

ABN 88 113 436 141

(Company)

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the 2015 Annual General Meeting of members of Byron Energy Limited will be held at Christie Conference Centre, Yangtze Room, Mezzanine Level (M), 3 Spring Street, Sydney NSW 2000 on Thursday, 26 November 2015 at 10:30am (Sydney time)

AGENDA

Ordinary Business

Financial Statements and other Reports

To consider the financial statements of the Company for the year ended 30 June 2015 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

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

Resolution 1 Remuneration Report

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

"That the Remuneration Report as contained in the Directors' Report of the Company for the financial year ended 30 June 2015 be adopted."

Resolution 2 Re-election/Election of Directors

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

- (a) *"That, Paul Young who has elected to retire under the Company's Constitution and who, being eligible, offers himself for re-election, is re-elected as a Director of the Company."*
- (b) *"That Douglas Battersby who has elected to retire under the Company's Constitution and who, being eligible, offers himself for re-election, is re-elected as a Director of the Company."*

Special Business

Resolution 3. Approval of additional 10% placement capacity

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

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

Resolution 4. Changes to Constitution (Proportional Takeover Provision)

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

“That the proportional takeover provisions in Section 27 of the Constitution be renewed for a period of 3 years with effect from the date on which this resolution is passed.”

For personal use only

Voting Exclusion Statements

Resolution 1 – Remuneration Report

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

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

Resolution 3 – Approval of additional 10% placement capacity

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

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

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

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

By order of the Board



Nick Filipovic, Company Secretary

23 October 2015

2015 Annual Report

Shareholders who elected not to receive a printed copy of the 2015 Annual Report can access the 2015 Annual Report at the Company's website; www.byronenergy.com.au

Explanatory Statement

This explanatory statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at Christie Conference Centre, Yangtze Room, Mezzanine Level (M), 3 Spring Street, Sydney NSW 2000 on Thursday, 26 November 2015 at 10:30am (Sydney time).

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

Your Vote is important

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

Voting in Person

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

Proxy Voting and Undirected Proxies

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

- (a) post (in the reply paid envelope) to Byron Energy Limited, C/- Boardroom Pty Ltd, GPO Box 3993, Sydney NSW 2001 Australia;
- (b) in person to Byron Energy Limited, C/- Boardroom Pty Ltd, Level 12, 225 George Street, SYDNEY NSW 2000;
- (c) facsimile to Byron Energy Limited, C/- Boardroom Pty Ltd on facsimile number +61 2 9290 9655,

so that it is received not later than 10:30am (Sydney time) on Tuesday, 24 November 2015.

Proxy forms received later than this time will be invalid.

Financial Statements and Reports

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2015 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

Resolution 1 – Remuneration Report

The Remuneration Report as set out on pages 31-36 of the annual report of the Company must be put to a vote for its adoption in accordance with section 250R(2) of the Corporations Act. The vote on this resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration report is part of the Directors' Report for the financial year ended 30 June 2015.

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

Recommendation

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

Resolution 2 – Re-election/Election of Directors

The biographies of each of Paul Young and Douglas Battersby are set out below:

Paul Young – Non Executive Director

Paul Young was appointed to the Board on 18 March 2013. Mr Young is the co-founder and an executive director of Baron Partners Limited, a well-established corporate advisory business, and has been in merchant banking in Australia for more than 26 years. Mr Young has extensive experience in the provision of corporate advice to a wide range of listed and unlisted companies including restructurings, capital raisings, initial public offerings and mergers and acquisitions.

Mr Young is an Honours Graduate in Economics (University of Cambridge) and has an Advanced Diploma in Corporate Finance. He is an Associate of the Institute of Chartered Accountants in England and Wales and a Fellow of the Australian Institute of Company Directors.

Mr Young is currently Chairman of the Audit and Risk Management Committee.

Other current directorships of listed companies

- (a) Ambition Group Limited
- (b) Opus Group Limited

Former directorships of listed companies in last three years

- (a) Australian Rural Capital Limited (until June 2015)
- (b) Thomas & Coffey Limited (until June 2013)

Douglas Battersby – Non Executive Chairman

Douglas Battersby was appointed to the Board on 18 March 2013. Mr Battersby is a petroleum geologist with over forty years' technical and managerial experience in the Australian and international oil and gas industry. Mr Battersby co-founded two ASX listed companies (Eastern Star Gas Limited, which was taken over by Santos Limited in November 2011, and SAPEX Limited, which was taken over by Linc Energy Limited in October 2008), and two private oil and gas exploration/development companies, Darcy Energy Limited, which was sold to I B Daiwa Corporation in 2005 and Byron Energy (Australia) Pty Ltd where he was Executive Chairman until Byron Energy (Australia) Pty Ltd merged with Trojan Equity Limited to create Byron Energy Limited. Between 1990 and 1999, Mr Battersby was Technical Director at Petsec Energy Limited, an ASX listed operator in the shallow waters of the Gulf of Mexico with production reaching 100 MMcf per day of gas and 9,000 barrels of oil per day in 1997.

Mr Battersby holds a Master of Science degree in Petroleum Geology and Geochemistry from Melbourne University.

Other current directorships of listed companies

None.

Former directorships of listed companies in last three years

None.

Recommendation

The Directors (with Mr Young abstaining in respect of Resolution 2(a), and Mr Battersby abstaining in respect of Resolution 2(b)) recommend that Shareholders vote in favour of Resolutions 2(a) and 2(b).

Resolution 3 – Approval of additional 10% placement capacity

General

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

The Company is an Eligible Entity.

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

If Shareholders approve Resolution 3, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below).

The effect of Resolution 3 will be to allow the Directors to issue Equity Securities of up to 10% of the Company's fully paid ordinary securities on issue during the period up to 12 months after the meeting, without subsequent shareholder approval and without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by shareholders present and eligible to vote at the meeting must be in favour of Resolution 3 for it to be passed.

ASX Listing Rule 7.1A

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

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

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

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation (at \$0.20) of \$38.6 million.

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

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

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

Where:

- A** is the number of fully paid ordinary securities on issue 12 months before the date of issue or date of agreement to issue:
- plus the number of fully paid ordinary securities issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - plus the number of partly paid ordinary securities that became fully paid in the previous 12 months;

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

D is 10%.

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

Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to Resolution 3:-

Minimum Price

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

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

Date of Issue

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

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

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

The Company will only issue and allot the Equity Securities during the 10% Placement Capacity Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2. (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).

Risk of voting dilution

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

If Resolution 3 is approved by shareholders and the Company issues the maximum number of Shares available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

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

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

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

- (a) the issue price is the closing price of the Company's Shares on 20 October 2015;
- (b) the number of Shares on issue is at 20 October 2015. This could increase as a result of the issue of Shares either with or without shareholder approval; and
- (c) the Company issues the maximum number of Shares as are permitted under Resolution 3.

Variable 'A' in Listing Rule 7.1A.2		Dilution**		
		\$0.10 50% decrease in Issue Price	\$0.20 Issue Price	\$0.30 50% increase in Issue Price
Current Variable A* 192,919,735 Shares	10% voting Dilution	19,291,974 Shares	19,291,974 Shares	19,291,974 Shares
	Funds raised	\$1,929,197	\$3,858,395	\$5,787,592
50% increase in current Variable A 289,379,603 Shares	10% voting Dilution	28,937,960 Shares	28,937,960 Shares	28,937,960 Shares
	Funds raised	\$2,893,796	\$5,787,592	\$8,681,388
100% increase in current Variable A 385,839,470 Shares	10% voting Dilution	38,583,947 Shares	38,583,947 Shares	38,583,947 Shares
	Funds raised	\$3,858,395	\$7,716,789	\$11,575,184

*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with shareholder approval under ASX Listing Rule 7.1.

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

Shareholders should note that there is a risk that:

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

Purpose of Issue under 10% Placement Capacity

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

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

Allocation under the 10% Placement Capacity

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

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

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

Previous Approval under ASX Listing Rule 7.1A

The Company previously obtained approval under ASX Listing Rule 7.1A at the Annual General Meeting held on Tuesday, 25 November 2014.

In the last 12 months, the Company has issued 48,541,095 Shares and 1,700,000 options convertible into Shares, which together represent 34.80% of the Company's share capital at the commencement of that 12 month period.

The table below sets out the details of the issue securities undertaken by the Company in the previous 12 months.

Date of issue	Number of securities issued	Class of securities	Details of Allottees	Issue Price	Discount / (premium)*	Total cash proceeds	Use of Proceeds
17/12/14	1,700,000	Options exercisable at \$0.65 before 5pm 30/9/17	William Sack	nil	N/A	N/A	N/A
24/12/14	4,541,095	ORD	Sophisticated and Professional investors	\$0.50	(4.17%)	\$2,270,548	<ul style="list-style-type: none">all of the amount raised has been used for exploration, administration and working capital
13/05/15	17,684,000	ORD	Sophisticated and Professional investors	\$0.25	00.00%	\$4,421,000	<ul style="list-style-type: none">all of the amount raised has been used for exploration, administration and working capital
15/05/15	1,900,000	ORD	Sophisticated and Professional investors	\$0.25	7.41%	\$475,000	<ul style="list-style-type: none">all of the amount raised has been used for exploration, administration and working capital
30/06/15	19,768,000	ORD	Sophisticated and Professional investors	\$0.25	(8.70%)	\$4,942,000	<ul style="list-style-type: none">\$773,000 of the amount raised has been used for exploration, administration and working capitalthe remaining \$4,169,000 is intended to be used for exploration, administration and working capital
30/06/15	3,748,000	ORD	Doug Battersby, Paul Young, William Sack, Maynard Smith and each of their associates	\$0.25	(8.70%)	\$937,000	<ul style="list-style-type: none">all of the \$937,000 is intended to be used for exploration, administration and working capital
3/07/15	900,000	ORD	Sophisticated and Professional investors	\$0.25	(4.17%)	\$225,000	<ul style="list-style-type: none">all of the \$225,000 is intended to be used for exploration, administration and working capital

*The discount, is the discount to the closing price on the trading day before the date on which the relevant securities were issued

Voting Exclusion

A voting exclusion statement is included in the Notice of Meeting. As at the date of this Notice of Meeting, the Company has not invited any existing shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing shareholders will be excluded from voting on Resolution 3.

Recommendation

The Board recommends that shareholders vote in favour of Resolution 3.

Resolution 4: Changes to Constitution (Provisional Takeover Provision)

Background

Under the Corporations Act, a company may include provisions in its constitution dealing with a proportional takeover offer of the company's shares (known as proportional takeover approval provisions). Under such provisions, registration of a transfer of shares under a proportional takeover bid is prohibited unless and until a resolution of shareholders to approve the offer is passed in accordance with the provisions. If a company has included such provisions in its constitution, the Corporations Act provides that they apply for up to three years. The provisions must be renewed by way of shareholder approval every three years (or a shorter period if provided for in the constitution) for them to continue to take effect.

Insertion of provisions in the Constitution

The Constitution contains proportional takeover approval provisions under Section 27. Since they have not been renewed for more than three years, the current provisions have automatically ceased to have effect and are deemed omitted from the Constitution by law.

Accordingly, it is proposed that the proportional takeover approval provisions be reinserted into the Constitution in the same form as those provisions previously contained in Section 27 of the Constitution. If approved by the shareholders at the Annual General Meeting, the provisions will take effect for three years from the date of the meeting.

The Corporations Act requires the Company to provide shareholders with an explanation of the proposed proportional takeover approval provisions to ensure that shareholders are able to make an informed decision on whether or not to support or oppose the provisions.

What is a proportional takeover offer?

A proportional takeover offer is a takeover offer sent to all shareholders with respect to only a specified proportion of each shareholder's shares. If a shareholder accepts the offer under a proportional takeover offer, the shareholder will only dispose of the specified portion of their shares in the company and retain the balance of their shares. The specified portion must be the same for each shareholder's shares.

Effect of proposed provisions

The effect of inserting the proportional takeover approval provisions in the Constitution is that if a proportional takeover offer is made, the directors must convene a meeting of shareholders to vote on a resolution to approve the proportional takeover offer. The meeting must be held at least 14 days before the offers under the proportional takeover offer close.

The resolution will be passed if more than 50% of votes are cast in favour of the resolution, and will otherwise be taken to be rejected. If no such resolution is voted on before the approving resolution deadline, a resolution approving the takeover offer is taken to have been passed.

If a resolution to approve the takeover offer is voted on before the approving resolution deadline and is rejected, then all binding contracts resulting from acceptances of offers made under the takeover offer are required to be rescinded by the bidder, and all unaccepted offers (and offers failing to result in binding

contracts) are taken to have been withdrawn. If a resolution approving the takeover offer is passed or taken to have been passed, the transfers resulting from the takeover offer may be registered, provided that they comply with other applicable provisions of the Corporations Act and the Constitution.

Reasons for the proposed provisions

The Directors take the view that a proportional takeover offer may enable control of the Company to pass to a person holding less than a majority interest and without shareholders having the opportunity to sell all of their shares to the bidder.

Therefore, shareholders may be exposed to the risk of being left as minority shareholders in the Company and of the bidder being able to acquire control of the Company without payment of an adequate control premium for their shares.

The Directors consider that shareholders should have the opportunity to determine whether or not this should be permitted to occur by considering whether or not to pass a specific resolution approving a proposed takeover offer. Accordingly, the Directors have proposed re-inserting the proportional takeover approval provisions in the Constitution.

No present acquisition proposals

As at the date of this notice of meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages for the Directors and shareholders of the Company

The Directors consider the primary advantage of the proposed provisions is to ensure that all shareholders have greater control over the destiny of their Company, by having an opportunity to consider a proportional takeover offer by way of voting at a general meeting or postal ballot. The ability to vote on a proportional takeover offer gives shareholders the opportunity to prevent it from proceeding if they so desire and should ensure that the terms of any future proportional takeover offers are attractive to a majority of shareholders.

The Directors also consider that the provision of the voting opportunity to shareholders is desirable because it enables the directors to formally ascertain the views of shareholders in respect of a proportional takeover offer.

The Directors consider that a potential disadvantage of the proposed provisions is that it makes it more difficult for a proportional takeover offer to proceed and thus may discourage proportional takeover offers. This in turn may reduce the opportunities which shareholders may have to sell some of their shares at an attractive price to persons seeking control of the Company and may reduce any speculative element arising from a possible proportional takeover offer in the Company's share price. However, the Directors believe that the requirement that the views of shareholders be obtained should not adversely affect any offer which is attractive to the majority of shareholders.

Recommendation

The Directors recommend that you vote in favour of this special resolution.

All Correspondence to:

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

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:30am (Sydney time) on Tuesday 24 November 2015**

TO VOTE ONLINE

- STEP 1: VISIT** www.votingonline.com.au/byronagm2015
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

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

BY SMARTPHONE

Scan QR Code using smartphone
QR Reader App

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

Indicate who you want to appoint as your Proxy.

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

Appointment of a Second Proxy

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

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

Proxy which is a Body Corporate

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

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

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

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

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

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

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:30am (Sydney time) on Tuesday 24 November 2015**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

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

- 💻 **Online** www.votingonline.com.au/byronenergyagm2015
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

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

Your Address

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

PROXY FORM

STEP 1 APPOINT A PROXY

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

Appoint the **Chair of the Meeting** (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of Byron Energy Limited to be held at the **Christie Conference Centre, Yangze Room, Mezzanine Level (M), 3 Spring Street, Sydney NSW 2000 at 10:30am (Sydney time) on Thursday, 26 November 2015** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

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

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

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	To adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2a	To re-elect Mr Paul Young as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2b	To re-elect Mr Douglas Battersby as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	To approve additional 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	To approve changes to Constitution (Proportional Takeover Provisions)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SHAREHOLDERS

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2015