

# Byron Energy Limited

ACN 113 436 141

## Non-Renounceable Entitlement Offer Booklet

**A Non-Renounceable Pro-Rata Entitlement Offer of 1 New Share for every 18 Shares held at an Issue Price of \$0.27 per New Share to raise approximately \$11.4 million before costs**

The Entitlement Offer opens at 9:00am (Sydney time) on Thursday 28 November 2019

The Entitlement Offer closes at 5:00pm (Sydney time) on Wednesday 11 December 2019

The Entitlement Offer is fully underwritten by Bell Potter Securities Limited ACN 006 390 772.

### **NOT FOR RELEASE TO U.S. WIRE SERVICES**

This Offer Booklet dated 28 November 2019 and the accompanying personalised Entitlement and Acceptance Form contain important information. Please read both the Entitlement Offer Booklet and the personalised Entitlement and Acceptance Form carefully and in their entirety and call your professional adviser or Byron Energy Limited (**Byron** or **Company**) if you have any queries. In particular, Eligible Shareholders should refer to the risk factors set out in Section 6 of this document as part of the ASX announcement. If you do not understand these documents, or are in doubt as to how to act, you should consult your financial or other professional adviser before making any investment decision.

The Entitlement Offer Booklet is not a prospectus prepared in accordance with the Corporations Act and has not been lodged with ASIC. Accordingly, this Offer Booklet does not necessarily contain all of the information which a prospective investor may require to make an investment decision and it does not contain all of the information which would otherwise be required to be disclosed in a prospectus or other disclosure document. As the Company is a listed disclosing entity which meets the requirements of section 708AA of the Corporations Act as notionally modified by ASIC Corporations (Non-Traditional Rights Issues Instrument 2016/84) (**ASIC Instrument 2016/84**), the Entitlement Offer will be made without a prospectus. Neither ASIC nor ASX, nor any of their officers or employees takes responsibility for this Entitlement Offer or the merits of the investment to which this Entitlement Offer relates.

## IMPORTANT INFORMATION

### **Not a prospectus, not investment advice or financial product advice**

The information in this Offer Booklet is not a prospectus, product disclosure statement, disclosure document or other offering document under the Corporations Act (or any other law) and has not been lodged with ASIC.

This Offer Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares, nor does it contain all the information which would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act (or any other law). It should be read in conjunction with the Company's other periodic statements and continuous disclosure announcements lodged with ASX.

It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. The Company is not licensed to provide financial product advice in respect of the New Shares. Neither ASIC nor ASX take responsibility for the contents of this Offer Booklet.

The information in this Booklet does not take into account the investment objectives, financial situation or needs of you or any particular investor. The potential tax effects of the Entitlement Offer will vary between individual investors. Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. You should conduct your own independent review, investigation and analysis of Shares the subject of the Entitlement Offer. If, after reading this Offer Booklet, you have any questions about the Entitlement Offer, you should contact your stockbroker, accountant or other independent and appropriately licensed professional adviser.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares and any Additional New Shares through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Offer Booklet and you have acted in accordance with and agree to the terms of the Entitlement Offer detailed in this Offer Booklet.

You should also consider the key risks which is included in this Offer Booklet as part of the ASX announcement at Section 6.

### References to 'you' and 'your Entitlement'

In this Offer Booklet, references to 'you' are references to Eligible Shareholders and references to 'your Entitlement' (or 'your Entitlement and Acceptance Form') are references to the Entitlements of, and the Entitlement and Acceptance Form for Eligible Shareholders.

### No Entitlement trading

Entitlements are non-renounceable and will not be tradable on the ASX or otherwise transferable. You cannot, in most circumstances, withdraw your application for New Shares once it has been accepted.

### Defined terms and time

Defined terms and abbreviations used in this Offer Booklet are explained in Section 8.

Notwithstanding any references to the contrary, all references to time in this Offer Booklet are to Sydney time.

### **This Offer Booklet should be read in its entirety.**

No person is authorised to give any information or make any representation in connection with the Entitlement Offer other than as contained in this Offer Booklet. Any information or representation in connection with the

Entitlement Offer not contained in this Offer Booklet is not, and may not be relied upon as having been, authorised by the Company or any of its officers.

This Offer Booklet should be read in its entirety before you decide to participate in the Entitlement Offer.

If you have any questions about your Entitlement to New Shares, please contact either the Company using the contact details provided in the Corporate Directory in Section 9 or your stockbroker or professional adviser.

### **Jurisdictions**

This Offer Booklet does not, and is not intended to, constitute an offer, invitation or issue in any place in which, or to any person to whom, it would be unlawful to make such an offer, invitation or issue. This Offer Booklet has not been, nor will it be, lodged, filed or registered with any regulatory authority under the securities laws of any country. The New Shares have not been, nor will be, registered under the U.S. Securities Act of 1933 (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. In the United States, the New Shares will be offered only to existing shareholders who are "accredited investors" (as defined in Rule 501(a) under the U.S. Securities Act).

No action has been taken to register or qualify the Entitlement Offer, the Entitlements, the New Shares, or otherwise permit a public offering of the New Shares, in any jurisdiction outside of Australia and New Zealand. See the foreign selling restrictions set out in Section 4.20 of this Offer Booklet for more information.

### **Financial forecasts and forward looking statements**

Some of the statements appearing in this Offer Booklet may be in the nature of forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. These may be identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', or 'intends' and other similar such words that involve risks or uncertainties.

You should be aware that such statements are not statements of fact or guarantees and there can be no certainty of outcome in relation to the matters to which the statements relate. Forward looking statements are subject to many inherent risks and uncertainties before actual outcomes are achieved. These risk factors are discussed further in Section 6. Actual outcomes may differ materially from the events, intentions or results expressed or implied in any forward looking statement in this Offer Booklet.

To the maximum extent permitted by law, none of the Company or any person named in this Offer Booklet or any person involved in the preparation of this Offer Booklet makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any intentions or outcomes expressed or implied in any forward looking statement and disclaim all responsibility and liability for such forward looking statements (including, without limitation, liability for negligence). The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Offer Booklet, except where required by law. You are cautioned not to place undue reliance on any forward looking statement having regard to the fact that the outcome may not be achieved.

Any pro forma financial information (including past performance information) provided in this Offer Booklet is for information purposes only and is not a forecast of operating results to be expected in any future period. Except as required by law, and only then to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Offer Booklet.

### **Privacy Act**

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or to the

Company's Share Registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons lawfully entitled to inspect the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

You can access, correct and update the personal information that we hold about you by contacting the Company or its Share Registry. Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

You should note that if you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application for New Shares.

### **Risks**

Section 6 contains a summary of general and specific risk factors that may affect the Company. You should take this into account when making a decision to take up your Entitlements.

### **Publicly available information**

The Entitlement Offer Booklet should be read in conjunction with the Company's continuous disclosure announcements made to the ASX available from the ASX website (at [www.asx.com.au](http://www.asx.com.au) - ASX Code: BYE). The Company may release further announcements after the date of this Offer Booklet which may be relevant to your consideration of the Entitlement Offer.

### **Past performance**

Investors should note that past performance, including past Share price performance, cannot be relied on as an indicator of, and provides no guidance as to, future Company performance, including future Share performance.

### **Underwriting**

The Entitlement Offer is fully underwritten by the Underwriter, subject to the terms of an agreement between the Company and the Underwriter. See Section 7.10 for full particulars.

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## 1. Key Offer Details

| Key Terms   |  |
|---|--|
| Issue Price   | \$0.27 per New Share   |
| Ratio   | 1 New Share for every 18 Shares held   |
| Top-Up Offer  | Eligible Shareholders, who apply for their full Entitlement, may apply for Additional Shares, provided that the issue of those Additional Shares will not result in a breach of the Listing Rules or any applicable law. |
| Maximum number of New Shares to be issued under Entitlement Offer                   | 42,074,138 (approximately)   |
| Maximum number of Placement Shares to be issued under Placement                     | 53,961,055   |
| Maximum number of Shares on issue following the Entitlement Offer and the Placement | 801,408,610 (approximately)  |
| Maximum amount to be raised under Entitlement Offer                                 | \$11,360,017 (approximately)   |

The above figures assume that no Existing Options over Shares will be exercised prior to the Record Date. There are 50,600,000 Existing Options.

## Indicative Timetable

| Activity   | Date                        |
|--|-----------------------------|
| Announcement of the Entitlement Offer and lodgement of Appendix 3B   | Friday, 15 November 2019    |
| Lodgement of Offer Booklet and 708AA cleansing notice with the ASX   | Wednesday, 20 November 2019 |
| Issue of Placement Shares  | Thursday, 21 November 2019  |
| Letter to Shareholders regarding Entitlement Offer   | Thursday, 21 November 2019  |
| Trading on ex basis  | Friday, 22 November 2019    |
| Record Date for the Entitlement Offer (7:00pm Sydney time)   | Monday, 25 November 2019    |
| Offer Booklet and Entitlement and Acceptance Form sent to Eligible Shareholders  | Thursday, 28 November 2019  |
| Entitlement Offer opens  | Thursday, 28 November 2019  |
| Last day to extend the Closing Date  | Friday, 6 December 2019     |
| Closing Date for acceptances under the Entitlement Offer (5:00pm Sydney time)  | Wednesday, 11 December 2019 |
| Quotation on deferred settlement basis   | Thursday, 12 December 2019  |
| ASX notified of shortfall  | Thursday, 12 December 2019  |
| Allotment of New Shares issued under the Entitlement Offer and lodgement of Appendix 3B and 708A cleansing notice (for the underwritten shortfall) | Wednesday, 18 December 2019 |
| Expected despatch of Holding Statements and normal ASX trading for New Shares issued under the Entitlement Offer                                   | Thursday, 19 December 2019  |

The above dates are indicative only and may be subject to change. Subject to the Corporations Act, the Listing Rules and other applicable laws, the Directors reserve the right:

- (a) to vary the dates of the Entitlement Offer in consultation with the Underwriter;
- (b) not to proceed with the whole or part of the Entitlement Offer at any time prior to issue of the New Shares.

In the event the Directors decide not to proceed with the whole or part of the Entitlement Offer, Application Money (without interest) will be returned in full to the Applicants.

An extension of the Closing Date for the Entitlement Offer will delay the anticipated date for issue of the New Shares. The commencement of quotation of New Shares is subject to confirmation from ASX.

Eligible Shareholders wishing to participate in the Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form and Application Money as soon as possible after the Entitlement Offer opens.

You cannot, in most circumstances, withdraw an Application once it has been accepted. No cooling-off rights apply to the Entitlement Offer.



## 2. Chairman's Letter

Dear Shareholder,

On behalf of the Board of Byron Energy Limited (**Byron** or the **Company**) I invite you to participate in the Company's fully underwritten non-renounceable pro-rata entitlement offer of 1 New Share for every 18 Shares held at the Record Date, at an Issue Price of \$0.27 per New Share (**Entitlement Offer**) to raise a total of \$11.4 million (before costs).

On 15 November 2019, the Company announced that it:

- (a) had received commitments for a placement to institutional and professional investors to raise a total of approximately \$14.5 million (before costs) through the issue of 53,961,055 Shares at an issue price of \$0.27 per Share (the **Placement**); and
- (b) would proceed with the Entitlement Offer.

The vast majority of the Shares under the Placement will be issued under Byron's 15% placement capacity which means that shareholder approval under ASX Listing Rule 7.1 will not be required for the issue. The placement of these Shares is anticipated to complete on 21 November 2019. Subject to Shareholder approval being obtained, Directors and their associates intend to take up a maximum of \$540,000 in Shares under the Placement, representing a maximum of 3.7% of the Placement. These Shares will be issued as soon as practicable after Shareholder approval is obtained.

The shares under the Entitlement Offer will be issued under exception 1 and 2 of ASX Listing Rule 7.2 and exception 1 of ASX Listing Rule 10.12 which means that shareholder approval under ASX Listing Rule 7.1 and 10.11 (respectively) will not be required for the issue.

The Shares issued under the Placement (other than those to be issued to Directors and their associates) will be issued prior to the Record Date for the Entitlement Offer and, as such, will be included in the number of issued Shares for the purposes of determining Entitlements to subscribe for Shares pursuant to the Entitlement Offer.

### The Entitlement Offer

Under the Entitlement Offer, Eligible Shareholders who are on the Company's share register at 7:00pm (Sydney time) on 25 November 2019 (**Record Date**) will be entitled to subscribe for 1 New Share for every 18 Shares, at an Issue Price of \$0.27 per New Share (**Entitlement**) on the terms set out in this Offer Booklet (**Entitlement Offer**).

Eligible Shareholders who subscribe for their full Entitlement may also apply for New Shares in excess of their Entitlement (**Additional Shares**) in accordance with the Top-Up Offer.

The Entitlement Offer and Top-Up Offer are fully underwritten by Bell Potter Securities Limited ACN 006 390 772.

The Issue Price represents a 14.3% discount to the last traded price of Shares on 12 November 2019, being the last trading day prior to the announcement of the Entitlement Offer.

Directors holding 17.6% of the issued capital in the Company (prior to the issue of the Placement Shares) intend to subscribe for their Entitlements in full.

## **Proceeds of the Entitlement Offer and Placement**

The Entitlement Offer and the Placement will raise approximately \$25.9 million (before costs).

The proceeds of the Entitlement Offer and the Placement will be used to fund Byron's ongoing exploration and development programme in the SM71 and SM58 fields in the Gulf of Mexico, USA (\$18.9 million), to repay short term loans from directors (est \$5.5 million) and to fund issue costs (est \$1.5 million).

## **Non-tradable rights**

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferrable. Eligible Shareholders who do not take up their Entitlement will not receive any value in respect of those Entitlements.

## **Low-docs offer**

The Entitlement Offer is to be made under s708AA of the Corporations Act as notionally modified by ASIC Instrument 2016/84, and the Offer Booklet has been lodged with the ASX. A copy of that document can be accessed on the ASX website or the Company's website and is anticipated to be despatched to Eligible Shareholders (with personalised Entitlement and Acceptance Forms) on or before 28 November 2019.

## **How to apply**

The Entitlement Offer is scheduled to close at 5:00pm (Sydney time) on 11 December 2019. To participate in the Entitlement Offer, you must have applied for New Shares so that your completed Entitlement and Acceptance Form and application money, or BPAY® payment is received by this time. Shareholders recorded on the share register with an address outside Australia, United Kingdom, Hong Kong, Singapore and New Zealand are not eligible to participate in the Entitlement Offer.

I encourage you to read this document before deciding whether or not to take up your Entitlement. You should read the key risk information included in this Offer Booklet as part of the ASX announcement at Section 6.

If you have any questions in respect of the Entitlement Offer please consult your stockbroker, accountant or other professional adviser or call the Company Secretary on (03) 8610 6582 or by email at [nick.filipovic@byronenergy.com.au](mailto:nick.filipovic@byronenergy.com.au) at any time between 9:00am and 5:00pm (Sydney time) on Monday to Friday during the Entitlement Offer period.

## **Conclusion**

As a Board, we appreciate the support of our existing Shareholders and we have been mindful of providing existing Shareholders the opportunity to increase their investment in the Company.

Directors holding 17.6% of the issued capital in the Company intend to subscribe for their Entitlements in full. This Entitlement Offer represents an opportunity for shareholders to participate directly in an exciting new growth phase for the Company, and, on behalf of my fellow directors, I look forward to welcoming your participation in the Entitlement Offer.

Doug Battersby  
Chairman

### 3. Purpose of the Offer

#### 3.1 Background

Following the successful drilling of SM71 and production commencing in March 2018, Byron has utilised the cashflow from the sale of its SM71 hydrocarbons to, inter alia, finance the acquisition of the SM58 lease and the subsequent successful drilling of the SM58 G1 well. This well drilled the Cutthroat Prospect and encountered a true vertical thickness net pay of 301 feet in the upper O Sands. In addition, mud log data indicates a total hydrocarbon bearing interval thickness in the Lower O section of between 180 and 250 feet.

Section 6 contains a detailed overview of Byron's current financial and operating position, its most recent independent assessment of its reserves and resources and project summaries for SM71 and SM58.

#### 3.2 Steps forward

The immediate plans for Byron over the next 12 months are to:

- continue the construction of the 9-well production platform at SM58, due to be completed in June 2020;
- drill the SM71 F4 and F5 wells in January 2020 subject to rig availability;
- complete the SM58 G1 well and to drill the SM58 G2 well by September 2020; and
- drill the SM58 G3 well in October 2020.

Section 6 further contains a 3 year forecast development model, with an activity timeline, including the drilling of 11 wells, (including the above) in the period to March 2022. To finance this program, in addition to utilising the continuing cash flow generated by SM71, Byron has recently announced a debt facility with Crimson for US\$15 million, subject to completion (see announcement dated 6 November 2019), and a placement of approximately 54 million shares at the Issue Price to raise approximately \$14.6 million in conjunction with this Entitlement Offer (see announcement dated 15 November 2019).

#### 3.3 Use of funds

The Company intends to apply the funds raised under the Entitlement Offer and the proceeds of the Placement (\$25.9 million in total) as follows:

| Use of funds   | Amount A\$ million | Amount US\$ million* |
|--|--------------------|----------------------|
| Ongoing exploration and development program at SM58 and SM71 fields in the Gulf of Mexico, USA | 18.9               | 12.8                 |
| Repayment of loans and payment of interest (from directors & shareholders)                     | 5.5                | 3.7                  |
| Costs of the Placement and the Offer)  | 1.5                | 1.0                  |
| <b>TOTAL (Placement and Offer)</b>   | <b>25.9</b>        | <b>17.5</b>          |

\*Based on an exchange rate of A\$1=US\$0.675

The above is a statement of the Company's current intentions as at the date of this Offer Booklet. However, Shareholders should note that, as with any plan, the allocation of funds set out above may change depending on a number of factors, including the equipment availability, weather conditions, regulatory approvals, market and general economic conditions and environmental factors. In light of this, the Company reserves the right to

change the way the funds are applied.

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## 4. Details of the Entitlement Offer and the Placement

### 4.1 The Entitlement Offer and the Placement

#### *The Entitlement Offer*

The Company is conducting a fully underwritten non-renounceable pro rata offer of New Shares to Eligible Shareholders.

Eligible Shareholders who are recorded on the Company's share register at 7:00pm (Sydney time) on 25 November 2019 (**Record Date**) will be entitled to subscribe for 1 New Share for every 18 Shares held on the Record Date. The Issue Price for each New Share is \$0.27, which is payable in full on application.

Fractional Entitlements are being rounded up to the next whole New Share.

To participate in the Entitlement Offer, Eligible Shareholders need to ensure that Entitlement and Acceptance Forms and/ or payment of Application Money is received by the Company on or before the Closing Date, in accordance with the instructions in Section 5.

The maximum number of New Shares to be issued under the Entitlement Offer will be approximately 42,074,138, to raise up to approximately \$11.4 million (before costs). The details of the use of the proceeds of the Entitlement Offer are set out in Section 3.3 below.

All of the New Shares offered under this Offer Booklet will rank equally with the Shares on issue at the date of this Offer Booklet, on and from their date of issue.

The Directors may, at any time, decide to withdraw this Offer Booklet and the Entitlement Offers of New Shares made under it, in which case the Company will return all Application Money (without interest) within 28 days of giving such notice of withdrawal.

As the Entitlement Offer is fully underwritten by the Underwriter, there is no minimum subscription.

#### *The Placement*

The Company has recently received firm commitments for a private placement to issue 53,961,055 Shares to institutional and professional investors to raise \$14,569,485 (**Placement**).

The Shares under the Placement will be issued at the same price as this Entitlement Offer, namely \$0.27 per Share.

The vast majority of shares under the Placement will be issued under Byron's 15% placement capacity which means that shareholder approval under ASX Listing Rule 7.1 will not be required for the issue. Those Shares are anticipated to be issued on Thursday 21 November 2019, i.e. prior to the Record Date for the Entitlement Offer. As such, those Shares will be included in the number of issued Shares for the purposes of determining Entitlements to subscribe for New Shares pursuant to this Entitlement Offer.

Subject to Shareholder approval being obtained, Directors and their associates intend to take up a maximum of \$540,000 in Shares under the Placement, representing a maximum of 3.7% of the Placement. Those Shares will be issued as soon as practicable after Shareholder approval is obtained.

## 4.2 Snapshot of the Entitlement Offer and the Placement

A snapshot of the Entitlement Offer and the Placement is detailed below:

|   |   |
|---|---|
| Issue Price (Placement and Entitlement Offer)   | \$0.27 per New Share payable in full on application     |
| Entitlement   | 1 New Share for every 18 Shares held on the Record Date |
| Discount of the Issue Price to the closing price of \$0.3150 on 12 November 2019  | 14.3%   |
| Discount of the Issue Price to the 5-day volume weighted average price up to and including 12 November 2019 of \$0.3278 | 17.6%   |
| Maximum number of New Shares to be issued under the Entitlement Offer <sup>1</sup>                                      | 42,074,138 (approximately)                              |
| Placement Shares to be issued under the Placement   | 53,961,055  |
| Maximum amount to be raised under the Entitlement Offer   | \$11,360,017 (approximately)                            |
| Maximum amount to be raised under the Placement   | \$14,569,485 (approximately)                            |
| Maximum number of Shares on issue following the Entitlement Offer and the Placement                                     | 801,408,610 (approximately)                             |

The above figures assume that no Existing Options over Shares will be exercised prior to the Record Date. There are 50,600,000 Existing Options on issue of which 39,850,000 are exercisable below the Issue Price.

## 4.3 Eligibility to participate in Offer

The Entitlement Offer is being offered to Eligible Shareholders only.

Eligible Shareholders are persons who are registered as a holder of Shares as at the Record Date that:

- (a) have a Registered Address in Australia, United Kingdom, Hong Kong, Singapore and New Zealand; and
- (b) if located in the United States, are existing shareholders of the Company who are “accredited investors” as defined in Rule 501(a) under the U.S. Securities Act,

**(Eligible Shareholders).**

<sup>1</sup> A small number of additional New Shares may be issued due to rounding of individual entitlements.

Shareholders who are not Eligible Shareholders are Ineligible Shareholders.

The Company has decided that it is unreasonable to make offers under the Entitlement Offer to shareholders who have a registered address outside Australia, United Kingdom, Hong Kong, Singapore and New Zealand having regard to the number of such holders in those places and the number and the value of the New Shares that they would be offered, and the costs of complying with the relevant legal and regulatory requirements in those places. The Company may (in its absolute discretion) extend the Entitlement Offer to shareholders who have registered addresses outside of Australia, United Kingdom, Hong Kong, Singapore and New Zealand in accordance with applicable law,

Shareholders with a registered address in United Kingdom, Hong Kong, Singapore and New Zealand must note the selling restrictions set out in Section 4.20 of this Offer Booklet.

Eligible Shareholders will receive a personalised Entitlement and Acceptance Form setting out their Entitlement which will accompany the paper copy of this Offer Booklet sent to them.

Shareholders who are not Eligible Shareholders will not be entitled to participate in the Entitlement Offer or to subscribe for New Shares.

#### 4.4 Top-Up Offer

Eligible Shareholders, who apply for their full Entitlement, may apply for New Shares in excess of their Entitlement (**Additional Shares**), provided that the issue of those Additional Shares will not result in a breach of the Listing Rules or any applicable law.

Any Additional Shares will be limited to the extent that there are sufficient New Shares available after satisfying all Applications received from Eligible Shareholders pursuant to the Entitlement Offer (i.e. there is a shortfall between the number of New Shares applied for under the Entitlement Offer and the total number of New Shares offered to Eligible Shareholders under the Entitlement Offer).

The Board has an absolute discretion in regards to the allocation of Additional Shares. Please note that no Additional Shares will be issued to a holder where the effect of issuing Additional Shares will result in the applicant's, or another person's, Voting Power in the Company increasing from 20% or below to more than 20%.

Following the allocation of the Additional Shares, any remaining Shares will be issued to the Underwriter or its nominees in accordance with the Underwriting Agreement.

The Company's decision as to the number of Additional Shares to be allocated to you will be final and binding. If scaling back occurs, Application Monies in relation to Additional Shares applied for but not issued will be refunded by cheque to your registered address as noted on the company's share register as soon as possible following the Closing Date, without interest.

Eligible Shareholders who wish to apply for Additional Shares should insert the number of Additional Shares that they want to apply for in the appropriate Section of the Entitlement and Acceptance Form or otherwise following the instructions in that form if paying via BPAY®. Any Additional Shares that are applied for must be paid for at the same time, and in the same way, that the New Shares to be issued pursuant to the acceptance of Entitlements are paid for.

There is no guarantee that Eligible Shareholders will receive any or all of the Additional Shares they apply for. New Shares, including Additional Shares issued under the Top-Up Offer will rank equally with the Company's existing Shares.

## 4.5 CHESS

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS. ASX Settlement Pty Ltd ACN 008 504 532 (**ASTC**), a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are registered in the Issuer Sponsored Sub-register, your statement will be despatched by Boardroom Pty Limited and will contain the number of New Shares issued to you under this Offer Booklet and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their holding changes.

Shareholders may request a statement at any other time; however, there may be a charge associated with the provision of this service.

## 4.6 Pro Forma balance sheet

Completion of the Entitlement Offer will result in an increase in cash at hand of up to approximately A\$11.4 million (US\$7.5 million) (before the payment of the costs associated with the Entitlement Offer).

The audited consolidated balance sheet as at 30 June 2019 and the unaudited and unreviewed pro-forma consolidated balance sheet as at 30 September 2019 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma consolidated balance sheet has been prepared, assuming:

- (a) the issue of 96,035,193 Shares under the Placement and Entitlement Offer at \$0.27 per Share to raise gross proceeds of approximately \$25.9 million;
- (b) the estimated cost of the Placement and Entitlement Offer being approximately A\$1.5 million (excluding GST);
- (c) the announced Loan Facility from Crimson is completed prior to the completion of the Placement and Entitlement Offer; (for additional details refer to the Company's ASX release dated 6 November 2019);
- (d) an exchange rate of A\$1=US\$0.675 for post 30 September unaudited adjustments; and
- (e) other interim material adjustments are taken into account for the period between 30 June and 30 September 2019.

The pro-forma consolidated balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, as it does not include all of the disclosures required by Australian Accounting Standards applicable to audited or audit reviewed financial statements.



# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2019**

| US\$ 000                             | Audited       | Unaudited     |               |                 |                 | Proforma                |
|--------------------------------------|---------------|---------------|---------------|-----------------|-----------------|-------------------------|
|                                      | 30-Jun-19     | 30-Sep-19     | Crimson Loan  | Loan Repayments | Capital Raising | Balance sheet 30-Sep-19 |
| <b>Assets</b>                        |               |               |               |                 |                 |                         |
| <b>Current assets</b>                |               |               |               |                 |                 |                         |
| Cash and cash equivalents            | 6,783         | 5,538         | 14,900        | -3,654          | 16,456          | 33,240                  |
| Trade and other receivables          | 6,703         | 4,799         | 0             | 0               | 0               | 4,799                   |
| Restricted cash and cash equivalents | 4,377         | 500           | 0             | 0               | 0               | 500                     |
| <b>Total current assets</b>          | <b>17,863</b> | <b>10,837</b> | <b>14,900</b> | <b>-3,654</b>   | <b>16,456</b>   | <b>38,539</b>           |
| <b>Non-current assets</b>            |               |               |               |                 |                 |                         |
| Exploration and evaluation assets    | 6,588         | 15,899        | 0             | 0               | 0               | 15,899                  |
| Oil and gas properties               | 27,192        | 26,465        | 0             | 0               | 0               | 26,465                  |
| Other                                | 1,488         | 1,488         | 0             | 0               | 0               | 1,488                   |
| Property, plant and equipment        | 50            | 48            | 0             | 0               | 0               | 48                      |
| Other intangible assets              | 312           | 272           | 0             | 0               | 0               | 272                     |
| <b>Total non-current assets</b>      | <b>35,630</b> | <b>44,172</b> | <b>0</b>      | <b>0</b>        | <b>0</b>        | <b>44,172</b>           |
| <b>Total assets</b>                  | <b>53,494</b> | <b>55,009</b> | <b>14,900</b> | <b>-3,654</b>   | <b>16,456</b>   | <b>82,711</b>           |
| <b>Liabilities</b>                   |               |               |               |                 |                 |                         |
| <b>Current liabilities</b>           |               |               |               |                 |                 |                         |
| Trade and other payables             | 8,925         | 7,569         | 0             | 0               | 0               | 7,569                   |
| Provisions                           | 124           | 124           | 0             | 0               | 0               | 124                     |
| Borrowings                           | 5,748         | 4,606         | 0             | -3,654          | 0               | 952                     |
| <b>Total current liabilities</b>     | <b>14,798</b> | <b>12,299</b> | <b>0</b>      | <b>-3,654</b>   | <b>0</b>        | <b>8,645</b>            |
| <b>Non-current liabilities</b>       |               |               |               |                 |                 |                         |
| Provisions                           | 1,984         | 1,983         | 0             | 0               | 0               | 1,983                   |
| Borrowings                           | 0             | 3,417         | 15,000        | 0               | 0               | 18,417                  |
| <b>Total non-current liabilities</b> | <b>1,984</b>  | <b>5,400</b>  | <b>15,000</b> | <b>0</b>        | <b>0</b>        | <b>20,400</b>           |
| <b>Total liabilities</b>             | <b>16,782</b> | <b>17,699</b> | <b>15,000</b> | <b>-3,654</b>   | <b>0</b>        | <b>29,045</b>           |
| <b>Net assets</b>                    | <b>36,712</b> | <b>37,310</b> | <b>-100</b>   | <b>0</b>        | <b>16,456</b>   | <b>53,666</b>           |
| Issued capital                       | 101,092       | 102,834       | 0             | 0               | 16,456          | 119,290                 |
| Foreign currency translation reserve | -131          | -238          | 0             | 0               | 0               | -238                    |
| Share option reserve                 | 5,364         | 5,364         | 0             | 0               | 0               | 5,364                   |
| Accumulated losses                   | -69,613       | -70,650       | -100          | 0               | 0               | -70,750                 |
| <b>Total equity</b>                  | <b>36,712</b> | <b>37,310</b> | <b>-100</b>   | <b>0</b>        | <b>16,456</b>   | <b>53,666</b>           |

## 4.7 Capital structure

The principal effect of the Entitlement Offer and the Placement will be to increase the total number of Shares and to increase the cash reserves by up to \$24.9 million (before deducting the costs of the Entitlement Offer and Placement).

### *Capital structure (excluding Options)*

The following table shows the capital structure of the Company before, and after completion of the Entitlement Offer and the Placement:

|   |                             |
|---|-----------------------------|
| Shares on issue at the date of this Offer Booklet                                   | 705,373,417                 |
| Number of New Shares to be issued under the Entitlement Offer                       | 42,074,138 (approximately)  |
| Maximum number of Placement Shares to be issued under the Placement                 | 53,961,055                  |
| Maximum number of Shares on issue following the Entitlement Offer and the Placement | 801,408,610 (approximately) |

The above figures may vary slightly due to rounding of individual entitlements. They also assume that no Existing Options over Shares will be exercised prior to the Record Date. There are 50,600,000 Existing Options on issue as at the date of this Offer Booklet.

Details of these Existing Options are as follows.

| Existing                                 | Exercise Price | Expiry Date      |
|--|----------------|------------------|
| 9,500,000 Existing Options               | \$0.25         | 31 December 2019 |
| 28,350,000 Existing Options              | \$0.12         | 31 December 2021 |
| 2,000,000 Existing Options               | \$0.16         | 31 December 2021 |
| 10,750,000 Existing Options              | \$0.40         | 31 December 2021 |
| <b>TOTAL 50,600,000 Existing Options</b> |                |                  |

In the event any Existing Options are exercised, any proceeds raised will be applied in accordance with Section 3.3.

*Capital structure assuming Existing Options are exercised*

The following table shows the capital structure of the Company before, and after completion of the Entitlement Offer and the Placement and assuming exercise of the Existing Options either before or after the Record Date:

| Shares   | Number                               |                                     |
|--|--------------------------------------|-------------------------------------|
|  | Options exercised before Record Date | Options exercised after Record Date |
| Shares on issue at the date of this Offer Booklet  | 705,373,417                          | 705,373,417                         |
| Maximum number of Shares to be issued on exercise of the Options   | 50,600,000                           | 50,600,000                          |
| Number of Placement Shares to be issued under the Placement  | 53,961,055                           | 53,961,055                          |
| Number of New Shares to be issued under the Entitlement Offer  | 44,885,249<br>(approximately)        | 42,074,138<br>(approximately)       |
| Maximum number of Shares on issue following the Entitlement Offer, the Placement and the exercise of Options into Shares | 854,819,721<br>(approximately)       | 852,008,610<br>(approximately)      |

#### 4.8 Optionholders

Optionholders will not be entitled to participate in the Entitlement Offer unless they:

- (a) have become entitled to exercise their Existing Options under the terms of their issue and do so, so they are registered as holders of Shares prior to the Record Date; and
- (b) participate in the Entitlement Offer as a result of being a holder of Shares registered on the register of Byron at the Record Date.

#### 4.9 Offer fully Underwritten

The Entitlement Offer is fully underwritten by the Underwriter. Subject to the terms of the Underwriting Agreement, the Underwriter will lodge or cause to be lodged with the Company, Applications for any New Shares not subscribed for by Eligible Shareholders. The Underwriter is entitled to nominate all the Applicants for the New Shares not subscribed for by Eligible Shareholders.

A summary of the other material terms of the Underwriting Agreement is set out in Section 7.10.

#### 4.10 Impact of the Entitlement Offer on your shareholding and possible dilutive effect

The dilutionary effect of the Entitlement Offer on your shareholding will depend on whether you are an Eligible Shareholder and if so, whether you elect to subscribe for some or all of your Entitlement.

If Eligible Shareholders take up all of their entitlements under the Entitlement Offer, which will include any new Shareholders that acquired Shares as part of the Placement, Eligible Shareholders will hold the same percentage interest in the Company as they did immediately prior to completion of the Entitlement Offer.

However, to the extent that any Shareholder fails to take up their full Entitlement to New Shares under the Entitlement Offer, that Shareholder's percentage holding in the Company will be diluted.

Please refer to Section 4.11 for detail of the effect of the Entitlement Offer on voting power in the Company.

#### **4.11 Effect of Offer on Voting Power in the Company**

Given that the Company's largest Shareholders (Douglas Battersby and his associates, and Metgasco Limited) each have a voting power of approximately 6% in the Company, and that the New Shares issued under the Entitlement Offer will represent approximately 5% of the Company's share capital (on a post Placement and Entitlement Offer basis), the Entitlement Offer will not have a material effect on the voting power in the Company.

#### **4.12 Directors' intentions and participation**

The Directors holding 17.6% of the issued capital in the Company intend to participate in the Entitlement Offer for all of their respective Entitlements.

#### **4.13 Entitlements and acceptance**

Details of how to apply under the Entitlement Offer and Top-Up Offer are set out in Section 5 of this Offer Booklet.

The Entitlement of Eligible Shareholders to participate in the Entitlement Offer will be determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance Form accompanying this Offer Booklet that will be posted to Eligible Shareholders.

#### **4.14 No rights trading**

The right to subscribe for New Shares pursuant to the Entitlement Offer is non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for New Shares under the Entitlement Offer to any other party. If you do not take up your Entitlement to New Shares by the Closing Date, your Entitlement will lapse and form part of the Shortfall.

#### **4.15 Risks**

There are various risks associated with investing in the Company, as with any stock market investment, and, specifically, because of the nature of the Company's mining business and the present stage of development of the Company's operations. Potential investors should consider whether the securities are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors set out in Section 6 of this Offer Booklet. Many of those risk factors are outside the control of the Company.

#### **4.16 Issue and dispatch**

New Shares issued pursuant to this Offer Booklet will be issued in accordance with the ASX Listing Rules and the indicative timetable set out in Section 1 of this Offer Booklet.

Pending the issue of New Shares or the payment of refunds pursuant to this Offer Booklet, all Application Money will be held in trust for the relevant applicants in a separate bank account as required by the Corporations Act. The Company will, however, be entitled to retain all interest that accrues on the bank account and each applicant of New Shares waives the right to claim interest by completing and returning the Entitlement and Acceptance Form or making payment by BPAY.

The expected dates for the issue of New Shares offered by this Offer Booklet and dispatch of holding statements is expected to occur on the dates specified in the indicative timetable set out in Section 1 of this Offer Booklet. It is the responsibility of applicants for New Shares to determine the allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

#### **4.17 Taxation matters**

It should not be inferred or implied that the Company, Directors or its officers, purport to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Booklet. The Company, its advisers and, its Directors and officers do not accept any responsibility or liability for any such taxation consequences to Eligible Shareholders. Eligible Shareholders should consult their professional tax adviser in connection with the tax consequences of subscribing for any New Shares under this Offer Booklet.

#### **4.18 Continuous disclosure**

The Company is a 'disclosing entity' under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

The Company is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of the Company's Shares. That information is available to the public from ASX.

This Offer Booklet is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include information that would be included in a disclosure document or which investors ought to have regard to in deciding whether to subscribe for New Shares. All announcements made by the Company are available from its website [byronenergy.com.au](http://byronenergy.com.au) or the ASX at [www.asx.com.au](http://www.asx.com.au) (ASX Code: BYE).

#### **4.19 Ineligible Shareholders**

The restrictions upon eligibility to participate in the Entitlement Offer arise because the Company has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the Corporations Act, that it would be unreasonable to extend the Entitlement Offer to Ineligible Shareholders. This decision has been made after taking into account the relatively small number of Shareholders in the jurisdictions in which the Ineligible Shareholders are located,

the relatively small number and value of New Shares to which those Shareholders would otherwise be entitled to subscribe for and the potential costs of complying with legal and regulatory requirements in the jurisdictions in which the Ineligible Shareholders are located.

The Company, in its absolute discretion, may extend the Entitlement Offer to any Shareholder if it is satisfied that the Entitlement Offer may be made to the Shareholder in compliance with all applicable laws. The Company may determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder. To the maximum extent permitted by law, the Company disclaims all liability in respect of such determination.

#### **4.20 Foreign Jurisdictions**

This Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia.

This Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia.

The distribution of this Offer Booklet (including an electronic copy) outside Australia, United Kingdom, Hong Kong, Singapore and New Zealand may be restricted by law. If you come into possession of this Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions.

Any non-compliance with these restrictions may contravene applicable securities laws.

##### **New Zealand**

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with Registered Addresses in New Zealand to whom the Entitlement Offer of New Shares is being made in reliance on the provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand). This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

##### **Singapore**

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares may not be issued, circulated or distributed, nor may these securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's shares. In the event that you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

### **Hong Kong**

**WARNING:** The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

### **United Kingdom**

Neither the information in this document nor any other document relating to the Offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members or creditors of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, as amended, or (ii) to whom it may otherwise be lawfully communicated (together **relevant persons**). The investment to which this document relates is available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

### **United States**

The New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. New Shares may not be offered, sold or resold in the United States or to, or for the account or benefit of, a person in the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other

jurisdiction in the United States. The New Shares will be offered only to existing shareholders who are “accredited investors” (as defined in Rule 501(a) under the U.S. Securities Act).

#### **4.21 ASX quotation**

The Company will apply to ASX for quotation of the New Shares on ASX. If ASX does not grant official quotation of the New Shares, the Company will not issue any New Shares and all Application Money will be refunded, without interest. The Company disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares before the New Shares are quoted on ASX or receiving their confirmation of issue, whether on the basis of confirmation of the allocation provided by the Company or the Share Registry.

#### **4.22 Enquiries**

If you have any questions, please contact the Company using contact details provided in the Corporate Directory during the Entitlement Offer period. If you are in any doubt as to whether you should participate in the Entitlement Offer you should consult your stockbroker, accountant, solicitor or other professional adviser.



## 5. What Eligible Shareholders may do

Eligible Shareholders will receive a personalised Entitlement and Acceptance Form setting out their Entitlement with the paper copy of this Offer Booklet sent to them. Shareholders, who are not Eligible Shareholders, will not receive an Entitlement and Acceptance form.

Eligible Shareholders' Entitlements to New Shares will be shown on the Entitlement and Acceptance Form accompanying the paper copy of this Offer Booklet sent to them. Before taking any action in relation to the Entitlement Offer, you should read this Offer Booklet in its entirety, and seek professional advice from your professional adviser.

You may:

- (a) take up all of your Entitlements (see Section 5.1 below);
- (b) take up all of your Entitlements and apply for Additional Shares in excess of your Entitlement (see Section 5.1 below);
- (c) take up part of your Entitlements and allow the balance to lapse, in which case you will receive no value for those lapsed Entitlements (see Section 5.2 below); or
- (d) do nothing and allow all of your Entitlements to lapse, in which case you will receive no value for those lapsed Entitlements (see Section 5.4 below).

Eligible Shareholders who do not participate in the Entitlement Offer, or participate for an amount that is less than their full Entitlement, will have their percentage Shareholding in the Company reduced or diluted.

Please note that the allocation and issue of Additional Shares is at the sole discretion of the Company and any scale back may be applied in its discretion, having regard to the circumstances as at the time of the close of the Entitlement Offer and the terms set out in this Offer Booklet.

Please also note that if you are an Eligible Shareholder who is a 'related party' in relation to the Company (as that term is defined in the ASX Listing Rules) or are otherwise a person to whom Listing Rule 10.11 applies, you may apply to take up your Entitlement in part or in full, but may not apply for Additional Shares.

### 5.1 If you wish to take up all of your Entitlements (with or without Additional Shares)

If you wish to take up all of your Entitlements, or if you wish to take up your Entitlement in full and apply for Additional Shares, you should:

- (a) complete the accompanying Entitlement and Acceptance Form (in accordance with the instructions set out in the Entitlement and Acceptance Form) and indicate the number of New Shares and any Additional Shares you wish to subscribe for; and
- (b) send the completed Entitlement and Acceptance Form together with your cheque, bank draft or money order (in Australian currency) made payable to 'Byron Energy Limited' for the applicable Application Money to the Share Registry at the address set out on the Entitlement and Acceptance Form.

The completed Entitlement and Acceptance Form should be sent together with your cheque, bank draft or money order for the applicable Application Money to the Share Registry at the

address set on the Entitlement and Acceptance Form by no later than 5:00 pm (Sydney time) on the Closing Date.

Alternatively, Eligible Shareholders may apply for New Shares (plus any Additional Shares) and pay by BPAY®. For Eligible Shareholders wishing to apply for New Shares and to pay by BPAY®, and for further details about payment, see Section 5.3 below.

If the amount of your cheque, bank draft or money order is insufficient to pay in full for the number of New Shares (and any Additional Shares) you have applied for, you will be taken to have applied for such lower whole number of New Shares (and Additional Shares) as your cleared Application Money will pay for. Alternatively, your Application will be rejected (at the discretion of the Company).

The Company will not allocate or issue Additional Shares where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law. Eligible Shareholders wishing to apply for Additional Shares must consider whether or not the issue of the Additional Shares to them would breach the Corporations Act or Listing Rules having regard to their own circumstances.

## **5.2 If you wish to take up part of your Entitlements and allow the balance to lapse**

If you wish to take up part of your Entitlements and allow the balance to lapse, you should:

- (a) complete the accompanying Entitlement and Acceptance Form (in accordance with the instructions set out on the Entitlement and Acceptance Form) and indicate the number of New Shares you wish to subscribe for; and
- (b) send the completed Entitlement and Acceptance Form together with your cheque, bank draft or money order (in Australian currency) made payable to 'Byron Energy Limited' for the applicable Application Money to the Share Registry at the address set out on the Entitlement and Acceptance Form.

The completed Entitlement and Acceptance Form should be sent together with your cheque, bank draft or money order for the applicable Application Money to the Share Registry at the address set on the Entitlement and Acceptance Form by no later than 5:00pm (Sydney time) on the Closing Date.

Alternatively, Eligible Shareholders may apply for New Shares and pay by BPAY®. For Eligible Shareholders wishing to apply for New Shares and to pay by BPAY® and for further details about payment, see Section 5.3 below.

If the amount of your cheque, bank draft or money order is insufficient to pay in full for the number of New Shares you have applied for, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Money will pay for. Alternatively, your Application will be rejected (at the discretion of the Company).

## **5.3 Payment by BPAY®**

For Eligible Shareholders wishing to pay by BPAY® (only available to Eligible Shareholders who hold an account with an Australian financial institution that supports BPAY®):-

- (a) You should make your payment in respect of your Application Monies via BPAY® for the number of New Shares and Additional Shares you wish to subscribe for (being the Issue Price of \$0.27 multiplied by the number of New Shares you are applying for, including any Additional Shares).

- (b) Please follow the instructions on your personalised Entitlement and Acceptance Form (which includes the Biller Code and your unique Reference Number).
- (c) Your BPAY® payment must be received by no later than 5:00 pm (Sydney time) on the Closing Date. Applicants should be aware that their own financial institution may impose earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY® are received by this time.
- (d) For payment by BPAY® you do not need to submit your Entitlement and Acceptance Form but, by making a payment through BPAY®, you will be taken to have made the declarations set out in the Entitlement and Acceptance Form.
- (e) Please make sure to use the specific Biller Code and unique Reference Number on your personalised Entitlement and Acceptance Form.

Eligible Shareholders must not forward cash by mail. Receipts for payment will not be issued.

If you have more than one holding of Shares you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. If you receive more than one personalised Entitlement and Acceptance Form, please only use the Reference Number specific to the Entitlement on that form. If you inadvertently use the same Reference Number for more than one of your Entitlements, you will be deemed to have applied only for your Entitlements to which that Reference Number applies, with the remainder of your Application Money treated as an Application for Additional Shares (which may be scaled back by the Company).

The Company will treat you as applying for as many New Shares as your payment will pay for in full, subject to any scale back it may determine to implement, in its absolute discretion, in respect of any Additional Shares. Amounts received in excess of the Application Monies for your Entitlement (**Excess Amount**) may be treated as an application to apply for as many Additional Shares as your Excess Amount will pay for in full.

Any Application Money received by the Company in excess of your final allocation of New Shares (and Additional Shares as the case may be) will be refunded by cheque to your registered address as noted on the Company's share register as soon as practicable after the close of the Entitlement Offer. It is not practical to refund any amount of less than \$5.00 to Shareholders and any refunds owing for less than this amount will be retained by the Company. No interest will be paid to Applicants on any Application Money received or refunded.

#### **5.4 Entitlement to New Shares not taken up**

If you decide not to take up all or any part of your Entitlement (in which case you do not take any further action) or fail to take any action before the Closing Date, your Entitlement will lapse. In this instance, the New Shares to which you would have been entitled to subscribe for shall become Additional Shares and will be issued pursuant to the Top-Up Offer or pursuant to the Underwriting Agreement. You will receive no payment for your lapsed Entitlements. You cannot sell or transfer your Entitlements to another person. Your holding of Shares will, however, be diluted because the issue of New Shares will increase the total number of Shares on issue.

## 5.5 Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY®, constitutes a binding and irrevocable offer to apply for New Shares (plus any Additional Shares) on the terms and conditions set out in this Offer Booklet and, once lodged or paid, cannot be withdrawn.

Your application will be considered to be for as many New Shares as your payment will cover. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' (or their delegates') decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Shareholder and that the Entitlement Offer can be made to you in accordance with this Offer Booklet, in accordance with applicable securities laws;
- (b) you have read and understood this Offer Booklet and your Entitlement and Acceptance Form in their entirety and provide the authorisations contained in this Offer Booklet and Entitlement and Acceptance Form;
- (c) you agree to be bound by the terms of the Entitlement Offer, provisions of the Entitlement Offer Booklet and the Company's constitution;
- (d) you declare that you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the Entitlement and Acceptance Form;
- (e) all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (f) you authorise the Company to register you as the holder of New Shares issued to you;
- (g) once the Company (or the Share Registry) receives the Entitlement and Acceptance Form, or any payment of Application Money via BPAY®, you may not withdraw it except as allowed by law;
- (h) you agree to apply for the number of New Shares (including any Additional Shares) specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Money via BPAY®, at the Issue Price per New Share;
- (i) you agree to be issued the number of New Shares (including any Additional Shares) that you apply for in the Entitlement and Acceptance Form and that potentially (in the case of an application in excess of your Entitlement) a lesser number of Additional Shares may be issued to you than that applied for;
- (j) if you apply for Additional Shares, you declare that you are not a 'related party' (as that term is defined in the ASX Listing Rules) or a person to whom Listing Rule 10.11 applies;

- (k) you authorise the Company, the Underwriter, the Share Registry and their respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (l) you authorise the Company to correct any errors in your Entitlement and Acceptance Form or other form provided by you;
- (m) you declare that you were the current registered holder(s) on the Record Date of that number of Shares as indicated on the Entitlement and Acceptance Form as being held by you;
- (n) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- (o) you acknowledge that the information contained in this Offer Booklet and the Entitlement and Acceptance Form is not investment advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs, and that the Entitlement Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (p) you acknowledge the statement of risks in the Risk Factors detailed in Section 6 of this Offer Booklet, and that investments in the Company are subject to investment risk;
- (q) you acknowledge that none of the Company, the Underwriter and their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- (r) you will also be deemed to have acknowledged, represented and warranted on your behalf and on behalf of and in relation to each person on whose account you are acting that:
  - (i) you are (a) not in the United States, or acting for the account of or benefit of a person in the United States, or (b) if you are in the United States, an existing shareholder of the Company and an "accredited investor" as defined in Rule 501(a) under the U.S. Securities Act;
  - (ii) you are not otherwise a person to whom it would be illegal or unlawful to make an offer or issue of New Shares under the Entitlement Offer;
  - (iii) you will not send any materials relating to the Entitlement Offer to any person in the United States, or a person acting for the account or benefit of a person in the United States;
  - (iv) you have not and will not send any materials to the Entitlement Offer in any other country outside Australia, United Kingdom, Hong Kong, Singapore and New Zealand or any jurisdiction where it is not lawful for the materials relating to the Entitlement Offer to be sent; and

- (v) you agree that the allotment of New Shares (including, if applicable, Additional New Shares) to you constitutes acceptance of your application.

## **5.6 Brokerage and stamp duty**

No brokerage is payable for the issue of New Shares pursuant to this Offer Booklet. No stamp duty is payable for subscribing for New Shares under the Entitlement Offer or for Additional Shares under the Top-Up Offer.

## **5.7 Notice to nominees and custodians**

The Entitlement Offer is being made to all Eligible Shareholders. Nominees with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Entitlement Offer, may also be able to participate in the Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Company's shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Shareholder.

Due to legal restrictions, nominees and custodians may send copies of this Offer Booklet or accept the Entitlement Offer only on behalf of beneficial shareholders who are institutional or professional investors in certain foreign countries to the extent the Company may permit in compliance with applicable law.

The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares.

## **5.8 Withdrawal of the Entitlement Offer**

Subject to applicable law, the Company reserves the right to withdraw the Entitlement Offer at any time before the issue of New Shares, in which case the Company will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to Applicants.

To the fullest extent permitted by law, you agree that any Application Money paid by you to the Company will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to the Company.

## 6. **ASX Announcement**

Set out below is the Company's latest ASX announcement regarding its current and proposed operations.

For personal use only



Investor Presentation  
November 2019

Transformational Growth

*Not for release to US wire services or distribution  
in the United States*



SM58 Future G Platform



# Disclaimer

## Disclaimer

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## Do not rely on this information

This information is based on information supplied by Byron from sources believed in good faith to be reliable at the date of the presentation. Do not rely on this information to make an investment decision. This information does not constitute an invitation to apply for an offer of securities and does not contain any application form for securities. This information does not constitute an advertisement for an offer or proposed offer of securities. It is not intended to induce any person to engage in, or refrain from engaging in, any transaction.

## No liability

No representation or warranty is made as to the fairness, accuracy or completeness of this information, or any opinions and conclusions this presentation contains or any other information which Byron otherwise provides to you. Except to the extent required by law and the Listing Rules of ASX Limited, Byron, its related bodies corporate and their respective officers, employees and advisers (together called 'Affiliates') do not undertake to advise any person of any new, additional or updating information coming to Byron's or the Affiliates' attention after the date of this presentation relating to the financial condition, status or affairs of Byron or its related bodies corporate. To the maximum extent permitted by law, Byron and its Affiliates are not liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on this information or otherwise in connection with it.

## Forward looking statements

Statements in this presentation which reflect management's expectations relating to, among other things, production estimates, target dates, Byron's expected drilling program and the ability to fund exploration and development are forward-looking statements, and can generally be identified by words such as "will", "expects", "intends", "believes", "estimates", "anticipates" or similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements and may contain forward-looking information and financial outlook information. Statements relating to "reserves" are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that some or all of the reserves described can be profitably produced in the future. These statements are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include, but are not limited to, risks relating to: amount, nature and timing of capital expenditures; drilling of wells and other planned exploitation activities; timing and amount of future production of oil and natural gas; increases in production growth and proved reserves; operating costs such as lease operating expenses, administrative costs and other expenses; our future operating or financial results; cash flow and anticipated liquidity; our business strategy and the availability of lease acquisition opportunities; hedging strategy; exploration and exploitation activities and lease acquisitions; marketing of oil and natural gas; governmental and environmental regulation of the oil and gas industry; environmental liabilities relating to potential pollution arising from our operations; our level of indebtedness; industry competition, conditions, performance and consolidation; natural events such as severe weather, hurricanes and earthquakes; and availability of drilling rigs and other oil field equipment and services. Accordingly, readers are cautioned not to place undue reliance on such statements.

All of the forward-looking information in this presentation is expressly qualified by these cautionary statements. Forward-looking information contained herein is made as of the date of this document and Byron disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by law. In relation to details of the forward looking drilling program, management advises that this is subject to change as conditions warrant, and we can provide no assurances that drilling rigs will be available.

Additional reserves and resources information is contained at the end of this presentation.

## NPW-10

NPW -10 figures are net present value of future net revenue, before income taxes and using a discount rate of 10%. The estimated future net revenue values utilised do not necessarily represent the fair market value of Byron's oil and gas properties. All evaluations of future net revenue in this presentation are after deduction of royalties, drilling and development costs, production costs and well abandonment costs. NPW does not purport, nor should it be interpreted, to represent the fair market value of oil and gas properties.

# Byron Energy Overview

Byron Energy Ltd. (ASX:BYE Listed) is focused on conventional opportunities in the shallow waters (10 – 60m) of the US Gulf of Mexico (GOM) Shelf. The Company's strategy is underpinned by utilisation of established and cutting edge geophysical technology in its assessment of properties.

## Key features include:

- Byron management team has over **140 years combined experience** working in the GOM, **Byron is operator** on all of its current shallow water GOM leases
- Byron Lease Blocks are all located within or very close to **existing production & infrastructure** greatly reducing the economic threshold for success
- Net 2P reserves of **17.4 mmbo + 150 bcfg\***
- Current gross daily production from the Byron operated **SM71 F Platform** is approximately **3,100 Bopd and 3.3 mmcfd** (1,259 Bopd and 1.3 Mmcfd net to Byron) + **SM69 E1 prod ~ 127 Bopd and 25 mcfpd** (56 Bopd + 11 mcfpd net to Byron)
- Gross production of **273,947** barrels of oil and **0.34** billion cubic feet of gas in September 2019 quarter (Net 111,639 bbls of oil and 0.14 bcf of gas)
- Net revenue receipts of **US\$ 7.1 million** in September 2019 quarter
- 2P US\$ 14/boe F&D&P** cost provides substantial margin and upside
- SM58 recent exploration success with **301' TVT** of hydrocarbon bearing Upper O Sand and **200' TVT of mudlog shows** in the Lower O Sand were encountered in the **BYE 011 BP1 well (G1)**
- SM58 production facility** under construction with completion and installation expected in **July 2020** (Capital Expenditure ~ US\$ 25 mm)
- Funded development drilling 2020/21 – 11 development wells SM71 F4/F5 - SM58 G2, G3, G4, G5, G6, G7, G8 & G9 - SM69 E2** (Capital Expenditure ~ US\$ 140 mm)
- Significant ongoing future growth potential with extensive drill ready exploration portfolio of **25 high quality prospects** on **100% owned** leases



| Board of Directors and CFO |                                      |               |                                |
|----------------------------|--------------------------------------|---------------|--------------------------------|
| Doug Battersby             | (Non-Executive Chairman)             | William Sack  | (Executive Director-Technical) |
| Maynard Smith              | (Director & Chief Executive Officer) | Charles Sands | (Non-Executive Director)       |
| Prent Kallenberger         | (Director & Chief Operating Officer) | Paul Young    | (Non-Executive Director)       |
| Nick Filipovic             | (CFO & Company Secretary)            |               |                                |
| Directors' Shareholdings   |                                      | ~18%          |                                |



## Byron Energy 2019 Highlights

### 2019 Impressive Annual Growth

|                                |                         |
|--------------------------------|-------------------------|
| Oil by Production              | 75%                     |
| Annual Oil Production Increase | Up 220% to 453,527 bbl  |
| Increase in EBITDAX            | Up 378% to US\$ 23.8 mm |
| Increase in 2P oil reserves*   | Up 118% to 17.4 mmbo    |
| 2P NPW @ 10%*                  | Up 102% to US\$ 562 mm  |



### 2019 Byron Energy Milestones

- Total Oil produced in 20 months at SM71- **1.9 million** barrels of oil without water
- Acquired 53% of E platform on SM69 and 100% SM58 for **US\$ 4.25 mm**
- Successfully drilled the SM58 G1 well encountering over **300'** of logged pay
- Purchased production facility (G Platform) for **US\$ 1.0 mm** to expedite SM58 development
- Concluded agreement with ANKOR at SM69 to drill **E2 well**
- Awarded **SM60** at OCS Lease Sale 252
- Secured Loan Facility for US\$15.0 mm from Crimson Midstream
- Share Placement & Fully Underwritten Entitlement Offer raises A\$26 million (before costs)

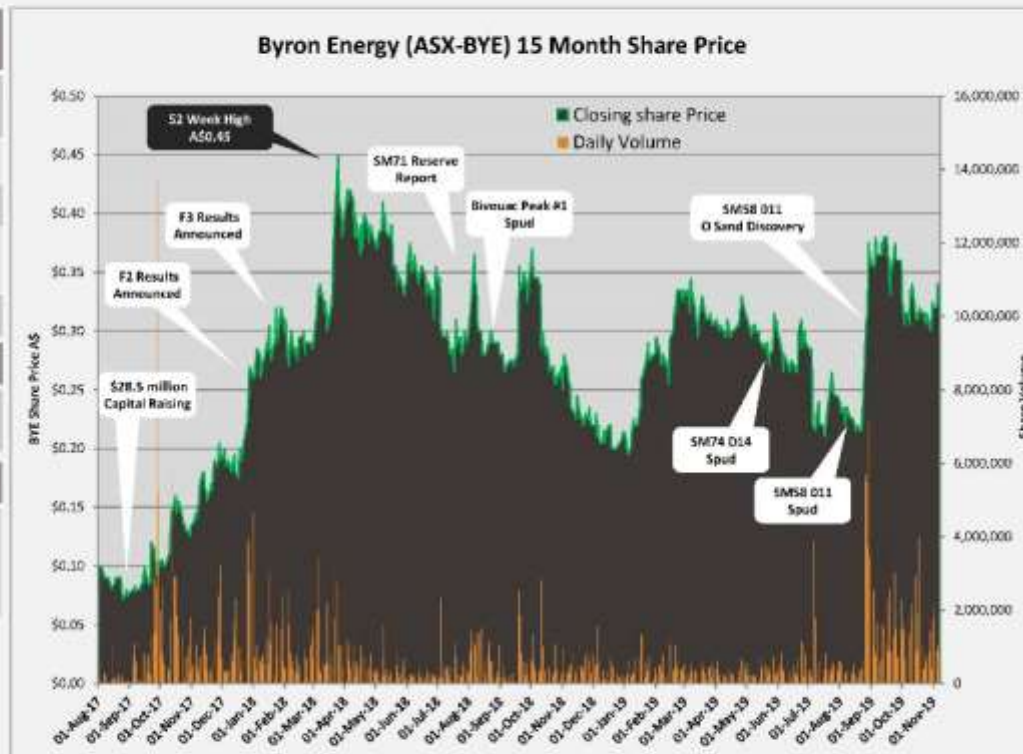
# Capital Structure Post Placement & Entitlement Offer

| Capital Structure Pre and Post Placement & Entitlement Offer   | ASX:BYE          |                                 |
|--|------------------|---------------------------------|
|  | Pre Equity Raise | Post equity Raise*              |
| Share price 12th November 2019   | A\$ 0.315        | A\$ 0.27                        |
| Ordinary shares on issue   | 705.4 million    | 799.4 million                   |
| Market capitalisation 12th November 2019   | A\$ 222 million  | A\$216 million (at Offer Price) |
| Unlisted Options   | 50.6 million     | 50.6 million                    |
| <b>New Loan Facility</b>   |                  |                                 |
| Crimson Senior Secured Term Loan Facility (subject to closing end of November)**   |                  | US\$15 million                  |
| <b>Directors'/Shareholders' Loans</b>  |                  |                                 |
| Short term unsecured loan facility 30 <sup>th</sup> September 2019)***   |                  | US\$7.1 million                 |
| US\$3.7 million repayable 31/12/2019 (directors US\$2.2 m) and US\$3.4 million repayable 21/3/2021 (directors US\$3.2 m) |                  |                                 |

\* After the Placement and the Entitlement issue, see next slide for details

\*\* Refer ASX release 6 Nov 2019,

\*\*\* Refer ASX release 26 Sept 2019,





## Equity Raising details

| Byron Energy Limited Placement and Entitlement Issue Offer Structure |   |
|--|---|
| Equity Raising structure and size                                    | <p><b>Approximately A\$25.4 million raising via placement and fully underwritten entitlement issue*</b></p> <ul style="list-style-type: none"> <li>- A\$14.0 million placement ("Placement")*</li> <li>- A\$11.4 million 1:18 non-renounceable entitlement offer ("Entitlement Offer")</li> </ul> <p>Approximately 94 million new ordinary shares ("New Shares"), 13.3% of existing issued shares</p> |
| Offer Price  | <p>The Placement and Entitlement Offer price is \$A0.27 per new share ("Offer Price")</p> <ul style="list-style-type: none"> <li>- 14.29% discount to last close on 12 November 2019</li> <li>- 15.00% discount to 15 day VWAP</li> </ul>   |
| Use of Proceeds  | <p>Proceeds from the Placement and the Entitlement Offer will be used to:-</p> <ul style="list-style-type: none"> <li>- fund ongoing exploration and development at SMS8 and SM 71 fields</li> <li>- fund part repayment of loans to directors and others</li> <li>- fund costs of the Placement and the Offer</li> </ul>   |
| The Placement  | The Placement was conducted by way of a book build process from 13 November to 14 November 2019   |
| Entitlement Offer  | The Entitlement Offer will open on 28 November 2019 and close on 11 December 2019**   |
| Ranking  | New Shares will rank pari passu with existing shares on issue   |
| Underwriting   | The Entitlement Offer is fully underwritten by Bell Potter Securities Limited   |
| Record date  | Monday 25 November 2019 is the record date for the Entitlement Offer  |

\*Excludes 2,000,000 Placement shares to be issued to directors (D. Battersby and P. Young), or their nominees at \$A0.27 each New Share (A\$540,000), subject to shareholder approval at a general meeting expected to be convened in December 2019

\*\* New Shares to be issued under the Placement will be eligible to participate in the Entitlement Offer

## Crimson Loan Facility Terms

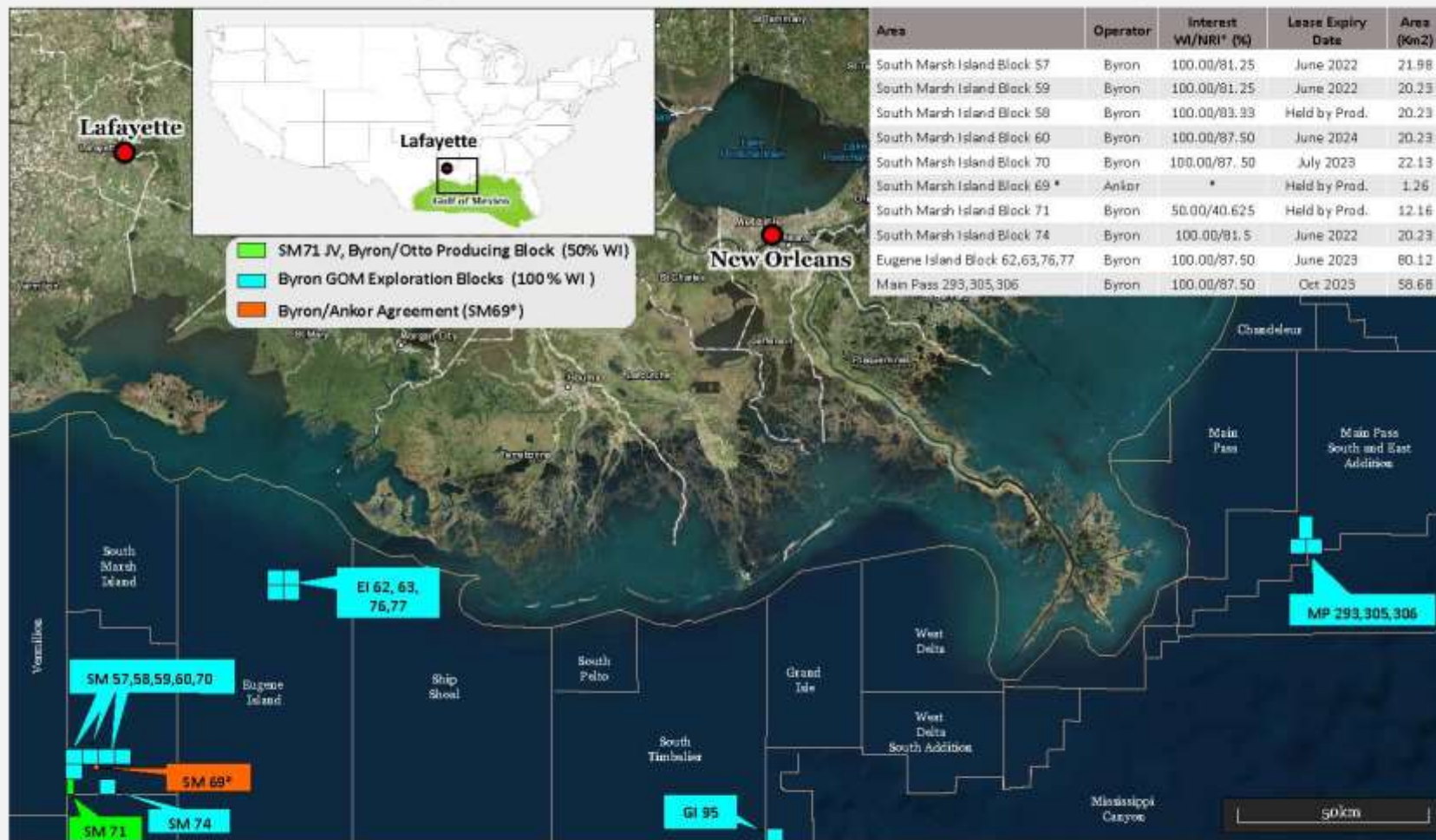
| Crimson Facility Terms                               |   |
|--|---|
| Amount   | <b>US\$ 15 Million</b><br>Subject to increase at discretion of lender and based on drilling success of future wells and additional production   |
| Structure  | Loan (secured); principal and interest; revenue recovered via per bbl tariff through a Production Handling Agt (PHA)<br>Mutually agreed oil <b>hedging program on approximately 50%</b> of net SM71 proved producing forecast |
| Oil Dedication and Transportation Services Agreement | <b>Significantly lower transport rate</b> than that paid by “uncommitted” shippers for production sourced from any of Byron’s seven SM 73 field area blocks   |
| Interest Rate  | <b>15%</b>  |
| Hedge Cost   | Hedge implemented though a highly rated hedging counterparty, at a <b>preferred customer rate</b>   |
| Security   | <b>Mortgage over SM71, SM58</b> and Parent Guarantee  |
| Term   | <b>3 Years</b>  |
| Repayment  | 36 monthly repayments;<br><b>interest only first 12 months</b> followed by 24 monthly principal and interest payments   |
| Use of Funds   | Used only for development of <b>SM71 &amp; SM58 assets</b>  |
| Covenant   | Usual and customary for financings of this type   |
| Closing  | <b>Expected end November 2019</b>   |

## Byron Exploration Team GOM & Near Shore Successes



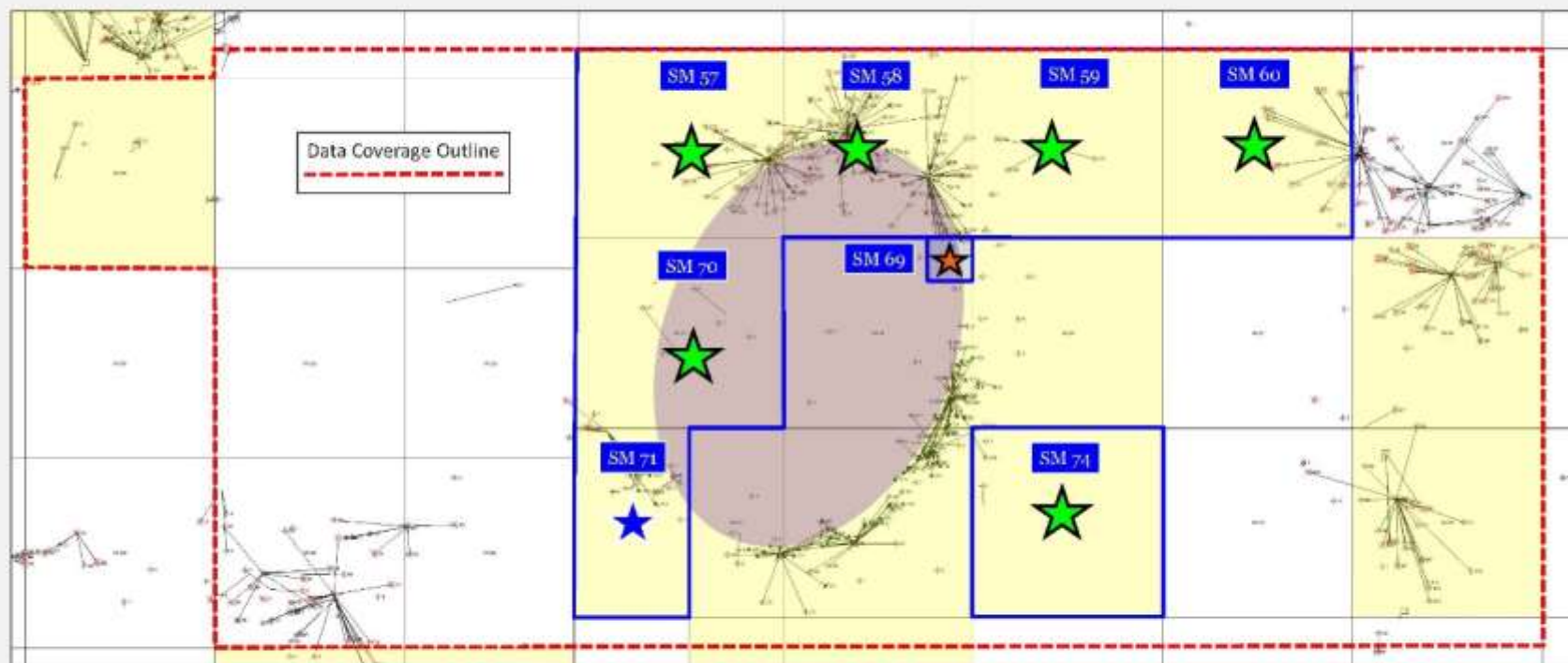


## Byron Energy Gulf of Mexico Lease Map & Asset Description





## Byron Energy GOM South Marsh Island Leases and RTM Data Coverage Area



BYRONENERGY INC.  
Byron 100% WI

BYRONENERGY INC.  
OTTOC  
Byron/Otto 50% WI

BYRONENERGY INC.  
Ankor/Byron Agreement\*

\* Refer ASX release 1<sup>st</sup> April 2019

## Byron Energy Reserves and Resources

### Collarini Reserve Report 30<sup>th</sup> June 2019\*

#### Byron Energy - Reserves\*

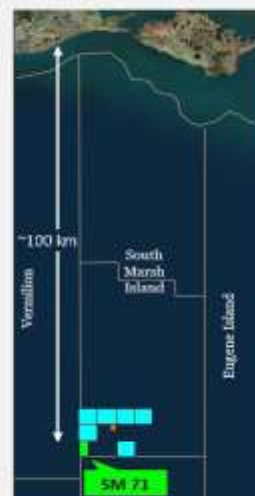
|                                  | Gross Reserves |               | Net to Byron |            |                   |
|----------------------------------|----------------|---------------|--------------|------------|-------------------|
|                                  | 8/8ths (mbbl)  | 8/8ths (mmcf) | Net (mbbl)   | Net (mmcf) | NPW @10% US\$ (m) |
| Proved (1P)                      | 12,284         | 67,458        | 7,502        | 55,033     | 216,528           |
| Total Probable                   | 14,672         | 111,162       | 9,873        | 95,065     | 345,274           |
| Proved and Probable (2P)         | 26,956         | 178,610       | 17,375       | 150,098    | 561,802           |
| Total Possible                   | 10,476         | 57,429        | 7,707        | 49,122     | 201,391           |
| Proved, Probable & Possible (3P) | 37,432         | 236,039       | 25,082       | 199,220    | 763,193           |

#### Byron Energy Prospective Resources\*

|                       | Gross Resources |               | Net to Byron |            |                   |
|-----------------------|-----------------|---------------|--------------|------------|-------------------|
|                       | 8/8ths (mbbl)   | 8/8ths (mmcf) | Net (mbbl)   | Net (mmcf) | NPW @10% US\$ (m) |
| Prospective Resources | 52,901          | 695,411       | 42,273       | 565,091    | 1,195,870         |

# South Marsh Island 71 (SM71) Project Summary and Update

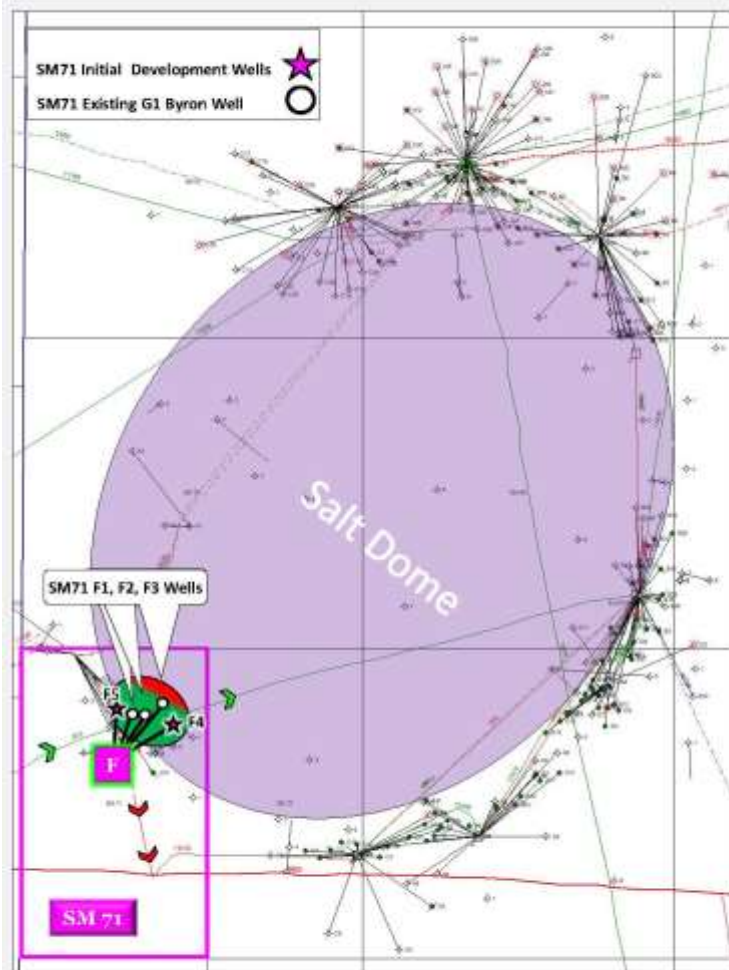
|   |   |
|---|---|
| Joint Venture Partners  | Byron Energy 50%<br>Otto Energy 50%                           |
| Operator  | Byron Energy Inc.   |
| Water Depth   | 40 meters (131')  |
| Previous SM71 Production  | 3.9 mmbbl + 10 bcf (1995 to 2010)                             |
| Acquired  | OCS Sale 222 June 2012 for US\$ 166,620                       |
| Byron Interest  | 50% WI, 40.625% NRI   |
| Byron #1 (F1) discovery well  | April 2016, 132' TVT NFO                                      |
| F Platform Installation Completed   | October 2017  |
| Byron F2 & F3   | F2 November 2017, 205 TVT NFO<br>F3 January 2018, 175 TVT NFO |
| Initial Production (Three Wells) F1, F2 & F3  | F1 first prod. March 2018<br>F2 & F3 first prod. April 2018   |
| Gross Project Cost  | US\$52 million, (net US\$26 million)                          |
| Project Payout (~US\$26 million Net to Byron)   | Nov 2018 - 9 months after initial production                  |
| Total Byron Net Project Cumulative Cash Inflow from March 2018 to Sept. 30 <sup>th</sup> 2019 | US\$44.7 million  |
| Total Gross Project Oil & Gas Produced from March 2018 to Sept 30 <sup>th</sup> 2019          | 1.8 mmbbl + 2.6 Bcf   |
| Find Develop and Production costs   | 2P US\$14/boe   |
| Current Gross Daily Production (31/10/19)   | 3,100 bopd and 3.3 mmcf/d                                     |
| Net 2P Remaining Reserves *   | 4.4 mmbbl + 3.1 bcf   |
| Net 2P Remaining NPV 10*  | US\$160 million   |



| SM71<br>Reserve Summary | Gross Reserves<br>Remaining 7/1/19 |        | Net Reserves<br>Remaining 7/1/19 |        | SUSM NPV @<br>10% |
|-------------------------|------------------------------------|--------|----------------------------------|--------|-------------------|
|                         | mbo                                | mmcf   | mbo                              | mmcf   |                   |
| 1P Proved               | 5,126                              | 3,897  | 2,082                            | 1,583  | 71,919            |
| Probable                | 5,605                              | 3,625  | 2,277                            | 1,473  | 88,278            |
| 2P                      | 10,731                             | 7,522  | 4,359                            | 3,056  | 160,197           |
| Possible                | 2,694                              | 1,867  | 1,094                            | 759    | 23,624            |
| 3P                      | 13,424                             | 9,389  | 5,454                            | 3,814  | 183,821           |
|                         | Gross Prospective Resource         |        | Net Prospective Resource         |        |                   |
| Prospective             | 3,664                              | 49,512 | 1,489                            | 20,138 | 56,900            |

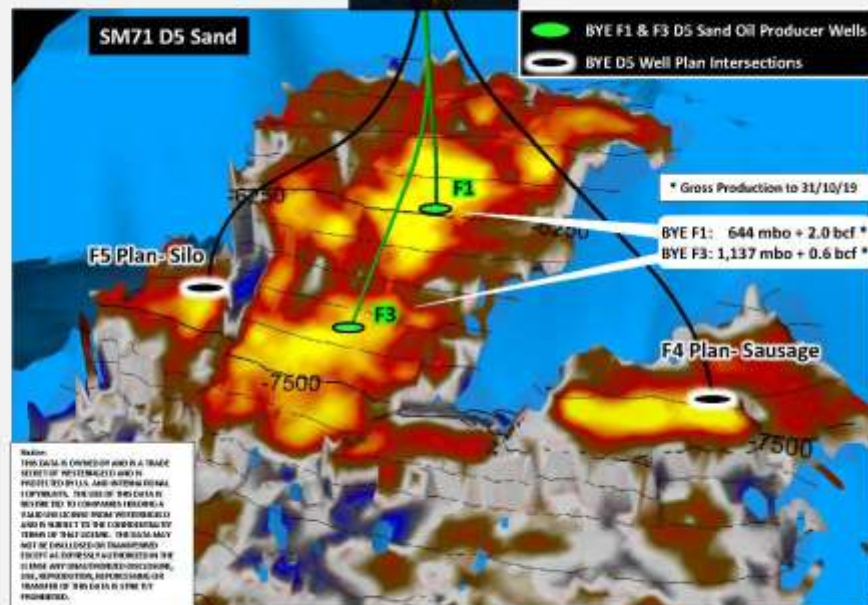


## SM71 D5 Sand With F4 & F5 Development Wells

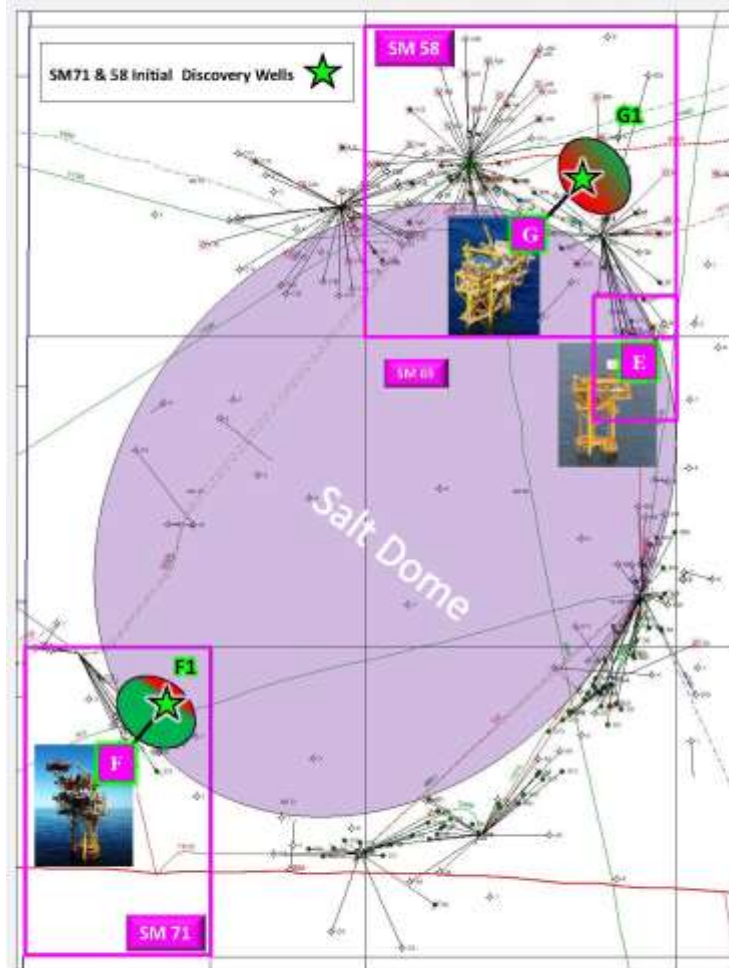


| SM 71 F4 & F5 Wells<br>Jan 2020 - March 2020 | US\$ mm |
|--|---------|
| F4 drill and complete                        | 10.8    |
| F5 drill and complete                        | 11.2    |
| Total (Gross 100%)                           | 22.0    |

| SM71 F4 & F5 'D5 Sand'<br>Gross 3P Reserves & Resources* | mmbo | bcf  |
|--|------|------|
| F4- Sausage Prospect (Gross Resources)                   | 1.3  | 0.75 |
| F5- Silo Prospect (Gross 3P Reserves)                    | 3.4  | 2.01 |



## SM71 & SM58 Historical Project Comparison



**SM 58** Water Depth 121'

**Purchased From Major GOM Operator**  
:US\$ 4,250,000 1st Jan 2019

**Total Previous Wells**  
:120 wells

**Previous Owners**  
: Shell 1962- 1983 (Over 100 wells)  
: Apache 1983 – 2013 (20 Wells)  
: Fieldwood 2013 - 2018( 0 wells)

**Previous Production**  
: 35.8 mmbo + 265 bcf

**Byron Wells**  
: Byron G1 discovery well Drilled Sept 2019  
301' in Upper O Sand, Possible 200' + oil in Lower O Sand

**Byron Collarini Reserves 2019\***  
: 2P Net Reserves – 11.0 mmbo + 34.5 bcf

**SM 71** Water Depth 132'

**Leased OCS Sale 222**  
:US\$ 166,620 1st Aug 2012

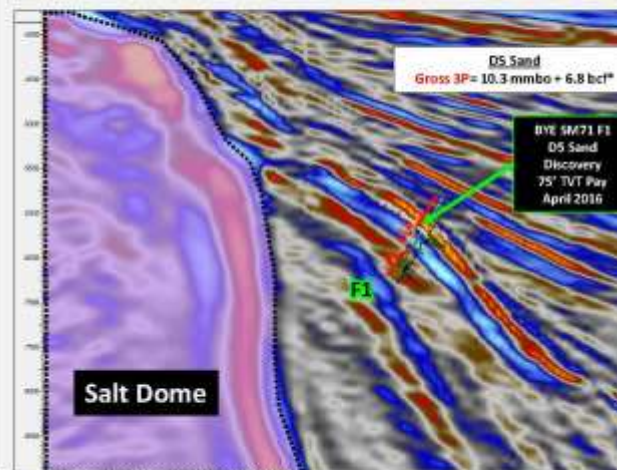
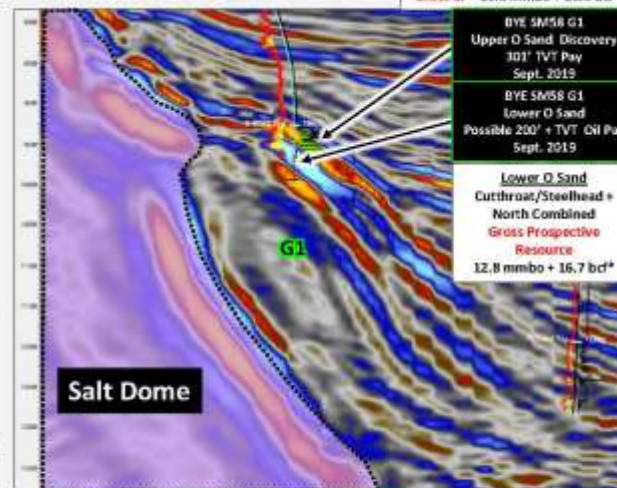
**Total Previous Wells**  
:27 wells

**Previous Owners**  
: Shell Oil 1962- 1973 (4 wells)  
: Transco 1977 – 1982 (5 Wells)  
: Tenneco 1983 – 1988 ( 2 wells)  
: Shell Oil 1990 – 1999 (16 Wells)  
: Apache 1999 – 2010 (0 wells)

**Previous Production**  
: 3.9 mmbo + 10 bcf (1995 – 2010)

**Byron Wells (3)**  
: Byron F1 discovery well Drilled April 2016  
75' TVT in DS Sand  
: Follow up wells F2 & F3

**Byron Collarini Reserves 2019\***  
: 2P Net Reserves – 4.4 mmbo + 3.1 bcf  
**Gross 100%-Total Production to 31<sup>st</sup> Oct 2019**  
: 1.9 mmbo + 2.7 bcf





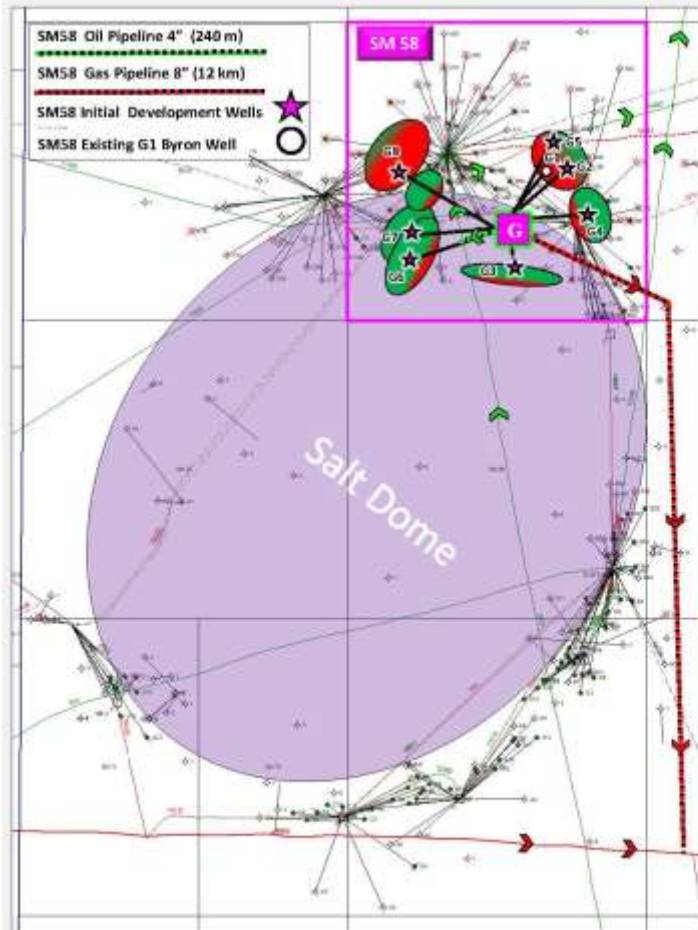
## South Marsh Island 58 (SM58) Project Summary and Update

|   |  |
|---|--|
| Owner   | Byron Energy                             |
| Operator  | Byron Energy Inc.                        |
| Water Depth   | 37 meters (121')                         |
| Previous SM58 Production                                | 35.8 mmbbl + 265 bcf                     |
| Acquired Jan 1 <sup>st</sup> 2019 from Fieldwood Energy | US\$ 4,250,000                           |
| Byron Interest  | 100% WI, 83.33% NRI                      |
| Byron #1 (G1) discovery well                            | September 2019, 301' TVT Hydrocarbon Pay |
| Platform & Pipelines Cost                               | US\$24.5 million                         |
| G Platform Installation Completed & Installed           | June 2020                                |
| Byron G2,3,4,5,6,7,8 & 9 drilling program               | Commencing August 2019                   |
| Net 2P Remaining Reserves *                             | 10,305 mbo + 33,498 mmcf                 |
| Net 2P Remaining NPV 10*                                | US\$332 million                          |



| SM58<br>Reserve Summary | Gross Reserves<br>Remaining 7/1/19 |        | Net Reserves<br>Remaining 7/1/19 |        | NPV<br>@10% US\$ (m) |
|-------------------------|------------------------------------|--------|----------------------------------|--------|----------------------|
|                         | mbo                                | mmcf   | mbo                              | mmcf   |                      |
| 1P Proved               | 4,882                              | 28,667 | 4,068                            | 23,888 | 115,555              |
| Probable                | 7,485                              | 11,532 | 6,237                            | 9,610  | 217,389              |
| 2P                      | 12,366                             | 40,199 | 10,305                           | 33,498 | 332,944              |
| Possible                | 4,717                              | 6,063  | 3,931                            | 5,052  | 122,527              |
| 3P                      | 17,084                             | 46,262 | 14,236                           | 38,550 | 455,471              |
|                         | Gross Prospective Resources        |        | Net Prospective Resources        |        |                      |
| Prospective             | 13,460                             | 35,337 | 11,216                           | 29,448 | 356,351              |

## SM 58 Facility & Pipeline Plan

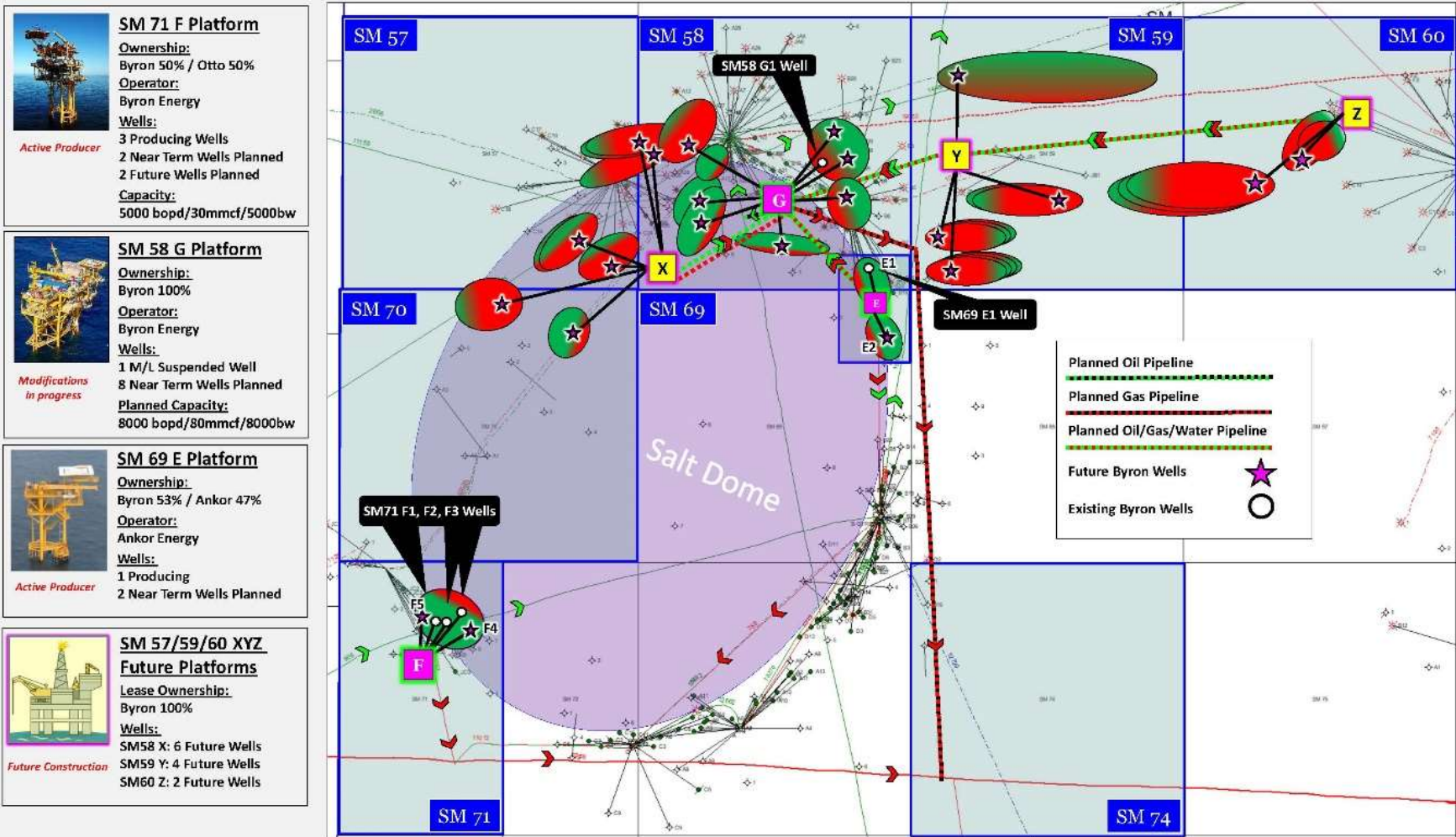


| SM 58 Development 'G Platform' Complete & Installed Sept. 2020      | US\$ mm |
|---|---------|
| Platform - ( Engineering, Structural Modifications & Refurbishment) | 14.7    |
| Platform installation   | 3.2     |
| Pipelines   | 6.6     |
| Total   | 24.5    |



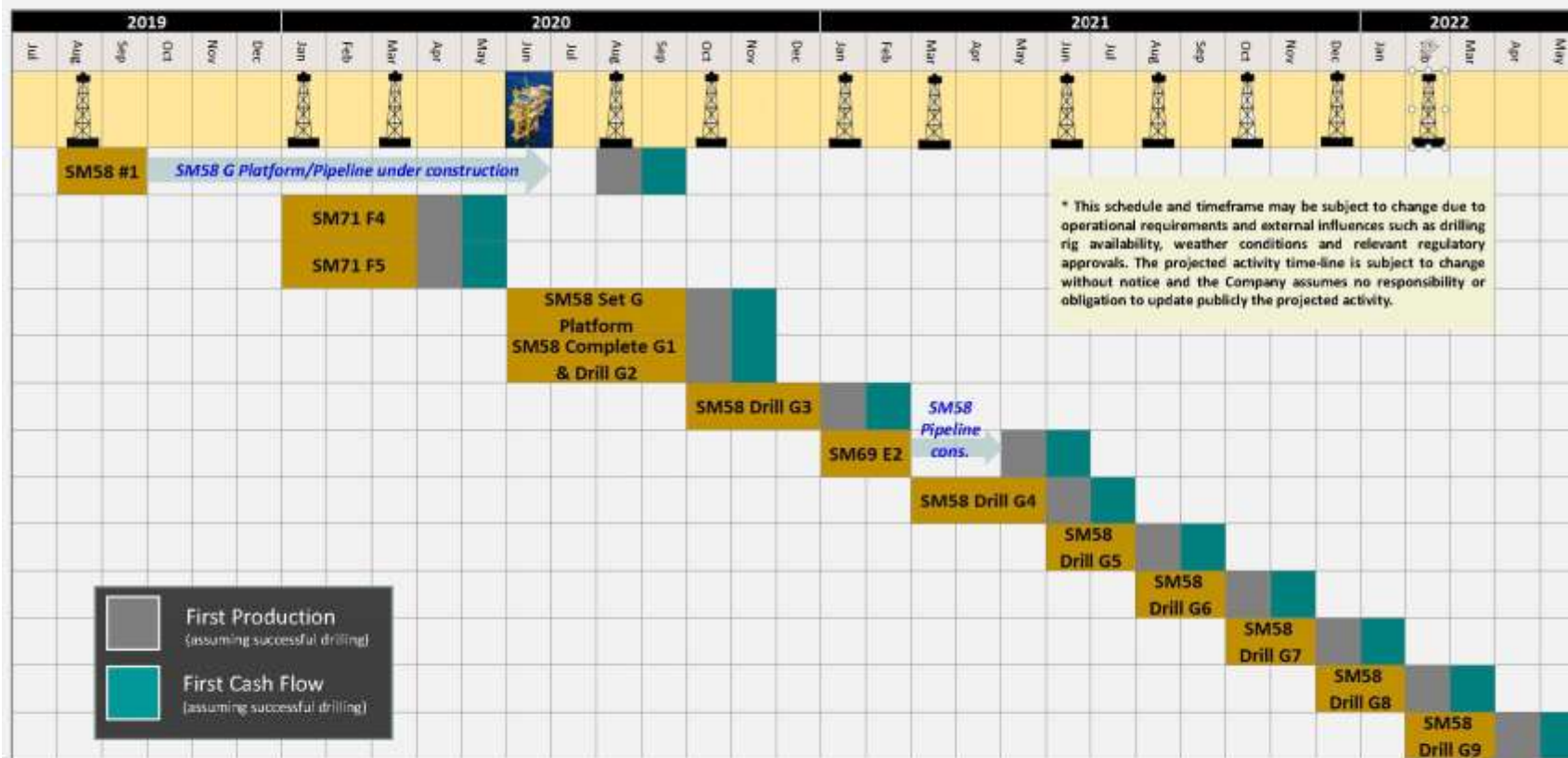


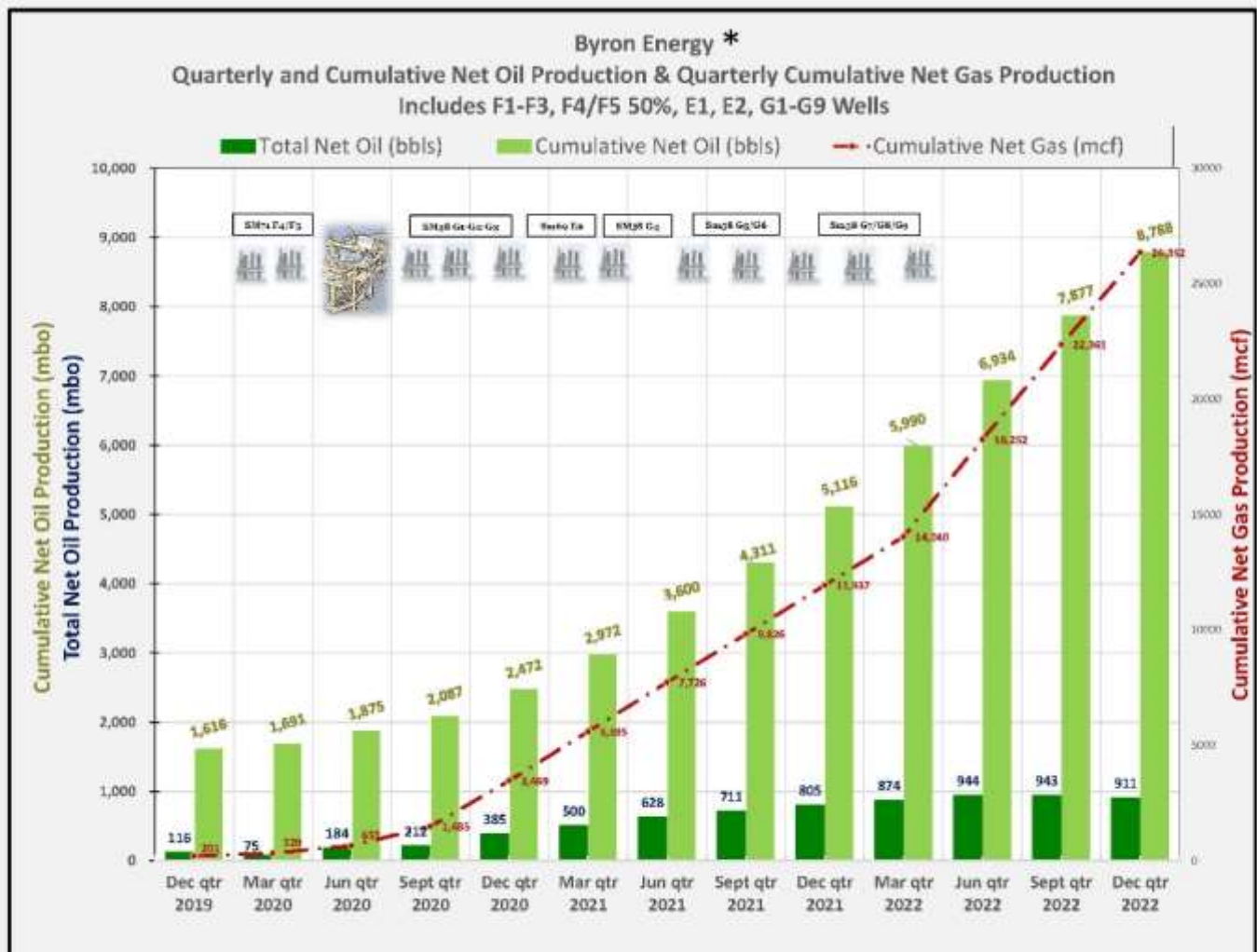
## South Marsh Island Area Current and Future Development Summary

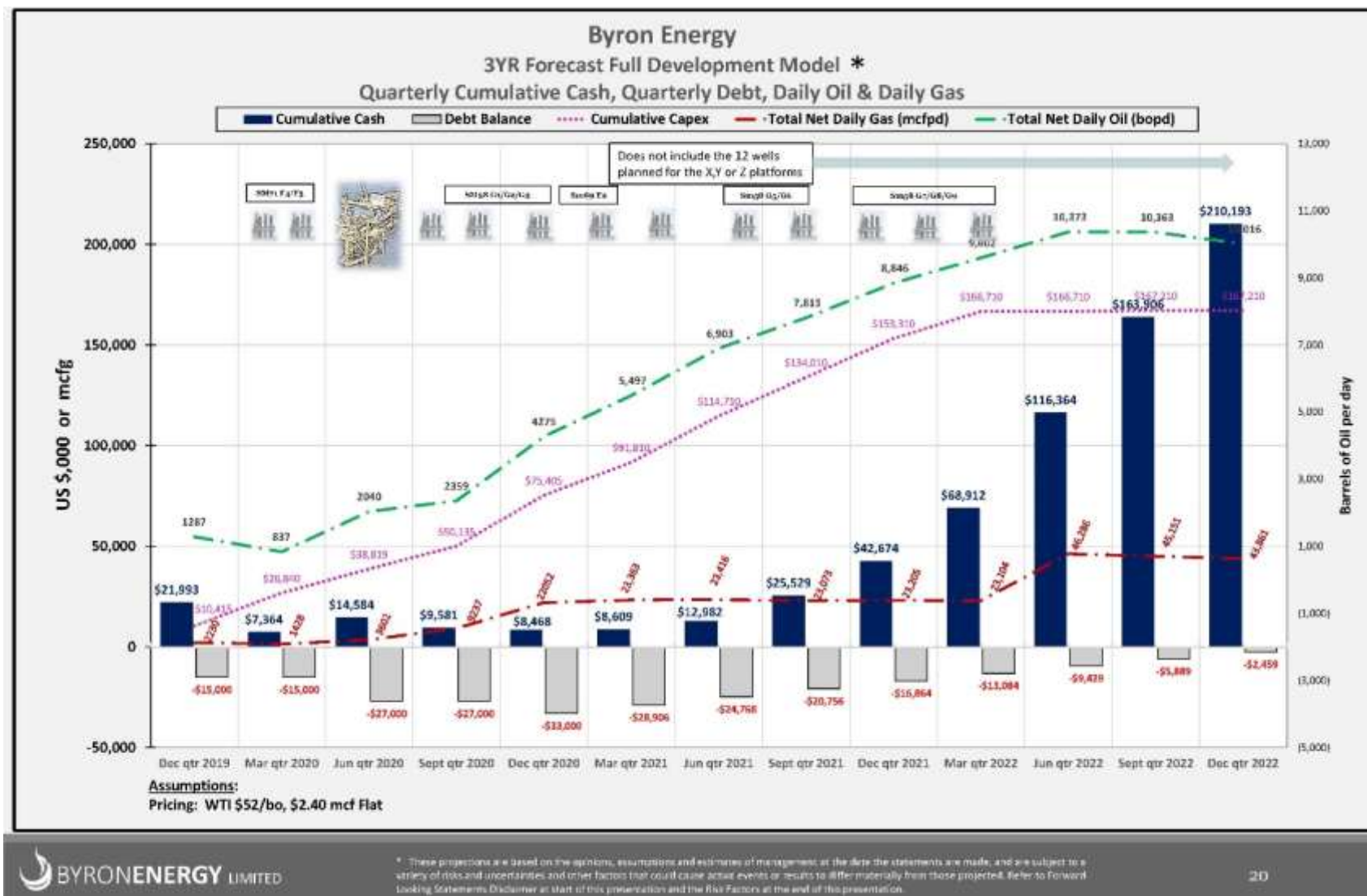




## Byron Projected Activity Time-Line\*

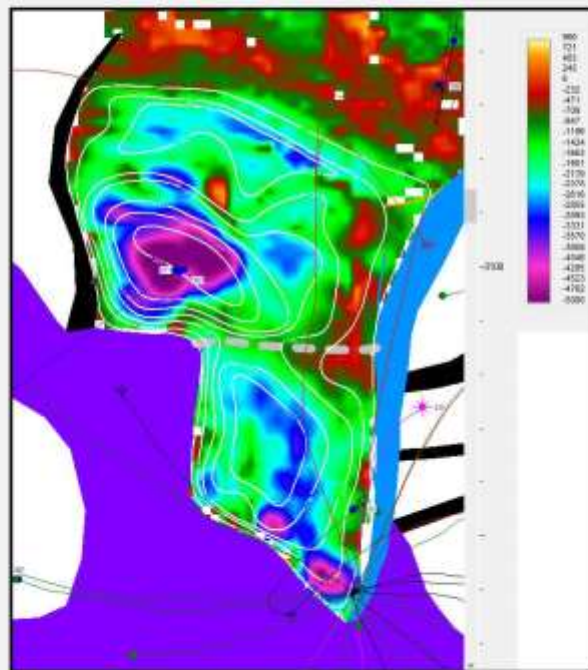




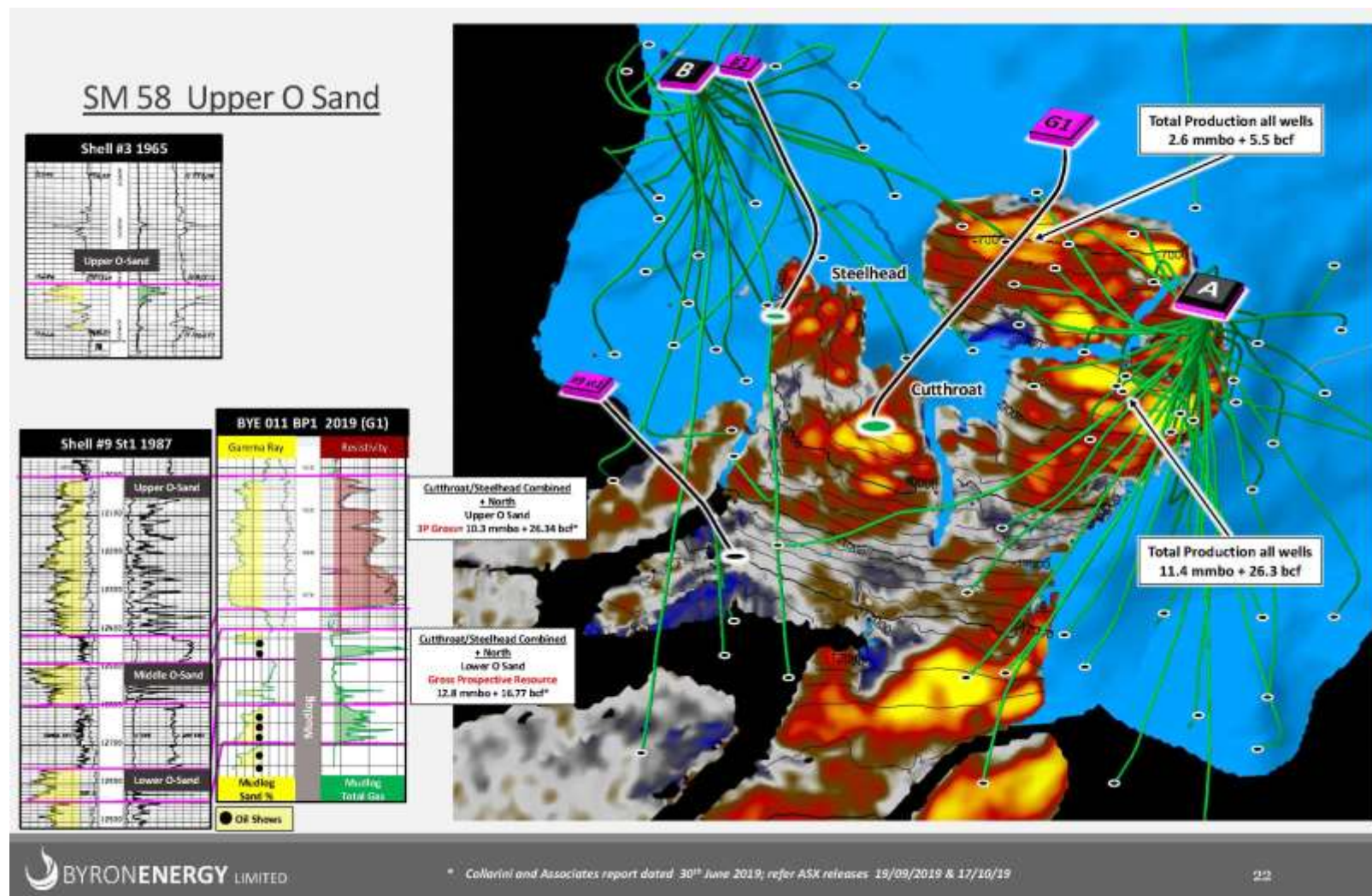


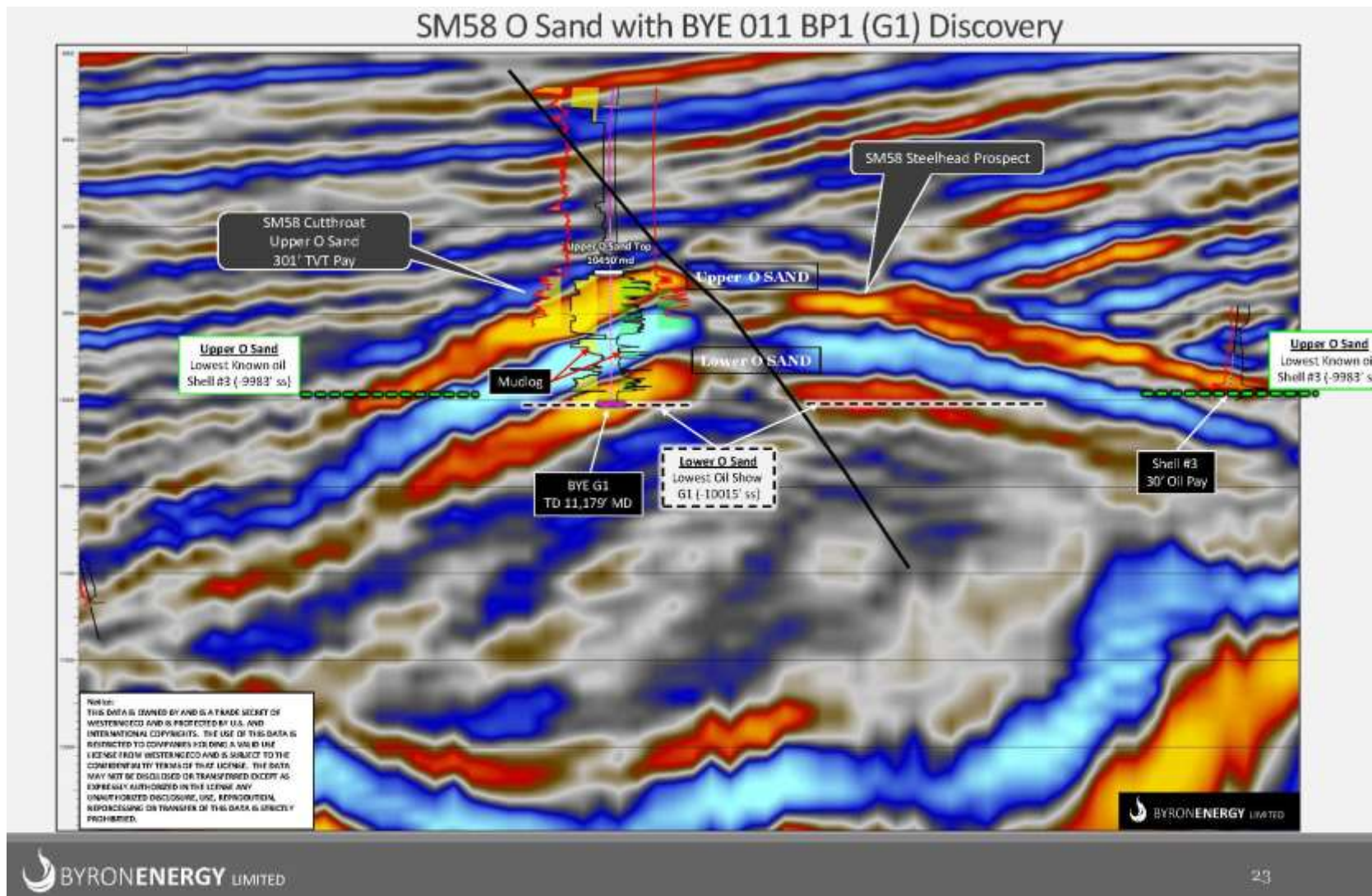
## SM58 Technical Information

Or how we found a substantial oil field in a 9 square mile area where 120 wells had been previously drilled

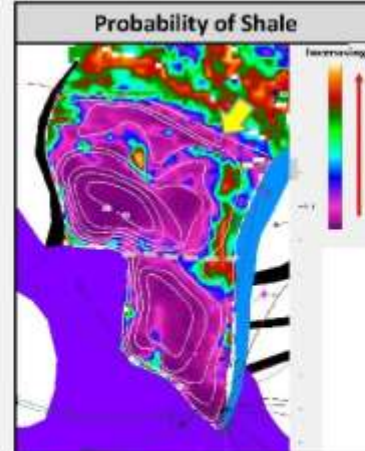
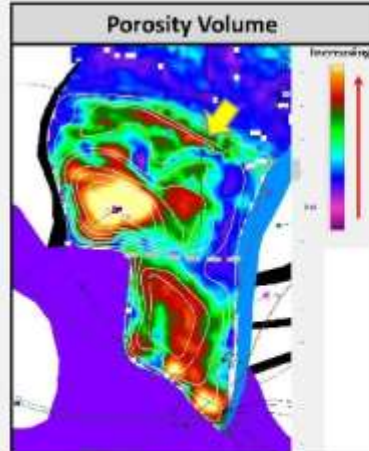
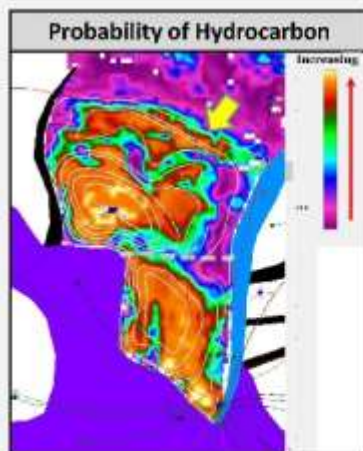
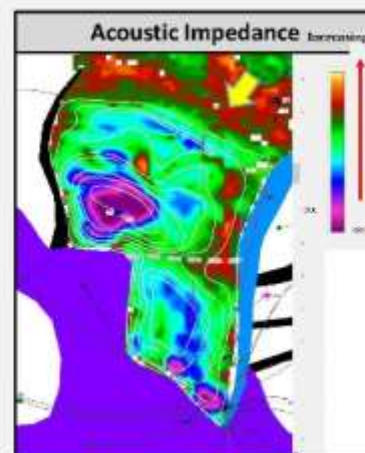
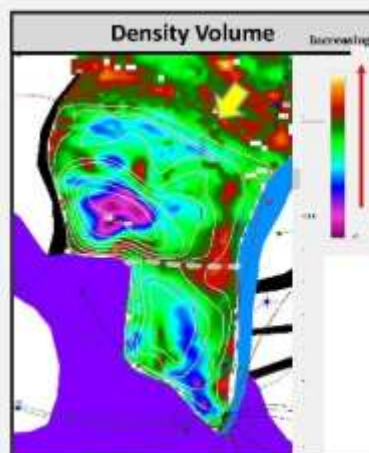
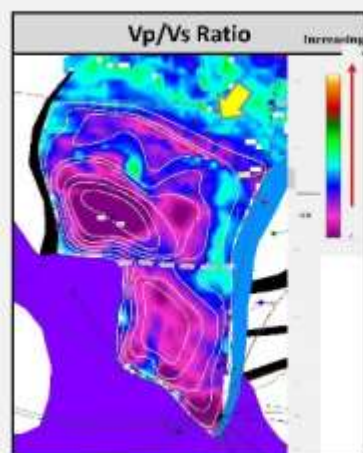












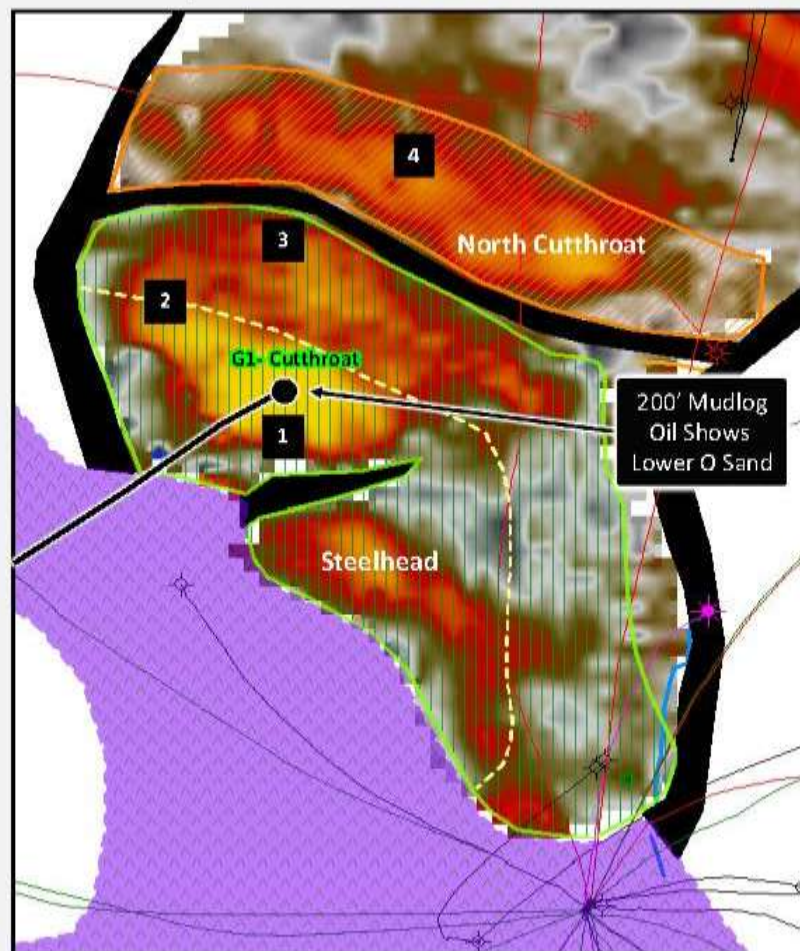
**SM58**  
**Upper O Sand**  
**Cutthroat/Steelhead**  
**Inversion**  
**Processing**

Upper O Sand  
 Various Inversion  
 Processing Volumes  
 Yellow arrow  
 indicates -10900  
 sstd cutoff for max  
 volume

## SM58 Lower O Sand RTM Amplitude

### Map Key:

1. Byron SM58 011 BP01 (G1) Lower O Sand
2. Contour representing depth of deepest oil show in SM58 011 BP01 (G1)
3. Cutthroat Prospect Lower O Sand Maximum Amplitude Limit
  - Prospective Resource Calculation Area
  - 9,689 Mbo + 12.2 Bcf – Gross
  - 8,074 Mbo + 10.2 Bcf – Net to Byron
4. North Cutthroat Lower O Sand Prospect
  - Prospective Resource Calculation Area
  - 3,149 Mbo + 4.5 Bcf – Gross
  - 2,624 Mbo + 3.7 Bcf – Net to Byron



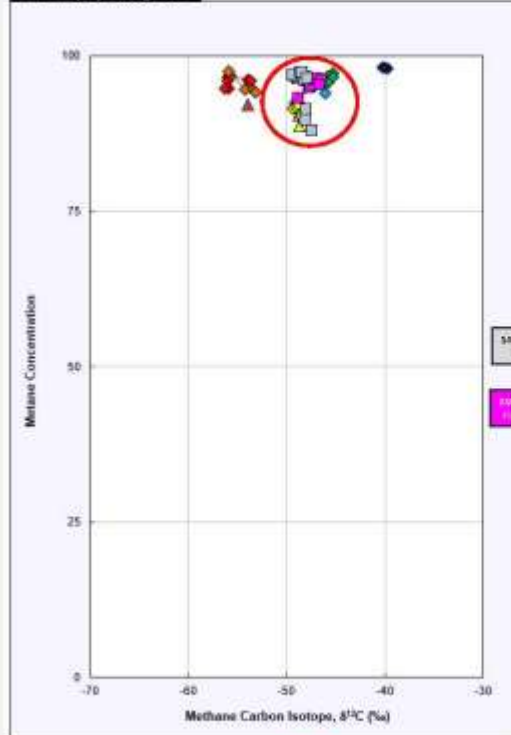


# SM 58 #11OH & BP01 O Sand Mud Gas Isotope Analysis

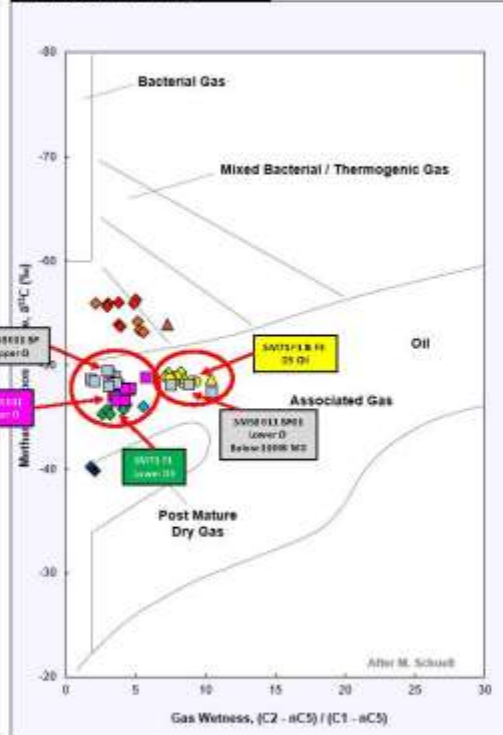
Byron Energy

SM71 #1 vs SM71 #2 vs SM71 #3, OCS-G-34268

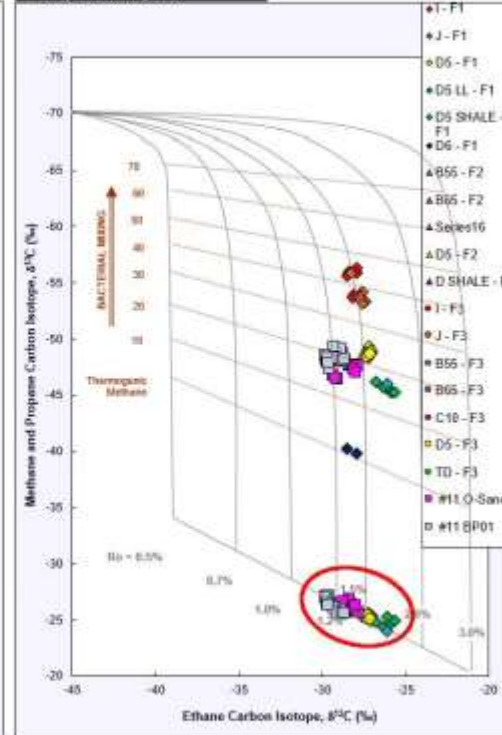
Methane (C1) Mixing Plot



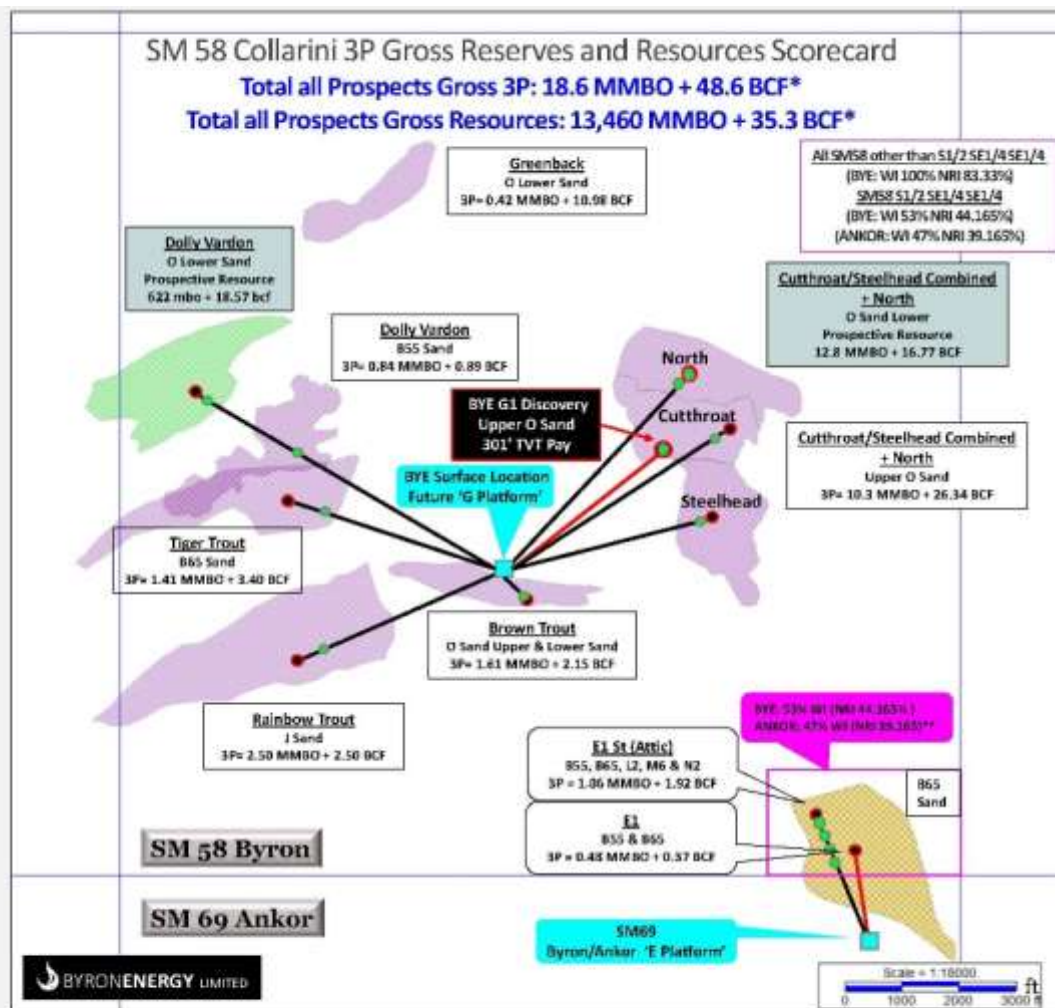
Genetic Gas Classifications



Maturity and Mixing Plot



SM71 D5 and SM58 O Sand Points



| SM58 Collarini Gross 1P Reserves* | MMBO        | BCF          |
|-----------------------------------|-------------|--------------|
| Cutthroat/Steelhead Upper O Sand  | 0.70        | 14.06        |
| Rainbow Trout                     | 1.89        | 1.89         |
| Tiger Trout                       | 1.09        | 1.11         |
| Brown Trout                       | 0.85        | 0.66         |
| Dolly Varden                      | 0.00        | 0.00         |
| Green Back                        | 0.42        | 10.98        |
| E1 & E1St(Attic)                  | 1.48        | 2.24         |
| <b>Total 1P</b>                   | <b>6.37</b> | <b>30.91</b> |

| SM58 Collarini Gross 2P Reserves* | MMBO         | BCF         |
|-----------------------------------|--------------|-------------|
| Cutthroat/Steelhead Upper O Sand  | 6.09         | 20.90       |
| Rainbow Trout                     | 2.50         | 2.50        |
| Tiger Trout                       | 1.41         | 3.40        |
| Brown Trout                       | 1.12         | 1.53        |
| Dolly Varden                      | 0.84         | 0.89        |
| Green Back                        | 0.42         | 10.98       |
| E1 & E1St(Attic)                  | 1.54         | 2.30        |
| <b>Total 2P</b>                   | <b>13.88</b> | <b>42.5</b> |

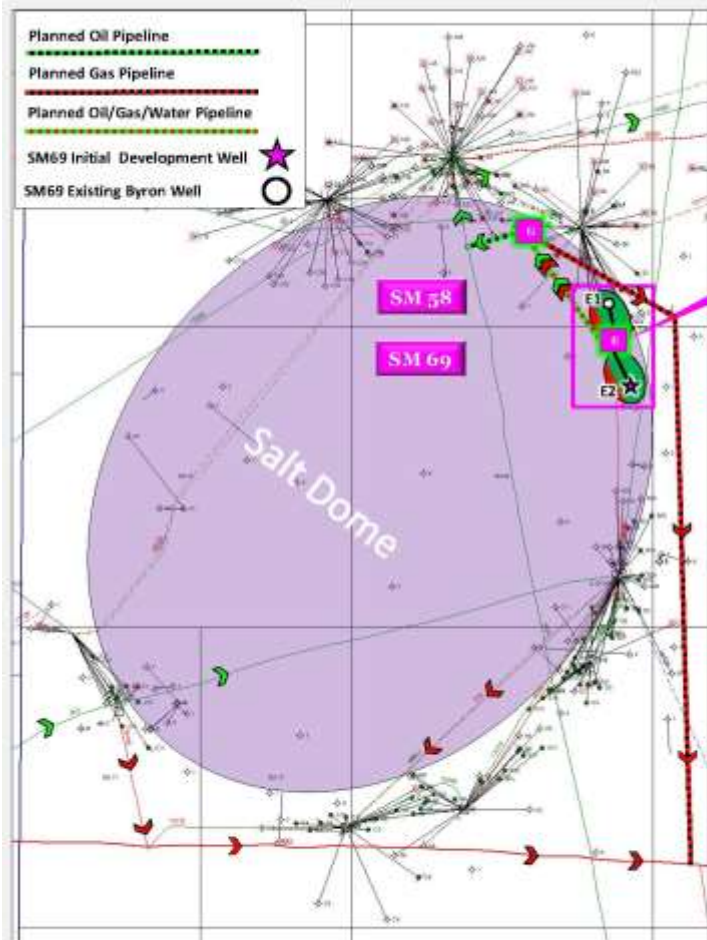
  

| SM58 Collarini Gross 3P Reserves* | MMBO         | BCF          |
|-----------------------------------|--------------|--------------|
| Cutthroat/Steelhead Upper O Sand  | 10.30        | 26.34        |
| Rainbow Trout                     | 2.50         | 2.50         |
| Tiger Trout                       | 1.41         | 3.40         |
| Brown Trout                       | 1.61         | 2.15         |
| Dolly Varden                      | 0.84         | 0.89         |
| Green Back                        | 0.42         | 10.98        |
| E1 & E1St(Attic)                  | 1.54         | 2.30         |
| <b>Total 3P</b>                   | <b>18.62</b> | <b>48.56</b> |

| SM58 Collarini Gross Prospective Resource** | MMBO         | BCF          |
|---|--------------|--------------|
| Cutthroat/Steelhead Lower O Sand            | 9.69         | 12.25        |
| North Cutthroat Lower O Sand                | 3.15         | 4.52         |
| Dolly Varden                                | 0.62         | 18.57        |
| <b>Total Prospective Resource</b>           | <b>13.46</b> | <b>35.34</b> |

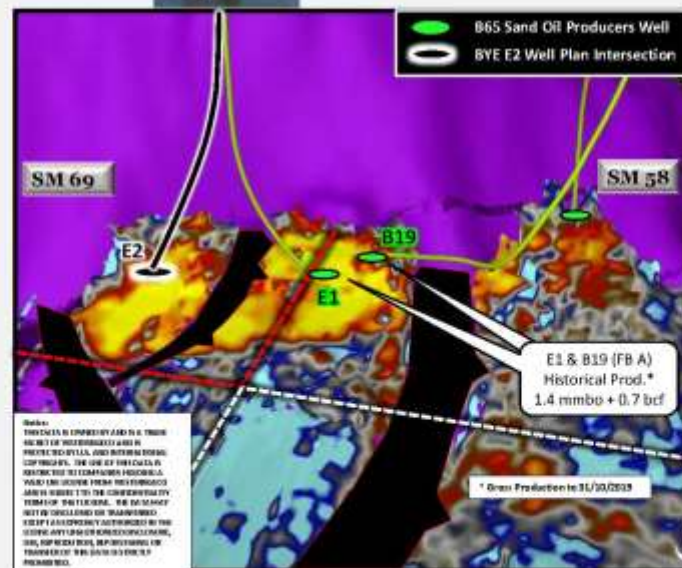
## SM69 B65 Sand With E2 Exploration Well



| SM 69 E2 Exploration Well<br>February 2021 | US\$ mm |
|--|---------|
| E2- Drill and complete                     | 10.8    |
| Total (Gross 100%)                         | 10.8    |



| SM69 E2<br>Gross Resources* | mbo   | mmcf  |
|-----------------------------|-------|-------|
| J Sand (FB B)               | 290   | 198   |
| B55 Sand (FB B)             | 289   | 231   |
| B65 Sand (FB B)             | 751   | 632   |
| L2 Sand (FB B)              | 235   | 211   |
| M6 Sand (FB B)              | 907   | 859   |
| N2 Sand (FB B)              | 433   | 409   |
| Total                       | 2,905 | 2,540 |





## Risk Factors

### Risks relating to the Company's Industry, Business and Financial Condition

There are a number of risks which may impact on the operating and financial performance of the Company and therefore, on the value of its shares. Some of these risks can be mitigated by the Company's systems and internal controls, but many are outside of the control of the Company and the Board. There can be no guarantee that the Company will achieve its stated objectives or that any trends of-looking statements will eventuate.

In addition to risks and uncertainties in the ordinary course of business that are common to all businesses, important factors that are specific to the Company and the oil and gas industry could materially impact the Company's future performance and results of operations. Below is a list of known material risk factors that should be reviewed when considering buying or selling Byron's shares. These are not all the risks the Company faces and other factors currently considered immaterial or unknown may impact future operations.

#### Oil and natural gas price risk

The Company's revenues, profitability and future growth depend significantly on crude oil and natural gas prices. Oil and natural gas prices are volatile and low prices could have a material adverse impact on cash flows and on Byron's business. Among the factors that can cause these fluctuations are: (i) changes in global supply and demand for oil and natural gas, (ii) the ability of the members of the Organization of Petroleum Exporting Countries to agree to and maintain oil price and production controls, (iii) the price and volume of imports into the USA of foreign oil and natural gas, (iv) political and economic conditions, including embargoes, in oil-producing countries or affecting other oil-producing activity, (v) the level of global oil and gas exploration and production activity, (vi) weather conditions, (vii) technological advances affecting energy consumption, (viii) USA domestic and foreign governmental regulations and taxes, (ix) proximity and capacity of oil and gas pipelines and other transportation facilities, (x) the price and availability of competing supplies of oil and gas in captive market areas, (xi) the introduction, price and availability of alternative forms of fuel to replace or compete with oil and natural gas, (xii) import and export regulations for LNG and/or refined products derived from oil and gas production from the USA, (xiii) speculation in the price of commodities in the commodity futures market, (xiv) the availability of drilling rigs and completion equipment, and the overall economic environment.

#### Financing risk

Byron's business plan, which includes participation in seismic data purchases, lease acquisitions and the drilling of exploration and development prospects, has required and is expected to continue to require capital expenditures. Byron may require additional financing to fund its planned growth. This additional financing may be in the form of equity, debt or a combination thereof. Byron may also obtain capital by farming out part of its working interest in one or more of its oil and gas properties. Byron's ability to raise additional capital will depend on the results of its operations and the status of various capital and industry markets at the time it seeks such capital. Accordingly, additional financing may not be available on acceptable terms, if at all. In the event additional capital resources are unavailable, Byron may be required to curtail its exploration and development activities. It is difficult to quantify the amount of financing Byron may need to fund its planned growth in the longer term. The amount of funding Byron may need in the future depends on various factors, including but not limited to: (i) the Company's financial condition, and (ii) the success or otherwise of its exploration and development programme. Further, the availability of such funding may depend on various factors, including but not limited to, the liquidity of the Company's shares at the time the Company seeks to raise funds and the prevailing and forecast market price of oil and natural gas. If Byron raises additional funds through the issue of equity securities, this may dilute the holdings of existing Shareholders. If Byron obtains additional capital by farming out part of its working interest in one or more of its oil and gas properties, the Company's share of reserves, future production and therefore oil and/or gas revenues, if any, from those properties will be reduced.

#### Third party pipelines and operators risk

Byron may from time to time, depend on third party platforms and pipelines that provide processing and delivery options from its facilities. As these platforms and pipelines are not owned or operated by Byron, their continued operation is not within Byron's control. Revenues in the future may be adversely affected if Byron's ability to process and transport oil or natural gas through those platforms and pipelines is impaired. If any of these platform operators ceases to operate their processing equipment, Byron may be required to shut in the associated wells, construct additional facilities or assume additional liability to re-establish production.

#### Oil and gas reserves estimation risk

There are numerous uncertainties in estimating crude oil and natural gas reserves and their value, including many factors that are beyond the control of the Company. It requires interpretations of available technical data and various assumptions, including assumptions relating to economic factors. Any significant inaccuracies in these interpretations or assumptions could materially affect the estimated quantities of reserves. In order to prepare these estimates, Byron's independent third-party petroleum engineers must project production rates and timing of development expenditures as well as various available geological, geophysical, production and engineering data, and the extent, quality and reliability of this data can vary. The process also requires economic assumptions relating to matters such as natural gas and oil prices, drilling and operating expenses, capital expenditures, taxes and availability of funds. Actual future production, natural gas and oil prices, revenues, taxes, development expenditures, operating expenses and quantities of recoverable natural gas and oil reserves most likely will vary from our estimates. Any significant variance could materially affect the estimated quantities and pre-tax net present value of reserves. In addition, estimates of proved reserves may be adjusted to reflect production history, results of exploration and development, prevailing natural gas and oil prices and other factors, many of which are beyond the Company's control and may prove to be incorrect over time. As a result, estimates may require substantial upward or downward revisions if subsequent drilling, testing and production reveal different results. Furthermore, some of the producing wells included in the Company's reserve report have produced for a relatively short period of time. Accordingly, some of the Company's reserve estimates are not based on a multi-year production decline curve and are calculated using a reservoir simulation model together with volumetric analysis. Any downward adjustment could indicate lower future production and thus adversely affect the Company's financial condition, future prospects and market value.

#### Oil and gas reserves depletion risk

Byron's future oil and natural gas production depends on its success in finding or acquiring new reserves. If Byron fails to replace reserves, its level of production and cash flows will be adversely impacted. Production from oil and natural gas properties declines as reserves are depleted, with the rate of decline depending on reservoir characteristics. Byron's total proved reserves will decline as reserves are produced unless it can conduct other successful exploration and development activities or acquire properties containing proved reserves, or both. Further, all of Byron's proved reserves are proved developed producing or behind pipe. Accordingly, Byron does not have significant opportunities to increase production from its existing proved reserves. Byron's ability to make the necessary capital investment to maintain or expand its asset base of oil and natural gas reserves would be impaired to the extent cash flow from operations is reduced and external sources of capital become limited or unavailable. Byron may not be successful in exploring for, developing or acquiring additional reserves. If Byron is not successful, its future production and revenues will be adversely affected.

#### Oil and gas drilling risk

Drilling for crude oil, natural gas and natural gas liquids are high risk activities with many uncertainties that could adversely affect the Company's business, financial condition or results of operations.

The drilling and operating activities are subject to many risks, including the risk that we will not discover commercially productive reservoirs. Drilling for crude oil, natural gas and natural gas liquids can be unprofitable, not only from dry holes, but from productive wells that do not produce sufficient revenues to return a profit. In addition, Byron's drilling and producing operations may be curtailed, delayed or cancelled as a result of other factors, including, among others, unexpected geological formations and misinterpretations, problems, fires, explosions and blowouts, pipe or cement failures, environmental hazards, such as natural gas leaks, oil spills, pipeline and tank ruptures, environmental contamination, regulatory investigations and penalties, equipment malfunctions, unexpected operational issues, shortages of skilled personnel, shortages or delivery delays of equipment and services, compliance with environmental and other regulatory requirements, natural disasters, and adverse weather conditions.

Any of these risks can cause substantial losses, including personal injury or loss of life, severe damage to or destruction of property, natural resources and equipment, pollution, environmental contamination, clean-up responsibilities, loss of wells, repairs to resume operations and regulatory fines or penalties.

#### Operating risk

The oil and natural gas business, including production activities, involves a variety of operating risks, including: blowouts, fires and explosions; surface cratering; uncontrollable flows of underground natural gas, oil or formation water; natural disasters; pipe and cement failures; casing collapses; stuck drilling and service tools; reservoir compaction; abnormal pressure formation; environmental hazards such as natural gas leaks, oil spills, pipeline and tank ruptures or unauthorized discharges of brine, toxic gases or well fluids; capacity constraints; equipment malfunctions and other problems at third-party operated platforms, pipelines and gas processing plants over which Byron has no control; reported shut-ins of Byron's well bores could significantly damage the Company's well bores; required workovers of existing wells that may not be successful; if any of the above events occur, Byron could incur substantial losses as a result of injury or loss of life; reservoir damage; severe damage to and destruction of property or equipment; pollution and other environmental and natural resource damage; restoration, decommissioning or clean-up responsibilities; regulatory investigations and penalties; suspension of our operations or repairs necessary to resume operations.

Offshore operations are subject to a variety of operating risks peculiar to the marine environment, such as capsizing and collisions. In addition, offshore operations, and in some instances operations along the Gulf Coast, are subject to damage or loss from hurricanes or other adverse weather conditions. These conditions can cause substantial damage to facilities and interrupt production. As a result, the Company could incur substantial liabilities that could reduce the funds available for exploration, development or leasehold acquisitions, or result in loss of properties. If Byron were to experience any of these problems, it could affect well bores, platforms, gathering systems and processing facilities, any one of which could adversely affect its ability to conduct operations. In accordance with customary industry practices, Byron maintains insurance against some, but not all, of these risks. Losses could occur for uninsured or uninsured risks or in amounts in excess of existing insurance coverage. The Company may not be able to maintain adequate insurance in the future at rates we consider reasonable, and particular types of coverage may not be available. An event that is not fully covered by insurance could have a material adverse effect on the Company's financial position and results of operations.

## Risk Factors

### Execution risk (drilling and operating programmes)

Shortages or increases in the cost of drilling rigs, equipment, supplies or personnel could delay or adversely affect Byron's operations which could have a material adverse effect on its business, financial condition and results. Where Byron is the operator it assumes additional responsibilities and risks. As the designated operator, Byron, under the BORM regulations, will be required to post bonds for exploration and development activities as well as for production activities and future decommissioning obligations. There is the risk that the Company may not be able to obtain sufficient bonding and may have to collateralise obligations with cash. If the Company was unable to provide such bonds, it would not be able to proceed with its operating plans. In addition, as the designated operator Byron will have to demonstrate the required oil spill financial responsibility (OSFR) under the Oil Pollution Act of 1990 (US). The OSFR is based on worst case oil-spill discharge volumes. Byron expects to demonstrate OSFR requirement through the purchase of OSFR insurance coverage, a method of demonstrating OSFR acceptable to the BOEM. If the Company was unable to demonstrate OSFR as required by the BOEM, it would not be able to proceed with its operating plans.

### Geographic concentration risk

The geographic concentration of Byron's properties in the shallow waters and transition zone (offshore Louisiana) in the Gulf of Mexico means that some or all of the properties could be affected by the same event should the Gulf of Mexico experience severe weather, delays or decreases in production, changes in the status of pipelines, delays in the availability of transport and changes in the regulatory environment.

Because all of the Company's properties could experience the same conditions at the same time, these conditions could have a relatively greater impact on results of operations than they might have on other operators who have properties over a wider geographic area.

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### Climate change risk

Climate change continues to attract considerable public, governmental and scientific attention. As a result, various proposals have been made and could continue to be made at the international, national, regional and state levels of government to monitor and limit emissions of greenhouse gases (GHG). Consequently, legislative and regulatory programs to reduce emissions of greenhouse gases could have an adverse effect on Byron's business, financial condition and results of operations.

While the United States of America Congress has not taken any legislative action to reduce emissions of GHG, many US states have established GHG cap and trade programs. Most of these cap and trade programs work by requiring major sources of emissions, such as electric power plants, or major producers of fuels, such as refineries and gas processing plants, to acquire and surrender emission allowances. The number of allowances available for purchase is reduced each year in an effort to achieve the overall GHG emissions reduction goal.

Additionally, the United States is one of almost 90 countries that, in December 2005, agreed to the Paris Agreement, an international climate change agreement in Paris, France that calls for countries to set their own GHG emissions targets and be transparent about the measures each country uses to achieve its GHG emissions targets. The Paris Agreement entered into force on November 4, 2016. However, in August 2017, the U.S. State Department officially informed the United Nations of the intent of the United States to withdraw from the Paris Agreement. The Paris Agreement provides for a four-year ratification process beginning when it took effect in November 2016, which would result in an effective exit date of November 2020. The United States' adherence to the ratification process is uncertain and/or the terms on which the United States may reenter the Paris Agreement or a separately negotiated agreement are unclear at this time.

Byron's oil and gas asset carrying values may be affected by any resulting adverse impacts to reserve estimates and the Byron's inability to produce such reserves may also negatively impact its financial condition and results.

The growth of alternative energy supply options, such as renewables and nuclear, could also present a change to the energy mix that may reduce the value of oil and gas assets.

The physical effects of climate change on the Byron's assets may include changes in rainfall patterns, water shortages, rising sea levels, increased storm intensity and higher temperatures. These effects could have an adverse effect on the Byron's business, financial condition and results of operations.

### Competition risk

Competition in the oil and natural gas industry is intense which may make it more difficult for Byron to acquire further properties, market oil and gas and secure trained personnel. There is also competition for capital available for investment, particularly where alternative forms of energy have become more prominent. Most competitors possess and employ financial, technical and personnel resources substantially greater than those available to Byron. As a result increased costs of capital could have an adverse effect on Byron's business.

### Environmental risk

The natural gas and oil business involves a variety of operating risks, including but not limited to (i) blowouts, fires and explosions, (ii) surface cratering, (iii) uncontrollable flows of underground natural gas, oil or formation water and natural disasters. If any of the above events occur, Byron could incur losses as a result of injury or loss of life, reservoir damage, damage to and destruction of property or equipment, pollution and other environmental damage, clean-up responsibilities and regulatory investigations and penalties.

The operation of our future oil and gas properties will be subject to numerous federal, state and local laws and regulations governing the discharge of materials into the environment or otherwise relating to environmental protection.

Failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal fines and penalties and the imposition of injunctive relief. Accidental releases or spills may occur in the course of the operations of our properties, and it cannot be assured that Byron will not incur significant costs and liabilities as a result of such releases or spills, including any third party claims for damage to property, natural resources or persons.

Among the environmental laws and regulations that could have a material impact on the oil and natural gas exploration and production industry and the Byron's business are laws relating to: waste discharges, air emissions and climate change, oil pollution, worker safety, safe drinking water, offshore drilling, hazardous substances and protected and endangered species.

### Oil and gas transport and processing risk

All of Byron's oil and natural gas is transported through gathering systems, pipelines and processing plants. Transportation capacity on gathering system pipelines and platforms is occasionally limited and at times unavailable due to repairs or improvements being made to these facilities or due to capacity being utilized by other natural gas or oil shippers that may have priority transportation agreements. If the gathering systems, processing plants, platforms or Byron's transportation capacity is materially restricted or is unavailable in the future, its ability to market its oil and/or natural gas could be impaired and cash flow from the affected properties could be reduced, which could have a material adverse effect on its financial condition and results of operations. Further, repeated shut-ins of Byron's wells could result in damage to its well bores that would impair its ability to produce from these wells and could result in additional wells being required to produce existing reserves.

### Exchange rate risk

The functional currency of Byron is Australian dollars and the functional currency of its United States based subsidiaries is United States dollars. Byron has historically presented its financial statements in United States dollars, as the United States dollar is viewed as the best measure of performance for Byron because oil and gas, the dominant sources of revenue, are priced in United States dollars and its oil and gas operations are located in the United States with costs incurred in United States dollars.

As all Byron's operating assets are in the United States, the Company's presentation currency, the currency in which it reports its financial results, will be United States dollars. Accordingly, an Australian dollar investment in the Company is exposed to fluctuations between the Australian dollar and the United States dollar exchange rate. In particular, as most of the Company's capital and operating expenses will be in United States dollars any appreciation/depreciation in the Australian dollar against the United States dollar will effectively decrease/increase the number of these costs for Shareholders. In addition, the Company's revenue is derived from United States dollar oil and gas sales. Any appreciation/depreciation of the Australian dollar against the United States dollar will effectively reduce/increase the value of that revenue for Shareholders.

Adverse exchange rate variations between the Australian dollar and the United States dollar may impact upon cash balances held in Australian dollars. Since most of Byron's operations are conducted in United States dollars, Byron generally maintains a substantial portion of its cash balances in United States dollar accounts. From time to time the Company may have substantial cash deposits in Australian dollar accounts. Until these funds are converted into United States dollars, the United States dollar value of the deposits will change as the exchange rate between the two currencies fluctuates.

## Risk Factors

### Key management risk

To a large extent, the Company depends on the services of its senior management. The loss of the services of any of the senior management team, could have a negative impact on the Company's operations. Byron does not maintain or plan to obtain for the benefit of the Company any insurance against the loss of any of these individuals.

### Regulatory Risk

Byron's oil and gas operations in the Gulf of Mexico, USA are subject to regulation at the US federal, state and local level and some of the laws, rules and regulations that govern operations carry substantial penalties for non-compliance. Rules and regulations affecting the oil and gas industry are under constant review for amendment or expansion. In addition to possible increased costs, the imposition of increased regulatory based procedures may result in delays in being able to initiate or complete drilling programmes.

### Hedging

The Company does not currently have in place any foreign exchange hedging arrangements. However, foreign exchange hedging strategies will be reviewed by the Company from time to time, implementation of any strategy will depend, inter alia, upon the foreign exchange hedging options available to the Company from time to time, the cash cost of entering into hedging transactions and the Company's capacity to pay for such costs.

### Other risks

There are a number of other risks which may impact on the operating and financial performance of the Company, including but not limited to:-

#### (a) Seismic risk

3D seismic data and visualization techniques only assist geoscientists and geologists in identifying subsurface structures and hydrocarbon indicators. They do not allow the interpreter to know if hydrocarbons are present or producible economically.

#### (b) Lease termination risk

The failure to timely effect all lease-related payments could cause the lease to be terminated by the BOEM.

#### (c) Profitability and impairment write-downs risk

Byron may incur non-cash impairment charges in the future, which could have a material adverse effect on its results of operations for the periods in which such charges are taken.

#### (d) Working interest partners' risk

If partners are not able to fund their share of costs, it could result in the delay or cancellation of future projects, resulting in a reduction of Byron's reserves and production, which could have a materially adverse effect on its financial condition and results of operations.

#### (e) Bonding risk

As an operator, Byron is required to post surety bonds of US\$400,000 per lease for exploration and US\$150,000 per lease for developmental activities as part of its general bonding requirements, as well as the posting of additional supplemental bonds to cover, among other things, decommissioning obligations. A failure by an operator to post required supplemental bonding or other financial assurances required by the BOEM could result in the BOEM assessing monetary penalties or requiring any operations on an operator's federal lease to be suspended or cancelled or otherwise subject an operator to monetary penalties. Any one or more such actions imposed upon could materially adversely affect Byron's financial condition and results of operations.

#### (f) Asset retirement obligations (AROs) risk

Byron is required to record a liability for the present value of AROs to plug and abandon inactive, non-producing wells, to remove inactive or damaged platforms, facilities and equipment and to restore land and seabed when production finishes. Estimating future costs is uncertain because most obligations are many years in the future, regulatory requirements will change and technology is evolving which may make it more expensive to meet these obligations.

#### (g) Insurance risk

In accordance with industry practice Byron maintains insurance against some, but not all, of the operating risks to which its business is exposed. Byron will not be insured against all potential risks and liabilities. Future insurance coverage for the oil and gas industry could increase in cost and may include higher deductibles or retentions. In addition, some forms of insurance may become unavailable in the future or unavailable on terms that are economically acceptable.

#### (h) Cyber security risk

The oil and gas industry is increasingly dependent on digital technologies to conduct certain exploration, development, production, processing and distribution activities. The industry faces various security threats, including cyber-security threats. Cyber-security attacks in particular are increasing. Although to date Byron has not experienced any material losses related to cyber-security attacks, it may suffer such losses in the future. If any of these events were to materialize, they could lead to losses of intellectual property and other sensitive information essential to the company's business and could have a material adverse effect on its business prospects, reputation and financial position.

#### (i) Share market investment risk

The Company's shares are quoted on the ASX, where their price may rise or fall. The shares carry no guarantee in respect of profitability, dividends or return of capital, or the price at which they may trade on the ASX. The value of the shares will be subject to the market and hence a range of factors outside of the control of the Company and the Directors and officers of the Company. Returns from an investment in the shares may also depend on general share market conditions, as well as the performance of the Company.

Historically, the stock market has experienced significant price and volume fluctuations. Stock market volatility and volatility in commodity prices has had a significant impact on the market price of securities issued by many companies, including companies in the oil and gas industry. The changes frequently appear to occur without regard to the operating performance of the affected companies. Hence, the price of the Company's shares could fluctuate based upon factors that have little or nothing to do with Byron, and these fluctuations could materially reduce its share price.

The Company's board of directors presently intends to retain all of our earnings for the expansion of the business; therefore, there are no plans to pay regular dividends. Any payment of future dividends will be at the discretion of the board of directors and will depend on, among other things, earnings, financial condition, capital requirements, level of indebtedness, and other considerations that the board of directors deems relevant.

Future sales or the availability for sale of substantial amounts of the Company's shares in the public market could adversely affect the prevailing market price of Byron's shares and could impair its ability to raise capital through future issues of equity securities.

## Reserves and Resources Information

### Reserves and Resources Reporting

Pursuant to ASX Listing Rules ("LR") the reserves and prospective resources information in this document:

- (i) is effective as at 30 June, 2019 (LR 5.25.1)
- (ii) has been estimated and is classified in accordance with SPE-PRMS (Society of Petroleum Engineers - Petroleum Resources Management System) (LR 5.25.2)
- (iii) is reported according to the Company's economic interest in each of the reserves and net of royalties (LR 5.25.5)
- (iv) has been estimated and prepared using the deterministic method; and the aggregate 1P may be a very conservative estimate and the aggregate 3P may be a very optimistic estimate due to the portfolio effects of arithmetic summation; and prospective resources have not been adjusted for risk using the chance of discovery (LR 5.25.6)
- (v) has been estimated using a 6:1 BOE conversion ratio for gas to oil, 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency (LR 5.25.7)
- (vi) is reported on a best estimate basis for prospective resources (LR 5.28.1)
- (vii) is reported on an un-risked basis for prospective resources which have not been adjusted for an associated chance of discovery and a chance of development (LR 5.35.4).

**Prospective resources** - The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations and these estimates have both an associated risk of discovery and a risk of development; and further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons (LR 5.28.2).

The reserves and resources are based on information disclosed in the Company's ASX releases dated 19<sup>th</sup> September 2019 and 17 October 2019. The Company confirms that it is not aware of any new information or data that materially affects the information included within the above releases, and that all the material assumptions and technical parameters underpinning the estimates therein continue to apply and have not materially changed.

### Reserves Cautionary Statement

Oil and gas reserves and resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. Additionally, by their very nature, reserve and resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional drilling and analysis, the estimates are likely to change. They may result in alterations to development and production plans which may, in turn, adversely impact the Company's operations. Reserves estimates and estimates of future net revenues are, by nature, forward looking statements and subject to the same risks as other forward looking statements.

### Other Reserves Information

Byron currently operates all of its properties which are held under standard oil and gas lease arrangements on the outer continental shelf of the Gulf of Mexico. The Company's working interest ownership (WDI), net revenue interest (NRI) and lease expiry dates in relation to each of its properties are generally included in the Company's presentations and ASX releases which are available on the ASX or the Company's website.

### Competent Person's Statement

The information in this presentation that relates to oil and gas reserves and resources was compiled by technical employees of independent consultants Collarini and Associates, under the supervision of Mr Mitch Reece BSc PE. Mr Reece is the President of Collarini and Associates and is a registered professional engineer in the State of Texas and a member of the Society of Petroleum Evaluation Engineers (SPEE), Society of Petroleum Engineers (SPE), and American Petroleum Institute (API). The reserves and resources included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/American Association of Petroleum Geologists (AAPG)/Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The reserves and resources information reported in this Statement are based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr Reece. Mr Reece is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears (LR 5.41 and 5.42).

## International Offer Restrictions

### Disclaimer

This document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

### Hong Kong

**WARNING:** This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

### New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;  
meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;  
is large within the meaning of clause 39 of Schedule 1 of the FMC Act;  
is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or  
is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

### Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

### United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 (the "Securities Act") and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.



**Byron US Office**  
Lafayette Louisiana  
Suite 100, 425 Settlers Trace Boulevard

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Website: [www.byronenergy.com.au](http://www.byronenergy.com.au)

## **7. Additional information**

### **7.1 General**

This Offer Booklet is dated 28 November 2019.

This Offer Booklet and the Entitlement and Acceptance Form have been prepared by the Company.

No party other than the Company has authorised or caused the issue of this Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Offer Booklet.

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Offer Booklet. Any information or representation that is not in this Offer Booklet may not be relied on as having been authorised by the Company, or its related bodies corporate in connection with the Entitlement Offer.

### **7.2 Status of Offer Booklet**

The Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow rights issues to be offered without a prospectus.

Neither this Offer Booklet nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC. This Offer Booklet is not a prospectus under the Corporations Act and no prospectus for the Entitlement Offer will be prepared. These documents do not contain, or purport to contain, all of the information that a prospective investor may require in evaluating an investment in the Company. They do not contain all the information which would be required to be disclosed in a prospectus.

### **7.3 Rights issue exception not available**

No nominee has been appointed for Ineligible Shareholders under section 615 of the Corporations Act and, as such, Eligible Shareholders will not be able to rely on the exception for rights issues in Item 10 of Section 611 of the Corporations Act. Accordingly, when an Eligible Shareholder applies for some or all of their Entitlement, they must have regard to section 606 of the Corporations Act. Eligible Shareholders who may be at risk of exceeding the 20% Voting Power threshold in section 606 as a result of acceptance of their Entitlement or subscribing for Additional Shares pursuant to the Top-Up Offer should seek professional advice before completing and returning the Entitlement and Acceptance Form.

### **7.4 Litigation**

So far as the Company is aware, there are no legal or arbitration proceedings, active or threatened against, or being brought by, the Company which may have a material effect on the Company's financial position.

### **7.5 No cooling-off rights**

Cooling-off rights do not apply to an investment in New Shares. You cannot, in most circumstances, withdraw your application once it has been accepted.

## 7.6 Governing law

This Offer Booklet and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the law of New South Wales, Australia. Each applicant submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

## 7.7 Other interests

Persons holding rights or interests in relation to Shares (such as options to subscribe for Shares), will not be entitled to participate in the Entitlement Offer in respect of those rights or interests unless they have become entitled to exercise their right or interest under the terms of their issue and do so such that they become the holder of Shares before the Record Date and an Eligible Shareholder in respect of those Shares.

## 7.8 Taxation

Eligible Shareholders should be aware that there may be taxation implications of participating in the Entitlement Offer and subscribing for Additional Shares. Eligible Shareholders should consult a professional taxation adviser to obtain advice in relation to the taxation laws and regulations applicable to their personal circumstances. Neither the Company, nor any of its Directors, officers, employees, agents or advisers accepts any liability or responsibility with respect to taxation consequences connected with participating in the Entitlement Offer or subscribing for Additional Shares.

## 7.9 Alteration of terms

The Company reserves the right, at its discretion, to vary all or part of the Entitlement Offer at any time, subject to the Corporations Act and ASX Listing Rules and any other law or regulation to which the Company is subject.

## 7.10 Underwriting

The Company has entered into an underwriting agreement with the Underwriter dated 15 November 2019 (**Underwriting Agreement**), pursuant to which the Underwriter has agreed to underwrite the Entitlement Offer by procuring Applications for any New Shares that are not subscribed for by Eligible Shareholders pursuant to the Entitlement Offer and Top-Up Offer.

The Company has agreed to pay to the Underwriter an aggregate fee of 4.5% (including a 2% management fee) of the total gross amount underwritten by the Underwriter (**Underwriting Fee**).

The Company will also be required to indemnify the Underwriter for certain costs and expenses incurred by it in relation to the Entitlement Offer, including certain legal fees.

The Underwriting Agreement contains various representations, warranties, indemnities and undertakings in favour of the Underwriter that are not unusual for an underwriting arrangement of this sort. In particular, the Underwriting Agreement contains various representations and warranties by the Company relating to the Company and its business, including information provided to the Underwriter and disclosed to the ASX. The Underwriting Agreement also imposes various obligations on the Company, including undertakings to do certain things, including providing certain notices to the Underwriter and the ASX within prescribed periods. The Underwriting Agreement also places certain restrictions on the Company for a period of four months from the date of the Underwriting Agreement, including restrictions on amendments to its constitution, disposing of the whole or a substantial part of its business or property and restrictions on the issue of Shares by the Company.

The obligation of the Underwriter to underwrite the Entitlement Offer are conditional on customary conditions including, amongst others, the dispatch of this Offer Booklet and certain events not occurring during the period the Entitlement Offer is open.

### Summary of Termination Events

If certain events occur, the Underwriter has the right to terminate the Underwriting Agreement. In summary, these include:

- (a) **(Certificate and new circumstances certificate)** a certificate or new circumstances certificate which is required to be furnished by the Company under the Underwriting Agreement is not furnished by the time specified or contains a statement which is untrue, inaccurate, incomplete or misleading or deceptive in any material respect;
- (b) **(unable to issue New Shares)** the Company is prevented from issuing the New Shares;
- (c) **(Offer Booklet and cleansing notice to comply)** the Offer Booklet, cleansing notice or any aspect of the Offer does not comply in any material respect with the Corporations Act or the Listing Rules or any other applicable law;
- (d) **(withdrawal)** the Company withdraws the Entitlement Offer;
- (e) **(corrective notice)** the Company becomes required to give or gives a correcting notice;
- (f) **(ASIC action)** ASIC takes action with respect to the Entitlement Offer, and such action is not withdrawn within 2 business days;
- (g) **(regulatory action)** an application for an order is made to a government agency in connection with the Entitlement Offer;
- (h) **(listing)** ASX announces that the Company will be removed from the official list or that any Shares will be delisted or suspended from quotation by ASX;
- (i) **(offences by Directors)** a Director of the Company is charged with an indictable offence, or any Government Agency commences, or announces any public action against a Director of the Company, or any Director of the Company is disqualified from managing a corporation;
- (j) **(insolvency)** the Company or a related corporate entity becomes insolvent;
- (k) **(capital structure)** the Company alters its capital structure or constitution without the prior written consent of the Underwriter;
- (l) **(ASX approval)** unconditional approval by the ASX for official quotation of the Placement Shares or the New Shares is refused or not granted by the issue date;
- (m) **(Timetable)** any event specified in the timetable is delayed for more than 2 business days without the prior written consent of the Underwriter;
- (n) **(market fall)** the S&P/ASX 200 Index falls by 10% or more below the level of the S&P/ASX 200 Index on the Business Day before the announcement of the Entitlement Offer for at least 2 consecutive Business Days in the period between the

announcement of the Entitlement Offer and prior to settlement of the Entitlement Offer;

- (o) **(adverse change)** there is a Material Adverse Effect, or an event occurs which is likely to give rise to a Material Adverse Effect, in respect of the Company;
- (p) **\*(disclosures in Public Information)** the public information of the Company includes a statement which is or becomes misleading, or deceptive or includes any forecasts, expressions of opinion or intention which are not based on reasonable assumptions;
- (q) **\*(disclosures)** any information supplied by or on behalf of the Company to the Underwriter is or becomes misleading or deceptive;
- (r) **\*(hostilities)** hostilities not presently existing commence (whether war has been declared or not), or a major escalation in existing hostilities occurs involving any one or more of countries specified within the Underwriting Agreement, or a major terrorist act is perpetrated anywhere in the world;
- (s) **\*(change of law)** there is introduced, or proposed to be introduced a new policy, any of which does or is likely to prohibit or regulate the Offer, capital issues or stock markets or adversely affects the Company or investors in it;
- (t) **\*(compliance with regulatory requirements)** a contravention by the Company of the Corporations Act, the Company's constitution, the Listing Rules or any other applicable law;
- (u) **\*(Material Financing Arrangements)** the Company breaches or defaults under any material financing arrangement; or an event which gives a financier the right to accelerate or require repayment of the financing;
- (v) **\*(breach)** the Company fails to perform or observe any of its obligations under the Underwriting Agreement;
- (w) **\*(misrepresentation)** a representation or warranty given under the Underwriting Agreement is, or becomes untrue or incorrect;
- (x) **\*(market or trading disruption)** there is a suspension or material limitation in trading in securities generally or any adverse change or disruption to the existing financial markets, political or economic conditions of countries specified within the Underwriting Agreement;
- (y) **\*(change in management)** a change in the senior management of the Company or in the board of directors of the Company is announced or occurs without the Underwriter's prior written consent; or
- (z) **\*(new circumstances)** a new circumstance arises that would have been required to be disclosed as part of the Entitlement Offer.

If an event marked with an asterisk (\*) occurs, the Underwriter may not terminate unless the Underwriter has reasonable grounds to believe that the event has, or is likely to have, a material adverse effect on the success, marketing or settlement of the Entitlement Offer or Placement, the value of the Shares, the willingness of investors to subscribe for New Shares or Placement Shares (amongst other things), or that the event has, or is likely to give rise to liability of the Underwriter.

## 7.11 Disclaimer of representations

No party other than the Company has authorised or caused the issue of this Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Offer Booklet.

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Offer Booklet.

Any information or representation that is not in this Offer Booklet may not be relied on as having been authorised by the Company, or its related bodies corporate in connection with the Entitlement Offer. Except as required by law, and only to the extent so required:

- (a) none of the Company, or any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to the Entitlement Offer Booklet; and
- (b) the Company, its officers, employees and advisers disclaim all liability that may otherwise arise due to the Entitlement Offer Booklet being inaccurate or incomplete in any respect.
- (c) No party other than the Company has authorised or caused the issue of this Offer Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Offer Booklet.

## 8. Glossary

**\$ or Dollars** means dollars in Australian currency (unless otherwise stated);

**Additional Shares** has the meaning set out in Section 4.4;

**Application** means an application for New Shares and Additional Shares (as applicable) pursuant to this Offer Booklet and the term;

**Applicant** means an Eligible Shareholder who has submitted an Application;

**Application Money** means the aggregate amount of money payable for New Shares applied for calculated by multiplying \$0.27 by the number of New Shares subscribed for;

**ASIC** means the Australian Securities and Investments Commission;

**ASTC** means ASX Settlement Pty Ltd ACN 008 504 532;

**ASX** means the Australian Securities Exchange;

**ASX Limited** means ASX Limited ACN 008 624 691;

**Board** means the Directors as at the date of this Offer Booklet;

**CHESS** means Clearing House Electronic Sub-register System operated by ASX;

**Closing Date** means 5:00pm Sydney time on the date specified in the timetable set out in Section 1 of this Offer Booklet of this Offer Booklet or such other date as may be determined by the Directors;

**Company** or **Byron** means Byron Energy Limited ACN 113 436 141;

**Corporations Act** means the *Corporations Act 2001* (Cth);

**Directors** means the directors of the Company;

**Eligible Shareholder** has the meaning set out in Section 4.3;

**Entitlement and Acceptance Form** means the form accompanying this Offer Booklet which sets out the entitlements of Eligible Shareholders under the Entitlement Offer;

**Entitlement** or **Entitlements** means the non-renounceable entitlement for Eligible Shareholders to subscribe for New Shares on the basis of 1 New Share for every 18 Shares held on the Record Date;

**Existing Options** means the options on issue in Company as at the date of this Offer Booklet; **Ineligible Shareholders** means any Shareholder who is not an Eligible Shareholder; **Institutional Investors** means a person:

- (a) to whom an offer of Shares in the Company could be made in Australia without a disclosure document (as defined in the Corporations Act); or
- (b) in selected jurisdictions outside Australia, to whom an offer of Shares in the Company could be made without registration, lodgement of a formal disclosure document or other formal filing in accordance with the laws of that foreign jurisdiction;

**Issue Price** means \$0.27 per New Share;

**Listing Rules** means the official listing rules of ASX Limited, as amended from time to time;

**New Share** or **New Shares** means a new fully paid ordinary share in the capital of the Company to be issued pursuant to the Entitlement Offer or Top-Up Offer;

**Offer** or **Entitlement Offer** means the offer of New Shares set out in this Offer Booklet;

**Offer Booklet** means this offer booklet dated 28 November 2019 and includes any amended or replacement summary document;

**Placement** means the issue of the Placement Shares to institutional and professional investors proposed to complete on 21 November 2019;

**Placement Shares** means approximately 53,961,055 Shares;

**Record Date** means 7:00pm Sydney time on the date specified in the timetable set out in Section 1 of this Offer Booklet;

**Registered Address** means, in respect of a Shareholder, the address that is recorded in the Company's share register as being the address for the Shareholder;

**Share Registry** means Boardroom Pty Limited ACN 003 209 836;

**Shareholder** means a holder of a Share;

**Share** or **Shares** means a fully paid ordinary share in the capital of the Company;

**Shortfall** means the extent to which Eligible Shareholders do not subscribe for New Shares (including Additional Shares) pursuant to the Entitlement Offer;

**Top-Up Offer** means the offer to Eligible Shareholders to subscribe for Additional Shares in excess of their Entitlement in accordance with Section 4.4;

**Underwriter** means Bell Potter Securities Limited ACN 006 390 772;

**Underwriting Agreement** means the underwriting agreement between the Underwriter and the Company dated 15 November 2019, as summarised in Section 7.10; and

**Voting Power** has the meaning given to that term in the Corporations Act.



## 9. Corporate Directory

### Board of Directors

Doug Battersby  
(Chairman and Non-executive Director)  
Maynard Smith  
(Chief Executive Officer)  
Prent Kallenberger(Executive Director)  
Bill Sack(Executive Director)  
Charles Sands  
(Non-executive Director)  
Paul Young  
(Non- executive Director)

### Underwriter

Bell Potter Securities Limited  
Level 29, 101 Collins Street  
SYDNEY VIC 3000

### Auditors

Deloitte Touche Tohmatsu  
550 Bourke Street  
MELBOURNE VIC 3000

### Lawyers

Piper Alderman  
Level 23  
Governor Macquarie Tower  
1 Farrer Place  
SYDNEY NSW 2000

### Registered Office in Australia

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480 Collins Street  
MELBOURNE VIC 3000

Telephone: + 61 3 8610 6583  
Website: [www.byronenergy.com.au](http://www.byronenergy.com.au)  
ASX code: BYE

### Share Registry

Boardroom Pty Limited  
Grosvenor Place, Level 12, 225 George Street  
SYDNEY NSW 2000

Tel: 1300 737 760  
Fax: + 61 2 9279 0664