

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

Notice is given that the Extraordinary General Meeting of members of Byron Energy Limited ("Byron" or the "Company") will be held at Boardroom Pty Limited, Level 12, 225 George Street, Sydney NSW 2000 on Monday, 12 September 2016 at 11:30am (Sydney time).

**AGENDA**

**Ordinary Business**

**Resolution 1 - Approval to Issue Convertible Notes to Metgasco Limited**

To consider and, if thought fit to pass, the following resolution as an **ordinary resolution**:

*"That for the purpose of Listing Rule 7.1 and all other purposes, approval is given for the Company to issue up to 8,000,000 convertible notes to Metgasco Limited (issued at an issue price of \$A1 per note) and the issue of fully paid ordinary shares in the Company to Metgasco Limited consequent on the conversion of the convertible notes on the terms and conditions set out in the Explanatory Statement."*

**Resolution 2 - Approval to Issue Options to Metgasco Limited**

To consider and, if thought fit to pass, the following resolution as an **ordinary resolution**:

*"That for the purpose of Listing Rule 7.1 and all other purposes, approval is given for the Company to issue up to 10,000,000 Options (each Option exercisable into one fully paid ordinary share at an exercise price of \$A0.25 per Option) to Metgasco Limited on the basis set out in the Explanatory Statement."*

**Resolution 3 - Approval and Ratification of the Issue of 3,009,260 Shares**

To consider and, if thought fit to pass, the following resolution as an **ordinary resolution**:

*"That for the purposes of Listing Rule 7.4 and for all other purposes, approval and ratification is given to the issue and allotment of 3,009,260 fully paid ordinary shares (issued at a \$A0.15 per Share) on the terms and conditions set out in the Explanatory Statement."*

**Resolution 4 - Approval and Ratification of the Issue of 250,000 Options**

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That for the purposes of Listing Rule 7.4, and for all other purposes, approval and ratification is given to the issue and allotment of 250,000 Options (each Option exercisable into one fully paid ordinary share at an exercise price of \$A0.25 per Option) to Mr Peter Love, or his nominee, on the terms set out in the Explanatory Memorandum."*

## Voting Exclusion Statement

For the purposes of the Corporations Act and Listing Rule 14.11, the following voting exclusion statements apply to the Resolutions. The Company will disregard any votes on the following Resolutions cast by or on behalf of the following persons:

Resolution	Excluded Party(s)
Resolution 1	Metgasco Limited and any of its associates
Resolution 2	Metgasco Limited and any of its associates
Resolution 3	Any person who participated in the share issue the subject of Resolution 3 and any of their associates
Resolution 4	Mr Peter Love and any of his associates

However, the Company need not disregard a vote on Resolutions 1 to 4 if it is cast by:

- the person as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form; or
- the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**By order of the Board**



Nick Filipovic, Company Secretary

10 August 2016

## **Explanatory Statement to Shareholders to accompany Notice of the Extraordinary General Meeting**

This Explanatory Statement has been prepared for the information of the Shareholders of Byron in connection with the business to be conducted at the Extraordinary General Meeting to be held at Boardroom Pty Limited, Level 12, 225 George Street, Sydney NSW 2000 on Monday, 12 September 2016 at 11:30am (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 the Extraordinary General Meeting.

### **Your Vote is Important**

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

### **Eligibility to Attend and Vote**

For the purposes of determining a person's entitlement to vote at the Meeting, Shares will be taken to be held by the persons who are registered as Shareholders at 7.00 pm (Sydney time) on Friday 9 September 2016.

### **Voting Online**

To vote online, go to [www.votingonline.com.au/byronegmsept2016](http://www.votingonline.com.au/byronegmsept2016).

### **Voting in Person**

To vote in person, attend the Extraordinary General Meeting on the date and at the 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 Limited, GPO Box 3993, SYDNEY NSW 2001 Australia;
- (b) in person to Byron Energy Limited, C/- Boardroom Pty Limited, Level 12, 225 George Street Sydney NSW 2000;
- (c) facsimile to Byron Energy Limited C/- Boardroom Pty Limited on facsimile number + 61 2 9290 9655,

so that it is received not later than **11.30am (Sydney time) on Saturday 10 September 2016**.

Proxy forms received later than this time will be invalid.

## **1 Resolutions 1 – Approval to Issue Convertible Notes to Metgasco Limited**

### **1.1 Background**

On 9 June 2016, Byron announced that it had entered into a Heads of Agreement ("HOA") with Metgasco Limited ("Metgasco") which, subject to the terms and conditions summarised below, would result in Byron raising up to \$A8,000,000 in the form of Convertible Notes. On 21 July 2016, Byron and Metgasco entered into formal agreements to give effect to the HOA being a Convertible Note Deed ("Note Deed") and a General Security Deed ("GSD"). Under the Note Deed, Metgasco makes available to Byron, a convertible note facility under which it has undertaken to make available to Byron up to \$A8,000,000 by way subscription for up to 8,000,000 convertible notes with a face value of \$A1 each ("Notes") at the written request of Byron, subject to satisfaction of certain conditions precedent.

### **1.2 Details of Investors**

Metgasco (ASX:MEL) is presently pursuing new opportunities in the Oil & Gas sector. On 21 July 2016, Byron and Metgasco entered into formal agreements to give effect to the HOA, announced on 9 June 2016, being a Note Deed and a GSD, the material terms of which are summarised in Section 1.3 below. Metgasco also holds a portfolio of cash, fixed income and managed credit assets. Until the end of 2015, Metgasco had a 100% interest in PEL 16, 13 and 426 in the Clarence Moreton Basin in NSW where it operated the largest acreage position in the basin, exploring for conventional and unconventional gas. It had 2C gas resources of 4,428

Petajoules. Metgasco agreed to withdraw from NSW operations and court action against NSW Government in return for a financial settlement approved by shareholders in December 2015.

### 1.3 Summary of the Note Deed

The material terms of the Note Deed are as follows:-

#### (a) Convertible Notes

- i. Conditions Precedent: the Note Deed is conditional on, among other usual conditions precedent for such transactions, the approval by Shareholders of Resolutions 1 and 2 to be considered at the general meeting of Byron to which this Explanatory Statement relates;
- ii. Security: the Notes will be secured by the GSD under which Byron grants a security in favour of Metgasco over all of its present and after acquired property, a negative pledge from Byron not to grant any further security over its assets (other than in the ordinary course of business) and a registered interest over Byron's share of SM 70/71 leases;
- iii. Use of Funds: the proceeds of the Notes may only be used for the development of production assets at SM 70/71, associated purposes and general working capital;
- iv. Drawdown: Byron may draw down on the facility in one or more tranches within six months of the date of the Note Deed, after which, any undrawn funds at six months are deducted from the available facility limit and Metgasco will not be required to subscribe for any further Notes;
- v. Interest: Interest is payable on the face value of the outstanding Notes at a rate of 12% per annum. Interest is payable quarterly in arrears only for first twelve months, after which the face value of the outstanding Notes is repayable in eight equal instalments over balance of term;
- vi. Facility Fee: a fee of 2.5% of the face value of the total facility (ie A\$200,000), is payable on the first drawdown and issue of Notes under the Note Deed;
- vii. Line Fee: a fee of 2% on the face value of the total facility is payable quarterly in advance, for the first six months, and then a fee of 2% of the face value of the outstanding Notes is payable quarterly in advance for the remainder of the term;
- viii. Conversion: the Notes are convertible at Metgasco's election on the occurrence of a change of control or after eighteen months from initial drawdown with one week's notice at a 10% discount to the then prevailing 30 day volume weighted average price (VWAP) of Byron's shares, subject to that conversion not resulting in Metgasco's voting power in Byron increasing from 20% or below to more than 20%, unless shareholder approval has first been obtained (which approval Byron must seek if requested by Metgasco);
- ix. Repayment: the Notes are repayable early by Byron with one month's notice (a) at any time after 90 days from initial draw down until the expiry of 18 months from initial drawdown at 115% of the outstanding face value of the Notes (along with any accrued interest and line fee); and (b) at any time after 18 months from initial drawdown at 105% of the outstanding face value of the Notes (along with any accrued interest and line fee);
- x. Assignment: the Notes are assignable only with Byron's prior written consent, unless that assignment is to a related body corporate or securitization or funding vehicle or an event of default is subsisting;
- xi. Events of Default: usual events of default including insolvency and material adverse change;
- xii. Review Rights: on the occurrence of certain review events, including a material change to the board, or a material reduction in the shareholding of Byron's Chairman and CEO, Metgasco has certain review rights including increasing its security and declaring an event of default; and
- xiii. Board nominee: Metgasco to be granted the right to nominate one director to the board of Byron in the case of certain specified material adverse credit events.

For personal use only

**(b) 10 Million Byron Options to be issued to Metgasco**

On closing, Byron will issue 10 million non-transferable unlisted options ("Options") to Metgasco with an exercise price of A\$0.25 per share and a term of three years. The grant of the Options is the subject of Resolution 2 and detailed further below.

**(c) Priority Right for Metgasco in Future Equity Raisings**

Byron will grant Metgasco a priority right (with a one week notice period) for up to 10% participation in any issuances of ordinary or preferred equity, or options, by Byron during the term of the Note Deed.

**(d) Option for Metgasco to Acquire a 10% Working Interest in Bivouac Peak**

Byron will grant Metgasco the right (but Metgasco does not incur an obligation) to farm-in to Byron's Bivouac Peak prospect for a 10% working interest (out of Byron's 45% working interest, given that Otto Energy Limited ("Otto") (ASX:OEL) has exercised its existing option to acquire a 45% working interest out of Byron's original 90% working interest). If Metgasco exercises its option, it will pay for 13.33% of the cost of drilling the first well and reimburse 10% of Byron's past costs (currently estimated at \$US64,000). Should Metgasco exercise its option, Byron and Metgasco will enter into a farm-out agreement containing customary terms for a transaction of this type.

**(e) Opportunity for Metgasco to Participate in Future Byron Projects**

Byron will grant Metgasco the opportunity to farm into future Byron projects, should Byron decide to farm-out a project, during the term of the Convertible Note, subject to Byron's existing obligations to Otto under the Participation Agreement between Byron and Otto, as announced to the ASX on 11 December 2015.

**1.4 Listing Rule 7.1**

Listing Rule 7.1 effectively allows a company to issue up to 15% of its capital without seeking Shareholder approval in a 12 month period. However, issues in excess of the 15% in 12 months require Shareholder approval.

Resolution 1 seeks Shareholder approval under Listing Rule 7.1 for the issue of the Notes to Metgasco and for the issue of shares in the event that Metgasco elects to exercise its option to convert the Convertible Notes into shares in Byron. The effect of such approval is that the issue of the Notes, and any shares on conversion of the Notes, will not be counted as reducing the number of equity securities which Byron can issue without Shareholder approval under the limit imposed by Listing Rule 7.1.

**1.5 Technical information required by Listing Rule 7.3**

In accordance with Listing Rule 7.3 the following information is provided in respect of Resolution 1:-

**(a) *The maximum number of securities the entity is to issue***

The maximum number of Notes that will be issued under Resolution 1 is 8,000,000. The maximum number of shares that will be issued on conversion of the Notes will be determined by the amount advanced by Metgasco Limited to Byron divided by 90% of the then prevailing 30 day volume weighted average price ("VWAP") of Byron's shares as outlined in section 1.3 above. Accordingly, the number of shares to be issued to Metgasco, and its effect on the control of Byron, will depend on the number of Notes issued, and any movements in the share price of Byron. The following table sets out a number of potential scenarios, and the consequent impact on the control of Byron.

Issued Shares Variable	Maximum Convertible Notes Outstanding***	Number of shares issued to Metgasco Limited		
		50% decrease in Share Price Assumed 30 day VWAP \$0.07	Share Price Assumed 30 day VWAP \$0.14	100% increase in Share Price Assumed 30 day VWAP \$0.28
<b>Current Issued Shares**</b> 235,056,378 Shares	<b>\$8,000,000</b>	<b>Issue price (90% of VWAP) \$0.063*</b>	<b>Issue price (90% of VWAP) \$0.126*</b>	<b>Issue price (90% of VWAP) \$0.252*</b>
<b>Issued Shares Post Metgasco Conversion</b>		362,040,505	298,548,441	266,802,410
<b>Metgasco % holding assuming conversion****</b>		35.07%	21.27%	11.90%
<b>50% increase in Current Issued Shares</b> 352,584,567 Shares	<b>\$8,000,000</b>	<b>Issue price (90% of VWAP) \$0.063*</b>	<b>Issue price (90% of VWAP) \$0.126*</b>	<b>Issue price (90% of VWAP) \$0.252*</b>
<b>Issued Shares Post Metgasco Conversion</b>		479,568,694	416,076,630	384,330,599
<b>Metgasco % holding assuming conversion****</b>		26.48%	15.26%	8.26%
<b>100% increase in Current Issued Shares</b> 470,112,756 Shares	<b>\$8,000,000</b>	<b>Issue price (90% of VWAP) \$0.063*</b>	<b>Issue price (90% of VWAP) \$0.126*</b>	<b>Issue price (90% of VWAP) \$0.252*</b>
<b>Issued Shares Post Metgasco Conversion</b>		597,096,883	533,604,819	501,858,788
<b>Metgasco % holding assuming conversion****</b>		21.27%	11.90%	6.33%

\*the assumed conversion price is 90% of 30 day VWAP. The closing price of Byron's shares on 5 August 2016 was \$0.14. The price for Byron's shares may be above or below that price at the time Metgasco converts its Notes to shares in Byron

\*\* the number of shares on issue is at 8 August 2016 is 235,056,378. This could increase as a result of the issue of Shares either with or without shareholder approval

\*\*\* the table above assumes that Metgasco will subscribe for all 8,000,000 Notes, and that all 8,000,000 Notes are converted to shares in Byron. If Metgasco subscribes for a lesser number of Notes, or converts some, but not all of its Notes, then the number of shares issued to Metgasco, and the consequent effect on the control of Byron will be less.

\*\*\*\* as Shareholder approval has not been obtained, and is not currently being sought, for Metgasco to increase its voting power in Byron above 20%, Metgasco will be prevented from converting Notes into Shares if the issue would result in Metgasco, or another person, increasing its voting power in Byron above 20%, unless Shareholder approval is separately obtained to enable that to occur, or a separate exception to the restrictions contained in section 606 of the Corporations Act 2001 (Cth) applies (i.e. the "3% creep" exception).

(b) *The date by which the entity will issue the securities*

Subject to Shareholder approval, the Notes will be allotted and issued in one or more tranches, but no later than 21 January 2017. For this purpose, the Company has applied for, and has been granted, a waiver from Listing Rule 7.3.2 in order to be able to issue the Convertible Notes more than 3 months after Shareholder approval.

(c) *Issue price of securities*

Each Note will be issued at its face value of \$A1 per Note. However, the Notes will convert to Shares by dividing the total of the face value of all outstanding Notes by the price that is a 10% discount to the then prevailing 30 day VWAP for the Shares, calculated over the 30 days before the day on which the conversion of the Notes occurs and the Shares are issued.

(d) *Terms of the securities*

The terms of the Notes is set out in section 1.3 above. The shares issued on conversion of the Notes will rank equally with all other shares on issue and in all other respects the rights and entitlements of the holders of the shares are identical to the rights and entitlements of the holders of other issued shares.

(e) *Names of the allottees or basis on which allottees were determined*

The Notes will be issued to Metgasco Limited.

(f) *The use or intended use of the funds raised*

The funds raised through the issue of Convertible Notes will be used for development of production assets at SM 70/71, associated purposes and general working capital.

(g) *The dates of allotment or a statement that allotment will occur progressively*

See paragraph 1.5(b) above.

(h) *Voting Exclusion*

A voting exclusion statement applies (see notice of meeting).

## 1.6 Recommendations of Directors

The Directors recommend that Shareholders vote in favour of Resolutions 1.

## Resolution 2 – Approval of the Issue of Options to Metgasco

### 2.1 Background

As noted in Item 1.1 above, in an announcement to the ASX, dated 9 June 2016, Byron announced the HOA with Metgasco. Further, on 21 July 2016, Byron entered into the Note Deed and GSD the subject of the HOA.

### 2.2 Listing Rule 7.1

Listing Rule 7.1 effectively allows a company to issue up to 15% of its capital without seeking Shareholder approval in a 12 month period. However, issues in excess of the 15% in 12 months require Shareholder approval.

Resolution 2 seeks Shareholder approval under Listing Rule 7.1 for the issue to Metgasco of 10,000,000 unlisted options over fully paid ordinary shares in the capital of Byron, with an exercise price of \$A0.25 and an expiry date of 5pm (Sydney time) on 21 July 2019 (“Options”).

### 2.3 Technical information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3 the following information to be provided to Shareholders:-

(a) *The maximum number of securities the entity is to issue*

10,000,000 Options.

(b) *The date by which the entity will issue the securities*

The Options will be issued promptly after the approval of the Shareholder is obtained, but in any event, no later than the date that is 3 months after the date of Shareholder approval.

(c) *Issue price of securities*

The Options will be issued for nil consideration under the terms of the Note Deed.

(d) *Terms of the securities:*

Issue Price	Nil
Exercise Price	\$A0.25
Expiry Date	5 pm Sydney time, 21 July 2019
Conversion Ratio	<ul style="list-style-type: none"><li>• Each Option converts to one fully paid ordinary share in the capital of Byron</li><li>• The exercise price or conversion ratio of the Options will be adjusted in accordance with the listing rules in the event of a reorganisation (including a consolidation, sub-division, reduction or return)</li><li>• Shares issued on conversion of the Options rank equally with fully paid ordinary shares in the capital of Byron</li></ul>
Vesting Conditions	Nil
Transferable	Not in the absence of Byron's approval
Listed or Unlisted	Unlisted
Restrictions on Exercise	<p>The Options are not exercisable if to do so would result in Metgasco or another person breaching the Corporations Act.</p> <p>Accordingly, as Shareholder approval has not been obtained, and is not currently being sought, for Metgasco to increase its voting power in Byron above 20%, Metgasco will be prevented from exercising the Options if the exercise would result in Metgasco, or another person, increasing its voting power in Byron above 20%, unless Shareholder approval is separately obtained to enable that to occur, or a separate exception to the restrictions contained in section 606 of the Corporations Act 2001 (Cth) applies (i.e. the "3% creep" exception)</p>

(e) *Names of the allottees or basis on which allottees were determined*

The Options will be issued to Metgasco Limited or its nominee.

(f) *The use or intended use of the funds raised*

As the Options are issued for nil consideration, no proceeds will be raised from the issue of the Options. Any amount raised on conversion of the Options in the future will be dependent on whether or not such Options are exercised. The maximum amount that could be raised from exercise of all such Options is approximately \$A2,500,000. Any funds raised from the exercise of the Options will form part of Byron's working capital.

(g) *The dates of allotment or a statement that allotment will occur progressively*

The Options will be allotted promptly after the Shareholder approval is given, but in any event, no later than 3 months after Shareholder approval is given.

(h) *Voting Exclusion*

A voting exclusion statement applies (see notice of meeting).

## 2.4 Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 2.

## **Resolution 3 – Approval and Ratification of the Issue of 3,009,260 Shares**

### **3.1 Background**

In an announcement to the ASX, dated 19 February 2016, Byron announced the issue of 3,009,260 fully paid ordinary shares to non-related lenders in consideration for conversion of \$US325,000 in loans to Byron to fully paid ordinary shares in Byron (“Debt to Equity Conversion”). As the issue of shares used up part of Byron’s Listing Rule 7.1 capacity, Byron now wishes to refresh its Listing Rule 7.1 capacity.

### **3.2 Listing Rule 7.4**

Under Listing Rule 7.4, Shareholders may approve the issue of securities made within the limitation of Listing Rule 7.1. By obtaining the approval of Shareholders under Listing Rule 7.4, Byron will retain the flexibility to issue up to 15% of its issued capital, if required, in the next 12 months without the need to obtain prior Shareholder approval.

### **3.3 Technical Information required by Listing Rule 7.5**

Listing Rule 7.5 requires the following information to be provided to Shareholders:-

(a) *Number of securities issued*

The total number of fully paid ordinary shares issued under the Debt to Equity Conversion was 3,009,260.

(b) *Issue price of securities*

The shares were issued at an issue price of \$A0.15 per share.

(c) *Terms of the securities*

The shares issued under Debt to Equity Conversion are fully paid ordinary shares in the capital of Byron and will rank equally with Byron’s current issued shares.

(d) *Names of the allottees or basis on which allottees were determined*

The allottees were various lenders to Byron who are not related parties of Byron, comprising Mr William Reifers, Mr John Sands, Mr James Robson, Mr Ronald W Kirkwood and Mr Robert C & Florence Kirkwood.

(e) *The use or intended use of the funds raised*

The funds raised under the Debt to Equity Conversion were used to repay loans.

(f) *Voting Exclusion*

A voting exclusion statement applies (see notice of meeting).

### **3.4 Recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 3.

## **Resolution 4 – Approval and Ratification of the Issue of 250,000 Adviser Options**

### **4.1 Background**

In an announcement to the ASX, dated 4 December 2015, Byron announced the issue of 250,000 unlisted options (“Adviser Options”) to Mr Peter Love, investor relations adviser to Byron, exercisable at \$A0.25 per share at any time on or before 30 September 2018. The Adviser Options were issued on 11 December 2015. As the issue of the Advisor Options used up part of Byron’s Listing Rule 7.1 capacity, Byron now wishes to refresh its Listing Rule 7.1 capacity.

## 4.2 Listing Rule 7.4

Under Listing Rule 7.4, Shareholders may approve the issue of securities made within the limitation of Listing Rule 7.1. By obtaining the approval of Shareholders under Listing Rule 7.4, Byron will retain the flexibility to issue up to 15% of its issued capital, if required, in the next 12 months without the need to obtain prior Shareholder approval.

## 4.3 Technical Information required by Listing Rule 7.5

Listing Rule 7.5 requires the following information to be provided to Shareholders:-

(a) *Number of securities issued*

250,000 Adviser Options.

(b) *Issue price of securities*

The Adviser Options were issued for nil consideration.

(c) *Terms of the securities*

Issue Price	Nil
Exercise Price	\$A0.25
Expiry Date	5 pm Sydney time, 30 September 2018
Conversion Ratio	<ul style="list-style-type: none"><li>• Each option converts to one fully paid ordinary share in the capital of Byron</li><li>• The exercise price or conversion ratio of the Advisor Options will be adjusted in accordance with the listing rules in the event of a reorganisation (including a consolidation, sub-division, reduction or return)</li><li>• Shares issued on conversion of the Advisor Options rank equally with fully paid ordinary shares in the capital of Byron</li></ul>
Vesting Conditions	Nil
Transferable	Yes
Listed or Unlisted	Unlisted

(d) *Names of the allottees or basis on which allottees were determined*

Mr Peter Love.

(e) *The use or intended use of the funds raised*

As the Advisor Options are issued for nil consideration, no proceeds will be raised from the issue of the Advisor Options. Any amount raised from the Advisor Options in the future will be dependent on whether or not such Advisor Options are exercised. The maximum amount that could be raised from exercise of all such Advisor Options is approximately \$A62,500. Any funds raised from the exercise of the Advisor Options will form part of Byron's working capital.

(f) *Voting Exclusion*

A voting exclusion statement applies (see notice of meeting).

## 4.5 Recommendation

The Directors recommend that shareholders vote in favour of Resolution 4.

**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](http://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 11:30am (Sydney time) on Saturday, 10 September 2016.**

### TO VOTE ONLINE

### BY SMARTPHONE

**STEP 1: VISIT** [www.votingonline.com.au/byronegmsept2016](http://www.votingonline.com.au/byronegmsept2016)

**STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**

**STEP 3: Enter your Voting Access Code (VAC):**



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:

- 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.
- 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 **11:30am (Sydney time) on Saturday, 10 September 2016.** 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/byronegmsept2016](http://www.votingonline.com.au/byronegmsept2016)

 **By Fax** + 61 2 9290 9655

 **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia

 **In Person** Boardroom Pty Limited  
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:

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 Extraordinary General Meeting of the Company to be held at **Boardroom Pty Limited, Level 12, 225 George Street, Sydney NSW 2000 on Monday, 12 September 2016 at 11:30am (Sydney time)** 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.

The Chair of the Meeting intends to vote undirected proxies in favour of each of the items of business.

**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	Approval to Issue Convertible Notes to Metgasco Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval to Issue Options to Metgasco Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval and Ratification of the Issue of 3,009,260 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval and Ratification of the Issue of 250,000 Options	<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 / / 2016