aggregate amount of remuneration that may be provided to all Non-Executive Directors for their services as Directors is the amount determined by Shareholders.

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ASX Listing Rule 10.17 provides that an entity must not increase the total amount of directors' fee payable by it or any of its controlled entities without the approval of holders of its ordinary securities. The rule does not apply to the salary of an executive director. A similar requirement is contained in article 9.8(f) of the Company's constitution.

The resolution set out in item 4 seeks Shareholder approval for the purposes of ASX Listing Rule 10.17 and article 9.8(a) of the Company's constitution, and for all other purposes, to authorise the Company to increase the maximum annual aggregate amount of remuneration that Non-Executive Directors are entitled to be paid by the Company for their services as Directors.

Currently, the maximum annual aggregate amount that Non-Executive Directors are entitled to be paid out of the funds of the Company is \$200,000, which was approved at the time of the Company's establishment.

Shareholder approval is being sought to increase the maximum annual aggregate remuneration of Non-Executive Directors by \$100,000, from \$200,000 to \$300,000.

The remuneration provided to each Non-Executive Director for the financial year ended 30 June 2010 is detailed in the Remuneration Report. The Remuneration Report is set out from page 9 in the Company's Annual Report, which can be viewed at the Company's website ([www.buruenergy.com](http://www.buruenergy.com)) in the "ASX releases and News" section. The total amount of directors fees and superannuation paid to all Non-Executive Directors during the financial year ended 30 June 2010 was \$135,652.

The Board believes that the proposed increase in the maximum annual aggregate amount payable to Non-Executive Directors will:

- provide scope for increasing the size and composition of the Board;
- facilitate the Company's ability to attract, appoint and maintain appropriately qualified and experienced Non-Executive Directors;
- provide for effective succession planning by attracting strong candidates and permitting effective transition arrangements; and
- ensure that the Company's remuneration structure is competitive with those of its peers.

While an increase in the maximum annual aggregate amount payable to Non-Executive Directors is being sought, the Board does not currently intend to increase the base Board fee per Non-Executive Director for the financial year ending 30 June 2011.

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## 5. Approval for Buru Employee Share Option Plan

### Introduction

The Company proposes to adopt the Buru Employee Share Option Plan (“**ESOP**”) to provide eligible employees with an opportunity to be issued options to acquire fully paid ordinary shares in Buru (“**Options**”) for the purpose of:

- providing them with an opportunity to share in the growth in value of the Company;
- encouraging them to improve the longer-term performance of the Company and its returns to Shareholders; and
- assisting in the recruitment, reward and retention of employees of the Company.

The Board considers that the grant of Options under the ESOP is an important and cost effective component of the Company’s overall remuneration structure and will create a strong alignment between the interests of employees and Shareholders.

### Requirement for Shareholder approval

ASX Listing Rule 7.1 imposes a limit on the number of equity securities (including options to acquire shares) that a company can issue without shareholder approval. Generally, a company must not, without shareholder approval, issue in any 12 month period, a number of equity securities that is more than 15% of the number of fully paid ordinary shares on issue 12 months before the issue.

The number of equity securities that may be issued by a company under ASX Listing Rule 7.1 without shareholder approval is not impacted by the equity securities that are issued under an exception contained in ASX Listing Rule 7.2 or which have received shareholder approval

Under ASX Listing Rule 7.2, Exception 9, an issue of equity securities under an employee incentive scheme (such as the proposed ESOP) made without shareholder approval is effectively treated as having been made with shareholder approval if, within three years before the issue, shareholders had approved the issue of equity securities under the scheme for the purposes of ASX Listing Rule 7.2, Exception 9.

The resolution in item 5 seeks Shareholder approval, for the purposes of Listing Rule 7.2, Exception 9(b), and for all other purposes, of the ESOP and the issue of Options.

The approval of the resolution in item 5 will provide the Company with the maximum flexibility to undertake equity raisings, or equity funded acquisitions, without the need for further Shareholder approval. The requirement to obtain Shareholder approval at the time of issue, could limit the Company’s ability to take advantage of opportunities that may arise.

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If the resolution in item 5 is passed, all Options issued by the Company under the ESOP will be excluded from the 15% limit imposed by ASX Listing Rule 7.1 for a period of 3 years from the date of the approval. In the absence of such Shareholder approval, the issue of Options under the ESOP can still occur, but those Options will be counted as part of the 15% limit which would otherwise apply during the 12 month period.

### **Key terms of the ESOP**

A summary of the terms of the ESOP are set out in the schedule to this Notice. A copy of the full terms of the ESOP can be obtained by contacting the Company Secretary.

The issue of Options under the ESOP has not previously been approved by Shareholders and no options have been issued under the ESOP to date. Options previously issued to Directors and employees were not issued under the ESOP.

The number of Options to be issued under the ESOP will be determined by the Directors from time to time. However, the maximum number of securities which may be issued to employees under the ESOP (and any other employee incentive plans operated by Buru) in a 5 year period is limited to 5% of the issued shares in the Company (calculated at the date of the invitation under the ESOP), subject to a range of exclusions, including securities issued under a disclosure document, to certain senior executives or to persons outside of Australia.

Under the terms of the ESOP, the Directors have discretion to determine the exercise price of the Options. However, unless the Board determines otherwise, the exercise price must not be less than 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 under the ESOP. The Board currently intends to grant Options under the ESOP with an exercise price determined on this basis.

The Directors have discretion to determine the expiry date of the Options. However, unless the Board determines otherwise, the expiry date of Options granted under the ESOP will be the date that is 24 months after the end of the calendar year in which the invitation for the Option under the ESOP is made.

If the employee ceases to be employed by the Company, Options held in respect of that employee will lapse unless they are exercised within 30 days of cessation of employment, unless the Committee established for the purpose of administering the ESOP otherwise determines.

A voting exclusion statement for the resolution in item 5 is included in the Notice.

### **Dilution**

If the Options are exercised, this will have a diluting effect on the percentage interest of existing Shareholders' holdings. If the Options issued under the ESOP are exercised and the prevailing share price is higher than the exercise price, the value of shares may be diluted.

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**Directors' recommendation**

The Board considers that the ESOP is an appropriate mechanism to assist in the recruitment, reward, retention and motivation of eligible employees of the Company.

The Board believes that the adoption of the ESOP is in the best interests of the Company and, with the exclusion of Mr Eric Streitberg who abstains from making a recommendation due to his eligibility to participate in the ESOP, recommends that Shareholders vote in favour of resolution in item 5.

**6. Approval of participation by Eric Streitberg in the Buru Employee Share Option Plan**

Shareholder approval is sought for the proposal to issue 1,080,000 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 any shares in Buru 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 2012 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.

***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 Streitberg is a Director, 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 Securities are proposed to be issued is Mr Eric Streitberg, the Executive Director of the Company;
- the maximum number of securities proposed to be issued in connection with the resolution in item 6 is 1,080,000 Options;
- 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;
- no person referred to in ASX Listing Rule 10.14 has received Options under the ESOP and the only person other than Mr 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 of the Company (and a direct family member of Mr Streitberg);

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- if the resolution in item 6 is approved, the Company proposes to issue the Relevant Securities as soon as practicable following the Meeting and in any event, not later than 1 month from the date of the Meeting;
  - a voting exclusion statement for the resolution in item 6 is included in this Notice; and
  - 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 Streitberg.

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

The Board recently considered the issue of Options to all eligible employees under the ESOP. The issue of Options was considered in conjunction with a review of Mr 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. Following this review, the Board considers it reasonable and appropriate to grant 1,080,000 Options to Mr Streitberg.

The Options proposed to be granted to Mr 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 Streitberg to the extent the Company's share price increases above the Options' exercise price. Mr Streitberg is required to pay the Options' exercise price on the exercise of the relevant Options. Accordingly, the Options will deliver no value until the Company's share price is above the Option exercise price.

### **Directors' recommendation**

The Non-Executive Directors recommend that Shareholders vote in favour of the resolution in item 6 to approve the issue of the relevant Options to Mr Streitberg on the basis outlined above.

## **7. Approval of participation by Tom Streitberg in the Buru Employee Share Option Plan**

Shareholder approval is sought for the Board's proposal to issue 1,050,000 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 in Buru 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 2012 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.

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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) for the purposes of ASX Listing Rule 10.14 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.

***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 Securities 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 securities proposed to be issued in connection with the resolution in item 7 is 1,050,000 Options;
- 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;
- no person referred to in ASX Listing Rule 10.14 has received Options under the ESOP and the only person other than Mr Streitberg who is 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 Streitberg);
- if the resolution in item 7 is approved, the Company proposes to issue the Relevant Securities as soon as practicable following the Meeting and in any event, not later than 1 month from the date of the Meeting;
- a voting exclusion statement for the resolution in item 7 is included in this Notice; and
- 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 Streitberg.

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

The Board recently considered the issue of Options to all eligible employees under the ESOP. The issue of Options was considered in conjunction with a review of Mr 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. Following this review, the Board considers it reasonable and appropriate to grant 1,050,000 Options to Mr Streitberg.

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The Options proposed to be granted to Mr 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 Streitberg to the extent the Company's share price increases above the Options' exercise price. Mr Streitberg is required to pay the Options' exercise price on the exercise of the relevant Options. Accordingly, the Options will deliver no value until the Company's share price is above the Option exercise price.

### **Directors' recommendation**

The Non-Executive Directors recommend that Shareholders vote in favour of the resolution in item 7 to approve the issue of the relevant Options to Mr Streitberg on the basis outlined above.

## **8. Approval of modification to the Employee Share Acquisition Scheme**

### ***Background***

Shareholders approved the Company's Employee Share Acquisition Scheme ("**Scheme**") at the Company's 2009 Annual General Meeting held on 16 October 2009. The Scheme was designed to encourage executives and employees to acquire shares in the Company on market.

Broadly speaking, the Scheme enabled eligible employees to nominate a dollar amount that they wished to contribute to the Scheme. For every one dollar that a participant contributed, the Company loaned the participant four dollars up to a maximum aggregate cap for all participants of \$500,000. The participant's contribution together with their loan from the Company was used by a trustee appointed for the purposes of the Scheme to acquire shares in the Company on market, which are held on trust for the participants.

The loans under the Scheme are required to be repaid by 31 December 2011, either by the participant directly or through the proceeds of the surrender of shares to the trustee. If the participant holds insufficient shares in the Scheme to satisfy his or her outstanding loan, the surrender of the participant's shares to the trustee will constitute full and final satisfaction of the outstanding loan amount.

A full summary of the terms of the Scheme was set out in the notice of the Company's 2009 Annual General Meeting, which can be viewed at the Company's website ([www.buruenergy.com](http://www.buruenergy.com)) in the "ASX Releases and News" section.

### **Proposed modification**

The Board is now proposing to expand the operation of the Scheme to permit the Company to advance up to a further \$250,000 in aggregate to participants by way of loans under the Scheme to enable participants to take up their entitlement to participate in any future equity raising conducted by the Company and made available to Shareholders generally (such as an entitlement offer or share purchase plan).

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The further loans will be on the same terms as the existing loans under the Scheme, with each participant still being required to contribute one dollar for every four dollars loaned to him or her by the Company.

### ***Overview of the modification to the Scheme***

The modification to the Scheme will operate as follows:

- If the Company announces an equity raising to be made available to Shareholders generally, existing participants in the Scheme may elect to nominate a dollar amount that they wish to contribute to the Scheme in order for the trustee to take up some or all of their entitlements to participate in that equity raising in respect of the existing Shares held on their behalf under the Scheme (“**Qualifying Entitlements**”).
- For every one dollar that a participant contributes to the Scheme for the purpose of the trustee of the Scheme taking up some or all of their Qualifying Entitlements, the Company will loan the participant four dollars. The total amount of loans the Company will advance under the Scheme to all participants in respect of Qualifying Entitlements is capped at \$250,000.
- The participant’s contribution together with their loan from the Company will be held on trust for the participant by the trustee of the Scheme. The trustee will apply to take up the relevant Qualifying Entitlements on behalf of the participant, which will be issued by the Company subject to and on the terms and conditions of the relevant equity raising.
- Participants may direct the trustee to sell the additional shares acquired on their behalf at any time during the loan period at a price greater than the average price at which those shares were acquired. The loan period runs until 31 December 2011. All shares sold prior to the conclusion of the loan period must be used to repay the participant’s loan. Once the loan has been repaid in full the proceeds of sales will be made available to the participant.
- If the loan has not been repaid on the conclusion of the loan period, participants may elect to either:
  - repay the outstanding loan amount to the Company; or
  - surrender sufficient shares to the Trustee (at a price deemed to be the volume weighted average price of shares for the 30 day period preceding the surrender) to satisfy the outstanding loan amount. If the participant holds insufficient shares in the Scheme to satisfy the outstanding loan amount the surrender of the participant’s shares to the trustee will constitute full and final satisfaction of the outstanding loan amount.

### ***Participation***

Only existing participants in the Scheme who hold shares under the Scheme at the record date for the relevant equity raising will be eligible to participate on the basis outlined above. Directors are not eligible to participate in the Scheme.

The Scheme is not a salary sacrifice scheme. Contributions to the Scheme will be made on a post-tax basis.

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## ***Loans***

The loans will be provided on a one dollar for four dollars matching basis, so that for every one dollar a participant contributes the Company will make available a loan of four dollars. However, the Board has a discretion to make a maximum loan amount available in respect of each participant to ensure all participants are able to participate in the Scheme at an appropriate level.

No interest will be payable on loans made under the Scheme. The loan period under the Scheme ends on 31 December 2011 and, except where a participant ceases to be an employee of the Company, the Company generally cannot call for repayment of the loan prior to the end of the loan period. There is no redraw available for loans made under the Scheme.

The loans will be of a limited recourse nature such that if, on the conclusion of the loan period, the participant does not repay any outstanding loan amount the Company will accept in full satisfaction of the outstanding loan amount the market value of the shares acquired under the Scheme, including those notionally acquired using that participant's contribution. To the extent that the market value of those shares is less than the outstanding loan amount, the Company has no other recourse against the participants.

## ***Acquisition and sale of shares***

All funds contributed to the Scheme (both contributions from participants and loans from the Company) will be held on trust by the trustee. The trustee will be responsible for all acquisitions under the Scheme. All acquisitions will be made in accordance with the Company's share trading guidelines.

The Trustee will hold shares acquired under the Scheme on behalf of participants. Participants may direct the trustee to sell shares on their behalf at any time during the loan period provided that the sale price is greater than the average price at which the shares were acquired and subject to the Company's share trading guidelines. All proceeds from the sale of shares must be applied first to the repayment of the participant's loan.

## ***Rights and entitlements***

All shares acquired under the Scheme, including those acquired by way of the take up of Qualifying Entitlements, will be beneficially owned by the participant. Participants will have full voting rights and the right to participate on equal terms with all other Shareholders including, for example, in entitlement offers, bonus issues and dividends (if paid). In the event that a dividend is paid that dividend must be applied first to the repayment of the participant's loan.

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

The Company is seeking approval of the Scheme for the purposes of sections 259B(2) and 260C(4) of the Corporations Act in order to facilitate the Company:

- financially assisting participants to acquire Shares under the Scheme through the taking up of Qualifying Entitlements; and

- 
- the Company taking an interest in security over those Shares for the purposes of securing the loan provided to participants.

Those sections respectively provide exemptions for the operation of employee share schemes approved by shareholders from the restrictions applying to the Company providing financial assistance for the acquisition of its shares and taking security over its own shares.

As any Shares in the Company issued pursuant to the taking up of Qualifying Entitlements will be issued as part of an equity raising made available to Shareholders generally, the Company is not seeking approval of the modification to the Scheme for the purposes of Exception 9 of ASX Listing Rule 7.2 given other exceptions in ASX Listing Rule 7.2 are likely to apply.

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## Schedule 1 – Summary of terms of the ESOP

The key features of the ESOP, and the proposed terms of the options to be issued under it, are set out below.

<b>Purpose</b>	<p>The ESOP is established to provide eligible employees with a potential ownership interest in the Company for the purpose of:</p> <ul style="list-style-type: none"><li>(a) providing them with an opportunity to share in the growth in value of the Company;</li><li>(b) encouraging them to improve the longer-term performance of the Company and its returns to shareholders; and</li><li>(c) assisting in the recruitment, reward and retention of employees of the Company and an Associated Company.</li></ul>
<b>Commencement</b>	<p>If the resolution in item 5 is approved, the ESOP will commence on the date of that approval.</p>
<b>Eligible employees</b>	<p>The Board, or its authorised delegate, may, in its absolute discretion, decide that any employee (full time or part time) of the Company or an Associated Company (including a person who becomes such an employee after the commencement of this Plan and any Director who holds a salaried office with the Company) is eligible to be issued Options on terms fixed by the ESOP.</p>
<b>Invitation to participate</b>	<p>The Board, or its authorised delegate, may, from time to time, invite an employee they consider to be eligible (<b>Participant</b>) to apply for a specified number of Options under the ESOP on specified terms. A Participant, or its permitted nominee, may then apply for an Option under an invitation by doing the following on or before the closing date stated in the invitation:</p> <ul style="list-style-type: none"><li>(a) complete all steps specified in the invitation to apply for the Option; and</li><li>(b) sign the relevant section of the invitation form and deliver it to the Board, or its authorised delegate.</li></ul> <p>A permitted nominee of a Participant is:</p> <ul style="list-style-type: none"><li>(a) a person who is the spouse, parent, brother, sister or child (close relative) of the Participant or of the Participant's spouse;</li><li>(b) a superannuation fund maintained for the benefit of the Participant or a close relative which is approved by the committee established by the Board to administer the ESOP; and</li><li>(c) a body corporate in which the Participant or a close relative of the Participant has, or any two or more of the Participant and close relatives of the Participant together have, a controlling interest (including any interest that gives control).</li></ul>
<b>Entitlement</b>	<p>Subject to the terms of the ESOP, each Option entitles the holder to subscribe for one fully paid ordinary share in the Company (<b>Share</b>) on the exercise of the Option.</p>

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<b>Number of Options</b>	<p>The Board will determine the number of Options a Participant is invited to apply for.</p> <p>The Board, or its authorised delegate, must not invite an application for an Option or grant an Option if to do so would result in the aggregate of the number of Shares, as specified in the ESOP, exceeding 5% of the total number of issued Shares at the date of the relevant invitation.</p>
<b>Exercise price</b>	<p>The Board will fix the exercise price of an Option at the time when the Participant is invited to apply for Options under the ESOP), which must not, unless the Board otherwise determines, be less than 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. The exercise price can be adjusted in accordance with the ESOP in certain circumstances.</p>
<b>Expiry date</b>	<p>The Directors have discretion to determine the expiry date of the Options. However, unless the Board determines otherwise, the expiry date of Options granted under the ESOP will be the date that is 24 months after the end of the calendar year in which the invitation for the Option under the ESOP is made.</p>
<b>New issues</b>	<p>Holders may only participate in new issues of securities to holders of Shares in respect of an Option if that Option has been exercised, and Shares issued or transferred in respect of that Option, before the record date for determining entitlements to the new issue.</p>

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**Adjustments to Options**

The ESOP contains provisions providing for adjustments to unexercised Options granted under the ESOP, including if during the relevant option period the Company:

- (a) makes a pro rata issue (other than a bonus issue) to holders of Shares, in which case the Options will be adjusted in accordance with a formula consistent with that set out in ASX Listing Rule 6.22.2;
- (b) makes a pro rata bonus issue to holders of Shares other than an issue in lieu or in satisfaction of dividends by way of dividend reinvestment, in which case the number of Shares over each Option is exercisable will be increased by the number of Shares that would have been issued to the holder if the Option had been exercised before the record date for determining entitlements to that bonus issue;
- (c) subdivides or consolidates its Shares, in which case the Options will be subdivided or consolidated (as the case may be) in the same ratio as the Shares and the exercise price will be amended in inverse proportion to that ratio;
- (d) makes a return of capital, in which case the number of Options will remain the same, and the exercise price of each Option will be reduced by the same amount as the amount returned in relation to each Share (or in relation to a number of Shares equal to the number of Shares to be issued on exercise of the Option if that number is not one);
- (e) makes a cancellation of any paid up capital that is lost or not represented by available assets, in which case the number of Options and the exercise price of each Option will remain unaltered;
- (f) reduces its issued share capital on a pro rata basis, in which case the number of Options will be reduced in the same ratio as the Shares and the exercise price of each Option will be amended in inverse proportion to that ratio; or
- (g) reorganises its issued share capital in any way, in which case the number of Options or the exercise price, or both, will be reorganised so that the holder will not receive a benefit that holders of Shares do not receive.

Notwithstanding the above, an adjustment to the Options will not be made unless it is consistent with the ASX Listing Rules. The Company may also amend the terms of any Option, or the rights of any holder under the ESOP, to comply with the ASX Listing Rules applying at the time to any reorganisation of capital of the Company.

**Exercising Options**

The registered holder of an Option (**Holder**) may exercise the Option before the end of the option period specified in the invitation by giving to the Company a notice specifying that it exercises the Option and accompanied by:

- (a) the option certificate issued by the Company for the Option; and
- (b) payment of the full amount of the exercise price to the Company in cleared funds.

The Holder must either exercise all the Options that the Holder is then entitled to exercise or exercise a number of Options that the Holder is then entitled to exercise such that the Company will issue at least 1,000 Shares.

**Ranking of Shares**

Each Share issued on exercise of an Option ranks equally in every way with those then issued fully paid Shares whose holders are entitled to participate in full in any dividend.

**Listing**

Options will not be quoted on ASX. However, application will be made to ASX for official quotation of the Shares allotted pursuant to the exercise of Options if the Company's Shares are quoted on ASX at that time.

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<b>Transferability</b>	<p>Under the ESOP, Options are only transferrable:</p> <ul style="list-style-type: none"> <li>(a) to a permitted nominee of the relevant Participant (as defined in the ESOP), unless the Board determines otherwise;</li> <li>(b) to a person whose voting power in the Company increases from less than 50% to 50% or more, or a body corporate where a court has sanctioned a compromise or arrangement pursuant to which that body corporate is to be amalgamated with the Company; or</li> <li>(c) with the prior written consent of the Board.</li> </ul>
<b>Administration of the ESOP</b>	<p>The Board will manage and administer the ESOP for the Company. The Board may delegate management and administration of the ESOP to a committee as the Board thinks fit.</p>
<b>Lapse of Options</b>	<p>Any Option granted will lapse:</p> <ul style="list-style-type: none"> <li>(a) on exercise of the Option;</li> <li>(b) if the Option has not been exercised by the end of the option period as specified in the invitation to apply for that Option;</li> <li>(c) unless the Board determines otherwise from time to time, if the relevant Participant ceases to be an employee of the Company or an Associated Company (other than as a result of the Participant's death or permanent disablement) and the Option is not exercised within 30 days after that time;</li> <li>(d) if in the opinion of the Board, the relevant Participant: <ul style="list-style-type: none"> <li>(i) has committed an act which amounts or would amount to dishonest or fraudulent misconduct, wilful breach of duty or negligence in the performance of the Participant's duties to the Company or an Associated Company; or</li> <li>(ii) is convicted of a criminal offence or is guilty of any other wilful or recklessly indifferent conduct that in the opinion of the Board tends to injure the reputation or business of the Company or an Associated Company,</li> </ul> <p style="margin-left: 40px;">and the Board determines that the Option lapses; or</p> </li> <li>(e) if the Company commences to be wound up.</li> </ul>
<b>Amendment</b>	<p>The Board may, at any time, amend any or all of the provisions of the ESOP and such amendments may operate retrospectively.</p> <p>The amendments, however, must not materially reduce the rights of any Participant, unless the amendment is introduced primarily:</p> <ul style="list-style-type: none"> <li>(a) for the purpose of complying with legislation;</li> <li>(b) to correct any manifest error or mistake;</li> <li>(c) for the purpose of enabling any body corporate of the Company or Associated Company or the Participants generally to receive a more favourable taxation treatment in relation to the ESOP; or</li> <li>(d) to enable the ESOP or any body corporate of the Company or Associated Company to comply with the Corporations Act, the Listing Rules, the Constitution or relevant instruments of relief granted by the Australian Securities and Investments Commission.</li> </ul>
<b>Expiry date</b>	<p>The Board will determine when the ESOP is to end. The Board may suspend the operation of the ESOP for a fixed period or indefinitely.</p>

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

**LODGE YOUR VOTE**



**ONLINE** >

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



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



**By fax:** +61 2 9287 0309



**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 (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, 5 November 2010, at QV1 Conference Centre, Level 2, the QV1 building, 250 St Georges Terrace, Perth and at any adjournment or postponement of the meeting.

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*		For	Against	Abstain*
<b>Resolution 1</b> Re-election of Peter Jones as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 5</b> Approval for 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 6</b> Approval of participation by Eric Streitberg in the Buru Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b> Renewal of proportional takeover provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 7</b> Approval of participation by Tom Streitberg in the Buru Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b> Approval for increase to Non-Executive Directors' remuneration cap	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 8</b> Approval of modification to the Employee Share Acquisition Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**i** \* 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, 5, 6 & 7 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 these Items and that votes cast by him/her for these 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, 5, 6 & 7 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, 5, 6 & 7.

**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 PRX002**



## 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 may 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.

### 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, 3 November 2010, 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)

Select the 'Proxy Voting' option on the top right of the home page. Choose the company you wish to lodge your vote for from the drop down menu, enter your holding details as shown on this form, 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.**