

20 November 2019

Dear Optionholder

NON-RENOUCEABLE ENTITLEMENT OFFER – OPTION HOLDERS

Byron Energy Limited (**Byron** or the **Company**) announced on 15 November 2019 a placement of 54 million shares to sophisticated and professional investors, together with an underwritten non-renounceable entitlement offer (**Entitlement Offer**) to raise approximately \$25.9 million before costs.

The net proceeds of the Entitlement Offer and the Placement will be used primarily to fund Byron's ongoing exploration and development programme in the SM71 and SM58 fields in the Gulf of Mexico, USA (\$18.9 million), to repay short term loans from directors (est \$5.5 million) and to fund issue costs (est \$1.5 million).

Under the terms and conditions of the options that you currently hold, there is no entitlement to participate in the Entitlement Offer. If you wish to participate, and your options are exercisable, you must exercise those options (or part of those options) allowing sufficient time for Byron to allot and issue your shares, such that you are on Byron's register of shareholders by 7.00pm (Sydney time) on 25 November 2019.

It is not compulsory to exercise your options (even if they are exercisable). If you do wish to exercise your options, you may do so by completing all of the steps required by the terms and conditions of those options, including payment of the relevant exercise price. In exercising your options, you must allow sufficient time for the Company to allot and issue your shares such that you are on the Company's register of shareholders by 7.00pm (Sydney time) on 25 November 2019 and are able to participate in the Entitlement Offer.

Exercise of options may have taxation, financial and other implications. If you are in any doubt as to whether and how to deal with your options, you should contact your stockbroker or other professional adviser.

If you have any queries about the Entitlement Offer, please contact either Byron's Share Registry, Boardroom Pty Ltd, on 1300 737 760 or the Company Secretary, Mr Nick Filipovic on (03) 8610 6582.

Yours sincerely,



Nick Filipovic
Company Secretary

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