

11 August 2016

ASX Release

Successful A\$5.5 MM Capital Raising

- A\$5.5 million raised through share placement
- Support from existing larger shareholders, new professional and sophisticated investors and Directors
- Combined with Metgasco funding, Byron's capital needs are strengthened for SM 71 development and Bivouac Peak maturation

Byron Energy Limited (“Byron” or the “Company”) (ASX:BYE) is pleased to announce that commitments have been received to raise A\$5.5 million through a placement (“Placement”) of 42.4 million new shares. The Placement was supported by a number of the Company’s larger shareholders, including interests associated with directors, as well as several new professional and sophisticated investors.

Placement Details

The Placement consists of 42,390,784 fully paid new ordinary shares to be issued at A\$0.13 per share to raise A\$5.5 million (before issue costs). The Placement price of A\$0.13 per share represents a 11.82% discount to the 5 day Volume Weighted Average Price (“VWAP”) of A\$0.1474 and a 12.4% discount to the 15 day VWAP of A\$0.1484.

The Placement shares will be issued in two tranches:-

- an unconditional placement of 36,916,167 shares to raise approximately \$A4.8 million utilising the Company’s existing Listing Rule 7.1 and LR 7.1A placement capacity, expected to be completed on 22 August 2016; and
- a conditional placement of 5,474,617 shares (“Conditional Placement”) to raise approximately \$A0.7 million comprising subscriptions from Byron directors and/or their associates, in particular Doug Battersby and his associates for A\$260,000 and Paul Young and his associates for A\$451,700.

The Conditional Placement is subject to shareholder approval at a general meeting of Byron’s shareholders, expected to be held before the end of September 2016.

The new shares issued under the Placement will rank equally with existing Byron shares.

The Placement was not underwritten. Byron was advised by, and the Placement was managed by, Baron Partners.

Directors' Participation and Loans

Byron currently has outstanding loans of \$A750,000 from entities associated with Doug Battersby (\$650,000) and Paul Young (A\$100,000), both directors of the Company, bearing interest at 10% per annum. These loans will be repaid from the proceeds of the Placement. However, as noted in the Placement Details above, Messrs Battersby and Young, together with their associates, will subscribe for 5,474,617 shares at \$A0.13 per share, the Placement issue price, injecting A\$711,700 in cash into the Company.

CEO Comment

Commenting on the capital raising, Byron's Chief Executive Officer, Mr Maynard Smith said:-

"This raising of new equity provides Byron with working capital to continue the SM 71 permitting and development plans and maturation of the Bivouac Peak prospect for drilling in the first half of 2017.

As reported in the Company's June 2016 ASX quarterly activities report, Byron intends to fund the development of SM 71 with proceeds of the issue of convertible notes to Metgasco with the aim of commencing production by mid-2017, subject to permitting.

With A\$5.5 million in Placement funds secured and the Metgasco convertible note facility in place, subject to Byron shareholder approval, we will continue executing our growth strategy in the GOM."

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