



Dear Shareholder

26 May 2020

Share Purchase Plan

Your directors are pleased to invite you to participate in an opportunity to subscribe for additional ordinary shares in Byron Energy Limited (**Company**) under a share purchase plan (**SPP**).

The SPP is offered to shareholders who at the record date at 5:00 pm (Sydney time) on 18 May 2020 had a registered address in Australia or New Zealand (**Eligible Shareholder**).

The issue price will be A\$0.13 per share. This is the same price that was offered under the Company's A\$14 million share placement announced on 19 May 2020, being a 16.1% discount to the last ASX traded price of the Company's shares on 14 May 2020 and a 17.5% discount to the volume weighted average market price of shares traded in the ordinary course of ASX in the five trading days up to the date of the announcement of 19 May 2020.

The volume weighted average price of the Company's shares on ASX during the five trading days immediately before the announcement of the SPP was A\$ 0.1576.

The purpose of the SPP is to raise funds for the Company's development of its SM 58 field in the Gulf of Mexico where it has recently made a significant discovery and to provide general working capital.

The SPP will raise up to A\$4 million.

The SPP will enable Eligible Shareholders, regardless of the number of shares they hold in the Company, to subscribe for their choice of any one of the following parcels of shares:

- 230,769 for the total amount of A\$29,999.97;
- 192,307 for the total amount of A\$24,999.91;
- 153,846 for the total amount of A\$19,999.98;
- 115,384 for the total amount of A\$14,999.92;
- 76,923 for the total amount of A\$9,999.99;
- 38,461 for the total amount of A\$4,999.93.

The SPP provides Eligible Shareholders with the opportunity to increase smaller holdings into larger and more financially viable parcels and expand shareholdings at a discounted price without the cost of brokerage or commission.

This SPP is optional and the offer is non-renounceable. Accordingly, Eligible Shareholders cannot transfer to other parties their right to subscribe for shares under the SPP. All shares issued under the SPP will rank equally with the existing ordinary shares of the Company and will carry the same rights.

The indicative timetable for the SPP is as follows:

Event	Date
Record Date for SPP	Monday, 18th of May, 2020
SPP Announcement and Appendix 3B	Tuesday 19th of May, 2020
SPP Offer Opens	Tuesday 26th of May, 2020
SPP offer closes	Friday 12th of June, 2020
SPP results announced	Wednesday 17th of June, 2020
Allotment of SPP Shares	Friday, 19th of June, 2020
Quotation of SPP shares sought (Appendix 2A)	Friday, 19th of June, 2020

All the dates and times are indicative only. Subject to compliance with the ASX Listing Rules, Byron reserves the right to vary the dates and times above including closing the SPP earlier or later. All times are references to Sydney time.

If you wish to participate in the SPP, you can choose either of the following payment methods:

- payment by BPAY® – please refer to the Biller code and Reference number on the application form and contact your participating financial institution to make your payment. You are not required to return the application form;
- payment by cheque, money order or bank draft – if paying by this method, complete the application form, attach your cheque, money order or bank draft in Australian dollars, drawn on a bank or financial institution in Australia and made payable to Byron Energy Limited and return them in the envelope provided.

No cash or card payments will be accepted.

Full details of the SPP are set out in the attached Terms and Conditions. I recommend that you read the Terms and Conditions before making a decision regarding your participation in the SPP. I encourage you to contact your professional adviser if you are uncertain as to what action you should take.

If you have any questions in relation to the SPP, please contact Byron's Share Registry, Boardroom Pty Ltd, on 1300 737 760.

Thank you for your continued support of Byron.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Doug Battersby', with a horizontal line underneath.

Doug Battersby
Chairman

BYRON ENERGY LIMITED

ABN 88 113 436 141

Share Purchase Plan Terms and Conditions

26 May 2020

Offer

Byron Energy Limited (**Company**) is offering its shareholders the opportunity to purchase up to A\$30,000 of fully paid ordinary shares in the Company (**Shares**) by way of a share purchase plan (**SPP**).

The Company is proposing to raise A\$4 million under the SPP. However, if the Company receives in excess of A\$4 million in applications, the Board may, in its sole discretion, take oversubscriptions.

The price per share under the SPP (**SPP Price**) being offered is **A\$0.13**. This is the same price that was offered to institutional and sophisticated investors under the placement announced on 19 May 2020. The SPP Price is a **17.5%** discount to the volume weighted average price of Shares traded in the ordinary course on ASX in the five trading days up to the day on which the SPP was announced.

Eligibility

All shareholders at 5.00 pm (Sydney time) on **18 May 2020 (Record Date)** with a registered address in Australia or New Zealand (**Eligible Shareholders**), are offered participation in the SPP.

The Company has determined that it is unlawful or impractical for the SPP to be offered to a shareholder whose address on the register of members is a country outside of Australia or New Zealand.

Participation in the SPP by acceptance of the offer:

- is optional for Eligible Shareholders;
- is subject to these Terms and Conditions.

Subscription

ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**ASIC Instrument**) prohibits the Company issuing Shares in accordance with this SPP if the aggregate subscription amount to be paid by an Eligible Shareholder, together with the aggregate amount paid for any other Shares applied for by that Eligible Shareholder or which a custodian has been instructed to acquire under the SPP on their behalf, or any similar arrangement operated by the Company in the 12 months before the date the application is made, exceeds A\$30,000.

Eligible Shareholders may subscribe for any one of the following parcels (subject to any scale back described below):

	Subscription Amount	Shares to be allotted calculated at the SPP Price
Minimum application	\$4,999.93	38,461
	\$9,999.99	76,923

	\$14,999.92	115,384
	\$19,999.98	153,846
	\$24,999.91	192,307
Maximum application	\$29,999.97	230,769

No Eligible Shareholder may be issued with Shares with an application price totalling more than A\$30,000.

Important dates

Record Date	18 May 2020
Opening Date	26 May 2020
Closing Date	12 June 2020
Announcement of results	17 June 2020
Share Issue Date and Appendix 2A	19 June 2020
First Trading Date	23 June 2020
Despatch of Holding Statements / Confirmation advice	24 June 2020

The timetable above is indicative only and is subject to change at the sole discretion of the Board, subject to the application of the ASX Listing Rules.

Offers non-renounceable

Offers made under the SPP are non-renounceable. Eligible Shareholders cannot transfer their right to other parties to subscribe for Shares under the SPP. Acquisition by an Eligible Shareholder of additional shares or a new separate holding of Shares before the Closing Date, will not give rise to any additional right to subscribe for Shares under this SPP offer.

Single Eligible Shareholders

Single Eligible Shareholders that receive more than one offer under the SPP, for example due to multiple registered holdings, may only apply for an aggregate of up to A\$30,000 worth of Shares (one maximum parcel).

Joint Eligible Shareholders

Eligible Shareholders recorded on the register with one or more other persons as the joint holder of Shares are considered to have a single registered holding for the purpose of the SPP. If the same joint holders receive more than one offer under the SPP due to multiple holdings, the joint holders may only apply for an aggregate of up to A\$30,000 worth of Shares (one maximum parcel).

Custodians, trustees and nominees

A custodian, trustee or nominee within the definition of "custodian" in the ASIC Instrument, or in any other ASIC relief granted to the Company in relation to the SPP (**Custodian**) who holds Shares on behalf of one or more persons (**Participating Beneficiary**), may apply for up to a maximum of A\$30,000 worth of Shares for each Participating Beneficiary, subject to providing notice in writing to the Company (by way of Custodian Certificate) certifying the following:

- that the Custodian holds the Shares on behalf of Participating Beneficiaries who have instructed it to apply for Shares in the Company on their behalf under the SPP;
- the number of Participating Beneficiaries;

- (c) the name and address of each Participating Beneficiary;
- (d) the number of Shares in the Company that the Custodian holds on behalf of each Participating Beneficiary;
- (e) the number or dollar amount of Shares which each Participating Beneficiary has instructed the Custodian, either directly or through another Custodian, to apply for on their behalf;
- (f) that there are no Participating Beneficiaries in respect of which the total of the application price exceeds A\$30,000 worth of the Company's Shares, calculated by reference to Shares in the Company applied for by the Custodian on behalf of each Participating Beneficiary under:
 - (i) the SPP; and
 - (ii) any other Shares issued to the Custodian as custodian in the 12 months before the Custodian's application under an arrangement similar to the SPP,

in each case, as a result of an instruction given by the Participating Beneficiary to the Custodian to apply for Shares in the Company on their behalf;
- (g) that a copy of these Terms and Conditions was given to each Participating Beneficiary;
- (h) where Shares are held by the Custodian on behalf of the Participating Beneficiary indirectly through one or more interposed custodians, the name and address of each interposed custodian; and
- (i) any such additional or varied information as might be required under any more specific ASIC relief that might be granted to the Company in relation to the SPP.

The offer under this SPP is made to the Custodian as the registered holder, not to the beneficiaries directly.

For the purposes of these Terms and Conditions, a Custodian is as defined in the ASIC Instrument.

If the Shares are held as a trustee or nominee for another person, but are not a Custodian as defined in the ASIC Instrument, that holder cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings apply.

Custodians requiring a Custodian certificate or further information on how to apply should contact the Company's share registry, **Boardroom Pty Limited on 1300 737 760** (within Australia) or **+61 2 9290 9600** (outside Australia)

Overseas shareholders

This SPP does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

The SPP is not being extended to, and Shares will not be allotted to, shareholders with a registered address which is outside Australia or New Zealand.

Beneficial shareholders not resident in Australia or New Zealand should consult their professional advisors to determine whether any government or other consents are required or whether formalities need to be observed to allow them to accept their entitlement.

Agreement

Eligible Shareholders may only acquire up to a maximum of A\$30,000 of Shares under an SPP or similar plan in any 12 month period (as prescribed by the ASIC Instrument).

By submitting the application form (together with a cheque, bank draft or money order) or making a BPay® payment the Eligible Shareholder certifies:

- (a) the aggregate of the application price paid for the Shares the subject of the application form or BPay® payment and any other Shares in the Company applied for or which a Custodian has been instructed to acquire under the SPP, or any similar arrangement operated by the Company in the 12 months before the date of submission and the application form or BPay® payment, does not exceed A\$30,000 (except when applying as a Custodian for one or more beneficiaries);
- (b) it agrees that the application is only effective as of the date on which the application is signed (if applicable) (**Effective Date**);
- (c) it agrees generally to otherwise be bound by these Terms and Conditions; and
- (d) it authorises the Company to place its name on the register of members in respect of the Shares which are issued to the Eligible Shareholder under the SPP offer and agrees to be bound by the constitution of the Company.

The Company reserves the right and in certain circumstances may be required by the ASIC Instrument or other conditions, to reject any application for Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these Terms and Conditions or any statute, law, regulation, statutory instrument or the ASX Listing Rules.

Acceptance

Applications may only be made on the enclosed application form or by making payment via BPay®. Applications will only be open for acceptance on and from **26 May 2020 (Opening Date)** in order to comply with legal requirements. To be valid, acceptances must be received by the Company's share registry at the address shown on the application form before 5pm (Sydney time) on **12 June 2020 (Closing Date)**. Applications received after that time will not be accepted. If the exact amount of application money is not tendered with the application form, the Company reserves the right to reject the application or otherwise read down the application to correspond with the amount of application money tendered.

Once an application is received, the application and associated payment under the SPP may not be withdrawn and the interest (if any) accruing on the

application money will accrue and be payable to the Company.

Calculation of number of Shares to be issued

In the absence of scale back, and subject to the Eligible Shareholder not exceeding the A\$30,000 maximum parcel limit, the number of Shares in the Company to be issued will be calculated by dividing the value of the Company's Shares applied for by the offer price, then rounding up to the nearest whole Share.

Scale back

The Company is seeking to raise **A\$4 million** under the SPP. In accordance with the ASX Listing Rules the number of Shares to be issued under the SPP will not be greater than 30% of the number of the Company's Shares on issue at the Record Date. However, if the Company receives applications in excess of A\$4 million the Board may, at its sole discretion, take oversubscriptions, subject to compliance with the ASIC Instrument and the ASX Listing Rules. Alternatively, the Company may scale back the applications.

If the Company scales back applications, the amount of the application as scaled back may not be equal to a whole number of the Company's Shares. In that event, the number of the Company's Shares to be allotted will be rounded up to the nearest whole number of Shares.

If the Company undertakes a scale back, Eligible Shareholders will receive the number of Shares determined by the Company in its absolute discretion which may be less than the parcel of Shares which was applied for. In this case, the difference between the application money received and the number of Shares allocated to the Eligible Shareholder multiplied by the issue price, may be refunded by direct credit (to a nominated account if recorded on the Company's share register) or cheque as soon as practicable without interest at the time of allotment.

Price risk

Note that the market price of the Company's Shares may rise or fall between the date this offer was announced and made and the issue date. This means that for the same aggregate application amount, the number of Shares acquired by an Eligible Shareholder under the SPP may be lower than the number of Shares that may be acquired on the market on the date that the Shares are issued.

This offer is not made under a prospectus or other disclosure document. Accordingly, shareholders must rely on their own knowledge of the Company and previous disclosures made by the Company on ASX.

Issue of Shares

Shares issued under the SPP will rank equally in all respects with all other fully paid ordinary shares in the Company on the date of issue.

Costs of participation

No brokerage, commissions or other transaction costs will be payable by Eligible Shareholders in respect of the application for, and issue of Shares under, the SPP.

Allotment and quotation dates

Shares are expected to be allotted under the SPP on **19 June 2020 (Share Issue Date)** and the Company will apply for these Shares to be listed for quotation on ASX.

The Company expects to dispatch a holding statement or confirmation advice in respect of the Shares allotted under the SPP on 24 June 2020. Eligible Shareholders should confirm their holding before trading in any Shares in the Company that they believe have been allotted to them under the SPP.

General

The Company may determine, in any manner it thinks fit, any disputes or anomalies which arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any Eligible Shareholder or application for Shares. The decision of the Company will be conclusive and binding on all persons to whom the determination relates.

The Company reserves the right to waive compliance with any provision of these Terms and Conditions, to amend or vary these Terms and Conditions and to suspend or terminate the SPP at any time. Any variation in these Terms and Conditions will be notified by a release to the ASX.

The Company may at any time irrevocably determine that an application is valid, in accordance with these Terms and Conditions, even if the application form is incomplete, contains errors or is otherwise defective. The Company and its officers and agents are authorised to correct any error in, or omission from, an application form by the insertion of any missing details.

The Company's rights and discretions under the SPP may be exercised by the directors of the Company or any delegate of the directors.

The Company collects information about each applicant provided on an application for the purposes of processing the application and, if the application is successful, to administer the applicant's security holding in the Company.

By submitting an application, each applicant agrees that the Company may use the information provided by that applicant on that application for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to the ASX and other regulatory authorities.

If you do not provide the information required on the application, the Company may not be able to accept or process your application.

An applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. Access requests must be made in writing to the Company's registered office.

This offer is governed by the law of New South Wales. By accepting the offer the Eligible Shareholder submits

to the non-exclusive jurisdiction of the courts of New South Wales.

ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547

This offer of Shares under the SPP is made in accordance with the requirements of the ASIC Instrument. The ASIC Instrument grants relief from the requirement to prepare a prospectus for the offer of Shares under the SPP.

If ASIC grants additional relief to the Company to allow clients of second-level or subsequent level custodians to participate, then any additional or varied ASIC requirements will apply to participation on behalf of such clients.

Independent financial and taxation advice

The offer under this SPP is not a recommendation to purchase Shares. The Company recommends that Eligible Shareholders seek independent financial and taxation advice before participating in the SPP.

Questions

Any questions in respect of the SPP should be directed to the Company's share registry, Boardroom Pty Limited on:

Telephone: **1300 737 760** (within Australia)
 +61 2 9290 9600 (outside Australia)

Corporate Directory

Directors

Mr Doug Battersby (Chairman, Non Executive Director)
Mr Maynard Smith (CEO & Executive Director)
Mr Prent Kallenberger (Executive Director)
Mr William Sack (Executive Director)
Mr Charles Sands (Non Executive Director)
Mr Paul Young (Non Executive Director)

CFO & Company Secretary

Mr Nick Filipovic

Registered Office

Level 4, 480 Collins Street
Melbourne Vic 3000
Tel: (03) 8610 6583

Website

<http://www.byronenergy.com.au>

Share Register

Boardroom Pty Limited
Level 12
Grosvenor Place
225 George Street
Sydney NSW 2000
Tel: 1300 737 760

Solicitors

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

Corporate Adviser

Henslow Pty Ltd
Level 18
Deutsche Bank Place
126 Phillip Street
Sydney NSW 2000

Record Date: 5.00pm (Sydney time) 18 May 2020**Open Date: 26 May 2020****Closing Date: 5.00pm (Sydney time) 12 June 2020****SPP Issue Price – \$0.13**

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

This is an important document which requires your immediate attention. It can only be used in relation to the shareholding represented by the details above. If you are in doubt as to how to deal with this document, please contact your professional adviser. Terms not defined in this Application Form have the meaning given in the SPP Terms and Conditions, accompanying this Application Form.

A Offer Details

Eligible Shareholders may apply for SPP Shares in parcels valued at \$4,999.93, \$9,999.99, \$14,999.92, \$19,999.98, \$24,999.91, \$29,999.97.

Before applying for Shares you should read the SPP Terms and Conditions accompanying this Application Form and the 'Applicant's Certification and Acknowledgments' on the back of this Application Form carefully.

This SPP is non-renounceable meaning that you cannot transfer your right to purchase Shares to another person. Applications can only be accepted in the name printed on the Application Form. If you are a custodian, trustee or nominee within the definition of "custodian" (as defined in paragraph 4 of ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (Custodian), you must complete and return this Application Form together with the Custodian Certificate referred to in Section F of this Application Form.

Byron Energy Limited (the Company) may make determinations in any manner it thinks fit, in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP whether generally or in relation to any participant or application.

Any determinations by the Company will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination related. The Company reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary those terms and conditions, to suspend or terminate the SPP at any time or to implement a scale back of applications. Any such waiver, amendment, variation, suspension, termination or scale back will be binding on all eligible shareholders even where the Company does not notify you of that event. If you do not wish to subscribe for Shares under the SPP, there is no need to take any action.

B Parcel Size

Indicate the parcel size of Shares you wish to apply for by marking one box only below:

- A\$4,999.93 A\$9,999.99 A\$14,999.92 A\$19,999.98 A\$24,999.91
- A\$29,999.97

C

Payment may only be made by BPAY® or cheque, bank draft or money order and in Australian dollars. Cash will not be accepted and payments cannot be made at any bank. Custodians cannot make payment by BPAY®.

Payment Option 1 - BPAY

**Billers Code:****Customer Ref Number (CRN)**

Telephone and Internet Banking - BPAY®

Contact your bank, credit union or building society to make this payment from your cheque or savings account.

- To pay via BPAY® please contact your participating financial institution. If paying by BPAY® you will be deemed to have completed an Application Form for the value of Shares the subject of your payment. You do not need to return this Application Form.
- Your payment must be received by the Share Registry by 5.00pm (Sydney time) on 12 June 2020.
- Please ensure you pay the correct amount for the parcel size you wish to apply for.
- Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY®. It is your responsibility to check that the amount to wish to pay via BPAY® does not exceed your limit.

Payment Option 2 - Cheque, bank draft or money order

Record your cheque details below:

Drawer	Cheque No.	BSB No.	Account No.	Amount A\$

- If paying by cheque, bank draft or money order you must complete this Application Form and submit it together with your cheque, bank draft or money order.
- Only cheques, bank drafts or money orders in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.
- Your cheque, bank draft or money order must be made payable to "Byron Energy Limited" and crossed '**Not Negotiable**'.
- Please ensure that you submit the correct amount for the parcel size of Shares you wish to apply for.
- Make sure you send your completed Application Form and payment allowing enough time for mail delivery so the Share Registry, Boardroom Pty Limited, receives them no later than 5.00pm (Sydney time) on 12 June 2020.
- If paying by cheque, please ensure sufficient cleared funds are held in your account as your cheque will be banked as soon as it is received.
- The Company reserves the right not to process any Application Forms that are incomplete or where payment is received after 5.00pm (Sydney time) 12 June 2020.

D Contact Details

Please provide a telephone number and contact name in case we need to contact you regarding your application.

Home telephone No.	Work telephone No.	Contact name

E Applicant's Certification and Acknowledgements

By completing and returning this Application Form with your cheque, bank draft or money order to the Share Registry or making a BPAY® payment, you:

- represent and warrant that you have read and understood the SPP terms and conditions and that you acknowledge the matters, and make the representations, warranties and certifications, in the terms and conditions of the SPP, including as to your eligibility to participate in the SPP;
- represent and warrant that by making payment, you agree to be bound by the constitution of Byron Energy Limited and that the submission of the payment constitutes an irrevocable offer by you to subscribe for Shares on the terms of the SPP and you will be deemed to have accepted and be bound by the terms and conditions of the SPP;
- represent and warrant that the aggregate of the application price paid for by you or on your behalf for:
 - the Shares as indicated above;
 - any other Shares applied for by you under the SPP or issued to you under a similar arrangement in the 12 months prior to the date of submission of the Application Form;
 - any other Shares which you have instructed a Custodian to acquire on your behalf under the SPP; or
 - any other Shares issued to a Custodian under an arrangement similar to the SPP in the 12 months before the date of submission of this Application Form as a result of an instruction given by you to a Custodian which resulted in you holding beneficial interests in the Shares,does not exceed \$30,000;
- acknowledge that this Application Form does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. This Application Form may not be distributed or released in the United States. None of the Shares offered under this SPP have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the Securities Act), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Shares to be offered and sold in this SPP may only be offered and sold to investors that are not in the United States and are not acting for the account or benefit of a person in the United States in "offshore transactions" (as defined in Regulation S under the Securities Act) in reliance on Regulation S under the Securities Act;
- represent that you are not in the United States and you are not acting for the account or benefit of a person in the United States, and you are not otherwise a person to whom it would be illegal to make an offer of or issue of Shares under this SPP and under any applicable laws and regulations; and
- acknowledge that you may receive a lesser number of Shares than the number of Shares you apply for.

NO SIGNATURE IS REQUIRED ON THIS FORM

THIS OFFER IS NON-RENOUNCEABLE

BPAY payments or Application Forms and accompanying cheques, bank drafts or money orders must be received no later than 5.00pm (Sydney time) on 12 June 2020 at:

MAILING ADDRESS
Byron Energy Limited
C/- Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

HAND DELIVERY ADDRESS
Byron Energy Limited
C/- Boardroom Pty Limited
Level 12, 225 George Street
SYDNEY NSW 2000

F Information for Custodians

If you are a Custodian you must complete this Application Form and a Custodian Certificate (which must be requested from the Share Registry) and submit both documents together with your cheque, bank draft or money order. Custodians cannot make payment by BPAY. Please contact the Share Registry, Boardroom Pty Limited, on 1300 737 760 within Australia and +61 2 9290 9600 outside Australia to obtain a copy of the Custodian Certificate. Applications received from Custodians that are not accompanied by the Custodian Certificate will be rejected.