



18 September 2015

[insert name and address]

Dear Optionholder

**Burleson Energy Ltd - pro-rata renounceable rights issue**

Burleson Energy Ltd (ACN (117 770 475)) (**BUR**) is undertaking a 1:1 pro rata renounceable rights issue (**Rights Issue** or **Offer**) of approximately 526,111,441 fully paid ordinary shares (**New Shares**) to raise approximately \$1,052,222. The price of New Shares under the Offer is \$0.002 each (**Issue Price**). The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC and ASX on 18 September 2015.

The Offer is fully underwritten by Patersons Securities Limited (**Underwriter**). The Company must pay the Underwriter an underwriting fee of 6% of the total amount raised pursuant to the Offer, a management fee of \$27,500 upon completion of the Offer. The Company must also reimburse the Underwriter for costs incidental to the Offer.

**Use of funds**

Item	Proceeds of the Offer	Full Subscription (\$)	%
1.	Evaluation of new projects	500,000	47.5%
2.	Maintenance of existing assets	300,000	28.5%
3.	Expenses of the Offer <sup>1</sup>	125,005	11.9%
4.	Working capital	127,217	12.1%
	<b>Total</b>	<b>\$1,052,222</b>	<b>100.0%</b>

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 7:00pm (AEST) on 25 September 2015, whose registered address is in Australia or New Zealand.

New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

Following completion of the Offer, the Company will have issued approximately 526,111,441 New Shares resulting in total Shares on issue of approximately 1,052,222,882.

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**Burleson Energy Limited**  
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[www.burlesonenergy.com](http://www.burlesonenergy.com)

Registered Office  
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SYDNEY NSW 2000  
Australia

Mailing Address  
GPO Box 92  
SYDNEY NSW 2001  
Australia

## Optionholders

The terms and conditions of the options you currently hold do not entitle you to participate in the Rights Issue unless you exercise your options in time for new shares to be allotted and to be entered on the Company's register of members on or before 7:00pm (AEST) on 25 September 2015 (Record Date).

To exercise your options and thereby participate in the Rights Issue, you will need to deliver the following to the Company at Level 6, 9 Barrack Street, Sydney NSW 2000:


- a) a notice of exercise of options (attached to this letter);
- b) an option certificate (where the options are certificated) or a copy of a holding statement (where the options are uncertificated) in respect of those options to be exercised; and
- c) payment for the exercise price in respect of those options to be exercised by way of a cheque made payable to "Burleson Energy Ltd".

To ensure that your new shares are issued prior to the Record Date, the above must be received by Burleson Energy Ltd no later than 5.00pm (AET) on 24 September 2015. If received after this date, issue of new shares prior to the Record Date cannot be assured.

Before deciding whether to exercise any or all of your options, you should read the Prospectus in its entirety.

This notice is important and requires immediate attention. If you have any queries concerning the Rights Issue, please contact your financial adviser or Alexander Sundich, the Company Secretary on + 61 2 8252 6177.

Yours sincerely,

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

**Alex Sundich**  
**Company Secretary**