



BYRONENERGY LIMITED

ABN 88 113 436 141

(Company)

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the 10th Annual General Meeting of members of Byron Energy Limited will be held at Christie Conference Centre, Shang Room, Mezzanine Level (M), 3 Spring Street, Sydney NSW 2000 on Tuesday, 25 November 2014 at 10:30am (Sydney time)

AGENDA

Ordinary Business

Financial Statements and other Reports

To consider the financial statements of the Company for the year ended 30 June 2014 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

Neither the Corporations Act 2001 nor the Company's Constitution requires Shareholders to vote on such reports. However, Shareholders may raise questions about the reports at the meeting.

Resolution 1 Remuneration Report

To consider and, if thought fit, to pass the following resolution as a non-binding resolution in accordance with Section 250R(2) of the Corporations Act:

"That the Remuneration Report as contained in the Directors' Report of the Company for the financial year ended 30 June 2014 be adopted."

Resolution 2 Re-election/Election of Directors

To consider and, if thought fit, to pass each of the following resolutions as a separate ordinary resolution:

- (a) *"That, Prent Kallenberger who has elected to retire under the Company's Constitution and who, being eligible, offers himself for re-election, is re-elected as a Director of the Company."*
- (b) *"That Charles Sands who has elected to retire under the Company's Constitution and who, being eligible, offers himself for re-election, is re-elected as a Director of the Company."*
- (c) *"That in accordance with rule 13.2 of the Constitution, Listing Rule 14.4 of the Australian Securities Exchange ("ASX") Listing Rules, William Sack retires and who, being eligible, offers himself for election, is elected as a Director of the Company."*

Special Business

Resolution 3 – Approval to Issue up to 20,000,000 Shares

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

"That for the purpose of Listing Rule 7.1 and all other purposes, approval is given for the Company to issue up to 20,000,000 fully paid ordinary shares in the capital of the Company within three months from the date of approval of this Resolution at a price equal to at least 80% of the volume weighted average price of the Company's Shares over the last five (5) days on which sales are recorded before the issue is made."

Resolution 4 Approval of issue of options to William Sack or his nominee

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

“That for the purposes of Listing Rule 10.11, and for all other purposes, the Company is authorised to issue 1,700,000 Options to William Sack, Executive Director of the Company, or his nominee, on the terms set out in the explanatory memorandum.”

Note: If approval is obtained under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

Resolution 5. Approval of additional 10% placement capacity

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

“That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company (at the time of issue), calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum to this Notice of Meeting.”

Voting Exclusion Statements

Resolution 1 Remuneration Report

The Company will, in accordance with section 250R of the Corporations Act 2001, disregard any votes cast on Resolution 1 by or on behalf of a member of the Key Management Personnel (KMP) (being the Directors and the other KMP as disclosed in the Remuneration Report) of the Company details of whose remuneration are included in the Remuneration Report or a closely related party of such a member (referred to as an **Excluded Person**). However, an Excluded Person may cast a vote if the vote is not cast on behalf of an Excluded Person and either:

- (a) the Excluded Person votes as a proxy by writing that specifies how the person is to vote on the resolution; or
- (b) the Excluded Person is the chair of the meeting by proxy and the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Resolution 3 – Approval to Issue up to 20,000,000 Shares

The Company will disregard any votes cast on Resolution 3 by:

- (a) any person who may participate in the issue of ordinary shares under this resolution; and
- (b) any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- (c) associates of those persons,

unless the vote is cast by a person as proxy for a person entitled to vote on Resolution 3:

- (d) in accordance with a direction on the proxy form; or
- (e) by the Chairman of the Meeting in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Exclusion Statements (cont)

Resolution 4 Approval of issue of options to William Sack or his nominee

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Resolution 4 by William Sack and any of his associates.

However, the Company need not disregard a vote on Resolution 4 if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy form; or
- (b) is cast by a person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with direction on the Proxy Form to vote as the proxy decides.

The Company will, in accordance with section 250BD of the Corporations Act 2001, disregard any votes cast on Resolution 4 by an Excluded Person as a proxy unless:

- (c) the Excluded Person votes as a proxy by writing that specifies how the person is to vote on the resolution; or
- (d) the Excluded Person is the chair of the meeting by proxy and the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Resolution 5 – Approval of additional 10% placement capacity

The Company will disregard any votes cast on Resolution 5 by:

- (a) any person who may participate in the issue of Equity Securities under this resolution; and
- (b) any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- (c) associates of those persons,

unless the vote is cast by a person as proxy for a person entitled to vote on Resolution 5:

- (d) in accordance with a direction on the proxy form; or
- (e) by the Chairman of the Meeting in accordance with a direction on the proxy form to vote as the proxy decides.

By order of the Board



Nick Filipovic, Company Secretary, 24 October 2014

2014 Annual Report

Shareholders who elected not to receive a printed copy of the 2014 Annual Report can access the 2014 Annual Report at the Company's website; www.byronenergy.com.au

Explanatory Statement

This explanatory statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at Christie Conference Centre, Shang Room, Mezzanine Level (M), 3 Spring Street, Sydney NSW 2000 on Tuesday, 25 November 2014 at 10:30am (Sydney time).

The purpose of this Explanatory Statement is to provide information that the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in this Notice of Annual General Meeting.

Your Vote is important

The business of the Annual General Meeting affects your shareholding and your vote is important.

Voting in Person

To vote in person, attend the Annual General Meeting on the date and place set out above.

Proxy Voting and Undirected Proxies

Members may appoint a proxy to attend the meeting and vote on their behalf. To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post (in the reply paid envelope) to Byron Energy Limited, C/- Boardroom Pty Ltd, GPO Box 3993, Sydney NSW 2001 Australia;
- (b) in person to Byron Energy Limited, C/- Boardroom Pty Ltd, Level 7, 207 Kent Street, SYDNEY NSW 2000;
- (c) facsimile to Byron Energy Limited, C/- Boardroom Pty Ltd on facsimile number +61 2 9290 9655, so that it is received not later than 10:30am (Sydney time) on Sunday, 23 November 2014.

Proxy forms received later than this time will be invalid.

Financial Statements and Reports

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2014 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

Resolution 1 Remuneration Report

The Remuneration Report as set out on pages 23-28 of the annual report of the Company must be put to a vote for its adoption in accordance with section 250R(2) of the Corporations Act. The vote on this resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration report is part of the Directors' Report for the financial year ended 30 June 2014.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions about, or make comments on the Remuneration Report.

Recommendation

Acknowledging that each Director has a personal interest in his own remuneration as described in the Remuneration Report, the Directors recommend that Shareholders vote in favour of Resolution 1.

Resolution 2 Re-election/Election of Directors

The biographies of each of Prent Kallenberger, Charles Sands and William Sack are set out below:

Prent Kallenberger

Prent Kallenberger was appointed to the Board on 18 March 2013. Mr Kallenberger is a geoscientist with over thirty years' experience in the oil and gas industry with extensive exploration and development experience in the Gulf of Mexico, having generated prospects which have led to the drilling of over 125 wells in the Gulf of Mexico and California. He was Vice President of Exploration with Byron Energy (Australia) Pty Ltd until Byron Energy (Australia) Pty Ltd merged with Trojan Equity Limited to create Byron Energy Limited. He is currently the Company's Chief Operating Officer.

He holds a Bachelor of Science degree in Geology from Boise State University and Master of Science degree in Geophysics from Colorado School of Mines.

Other current directorships of listed companies

None.

Former directorships of listed companies in last three years

None.

Charles Sands

Charles Sands was appointed to the Board on 18 March 2013. Mr Sands has over thirty years of broad based business and management experience in the USA and is President of A. Santini Storage Company of New Jersey Inc, enabling him to advise on the general business operating environment and practices in the USA. He holds a Bachelor of Science degree from Monmouth University.

Mr Sands is currently a member of the Audit and Risk Management Committee.

Other current directorships of listed companies

None.

Former directorships of listed companies in last three years

None.

William Sack

William Sack was appointed to the Board on 3 October 2014. Mr Sack has over twenty five years of experience in the oil and gas industry in the Gulf of Mexico region in both technical and commercial roles. He has drilled more than 55 wells with a success rate in excess of 80%, resulting in the discovery of more than 185 bcf of gas and 4 million barrels of oil. He holds a Bachelor of Earth Science and Physics degree from Saint Cloud State University, a Master of Science degree in Geology from Michigan State University, and a MBA from Tulane University.

Other current directorships of listed companies

None.

Former directorships of listed companies in last three years

None.

Recommendation

The Directors (with Mr Kallenberger abstaining in respect of Resolution 2(a), Mr Sands abstaining in respect of Resolution 2(b) and Mr Sack abstaining in Resolution 2(c)) recommend that Shareholders vote in favour of Resolutions 2(a), 2(b) and 2 (c).

Resolution 3 – Approval to Issue up to 20,000,000 Shares

Background

The Company wishes to retain the flexibility to raise funds on short notice by obtaining pre-approval from shareholder to issue up to 20,000,000 fully paid ordinary shares within 3 months of approval.

Listing Rule 7.1

ASX Listing Rule 7.1 effectively allows a company to issue up to 15% of its capital without seeking shareholder approval in a 12 month period. However, issues in excess of the 15% in 12 months require shareholder approval.

There is provision in Listing Rule 7.1 for shareholders to effectively give advance approval for issue of shares for 3 months without using up the 15% capacity. Resolution 3 seeks shareholder approval under Listing Rule 7.1 for the issue of up to 20,000,000 fully paid ordinary shares within 3 months of the date of approval of Resolution 3, without using up any of the 15% capacity. By obtaining shareholder approval, the Company will retain the flexibility to issue up to 15% of its issued capital without shareholder approval for 12 months in addition to issuing up to 20,000,000 fully paid ordinary shares if market conditions are favourable.

Technical Information required by Listing Rule 7.3

In accordance with Listing Rule 7.3 the following information is provided in respect of Resolution 3:

- (a) the maximum number of ordinary shares that will be issued under this resolution is 20,000,000;
- (b) the shares will be issued and allotted within 3 months of the date of the meeting, or adjournment of the meeting, at which Resolution 3 is approved. Allotees will not include related parties;
- (c) the Company intends to issue the new Shares at a price equal to at least 80% of the volume weighted average price of shares calculated over the 5 trading days on which sales of shares are recorded before the day on which the new shares are to be issued;
- (d) the identity of allottee(s) has not yet been determined. The identity of the allottee(s) will be determined at the discretion of the Company, in consultation with any broker or other intermediary the Company may engage to assist in placing the shares, or both;
- (e) the shares issued will rank equally in all respects with existing fully paid ordinary shares;
- (f) the funds raised are intended to be used by the Company to fund its exploration and development programs; and
- (g) shares will be allotted progressively.

Recommendation

The Directors recommend that shareholders vote in favour of Resolution 3.

Resolution 4 Approval of issue of options to William Sack or his nominee

The board has resolved to issue options to the Executive Director, William Sack, as a key component of his remuneration.

The issue of options to Mr Sack (or his nominee) is consistent with his significant oil and gas experience, including more than 25 years' experience in the Gulf of Mexico region in both technical and commercial roles. Mr Sack was co-founder/Managing Partner of Aurora Exploration, LLC, a private entity focused on generating and drilling Gulf of Mexico exploration opportunities. He has drilled more than 55 wells with a success rate in excess of 80%, resulting in the discovery of more than 185 bcf of gas and 4 million barrels of oil.

As such the board believes that the number of options to be issued to Mr Sack is commensurate with his value to the Company and the potential for him to increase shareholder value.

Proposed shareholder approval

Shareholder approval is sought for the issue of 1,700,000 options to William Sack or his nominee.

Listing Rule 10.11 also requires the approval of shareholders before equity securities can be issued to Mr Sack.

If Resolution 4 is passed, approval for the issue of the options will not be required under ASX Listing Rule 7.1.

Information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, the following further information is provided:

- (a) Mr Sack or his nominee will be issued the Options;
- (b) a summary of the terms and conditions of the options are as follows:

| | |
|--------------------|---|
| Issue Price | Nil |
| Exercise Price | \$0.65 |
| Expiry Date | 5 pm (Sydney time) on 30 September 2017 |
| Conversion Ratio | <ul style="list-style-type: none">• each option converts to one fully paid ordinary share in the capital of the Company• the exercise price or conversion ratio of the shares will be adjusted in accordance with the listing rules in the event of a reorganisation (including a consolidation, sub-division, reduction or return)• shares issued on conversion of the options rank equally with existing fully paid ordinary shares in the capital of the Company |
| Transferable | Yes |
| Listed or Unlisted | Unlisted |

- (c) The amount raised from the Options issued to William Sack in the future will be dependent on whether or not such Options are exercised. The maximum amount that could be raised from exercise of all such Options is approximately \$1,105,000. Any funds raised from the exercise of the Options will form part of the Company's working capital;
- (d) the Options to be issued to William Sack are intended to be issued no later than one month after the date of the Meeting;
- (e) the maximum number of options to be issued to Mr Sack is 1,700,000;
- (f) the options are not subject to any vesting conditions; and
- (g) a voting exclusion statement applies (see the notice of meeting).

Recommendation

The Directors (with Mr Sack abstaining) recommend that Shareholders vote in favour of Resolution 4.

Resolution 5. Approval of additional 10% placement capacity

General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval to allow it to issue Equity Securities (see below) up to 10% of its issued capital over a period up to 12 months after the annual general meeting ("10% Placement Capacity").

The Company is an Eligible Entity.

Equity Securities include a share, a right to a share or option, an option, a convertible security and any security that ASX decides to classify as an equity security.

If Shareholders approve this resolution, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below).

The effect of this resolution will be to allow the Directors to issue Equity Securities of up to 10% of the Company's fully paid ordinary securities on issue during the period up to 12 months after the meeting, without subsequent shareholder approval and without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

Resolution 5 is a special resolution. Accordingly, at least 75% of votes cast by shareholders present and eligible to vote at the meeting must be in favour of Resolution 5 for it to be passed.

ASX Listing Rule 7.1A

ASX Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- is not included in the A&P/ASX 300 Index; and
- has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000 or less.

The Company is an Eligible Entity as it is not included in the A&P/ASX 300 Index and has a current market capitalisation (at \$0.75) of \$108.3 million.

The Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities. The Company currently has only one class of quoted Equity Securities on issue, being fully paid ordinary shares ("Shares").

The number of Shares that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

A is the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement:

- plus the number of fully paid ordinary securities issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
- plus the number of partly paid ordinary securities that became fully paid in the previous 12 months;
- plus the number of fully paid ordinary securities issued in the previous 12 months with approval of holders of ordinary securities under ASX Listing Rule 7.1 or 7.4 ;
- less the number of fully paid ordinary securities cancelled in the previous 12 months.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of ordinary securities under ASX Listing Rule 7.1 or 7.4.

Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to Resolution 5:-

Minimum Price

The minimum price at which the Shares may be issued under the 10% Placement Capacity is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at which the Shares are to be issued is agreed; or
- (b) if the Shares are not issued within 5 ASX trading days of the date in paragraph (a), the date on which the Equity Securities are issued.

Date of Issue

The Shares may be issued under the 10% Placement Capacity commencing on the date of the meeting and expiring on the first to occur of the following:

- 12 months after the date of the meeting; and
- the date of approval by shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking),

or such longer period if allowed by ASX ("10% Placement Capacity Period").

The Company will only issue and allot the Equity Securities during the 10% Placement Capacity Period. The approval under Resolution 5 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2. (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).

Risk of voting dilution

Any issue of Shares under the 10% Placement Capacity will dilute the interests of shareholders who do not receive Shares under the issue.

If this resolution is approved by shareholders and the Company issues the maximum number of Shares available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A (2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice of Meeting.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

As required by Listing Rule 7.3A.2, the table below shows the potential dilution of existing Shareholders on the basis of three different assumed issue prices and values for the variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 (as set out above). The following assumptions are made in the table:

- the issue price is the closing price of the Company's Shares on 16 October 2014;
- the number of Shares on issue is at 16 October 2014. This could increase as a result of the issue of Shares either with or without shareholder approval; and

- the Company issues the maximum number of Shares as are permitted under Resolution 5.

| Variable 'A' in Listing Rule 7.1A.2 | | Dilution** | | |
|--|--------------------------------|---|-----------------------|---|
| | | \$0.375 50% decrease in Issue Price | \$0.75 Issue Price | \$1.125 50% increase in Issue Price |
| Current Variable A* 144,378,640 Shares | 10% voting Dilution | 14,437,864 Shares | 14,437,664 Shares | 14,437,864 Shares |
| | Funds raised | \$5,414,199 | \$10,828,398 | \$16,242,597 |
| 50% increase in current Variable A 216,567,960 Shares | 10% voting Dilution | 21,656,796 Shares | 21,656,796 Shares | 21,656,796 Shares |
| | Funds raised | \$8,121,299 | \$16,242,597 | \$24,363,896 |
| 100% increase in current Variable A 288,757,280 Shares | 10% voting Dilution | 28,875,728 Shares | 28,875,728 Shares | 28,875,728 Shares |
| | Funds raised | \$10,828,398 | \$21,656,796 | \$32,485,194 |

*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with shareholder approval under ASX Listing Rule 7.1. The Company has not issued any Equity Securities in the 12 months prior to the meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.

**The calculations above do not show the dilution that any one particular shareholder will be subject to. All shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

Shareholders should note that there is a risk that:

- the market price for the Company's Shares may be significantly lower on the issue date of the Shares issued under the 10% Placement Capacity than on the date of the meeting; and
- the Shares may be issued at a price that is at a discount to the market price of those Shares on the date of issue.

Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:-

- The purpose for which Shares may be issued pursuant to the approval under Listing Rule 7.1A may be to raise funds for the Company and as non-cash consideration. Funds raised from the issue, if undertaken, would be used to fund exploration expenditure, general working capital requirements and, potentially, the acquisition of new oil and gas leases.
- If the Company issues any Shares for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the Shares complies with Listing Rule 7.1A.3.

Allocation under the 10% Placement Capacity

The allottees of the Shares to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Shares could consist of current shareholders or new investors (or both), none of whom will be related parties of the Company and will generally be persons who do not require a disclosure document under the Corporations Act.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- the purpose of the issue;
- alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- the effect of the issue of the Equity Securities on the control of the Company;
- the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- prevailing market conditions; and
- advice from corporate, financial and broking advisers (if applicable).

Previous Approval under ASX Listing Rule 7.1A

The Company has not previously obtained approval under ASX Listing Rule 7.1A.

Voting Exclusion

A voting exclusion statement is included in the Notice of Meeting. As at the date of this Notice of Meeting, the Company has not invited any existing shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing shareholders will be excluded from voting on Resolution 5.

The Board recommends that shareholders vote in favour of Resolution 5.

All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- Level 7, 207 Kent Street,
Sydney NSW 2000 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:30am (Sydney time) on Sunday 23 November 2014**

TO VOTE ONLINE

- STEP 1: VISIT** www.votingonline.com.au/byronenergyagm2014
- STEP 2: Enter your holding/investment type:**
- STEP 3: Enter your Reference Number:**
- STEP 4: Enter your VAC:**

PLEASE NOTE: For security reasons it is important you keep the above information confidential.

BY SMARTPHONE

Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM**STEP 1 APPOINTMENT OF PROXY**

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities 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.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form must be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. Please indicate the office held by signing in the appropriate place.

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:30am (Sydney time) on Sunday 23 November 2014**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 💻 **Online** www.votingonline.com.au/byronenergyagm2014
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Level 7, 207 Kent Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of Byron Energy Limited (Company) and entitled to attend and vote hereby appoint:

Appoint the Chair of the Meeting (mark box)

OR if you are NOT appointing the Chair 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 below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of Byron Energy Limited to be held at the Christie Conference Centre, Shang Room, Mezzanine Level (M), 3 Spring Street, Sydney NSW 2000 at 10:30am (Sydney time) on Tuesday, 25 November 2014 and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chairman authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chairman of the Meeting as my/our proxy or the Chairman of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1 and 4, I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy in respect of these resolutions even though Resolutions 1 and 4 are connected with the remuneration of a member of key management personnel for Byron Energy.

The Chairman of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1 and 4). In exceptional circumstances, the Chairman of the Meeting's intentions with respect to voting undirected proxies may change. If you wish to appoint the Chairman of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* 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 vote will not be counted in calculating the required majority if a poll is called.

| | | For | Against | Abstain* |
|---------------|---|--------------------------|--------------------------|--------------------------|
| Resolution 1 | To adopt the Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2a | To re-elect Mr Prent Kallenberger as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2b | To re-elect Mr Charles Sands as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2c | To elect Mr William Sack as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Approval to issue up to 20,000,000 Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | To issue options to Mr William Sack | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 | Approval of additional 10% placement capacity | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

STEP 3 SIGNATURE OF SHAREHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2014