

13 May 2024

ASX Release

Voluntary Delisting from ASX

Byron Energy Limited (Byron or the Company) (ASX: BYE) announces that it has lodged a formal request with the Australian Securities Exchange (**ASX**) to be removed from the official list of the ASX (**Official List**). Following an in-principle application made by the Company, ASX has resolved to approve the proposed delisting subject to the following conditions being met:-

1. The Company's removal from the Official List is approved by special resolution of shareholders;
2. The notice of meeting (**NOM**) seeking security holder approval for 's removal from the official list must include the following information, in form and substance satisfactory to ASX:
 - a. a timetable of key dates, including the time and date at which the Company will be removed from ASX if that approval is given;
 - b. a statement to the effect that the removal will take place no earlier than one month after approval is granted;
 - c. a statement to the effect that if holders wish to sell their securities on ASX, they will need to do so before the entity is removed from the official list; and if they do not, details of the processes that will exist after the Company is removed from the official list to allow security holders to dispose of their holdings and how they can access those processes; and
 - d. the information prescribed in section 2.11 of the ASX Guidance Note 33.
3. The Company releases the full terms of ASX's decision to the market upon making a formal application to ASX to remove the Company from the official list of the ASX.

The date for the Company's delisting will be determined by ASX in consultation with the Company, however the Company has requested a delisting date of 17 July in its delisting application

Reasons for delisting

Following a detailed review, the Board of the Company has determined that the delisting is in the best interests of shareholders for the following reasons:

Sharemarket trading price undervalues Byron's assets

In the Board's view, the trading price of Byron's shares on ASX, over the past 2 years in particular, does not fairly represent the value of the Company's underlying oil and gas assets and exploration and evaluation assets.

In particular, the Board is of the view that there is a large disparity between the share market capitalisation of Byron (on the one hand), and the Board's assessment of the fair value of Byron's assets (on the other hand).

This disparity is hindering Byron's ability to attract investments on reasonable terms for development and exploration of its assets and for working capital purposes.

In assessing the fair value of Byron's underlying assets, the Board has considered, amongst other metrics the written down value of Byron's net assets as per historical balance sheets. The table below illustrates the disparity between the written down value of Byron's net assets over the past 2 years, as compared to its share market capitalisation:

Byron Energy Limited Group	30 June 2022	31 Dec. 2022	30 June 2023	31 Dec. 2023
A. Net Assets (\$US million)*	106	123	128	136
B. Share-market capitalization (\$A million)	184	124	76	108
C. Share-market capitalization (\$US million)	127	84	50	74
D = C minus A (\$US million)	21	(39)	(78)	(62)

* source: 30 June (audited) and 31 December (audit reviewed) Company balance sheets as released to the ASX. USD:AUD exchange rates are set out in those annual and half-yearly reports, and reflect the prevailing exchange rate at that time.

The Board's view regarding the disparity between the share market capitalisation of Byron (on the one hand), and the Board's assessment of the fair value of Byron's underlying assets (on the other hand), is further supported by equity research reports commissioned by Byron from MST Access, the research platform of MST Financial (**MST**). The latest MST research report dated 2 April 2024 values Byron at \$A0.460 per share, as compared to the closing price for Byron's shares of \$A0.08 as of 5 April 2024.

In the Board's view, delisting the Company should prevent Byron from being hamstrung by its market capitalisation when seeking to raise equity or pursuing value enhancing strategic opportunities and corporate transactions. In the Board's view, delisting the Company should prevent BYE from being hamstrung by its market capitalisation being the primary source of valuation and give the Company greater flexibility to execute its strategies when pursuing value enhancing strategic opportunities, corporate transaction and seeking to raise equity.

Raising capital is highly dilutive

The Company has been successful in adding reserves, particularly proved and probable reserves, and generating significant net revenue and net cashflows from operating activities, over the last few years. Nevertheless, it has had to rely solely on internally generated cashflow, revenue prepayment arrangements, with the buyer of the Company's oil production, and loans from Directors to fund its oil and gas exploration and development activities. In the opinion of the Board, this is not in the best interests of the Company or its shareholders.

The Board believes that share price performance on ASX, in both price and liquidity terms, is an impediment to Byron seeking to raise capital, including by way of a farmout and/or partial sale of oil and gas assets, while it remains listed. In the Board's view, the depressed share price and sharemarket capitalisation makes farmout transactions or partial sale of the Company's oil and gas assets on reasonable terms virtually impossible, as potential counterparties use the depressed market capitalisation as a valuation benchmark.

The Board believes that by delisting Byron, a valuation of Byron would no longer be distorted by the application of the Company's depressed share price and market capitalisation as the primary valuation methodology, allowing future valuations to be based solely on an appraisal of Byron's underlying oil and gas properties and exploration and evaluation assets and prospects.

Limited trading and liquidity

One of the key benefits that listing on the ASX is supposed to deliver is liquidity in the trading of shares. However, Byron's shares have experienced a significant lack of liquidity particularly over the past 12 months. General market sentiment towards oil and gas producers and a depressed share price, combined with the top 50 shareholders accounting for around 59% of the shares on issue, has resulted in limited interest in Byron's shares, and therefore low liquidity. In particular, Byron has not been able to secure interest from institutional investors due to a low share price and limited liquidity.

Over the 12 months ending 31 March 2024, average daily trading volumes are approximately 423,000 shares and average daily trading value is approximately \$A37,000, as evidenced by the statistics below. Over the past year less than 10% of issued shares have changed hands.

In the Board's view, this lack of liquidity has had a disproportionate negative impact on the share price. This in turn impacts investor confidence and the ability of shareholders to realise their shares for fair value by selling on-market. As noted above, the Board believes that in an unlisted environment, it will be able to realise a higher valuation for the Byron assets, and therefore the Byron shares.

Monthly	Open	High	Low	Close	Volume	Value	Transa ctions
31/03/2024	\$0.09	\$0.09	\$0.08	\$0.08	5,928,537	\$486,706	489
29/02/2024	\$0.10	\$0.10	\$0.08	\$0.09	7,594,978	\$656,904	509
31/01/2024	\$0.10	\$0.11	\$0.09	\$0.10	7,516,867	\$709,589	645
31/12/2023	\$0.12	\$0.12	\$0.10	\$0.10	7,632,293	\$829,858	310
30/11/2023	\$0.09	\$0.12	\$0.09	\$0.12	11,847,951	\$1,173,402	525
31/10/2023	\$0.08	\$0.10	\$0.07	\$0.08	5,992,598	\$544,707	544
30/09/2023	\$0.09	\$0.10	\$0.08	\$0.09	5,934,531	\$511,272	369
31/08/2023	\$0.09	\$0.11	\$0.08	\$0.09	11,973,837	\$1,141,021	487
31/07/2023	\$0.07	\$0.09	\$0.07	\$0.09	10,333,775	\$794,547	355
30/06/2023	\$0.08	\$0.08	\$0.07	\$0.07	15,768,735	\$1,120,942	461
31/05/2023	\$0.08	\$0.09	\$0.07	\$0.08	8,893,327	\$684,860	265
30/04/2023	\$0.08	\$0.10	\$0.07	\$0.08	6,695,598	\$555,494	402
Average monthly					8,842,752	\$767,442	447
Average daily					422,761	\$36,690	21

Costs saving

In light of the reasons listed above, the Board is of the view that the costs of maintaining Byron's ASX listing outweigh the benefits. The Board's view is that the funds used to maintain the Company's ASX listing could be directed toward the development of the Company's projects if the Company is delisted from the ASX.

The expected annual operating cost savings are expected to be as follows, if Byron is delisted:

Matter	Annualised Cost Saving post delisting (\$A)
ASX Listing Fee	47,000
ASX and Share Registry Costs	70,000
Audit, Reporting, D&O Insurance, Investor Relations and Professional Fees	143,000
TOTAL	260,000

Accordingly, the Board anticipates that the costs savings associated with delisting could be in the order of \$A260,000. This saving does not include indirect cost associated with the need to devote senior management time attending to matters relating to ASX listing, estimated at 10% of management time amounting to approximately \$A290,000 per annum. If the Company delists, management time will be better spent on other matters for the benefit of Company and its shareholders

Consequences of the delisting

The consequences of the Company's removal from the Official List of the ASX are as follows:

Shareholders will no longer have the ability to sell their shares and realise their investment in the Company via trading on the ASX

Following delisting, the Company's shares will only be capable of sale via off-market private transactions which will require shareholders to identify and agree terms with potential purchasers in accordance with the *Corporations Act 2001* (Cth) (**Corporations Act**) and the Company's Constitution. Notwithstanding that there is currently a lack of liquidity in trading of shares on the ASX, it may become more difficult for shareholders to identify and agree terms with potential purchasers post-delisting.

Reduced disclosure obligations

Changes to disclosure obligations

If Byron delists from ASX it will become an unlisted disclosing entity. Although it will no longer be required to comply with the continuous disclosure obligations and periodic disclosure obligations under Chapters 3 and 4 of the ASX Listing Rules, the Company will remain subject to continuous disclosure and periodic disclosure obligations under the Corporations Act.

More specifically, following delisting, the Company will no longer be required to comply with continuous disclosure obligations under Listing Rule 3.1, or make specific disclosures under Chapter 3 of the ASX Listing Rules (although such disclosure may nevertheless be required under the Company's continuous disclosure obligations under the Corporations Act). These disclosures include (but are not limited to):

- disclosures of directors' interests;
- certain information about share buy-backs;
- certain information about takeover bids; and

- information about changes to the capital structure of the Company.

Further, following delisting, the Company will not be required to comply with the periodic disclosures provisions under Chapter 4 of the Listing Rules. These include (but are not limited to):

- quarterly activities and cash flow reports;
- corporate governance statements in the Company's annual report; and
- naming substantial holders in the Company's annual report.

By contrast, under the Corporations Act, the Company will be required to disclose information that a reasonable person would be taken to expect to have a material effect on the price or value of the Company's securities, which is effectively the same as the continuous disclosure requirement under the Listing Rules, but without ASX's input and oversight.

Further, under the Corporations Act, the Company will be required to periodically lodge:

- audited annual financial reports for each financial year, including specific disclosures required in Division 1 of Part 2M.3 of the Corporations Act;
- directors' reports for each financial year;
- audited financial reports for each half year; and
- directors' reports for each half year.

Non-Application of ASX Listing Rules generally

In addition to the reduction in the Company's continuous and periodic disclosure obligations, the Company will no longer be subject to the application of other ASX Listing Rules which are intended to protect, or provide information to, shareholders (such as Chapters 7, 10, 11 and 14 of the Corporations Act). For example:

- the Company will no longer be required to obtain shareholder approval for significant transactions, including any transactions which could change the nature or scale of the Company's undertakings;
- unless caught by Chapter 2E, the Company will no longer be required to obtain shareholder approval to enter into transaction with certain persons of influence;
- shareholders will no longer be protected from substantial dilution of their holdings by the 15% placement cap;
- the specific disclosures to be made in a notice of meeting for shareholder approval of the matters set out above no longer need to be made; and
- voting exclusions mandated by the ASX Listing Rules on certain resolutions will no longer apply.

No guarantee of enhanced access to capital

While the Board believes the Company will have better access to potential capital and on more favourable terms than would otherwise be available if the Company was to remain listed on the ASX, there is no certainty that the Company will in fact obtain better access to capital and/or on more favourable terms post-delisting.

Shareholder Remedies

In addition to voting against the resolution, if a shareholder of the Company considers the proposed delisting to be contrary to the interests of the shareholders as a whole or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, a shareholder or shareholders, then it may apply to the court for an order under Part 2F.1 of the Corporations Act. Under section 233 of the Corporations Act, the court can make any order that it considers appropriate in relation to the Company, including an order that the Company be wound up or an order regulating the conduct of the Company's affairs in the future.

Further, if a shareholder considers the proposed delisting involves “unacceptable circumstances” under the Australian takeovers law, it may apply to the Takeovers Panel for a declaration of unacceptable circumstances and other orders under Part 6.10 Division 2 Subdivision B of the Corporations Act. Under section 657D of the Corporations Act, if the Takeovers Panel has declared circumstances to be unacceptable, it may make any order that it thinks appropriate to protect the rights or interests of any person or group of persons, where the Takeovers Panel is satisfied that those rights or interests are being affected, or will be or are likely to be affected, by the circumstances.

The Directors recommend shareholders seek their own professional advice in this regard.

Arrangements in place

The Company's shares will remain listed on ASX for one month after the proposed shareholder approval (noting the illiquidity of the Company's share trading). Accordingly, shareholders have at least that period to sell their securities on ASX should they wish to do so.

The Company has already undertaken a minimum holding share buy back on 22 February 2024 pursuant to which 1,775 shareholders had their shares bought back by the Company. The Company does not propose to conduct a further buy-back.

Following the delisting and subject to certain restrictions under the Corporations Act, any shareholder wishing to sell their shares can transfer their shares off-market to a willing third party purchaser in accordance with the Company's Constitution; however, such market may not be liquid and shareholders will be personally responsible for sourcing any potential purchaser for their shares.

Other matters

Following the delisting the Company will conduct its business as usual. The Directors consider that the delisting will not result in any changes to the Company's governing documents or adversely impact the Company's ability to pay dividends or undertake share buybacks, subject to Board approval. **Proposed timetable**

The proposed timetable for the proposed delisting is set out below:

Event	Indicative Date
Formal application submitted to ASX to delist under Listing Rule 15.1	Wednesday, 8 May 2024
Announcement to ASX of proposal to delist	Monday, 13 May 2024
Notice of Meeting and explanatory statement despatched to Company shareholders	Wednesday, 15 May 2024
General meeting held to approve delisting	Friday, 14 June 2024
Suspension from quotation	Monday, 15 July 2024
Removal of the Company from the Official List	Wednesday, 17 July 2024

The above timetable is indicative only and may be subject to change by the Company or the ASX without notice.

Authorised by: The Board of Directors of the Company

For Further Information Contact:-

Maynard Smith
Chief Executive Officer
+61 3 8610 6583

Nick Filipovic
CFO and Company Secretary
+61 3 8610 6583