



Share Purchase Plan Booklet 2017

This document is dated 21 August 2017

This is an important document. Please read it carefully before making an investment decision in relation to the Share Purchase Plan. If you have any doubts as to what you should do, please consult your stockbroker, accountant or other professional adviser.

If you have any questions in relation to how to participate in the Share Purchase Plan after reading this booklet, please contact the Byron Energy Limited Australia SPP Offer Information Line on **1300 737 760** if calling within Australia or **+61 2 9290 9600** if calling from outside Australia. If you have any questions in relation to whether an investment in Byron Energy Limited through the Share Purchase Plan is appropriate for you, please contact your stockbroker, accountant or other professional adviser.

This document does not provide financial advice and has been prepared without taking into account your particular objectives, financial situation or needs.

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United States

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Dear Shareholder

21 August 2017

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 7:00 pm (Sydney time) on 11 August 2017 had a registered address in Australia or New Zealand (**Eligible Shareholder**).

The issue price will be A\$0.07 per share. This is the same price that was offered under the Company's share placement announced on 14 August 2017, being a 22.22% discount to the last ASX traded price of the Company's shares on 8 August 2017 and a 27.22% 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 14 August 2017.

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\$0.0962.

The purpose of the SPP is to raise funds for the Company's Gulf of Mexico oil and gas projects and to provide general working capital. The funds raised through the SPP should allow the Company to begin to monetise its portfolio in the Gulf of Mexico.

The SPP will raise a maximum of A\$2 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:

- 214,286 for the total amount of A\$15,000;
- 142,858 for the total amount of A\$10,000;
- 71,429 for the total amount of A\$5,000;
- 28,572 for the total amount of A\$2,000.

The SPP provides Eligible Shareholders with the opportunity to increase smaller holdings into larger and more financially viable parcels and expand shareholdings 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.

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

- payment by BPAY® – please refer to the Biller code and Reference number on your personalised application form and contact your participating financial institution to make your payment. You are not required to return the application form; or
- 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.

The Terms and Conditions of the SPP and your personalised Application Form are attached. 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 the Byron Energy Limited SPP Offer Information Line on 1300 737 760 if calling from Australia or +61 2 9290 9600 if calling from outside of Australia.

Thank you for your continued support of the Company.

Yours sincerely



Doug Battersby
Chairman

BYRON ENERGY LIMITED

ABN 88 113 436 141

Share Purchase Plan Terms and Conditions

Offer

The Company is offering its shareholders the opportunity to purchase up to A\$15,000 of fully paid ordinary shares in the Company by way of its SPP.

The price per share under the SPP (**SPP Price**) being offered is **A\$0.07**. This is the same price that was offered to institutional investors under the placement announced on 14 August 2017. The SPP Price is a **27.22%** discount to the volume weighted average market 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 **7pm (Sydney time) on 11 August 2017 (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:

- (a) is optional for Eligible Shareholders; and
- (b) is subject to these Terms and Conditions.

Subscription

Eligible Shareholders, regardless of the number of shares they hold in the Company, may subscribe for any one of the following parcels (subject to any scale back described below):

	Subscription Amount	Shares allotted at the SPP Price
Minimum application	\$2,000	28,572
	\$5,000	71,429
	\$10,000	142,858
Maximum application	\$15,000	214,286

No Eligible Shareholder may be issued with shares with an application price totalling more than A\$15,000.

Important dates

Record Date	7pm (Sydney time) 11 August 2017
Opening Date	21 August 2017
Closing Date	5pm (Sydney time) 22 September 2017
Share Issue Date	28 September 2017
First Trading Date	28 September 2017
Dispatch of Holding Statements/Confirmation advice	28 September 2017

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\$15,000 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\$15,000 worth of shares (one maximum parcel).

Custodians, trustees and nominees

A custodian, trustee or nominee within the definition of "custodian" in ASIC Class Order [09/425], 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\$15,000 worth of shares for each Participating Beneficiary, subject to providing notice in writing to the Company (by way of Custodian Certificate) certifying the following:

- (a) 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;
- (b) 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;

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- (e) the number or dollar amount of shares which each Participating Beneficiary has instructed the Custodian, either directly or indirectly 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\$15,000 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 in the Company 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 ASIC Class Order [09/425].

If shares in the Company are held as a trustee or nominee for another person, but are not a Custodian as defined in ASIC Class Order [09/425], that holder cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings apply.

If a Custodian Certificate or further information on how to apply is required, contact the Byron Energy Limited SPP Offer Information Line on **1300 737 760** (within Australia) and **+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\$15,000 of shares under the SPP or similar plan in any 12 month period (as prescribed by ASIC Class Order [09/425]).

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

- (a) certifies that the aggregate of the application price paid for:
 - (i) the shares the subject of the application form or BPay[®] payment; and
 - (ii) 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,does not exceed A\$15,000 (except when applying as a Custodian for one or more beneficiaries);
- (b) agrees that the application is only effective as of the date on which the application is signed (if applicable) (**Effective Date**);
- (c) agrees generally to otherwise be bound by these Terms and Conditions; and
- (d) 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 and agrees to be bound by the constitution of the Company.

The Company reserves the right and in certain circumstances may be required by ASIC Class Order [09/425] 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 will only be open for acceptance on and from **21 August 2017** in order to comply with legal requirements.

Applications may only be made by:

- (a) submitting the enclosed application form (together with a cheque, bank draft or money order) to the Company's share registry at the address shown on the application form; or
- (b) making payment by BPay[®] in accordance with the instructions set out on the enclosed application form.

Application forms or payment by BPay[®] (as applicable) must be received before **5:00 pm (Sydney time) on 22 September 2017 (Closing Date)** in order for the application to be valid and capable of acceptance by the Company. Applications received after that time will not be accepted. If the exact amount of application money is not tendered with the application form or via BPay[®], the Company reserves the right to reject the application.

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\$15,000 maximum parcel limit, the number of shares in the Company to be issued to each Eligible Shareholder will be calculated by dividing the application money received from each Eligible Shareholder under the SPP by the SPP Price, then rounding up to the nearest whole share.

Scale back

The Company is seeking to raise a maximum of **A\$2,000,000** under the SPP. Further, 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.

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 SPP 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 SPP 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 **28 September 2017** 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 **28 September 2017**. 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.

Underwriting

The SPP will not be underwritten.

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 Class Order [09/425]

This offer of shares under the SPP is made in accordance with the requirements of ASIC Class Order [09/425]. That Class Order grants relief from the requirement to prepare a prospectus for the offer of shares under the SPP.

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 Byron Energy Limited SPP Offer Information Line on:

Telephone: **1300 737 760** (within Australia)

+61 2 9290 9600 (outside Australia)

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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

Baron Partners Limited
Level 18
Deutsche Bank Place
126 Phillip Street
Sydney NSW 2000

Share Purchase Plan – Application Form**Record Date:** 7.00 pm (Sydney time)
11 August 2017**Opening Date** 21 August 2017**Closing Date:** 5.00pm (Sydney time)
22 September 2017**SPP Price:** **A\$0.07 per Share****A Offer Details**

This is an important document which requires your immediate attention. If you are in doubt as to how to deal with this document please contact your professional adviser.

Before applying for shares in Byron Energy Limited (**Company**) under the Share Purchase Plan (**SPP**) you should read the SPP Terms and Conditions and the Declarations and Acknowledgments on the back of this Application Form. Terms not defined in this Application Form have the same meaning as in the SPP Terms and Conditions. By making a BPAY payment or completing and returning this Application Form with a cheque, bank draft or money order, you agree to be bound by the constitution of the Company and the SPP Terms and Conditions (including the eligibility requirements) and you make all of the acknowledgments, representations, declarations and certifications contained in the SPP Terms and Conditions.

This SPP is non-renounceable. Applications can only be accepted in the name printed on the Application Form.

Custodians cannot use this form to apply for multiple parcels of shares on behalf of distinct beneficiaries. Please see over.

If you do not wish to purchase shares under the SPP, there is no need to take any action.

B Offer Choice

Please nominate the value of the shares for which you are applying below. **The number of shares to be issued will be calculated by dividing your application amount by the SPP Price per share rounded up to the nearest whole number of shares as per the SPP Terms and Conditions.**

 Offer for A\$15,000 (214,286 shares) Offer for A\$10,000 (142,858 shares) Offer for A\$5,000 (71,429 shares) Offer for A\$2,000 (28,572 shares)

IMPORTANT NOTE: The total allowable application is A\$15,000 per shareholder. By making an application for shares under the SPP, you certify that your application amount under the SPP (whether through direct or indirect holdings, including through custodians) does not exceed A\$15,000. Any amounts over the A\$15,000 total risk a delay in processing and missing this offer.

C Payment Details

Payment may only be made by BPAY, cheque, bank draft or money order. Cash will not be accepted via the mail or at the Byron Energy Limited Share Registry. Payments cannot be made at any bank.

The amount of your payment received by BPAY, cheque, bank draft or money order prior to the close, divided by the SPP Price, will be deemed to be the total number of shares you are applying for.

Payment Option 1 - BPAY**Biller Code:****Ref:****Telephone & Internet Banking - BPAY®**

Contact your bank, credit union or building society to make this payment from your cheque or savings account. More info: www.bpay.com.au
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- To pay via BPAY please contact your participating financial institution, and use the Biller Code and personalised Reference Number cited above.
- If paying by BPAY you do not need to return the Application Form, but will be deemed to have submitted an Application Form.

This form continues overleaf

Payment Option 2 – Cheque, bank draft or money order

Record cheque details below:

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

- 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 you submit the correct amount. Incorrect payments may result in your application being rejected or scaled down.
- Payments must be made via cheque, bank draft or money order accompanying the Application Form.

D Contact Details

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

Home telephone number	Work telephone number	Contact name

E Custodians

Custodians cannot use this form to apply for multiple parcels of shares on behalf of distinct beneficiaries. To do so please contact Boardroom Pty Limited as below. To apply for New Shares on behalf of distinct beneficiaries, custodians must obtain a separate custodian certificate from Boardroom Pty Limited. Custodians must comply with the requirements of ASIC Class Order CO 09/425 and provide evidence satisfactory to the Company of the distinct holdings when accepting the SPP offer. Each beneficial holder on whose behalf a custodian submits an application must be named in the custodian certificate and must have a registered address in either Australia or New Zealand at on the Record Date.

F Enquiries

If you are unsure as to how to complete this form please contact the Byron Energy Limited SPP Shareholder Information Line on 1300 737 760 (from within Australia) or +61 2 9290 9600 (from outside Australia).

G Declarations and Acknowledgments

By lodging this form with your cheque, bank draft or money order, or by making a BPAY payment, you acknowledge and confirm that you have read, understood and agree to and make all representations contained in the SPP Terms and Conditions. That is, by lodging this form with your cheque, bank draft or money order, or by making a BPAY payment, you represent that the total application price for the following does not exceed \$15,000:

- the shares you are applying for under this Application Form;
- any other shares or interests you are applying for under this SPP; and
- any other shares or interests in the class which you have instructed a custodian to acquire on your behalf under this SPP.

Any personal information collected by the Company on this application form will be dealt with in accordance with applicable privacy requirements.

NO SIGNATURE IS REQUIRED ON THIS FORM

THIS OFFER IS NON-RENOUNCEABLE

Application Forms and cheques, bank drafts or money orders, or payment via BPAY, must be received no later than 5.00pm (Sydney time) on 22 September 2017.

You should allow sufficient time for this to occur. The postal acceptance rule does not apply to the SPP.

MAILING ADDRESS

Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

DELIVERY ADDRESS

Boardroom Pty Limited
Level 12, 225 George Street
SYDNEY NSW 2000