

27 June 2014

Company Announcements Office  
Australian Securities Exchange

Dear Sir

**BYE SECURITIES TRADING POLICY**

In accordance with Listing Rule 12.9 please find attached a copy of the recently revised Securities Trading Policy for BYE.

There have been no material changes to the previous policy lodged with ASX on 28 May 2013.

Yours sincerely,



**Nick Filipovic**  
Company Secretary

For personal use only

**SECURITIES TRADING POLICY**

**BYRON ENERGY LIMITED**

**ABN 88 113 436 141**

**Approved by the Board on 25/06/2014**

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## 1 INTRODUCTION

Byron Energy Limited (“**BYE**” or “**the Company**”), is an ASX listed Company focused, through its wholly owned subsidiaries, on oil and gas exploration.

BYE is committed to ensuring that the company and its employees act lawfully at all times in their dealing with securities and the handling of inside information. BYE is also committed to avoiding any perception of unlawful or unethical conduct.

### 1.1 SCOPE OF THIS POLICY

This Policy applies to:

- (i) all directors, Key Management Personnel, officers, employees, contractors, consultants and advisors of BYE and any of its subsidiaries; and
- (ii) any Associated Person of a director, officer, or employee, (hereafter referred to as an “Applicable Person”).

This policy applies equally to any dealings in BYE securities by an Applicable Person’s spouse, partner or by or on behalf of any dependent child, family company or family trust. Applicable Persons shall, to the extent they are able to do so, prevent any such dealing at a time when they themselves are not free to deal.

In this Policy, a person is an “Associated Person” in relation to another person if the first person is acting for or on behalf of, as agent for or at the direction of the other person, or any entity controlled by the other person or in respect of which the other person is a director.

In this Policy, BYE Securities include ordinary shares in BYE, and derivatives and other financial products issued by third parties in relation to BYE Securities.

## 2 PURPOSE

This Policy sets out the circumstances in which Applicable Persons may deal in BYE Securities with the objectives that no Applicable Person will contravene the requirements of the Corporations Act.

This Policy seeks to ensure that:

- (i) Applicable Persons adhere to high ethical and legal standards in relation to investment in BYE Securities;
- (ii) Market confidence is preserved in relation to the integrity of dealings by Applicable Persons in BYE Securities; and
- (iii) The reputation of BYE is maintained.

## 3 INSIDE INFORMATION

Inside information is defined in the Corporations Act 2001 (“the Act”) as information relating to the entity which is not generally available but would, if the information was generally available, be likely to have a material effect on the price or value of the entity’s securities (“Inside Information”).

It is illegal for any person to trade in securities or procure another to trade in securities while in possession of Inside Information relating to those securities.

## 4 BYE's POLICY ON DEALING IN BYE SECURITIES

### 4.1 No trading where in possession of inside information

Applicable Persons must only trade in BYE Securities if they are not in possession of Inside Information regarding BYE, irrespective of whether there is a Trading Window at the time.

### 4.2 Short term trading

Despite anything contained in this Policy, Applicable Persons should not engage in short term trading in BYE Securities. In general, the purchase of BYE Securities with a view to resale within a 3 month period and the sale of BYE Securities with a view to repurchase within a 3 month period would be considered to be transactions of a 'short term' nature.

### 4.3 Blackout Periods

Applicable Persons must not trade in BYE Securities during the following blackout periods:

- (a) from 15 February until the next trading day after release of BYE's half year results;
- (b) from 15 August until the next trading day after the release of BYE's full year results;
- (c) the opening of business on the last business day of each of March, June, September and December months until up to and including the calendar day after the release of BYE's quarterly activities reports; and
- (d) any other period designated as a blackout period by the Board and advised to employees.

### 4.4 Dealing during Blackout Periods

In exceptional circumstances, written clearance may be given to dispose of (but not to acquire) BYE Securities during a blackout period.

Exceptional circumstances will include:

- (a) severe financial hardship;
- (b) an undertaking given to, or an order by a court; or
- (c) such other exceptional circumstances as may from time to time be determined by the Chairman, or in his absence, the Managing Director / Chief Executive Officer.

### 4.5 Trading Windows and Restricted Trading

Any Applicable Person who wishes to:

- trade or apply to trade in BYE Securities; or
- enter into an agreement to trade in BYE Securities; or
- procure another person to trade in BYE Securities, (together "Trading" or "Trade")

must only do so if they are not in possession of Inside Information and they do so during:

- (a) the period beginning on the next trading day after the quarterly activities report and half yearly/annual financial results for BYE are lodged with the ASX and ending four weeks later; or
- (b) the period beginning on the next trading day after BYE's Annual General Meeting and ending four weeks later, (a) and (b) together being the "**Trading Windows**"; or
- (c) at other times other than those within the Trading Windows in (a) and (b) and during Blackout Periods in Section 5.3, then provided they follow the Clearance procedure in Section 6.2 of this Policy.

All Trading in BYE Securities by Applicable Persons must comply with the Notification procedure in Section 6.1 of this Policy.

#### **4.6 Excluded trading**

No approval is required in connection with any of the following however must still be notified to the Company Secretary pursuant to Section 6.1:

- (a) participation in any dividend reinvestment plan operated by the Company;
- (b) actions open to all or most shareholders, although the insider trading prohibition under 5.1 still applies;
- (c) transfers of securities where there is no change in the beneficial interest;
- (d) an undertaking to accept, or the acceptance of, a takeover offer; and
- (e) trading by a fund or other scheme in which the Applicable Person holds securities, but where the investment is solely at the discretion of a third party.

#### **4.7 Tipping**

It is illegal and a breach of this Policy for any person who is in possession of Inside Information or to directly or indirectly communicate, or cause to be communicated, Inside Information to anyone who the person knows, or ought reasonably to know, would or would be likely to use the information to Trade in BYE Securities. This is regardless of whether the Trade falls within or outside any trading window.

#### **4.8 Margin lending and other financing arrangements**

Where a Director/officer has entered into a margin loan or similar funding arrangement for BYE Securities, information such as the key terms of the arrangements including the number of BYE Securities involved, the trigger points, the right of the lender to sell unilaterally and any other material details must be disclosed through the Notification procedure in Section 6.1 of this Policy. BYE will decide, having regard to the nature of its operations and the particular circumstance of the Group, whether the margin loan arrangement is material under ASX Listing Rule 3.1 and requires disclosure.

#### **4.9 Trading in other securities**

The insider trading provisions are not limited to Inside Information about the Company. A person can be an 'Insider' in relation to any financial product purely by virtue of having Inside Information about that financial product. Inside Information about other companies or entities may also be obtained during the performance of duties with BYE. For example, where an individual is aware that the Company is about to sign a major agreement with another listed company, they should not deal in securities of either the Company or the other company. Accordingly, where an Applicable Person possesses or may reasonably be considered to possess Inside Information about other financial products, whether related to BYE or not, or other entities, they must ensure they comply with the law at all times.

This Policy may, from time to time, be extended by the Board of BYE to restrict Applicable Persons from Trading in securities of other specified entities with which the BYE may have a relationship.

#### **4.10 Hedging and limiting economic risk**

Applicable Persons are not permitted to enter into transactions in products associated with BYE Securities which operate to limit the economic risk of their BYE Security holding over unvested entitlements (e.g. hedging arrangements).

### **5 CLEARANCE AND NOTIFICATION PROCEDURES**

#### **5.1 Notification**

At any time when an Applicable Person Trades in BYE Securities, whether within or outside the Trading Windows, they must complete the Notification Form in Appendix B of this Policy and email it to the Company Secretary within 2 business days of the Trade.

The Company Secretary may, from time to time, request that an Applicable Person complete a declaration in which the Applicable Person discloses any security holdings or transactions in BYE Securities. When requested, an Applicable Person must promptly and honestly complete such a declaration and return it to the Company Secretary in the manner requested.

Failure to notify through these Notification procedures when an Applicable Person Trades in BYE Securities is a breach of this Policy.

## **5.2 Clearance**

If an Applicable Person seeks to Trade in BYE Securities outside the Trading Windows, they are required to seek approval by completing the Application for Clearance to Trade in Appendix A of this Policy and email it to the Company Secretary.

The giving of clearance to deal is not to be regarded in any way as the giving of advice. The clearance needs to be approved before the Trade by the Chairperson of the Board for all Applicable Persons and by the Chairperson of the Audit and Risk Committee for the Chairperson of the Board.

The clearance shall also state the period within which the Applicable Person is permitted to trade.

Trading in BYE Securities outside of the Trading Windows without approval under these Clearance procedures is prohibited and is a breach of this Policy.

## **6 CONSEQUENCES OF BREACH**

Any contravention of this Policy will be noted by the Company Secretary and reported to the Managing Director / Chief Executive Officer ("MD/CEO"). A contravention will also result in a notation on the Employee's personnel file. The MD/CEO will advise the Board of contraventions of the Policy and action will be taken as deemed appropriate by the MD/CEO, which may involve disciplinary action and could result in dismissal.

Nothing in this Policy shall authorise any person to act in contravention of the insider trading provisions of the Corporations Act 2001. Convictions of insider trading can attract criminal and civil liability.

## **7 DISSEMINATION OF POLICY**

This Policy shall be made available to all Applicable Persons. All Applicable Persons are required to understand their responsibilities, behave ethically and comply with this Policy at all times.

If any other information or assistance is required in relation to this Policy, please contact the Company Secretary.

This policy is reviewed at least annually.

Approved by the Board of Directors on 25/06/2014

Appendix A

Byron Energy Limited

TRADING OUTSIDE THE TRADING WINDOWS

Application for Clearance to Trade in Byron Energy Limited Securities (ASX Code:BYE)

<b>Name</b>	
<b>Date</b>	
<b>Name of Proposed Purchaser/Seller/Counterparty</b>	
<b>Nature of agreement/dealing/trading</b>	
<b>Proposed date of transaction (i.e. completion date)</b>	
<b>No. of Securities</b>	
<b>Representation</b>	I confirm that I am not in possession of any information relating to the entity which is not generally available but would, if the information was generally available, be likely to have a material effect on the price or value of BYE Securities, nor by my actions will I have contravened the requirements of the BYE Trading Policy.
<b>Signed</b>	<b>Date</b>
I confirm the request complies with the requirements of the BYE Trading Policy	
<b>Clearance (outside Trading Windows)</b>	<b>Date</b>

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**Appendix B**

**Byron Energy Limited**

**Notification of Trading in Byron Energy Limited Securities (ASX Code:BYE)**

This form is to be used as a notification mechanism under the BYE Trading Policy for any Trade in BYE Securities within or outside the Trading Windows specified in the Trading Policy

<b>Name</b>	
<b>Date</b>	
<b>Name of Purchaser/Seller/ Counterparty</b>	
<b>Nature of agreement/dealing/ trading</b>	
<b>Date of transaction</b>	
<b>No. of Securities</b>	
<b>Representation</b>	I am not in possession of any information relating to the entity which is not generally available but would, if the information was generally available, be likely to have a material effect on the price or value of the BYE Securities; and the transaction in the BYE Securities described above does not contravene BYE's Trading Policy dated     /     /2014
<b>Signed</b>	<b>Date</b>

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