



Buru Energy Limited
Level 4, 679 Murray Street
West Perth, Western Australia 6005
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Telephone: 61-8 9480 0631
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3 October 2008

Elizabeth Harris
Senior Adviser, Issuers (Perth)
Australian Securities Exchange
Level 8, Exchange Plaza
2 The Esplanade
Perth WA 6000

Sent by facsimile to 08 9221 2020

Dear Ms Harris,

Re: Appendix 3Y – Change of Director's Interest Notice

We refer to your letter of 2 October 2008 in relation to the matter of the Appendix 3Y – Change of Director's Interest Notice lodged by the Company with the ASX on 1 October 2008 for Mr Graham Riley.

The Directors of Buru Energy Limited are fully aware of their obligations to notify the Company of changes in their particulars and Mr Riley did notify the Company of his change of interests in the circumstance referred to above.

In this instance there was a misunderstanding by administrative staff new to the Company as to the purpose of the Information, namely that it was assumed to have been provided for inclusion in a prospectus that at the time was being prepared by the Company. This oversight was compounded by my absence from the office at the time and the general administrative burden of preparing the prospectus.

This was an inadvertent oversight in somewhat unusual circumstances. Notwithstanding this point, the Company will very shortly appoint additional resources to support the Company in this and related matters and with such will introduce enhanced policies and procedures for managing these matters in the future.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Adrian Cook', written over a white background.

Adrian Cook
Managing Director


ASX

AUSTRALIAN SECURITIES EXCHANGE

ASX Markets Supervision Pty Ltd
 ABN 26 087 780 489
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FAXED
 2 October 2008

Ms Kirsten Cadle
 Buru Energy Limited
 88 Colin Street
 WEST PERTH WA 6005

By Facsimile: 9480 1388

Dear Kirsten

Buru Energy Limited (the "Company")

Appendix 3Y – Change of Director's Interest Notice

We refer to the following;

1. The Appendix 3Y lodged by the Company with ASX on 1 October 2008 for Graham Riley;
2. Listing rule 3.19A which requires an entity to tell ASX the following:
 - 3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.
 - On 1 January 2002
 - On the date that the entity is admitted to the official list.
 - On the date that a director is appointed.

The entity must complete Appendix 3X and give it to ASX no more than 5 business days after 1 January 2002 or the entity's admission or a director's appointment.
 - 3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.
3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

Australian Securities Exchange

Australian Stock Exchange
 Sydney Futures Exchange

Australian Clearing House
 SFE Clearing Corporation

ASX Settlement and Transfer Corporation
 Austraclear

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listing rules 3.19A and 3.19B.

As the Appendix 3Y for Mr Riley indicated that a change in the director's relevant interest occurred on 19, 22 and 23 September 2008 it appears that the Appendix 3Y should have been lodged with ASX by 26 September 2008 in relation to the first acquisition, 29 September 2008 in relation to the second acquisition and 30 September 2008 in relation to the third acquisition. As the Appendix 3Y was lodged on 1 October 2008 it appears that the Company may be in breach of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

1. Why was the Appendix lodged late?
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by email at Elizabeth.Harris@ASX.com.au or by facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements office.

A response is requested as soon as possible and in any event, not later than half an hour before the start of trading (i.e. before 7:30am WST) on Monday 6 October 2008.

Under listing rule 18.7A a copy of this query and your response will be released to the market, so your response should be in a suitable form for release and should separately address each of the questions asked.

If you have any queries or concerns please contact me immediately.

If you have any queries please let me know.

Yours sincerely,



Elizabeth Harris
Senior Adviser, Issuers (Perth)

Direct Line: (08) 9224 0011