



Buru Energy Limited
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ASX ANNOUNCEMENT (ASX: BRU) 10 October 2008

Issue of Bonus Options

Buru Energy Limited (Buru) is pleased to announce that it has today issued 53,994,884 options (Bonus Options) to eligible Buru shareholders as set out in the prospectus dated 24 September 2008. Buru has also today lodged with ASIC a supplementary prospectus setting out additional information that has arisen following the lodgement of the prospectus with ASIC on 24 September 2008. A copy of the supplementary prospectus is attached to this release.

Buru has today despatched to each eligible shareholder a copy of the prospectus and supplementary prospectus together with a holding statement setting out the number of Bonus Options issued to each shareholder and a Bonus Option exercise form.

ASX has today granted permission for quotation of the Bonus Options. The Bonus Options will be tradeable on ASX from Monday, 13 October 2008, under the code BRUO.

If you have any questions as to the contents of the prospectus, supplementary prospectus or the issue of the Bonus Options you should consult your stockbroker, accountant, solicitor or other professional adviser. Questions in relation to the number of Bonus Options you have been issued or your holding statement should be directed to Buru's share registry, Link Market Services on 1800 810 859 (within Australia) or +61 2 8280 7211 (outside Australia)

This release and further information on the company is available on the Buru website at:

www.buruenergy.com

For general inquiries please contact:

Adrian Cook	Managing Director
Telephone	+61 8 9480 0631
Freecall	1800 337 330
Email	adriancook@buruenergy.com

Yours faithfully,

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

ADRIAN COOK
Managing Director

This supplementary prospectus ("**Supplementary Prospectus**") relates to the prospectus ("**Prospectus**") dated 24 September 2008 for the issue of Bonus Options to Eligible Holders by Buru Energy Limited ("**Buru**").

This Supplementary Prospectus supplements, and should be read together with, the Prospectus. If there is any inconsistency between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus prevails. Capitalised terms used but not defined in this Supplementary Prospectus have the meanings given in the glossary in section 8 of the Prospectus.

This Supplementary Prospectus is dated 10 October 2008 and was lodged with ASIC, and given to ASX, on that date. None of ASIC, ASX or their respective officers take responsibility for the contents of this Supplementary Prospectus.



Buru Energy Limited (ABN 71 130 651 437)

SUPPLEMENTARY PROSPECTUS

Updates to Prospectus

(a) **Event of default over Blina Backreef Joint Venture Area**

The Court hearing of OBL's application for an injunction preventing ARC terminating the Farm-in Agreement, as referred to in section 3.2(b) of the Prospectus, has been adjourned to a date to be fixed in the week commencing 20 October 2008. ARC has extended its undertaking that it will not seek to terminate the Farm-in Agreement until the injunction is heard.

(b) **Updated drilling program - Paradise 1 well**

After careful consideration of the timing and logistics of the drilling of the Paradise 1 well, the drilling of the well has been deferred until the 2009 drilling season, expected to commence in April/May 2009.

This deferral has been necessitated by the delays in commencing the Lanagan 1 well (now completed) and the further delays in completing rig repairs required prior to the spudding of the Lawford 1 well on 4 October 2008. The necessary upgrades to ADS Rig 6 to allow it to reach the deeper objectives at Paradise 1 have also not been completed at this time.

The deferral of drilling means that the drilling program next year will be able to be undertaken with either ADS Rig 6, subject to its suitability and availability, or another rig with suitable depth capability.

Consent to lodgement

Each of the Directors has given, and has not withdrawn, his consent to the lodgment of this Supplementary Prospectus with ASIC.

A handwritten signature in black ink, appearing to read "Eric Streitberg".

Eric Streitberg
Chairman