

19 September 2018

ASX Release

Grant of Options

Byron Energy Limited (“Byron” or the “Company”) (ASX: BYE) is pleased to announce that in recognition of a successful 2017/18 year, with the commencement of production at SM 71 and the acquisition of the EI 62/63/76/77 leases with substantial independently assessed gas and oil reserves and resources, together with the management team setting the Company up for substantial growth, the Company has decided to grant each of the Chief Executive Officer, Maynard Smith, and the two Executive Directors, Prent Kallenberger and Bill Sack, 2.1 million options (“Options”) each, subject to shareholder approval at the next Annual General Meeting (“AGM”) to be held before the end of November 2018.

The Options will have an exercise price of A\$ 40 cents each, are exercisable at any time before 5pm (Sydney time) on 31 December 2021, and will be unlisted.

In addition, a total of 3.2 million Options, on the same terms and conditions as those granted to Messrs Smith, Kallenberger and Sack, will be granted to other senior managers and consultants. Rather than issuing these Options under its Listing Rule 7.1 capacity, the Company will seek the approval of shareholders for the issue of these Options at the forthcoming AGM.

The exercise price of the Options at A\$ 40 cents is a 43% premium to the closing share price of 28 cents on 18 September 2018.

Doug Battersby, Chairman of Byron, commented:-

“We are delighted with the results that our management team, led by the CEO Maynard Smith, has delivered over the last year. It positions the Company for continuing growth with three projects, Bivouac Peak, SM 74 and EI 62/63/76/77, to be drilled in the next year. With such an active year ahead we have taken steps to ensure that the management team is adequately rewarded and motivated to continue to drive shareholder value.”

For further information contact:-

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Options - Terms and Conditions

Class	Unlisted options over fully paid ordinary Shares
Recipients and number	Mr Maynard Smith – 2,100,000 Mr Prent Kallenberger – 2,100,000 Mr William Sack – 2,100,000 Other senior managers & consultants – 3,200,000
Terms of securities	<i>Exercise Price:</i> A\$0.40 per option <i>Expiry Date:</i> 5pm (Sydney time) on 31 December 2021 <i>Conversion Ratio:</i> each option converts into one fully paid ordinary Share. 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) <i>Vesting Conditions:</i> nil <i>Transferable:</i> yes <i>Listed:</i> not listed
Issue Price	Nil
Purpose	Incentivise directors, senior managers and consultants for their continued contribution to the Company.
Shareholder approval	Shareholder approval will be sought for the issue of all options (under Listing Rule 10.11 for the issue to Messrs Smith, Kallenberger and Sack, and under Listing Rule 7.1 for the issue to senior managers and consultants)