TROJAN EQUITY LIMITED

BYRONENERGY

Trojan/Byron Transaction Overview

March 2013

Disclaimer

Although the Company has issued a Prospectus in accordance with the provisions of the Corporations Act in respect of the Offer, the Company specifically notes that the Offer does not take into account your specific investment needs or objectives. The Company will be engaged in the exploration, development and production of oil and gas. An investment in the Company must therefore be considered speculative. Accordingly, the Company urges you to read the Prospectus in its entirety in deciding whether to acquire securities under the Offer and in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company and the rights and liabilities attaching to the Securities.
In particular, the Company draws your attention to those matters identified by the Company as representing risks to the Company and any investment in the Company (as set out in Section 2.3 of the Prospectus). In the context of your personal requirements and the risk factors, the Company recommends that you seek guidance from your stockbroker, solicitor, accountant or other professional adviser prior to making any decision to apply for Securities. There is no guarantee that the Securities offered or issued under this Prospectus will make a return on capital investment, that dividends will be paid on the Shares, or that there will be any increase in the value of the Securities in the future. A copy of the Prospectus can be obtained from ASIC, the ASX website, the Company's website or by contacting the Company. If you wish to acquire securities under the Offer, you must complete the relevant application form that accompanies the Prospectus.

Transaction Overview

The directors of Trojan Equity Limited (Trojan) propose that Trojan acquire Byron Energy Pty Ltd (Byron), **a shallow water Gulf of Mexico oil and gas developer and explorer**. It is proposed that this be achieved via a three phase transaction comprising:

1. **Entitlement offer** to Trojan shareholders to raise $6.2m (non-renounceable, 2 for 1, at $0.40, one option for every 2.5 shares allotted)
2. **Placement** of 15.6m shares at $0.40 ($6.2m) to investors identified by Byron, plus one option for every 6.25 shares allotted, with provision for $2m oversubscriptions
3. **Acquisition** of Byron via the issue of 84m shares and 25.3m options (together the Offer)

It is proposed that Trojan be renamed **Byron Energy Limited**. Upon successful completion of these three transactions, Trojan will have:

- **123m shares and 36.6m options** (exerciseable at $0.50 before 2016)
- A market capitalisation at the issue price of $0.40 of **$49.2m** with approximately **$18.5m cash**
- The **SMI6 Block hosting 1P reserves of 3.2MMbbls of oil**, intended to be drilled Dec Qtr 2013
- A further **15 blocks in GOM** which have undergone detailed geophysical analysis
- An experienced executive team with a **20 year history of success drilling in this area**

Who is Byron?

- Byron has generated a portfolio of oil and gas prospects in the shallow waters of the Gulf of Mexico (GOM) and is targeting to drill the first prospect in late 2013.
- Key executives have a 20-year track record of successful operations in the GOM, resulting in significant shareholder returns.
- A high impact portfolio of targets across 16 GOM blocks has been defined by advanced geophysical interpretation and Byron has independently certified net 3P reserves of 7.8 MMBbls of oil and 164.7 Bcf of gas.
- Byron has net 1P reserves of 3.3 MMBbls oil and 19.6 Bcf gas.
- The first block to be drilled, South Marsh Island Block 6, has gross 3P reserves of 6.6 MMBbls of oil and 14.1 Bcf of gas (5.4 MMBbls of oil and 11.4 Bcf of gas, net to Byron), and is scheduled to be drilled in the December quarter of 2013 (subject to permitting and drilling rig availability).
- 100% Working Interests in all 16 blocks and high Net Revenue Interests (approx 80%) give scope to either sole risk or farm down if attractive terms are available.

Board of Directors

Doug Battersby – Non-Executive Chairman *(MSc Petroleum Geology and Geochemistry)*
Petroleum geologist with over forty years' technical and managerial oil and gas experience. Co-founded Eastern Star Gas, SAPEX and Darcy Energy. Formerly Technical Director at Petsec Energy.

Maynard Smith – Director and Chief Executive Officer *(BSc Geophysics)*
Geophysicist with over thirty years' technical and managerial experience predominantly in Gulf of Mexico. Co-founded Darcy Energy and Byron. Chief Operating Officer with Petsec Energy (1989-2000).

Prent Kallenberger – Director and Chief Operating Officer *(BSc Geology, MSc Geophysics)*
Geoscientist with over thirty years' experience in oil and gas. Generated prospects leading to the drilling of over 125 wells in the Gulf of Mexico and California. 12 years with Petsec Energy (Geophysical Manager 1992-1998 and Vice President of Exploration 2000-2006).

Charles Sands – Non-Executive Director *(BSc)*
Former director of Darcy Energy. Thirty years of broad based business and management experience in the USA. President of A. Santini Storage Company of New Jersey Inc.

Paul Young – Non-Executive Director *(MA, ACA)*
Co-founder and executive director of corporate advisory business Baron Partners. Has been in merchant banking in Australia for more than 26 years. Director of Thomas & Coffey, Ambition Group, Tidewater Investments. Former Chairman Peter Lehmann Wines and former director of Sapex.

Management

Maynard Smith – Chief Executive Officer *(BSc Geophysics)*
See biography on previous slide.

Nick Filipovic – Chief Financial Officer/Company Secretary *(FCPA)*
Qualified accountant with over thirty years' experience in the financial services and natural resources industries, including oil and gas.

Prent Kallenberger – Director and Chief Operating Officer *(BSc Geology, MSc Geophysics)*
See biography on previous slide.

Operating Track Record

- Wells initiated by Byron executives Doug Battersby, Maynard Smith and Prent Kallenberger (prior to founding Byron) have produced **22 MMBbls of oil and 263 Bcf of gas** since 1992.
- This equates to an average of over **3,000 barrels of oil per day** and **36 million cubic feet of gas per day** over **20 years**.
- This production was achieved through 71 producing wells, which were drilled from 86 attempts (**an 83% success rate**).
- Peak production from wells initiated by Byron executives was approximately **9,000 barrels of oil per day and 100 million cubic feet of gas per day.**
- The team focus exclusively on a 480km stretch of shallow water, offshore Louisiana in the Gulf of Mexico.
- The Byron team use state of the art geophysical interpretation to acquire blocks and develop prospects, from 3D seismic in the 1990s to Reverse Time Migration in the present.

Corporate Track Record

Petsec Energy Limited
From 1990 to 1997, Maynard Smith and Doug Battersby (joined by Prent Kallenberger in 1992) were directly in charge of the exploration and development activities that resulted in the outstanding early success of ASX listed Petsec Energy Limited.

Darcy Energy Limited
Maynard Smith and Doug Battersby founded the private company Darcy Energy Limited in 2000. The company which had similar activities to those now undertaken by Byron in the Gulf of Mexico, was sold to IB Daiwa Corporation in 2005.

Eastern Star Gas Limited
Doug Battersby was a co-founder of Eastern Star Gas Limited, which was listed on ASX in February 2001. The company was acquired by Santos Limited in November 2011.

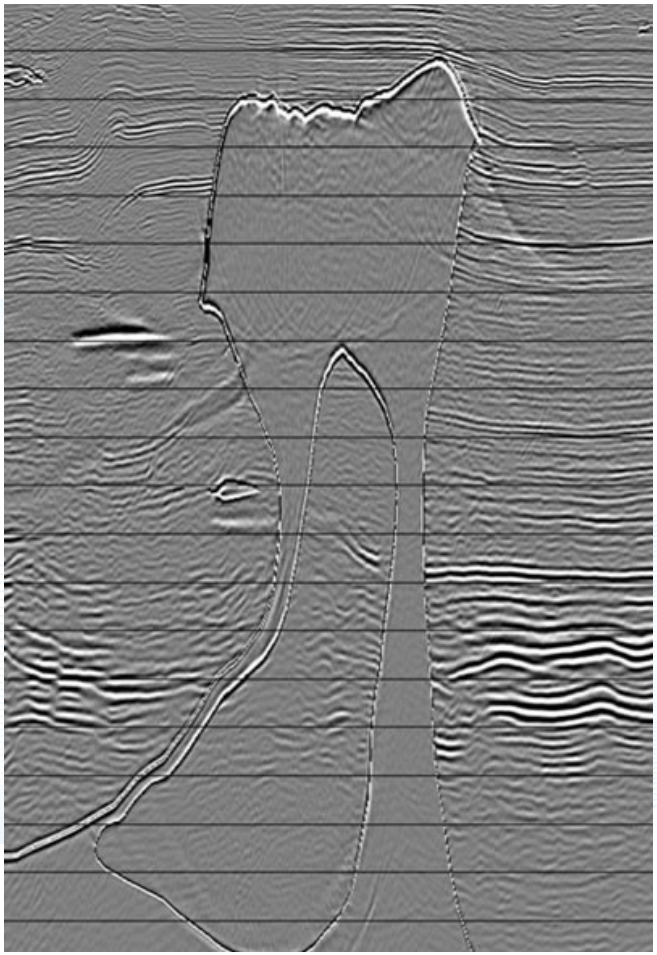
SAPEX Limited
Doug Battersby was a co-founder of SAPEX Limited which was listed on ASX in May 2007. The company was acquired by Linc Energy Limited in October 2008.

Why Gulf of Mexico?

- Prolific petroleum province with high exploration drilling success rates
- GOM offshore accounts for 23% of US oil production and 7% of gas production
- BOEM estimates technically recoverable oil and gas resources in undiscovered fields on the Outer Continental Shelf to be 48,000 MMBbls of oil and 220 Tcf of gas.
- The area is networked with extensive and accessible oil and gas pipelines
- Extensive drilling and production service company presence
- Area wide 3D seismic databases and well log and production history data available
- A well-established and stable administration with one landowner, BOEM
- Has regular lease sales conducted by BOEM with 5,000 acre blocks available, generally to the highest bidder, to lease for five years at US$7 per acre per annum

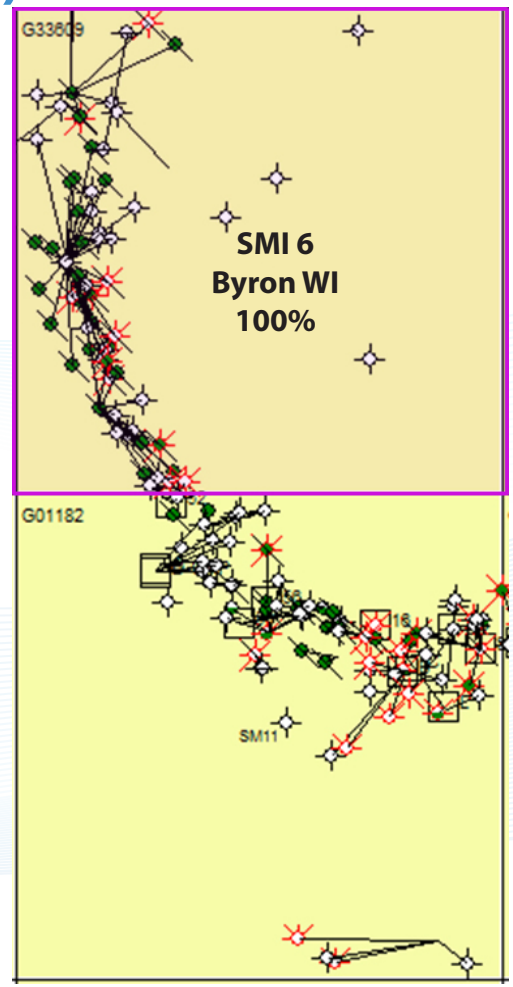
Seismic Interpretation

- Byron utilises established and cutting edge technology in its assessment of properties
- As computer systems have become more powerful, migration techniques have become more complex and better able to image complex geologic environments
- Each improvement in migration yields more accurate seismic images to interpret
- Recently, the Reverse Time Migration (RTM) processing algorithm has been used to provide a better method of imaging steeply dipping sedimentary beds and complex salt bodies
- RTM has only become economical recently due to advances in computing power

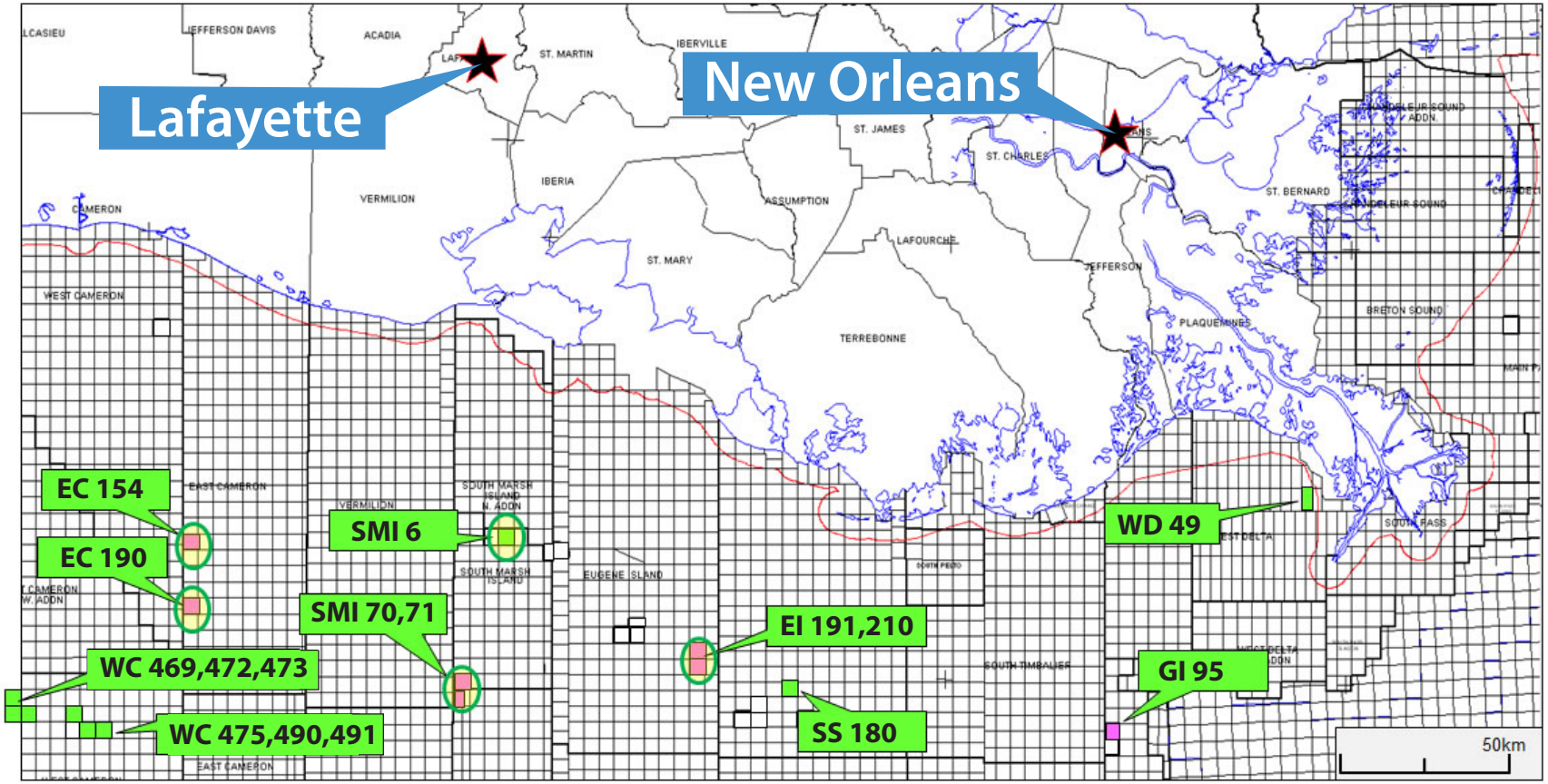


South Marsh Island Block 6 (WI 100%)

- Byron's primary area of focus in 2013 is South Marsh Island Block 6 ("SMI 6")
- Prospect is located in 17m of water, 216km southwest of New Orleans
- Block covers the western flank of a salt dome structure that has produced 18.6 MMBbls and 37.14 Bcf gas from the SMI6 block alone
- The face of the salt dome dips to the east forming an overhang, which most likely prevented the accurate seismic imaging of the prospect with older datasets
- Modern seismic interpretation (ARTM) has imaged this overhang clearly
- This seismic interpretation has led to four proved undeveloped attic reserve drill opportunities, in addition to several exploratory targets



Other Prospects



Byron holds 100% working interests in 16 GOM blocks offshore Louisiana (~315 Km^2), as described on the following page. Blocks contain numerous salt structures and drilling prospects.

Blocks Owned

Properties	Operator	WI/NRI (%)	Status	Expiry Date	Area (Km^2)
South Marsh Island Block 6	Byron	100.00/81.25	Development & Exploration	June 2015	20.23
South Marsh Island Block 70	Byron	100.00/81.25	Exploration	July 2017	22.13
South Marsh Island Block 71	Byron	100.00/81.25	Exploration	July 2017	12.16
Ship Shoal Block 180	Byron	100.00/81.25	Exploration	May 2015	20.23
West Delta Block 49	Byron	100.00/81.25	Development & Exploration	May 2014	20.23
West Cameron Block 490	Byron	100.00/79.25	Development & Exploration	May 2014	20.23
West Cameron Block 491	Byron	100.00/79.25	Exploration	May 2014	20.23
West Cameron Block 475	Byron	100.00/79.25	Exploration	January 2015	20.23
West Cameron Block 469	Byron	100.00/79.25	Exploration	January 2015	20.23
West Cameron Block 472	Byron	100.00/79.25	Exploration	January 2015	20.23
West Cameron Block 473	Byron	100.00/79.25	Exploration	January 2015	20.23
East Cameron Block 154	Byron	100.00/81.25	Exploration	July 2017	20.23
East Cameron Block 190	Byron	100.00/81.25	Exploration	July 2017	20.23
Eugene Island Block 191	Byron	100.00/81.25	Exploration	July 2017	20.23
Eugene Island Block 210	Byron	100.00/81.25	Exploration	July 2017	20.23
Grand Isle Block 95	Byron	100.00/79.25	Development & Exploration	September 2017	18.37

Reserves

Oil & Gas Reserves (net to Byron, based on Byron's NRI)	Proved	Proved & Probable	Proved, Probable & Possible
Oil (MBbls)			
SMI 6	3,239	4,181	5,402
Other Properties	26	597	2,418
Total	**3,265**	**4,778**	**7,820**
Gas (MMcf)			
SMI 6	6,684	7,997	11,447
Other Properties	12,939	61,905	153,300
Total	**19,623**	**69,902**	**164,747**

Capital Raising and Acquisition

1) Entitlement Offer

- Non-renounceable 2 for 1 Entitlement Offer at $0.40 to raise $6.2m
- Can apply for additional shares in shortfall
- One option for every 2.5 shares allotted (unlisted $0.50 options, exp. 2016)

2) Placement

- Offer of 15,577,375 shares at $0.40 to investors identified by the directors
- Subscribers issued with one option for every 6.25 shares allotted
- Placement to raise $6.2m with provision for $2m oversubscriptions

3) Acquisition

- Offer of 84,026,405 Shares and 25,256,725 options to acquire Byron
- 2.5 Trojan shares and 0.4 Trojan options for every Byron share held
- 2.5 Trojan options for each Byron option held
- Byron personnel issued with 2,600,000 Trojan options

Capital and Ownership Structure

Capital Structure: A$12.4M Subscription						
	Shares		Options		Fully diluted	
	million	%	million	%	million	%
Existing Byron Security holders	84.0	68.3	27.9	76.2	111.9	70.1
Trojan Shareholders	23.4	19.0	6.2	17.0	29.6	18.6
Shareholders from Placement	15.6	12.7	2.5	6.8	18.1	11.3
Total	**123.0**	**100.0**	**36.6**	**100.0**	**159.6**	**100.0**

All Trojan Options will be unlisted, have an exercise price of $0.50 and an expiry date of 31 December 2016.

Key Dates

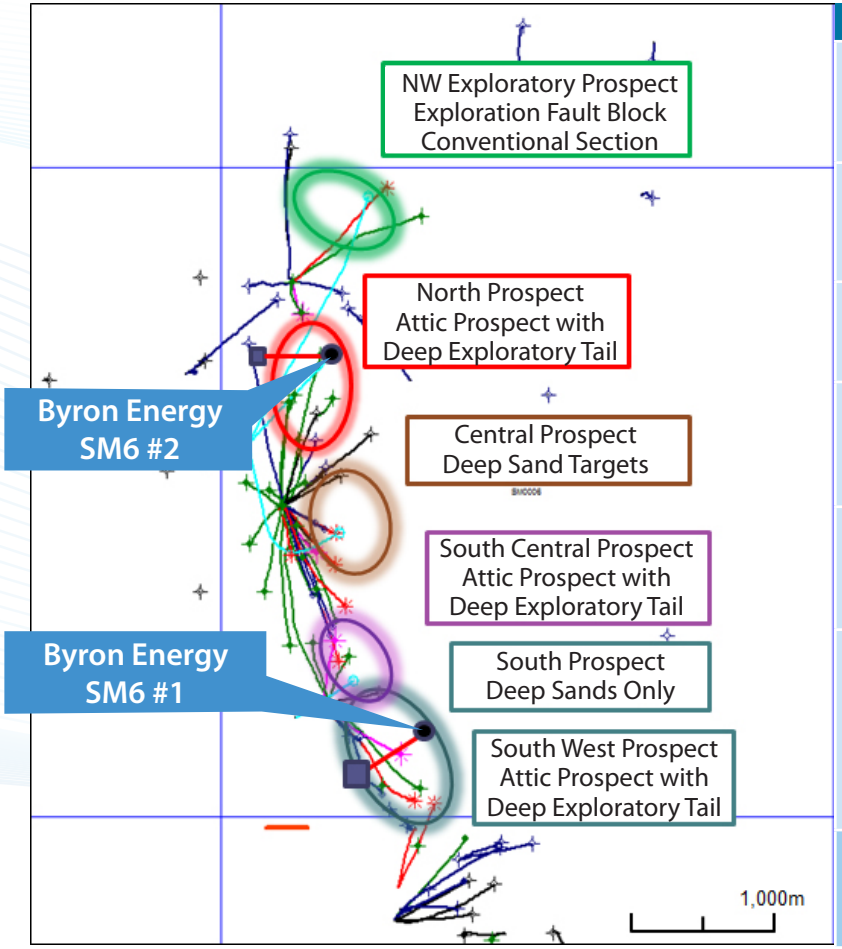
Transaction announced	18 March 2013
Notice of Extraordinary General Meeting issued	18 March 2013
Prospectus lodged with ASIC	18 March 2013
Extraordinary General Meeting and suspension of trading	22 April 2013
Share trading 'ex' Entitlement Offer commences	26 April 2013
Record Date for Entitlement Offer, and Entitlement Offer opens	7am (Brisbane Time) 2 May 2013
Completion of dispatch of Prospectus	3 May 2013
Entitlement Offer Closing Date	5pm (Brisbane Time) 17 May 2013
Notifying ASX of shortfall under Entitlement Offer	20 May 2013
Placement and Acquisition Offers Closing Date	5pm (Brisbane Time) 20 May 2013
Expected date for Completion of the Transaction	22 May 2013
Expected date for Allotment of Shares and Options under the Entitlement Offer, Placement Offer and Acquisition Offer	24 May 2013
Expected dispatch of holding statements	24 May 2013
Trading expected to re-commence on ASX	27 May 2013

Use of Funds

	US$m*
Drill one well on South Marsh Island Block 6	9.10
Seismic data and lease acquisition	1.75
Lease rentals	0.54
General and administration	2.55
Costs of the share issues and transaction	0.86
Repayment of loan from a director	0.85
Working capital	3.76
Total	19.41

*A$ amounts were converted to US$ at an exchange rate of A$1 = US$1.0384.

South Marsh Island Block 6

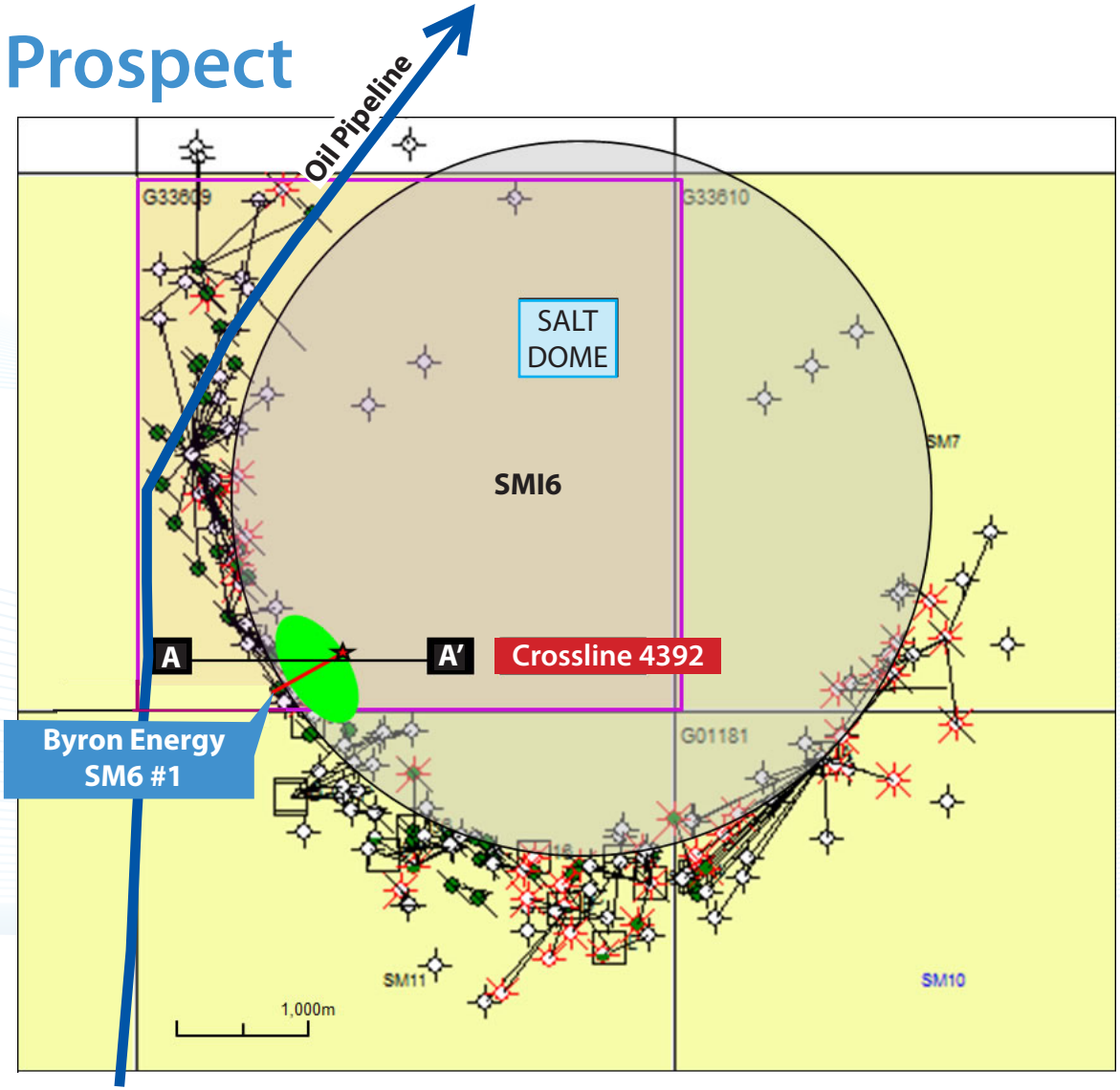


NW EXPLORATORY FB - Non-Pressured Exploratory well 4843 MBbl + 5.5 Bcf (Possible + Prospective)
NORTH PROSPECT – Attic Well with Deep Exploration Tail 2483 MBbl + 28.4 Bcf (PUD + Prospective)
CENTRAL PROSPECT – Attic Sand plus Deep Exploratory Sands 550 MBbl + 21.9 Bcf (Prospective)
SOUTH CENTRAL PROSPECT – Attic target with deep sands 889 MBbl + 28.7 Bcf (PUD + Prospective)
SOUTH PROSPECT – Deep Sands Only 932 MBbl + 37.3 Bcf (Prospective)
SOUTH WEST PROSPECT – Multiple Attic Oil Sands with Exploratory Tail 3819 MBbl + 10.8 Bcf – Attic (PUD + Prob Inc. + Possible) 263 MBbl + 10.5 Bcf - Exploratory (Prospective)
Total all Wells: 13.8 MMBbl + 143.1 Bcf

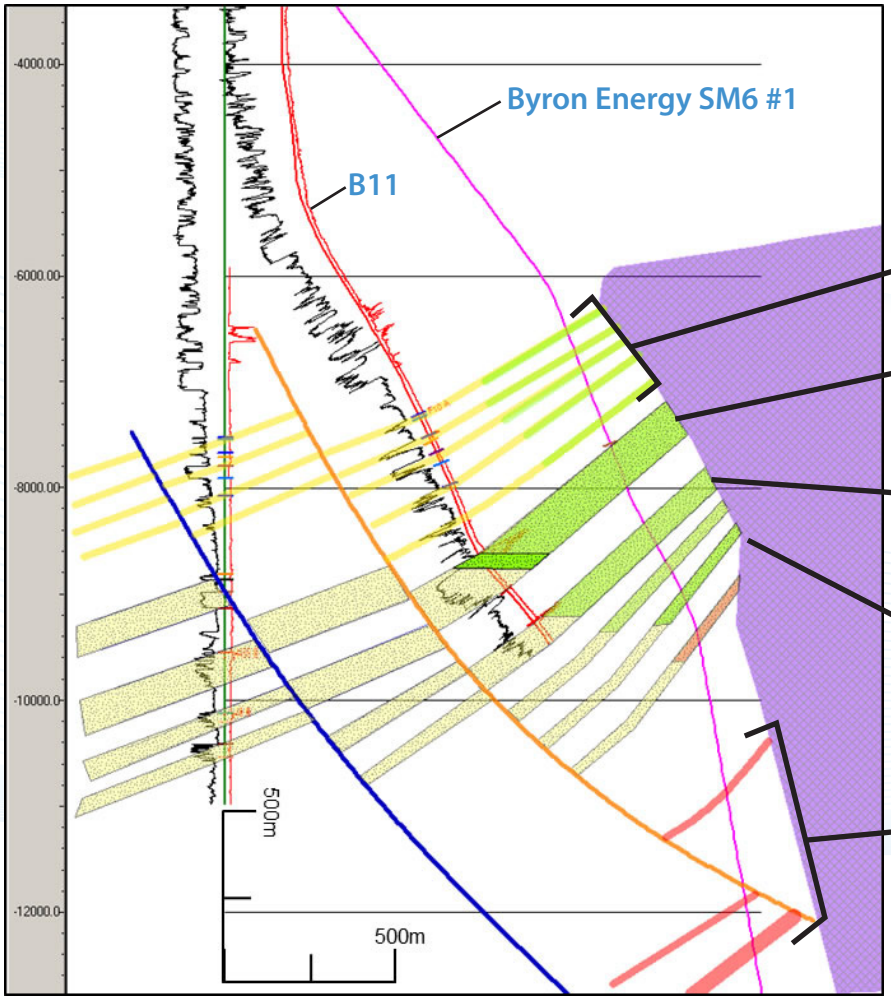
PPI October 2012 Gross Reserves

SMI6 South West Prospect

- Attic prospect with deep exploratory tail
- Significant downdip production from wells such as B11 well
- This well produced 386,000 barrels of oil over five years from the G20 sand
- Estimated to have drained 12 acres
- 61 acres of attic potential has been mapped from this sand alone (2P reserves of 2,349 MMBbl)



‘Byron Energy SM6 #1’ – Cross Section – South West Prospect

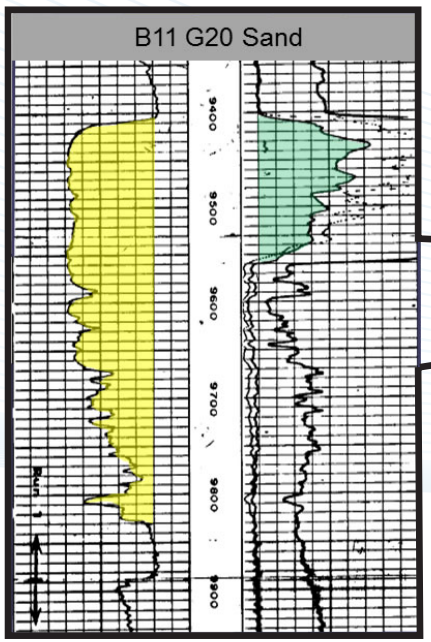


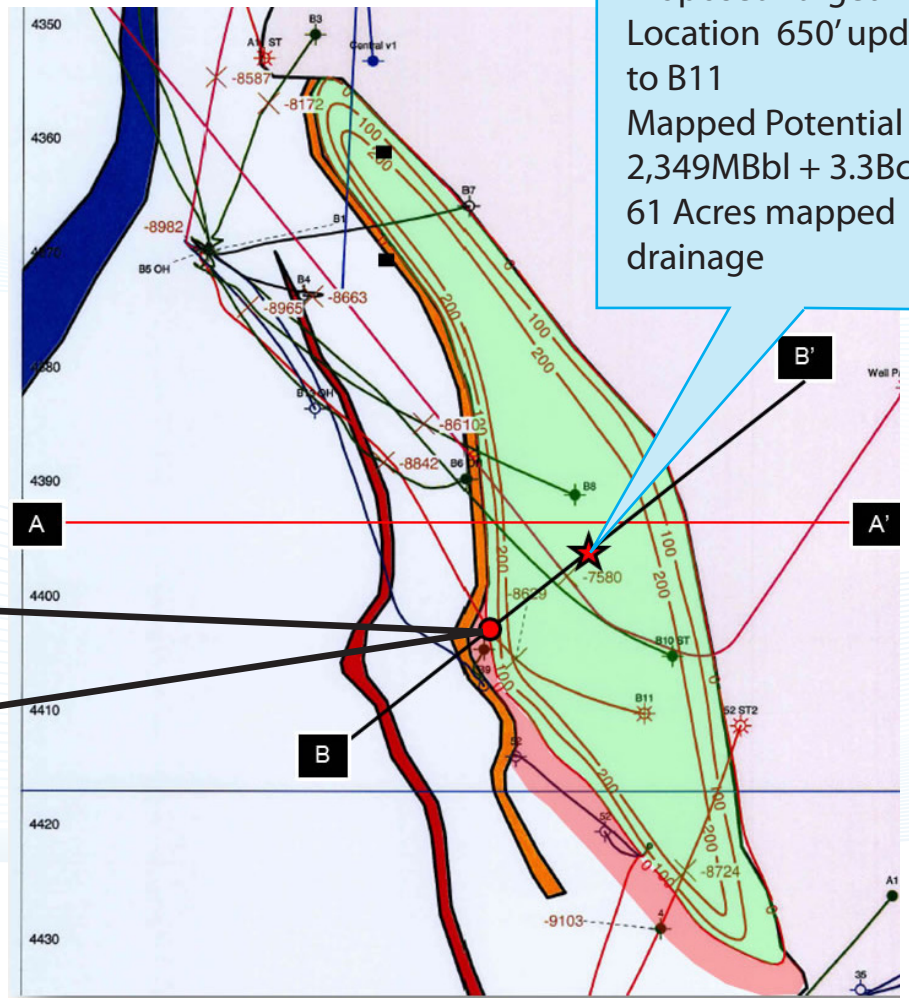
F Sands	1188 MBbl + 0.7 Bcf (5 Sands)
G 20 Sand	2348 MBbl +3.3 Bcf
H Sands	31 MBbl + 3.7 Bcf (3 sands)
I Sands	252 MBbl + 3.1 Bcf (2 Sands)
Deep Sands	263 MBbl +10.5 Bcf (3 Sands)

G20 Sand Net Pay Isopach - SMI6

Proposed Target Location 650' updip to B11
Mapped Potential 2,349MBbl + 3.3Bcf
61 Acres mapped drainage

Downdip well produced 386 MBbl and 2.3 Bcf





South West Prospect PPI Gross Reserves Oct 2012

Proved & Probable Reserves 8/8ths			Reserve Category	Remarks
Sand	Oil (Bbl)	Gas (Bcf)		Normal Pressure Regime
F10	118,000	0.060	Possible	Updip of 13' of pay in the B11 & B10st
F20	195,000	0.174	PUD	Updip of 127,000 Bbls of production in the B10st
F30	568,000	0.324	PUD	Updip to 40' of wet sand in the B10st - productive in the A5
F40	119,000	0.096	Possible	Updip of 44'pay in the B10st
F45	188,000	0.063	Possible	Updip of pay in the B4, B8 & B10st
G20	2,348,000	3.311	PUD + Prob Inc.	Updip of 386,000 Bbls & 2.3 bcf of production in the B11
H (4 sands)	31,000	3.693	PUD	Updip of 433,000 Bbls & 7.0 bcf of production in the B11,B52st2 & A-1
I5	63,000	2.861	Possible	Updip to 40' of wet sand in the SMI11 A-1 productive in adjoining fault blocks
I10	189,000	0.189	Possible	
Total	3,819,000	10.771		Pipe Point
Exploration Potential 8/8ths				Overpressure Regime
12300'	29,000	1.175	Prospective	
13900'	48,000	1.914	Prospective	
14500'	0	0	Prospective	
15000'	186,000	7.458		
Total	263,000	10.547		Total Wellbore Potential: 4.08 MMBbls + 21.32 Bcf

Reverse Time Migration

Byron uses Anisotropic Reverse Time Migration (ARTM) where appropriate to image steep dips and complex velocity fields - two things usually associated with salt domes.

Full Wave Equation Migration

- ARTM involves a two way WEM migration (from both the source and the receiver)
- It handles complex velocity fields (like salt bodies), images steep dips (> 70 degrees), yields "accurate" amplitudes

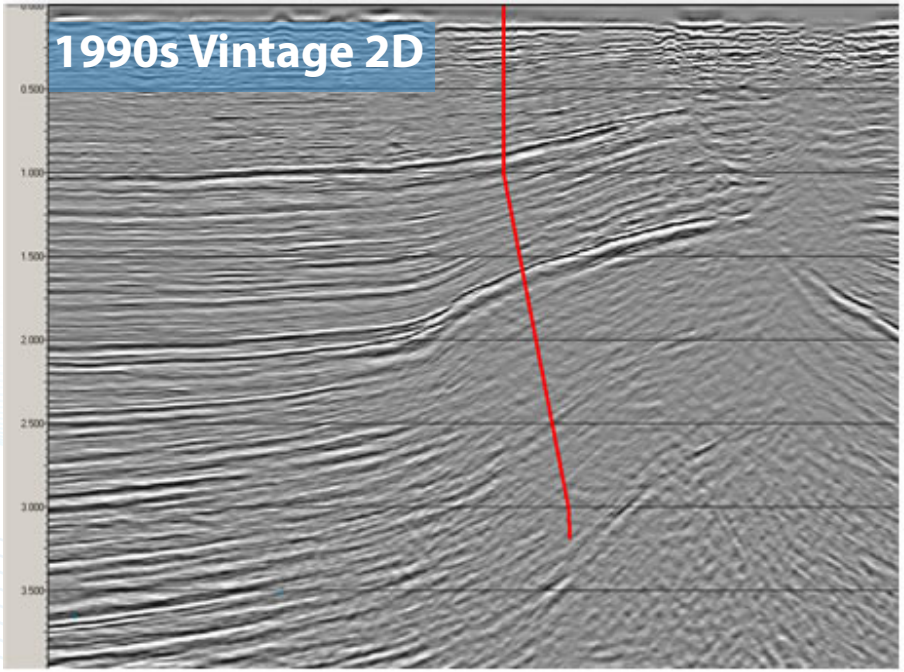
Downsides

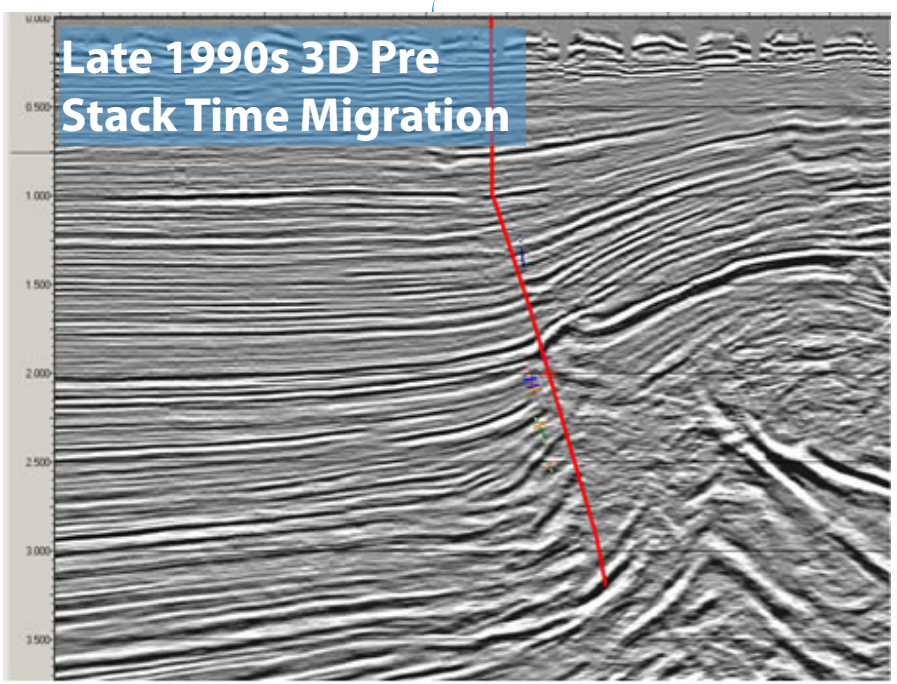
- Lower frequency data, a little noisy, very expensive due to being highly computer intensive

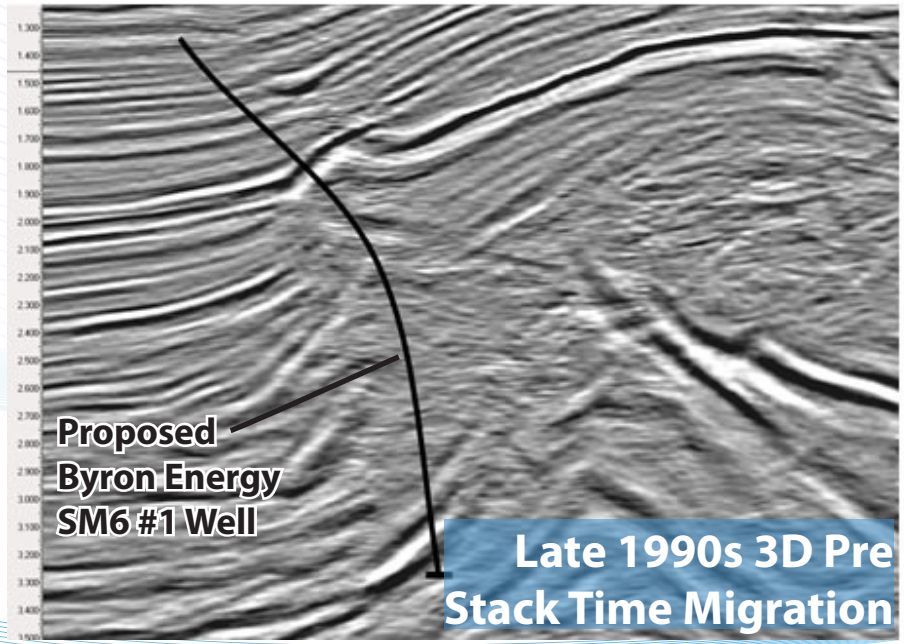
ARTM is used widely in Brazil and GOM deep water, and now increasingly on GOM shelf

Fairfield Nodal

- Fairfield are using SMI 6 as a laboratory for applying ARTM to their extensive dataset
- Byron is working with Fairfield at SMI 6


1990s Vintage 2D


Late 1990s 3D Pre
Stack Time Migration


Proposed
Byron Energy
SM6 #1 Well
Late 1990s 3D Pre
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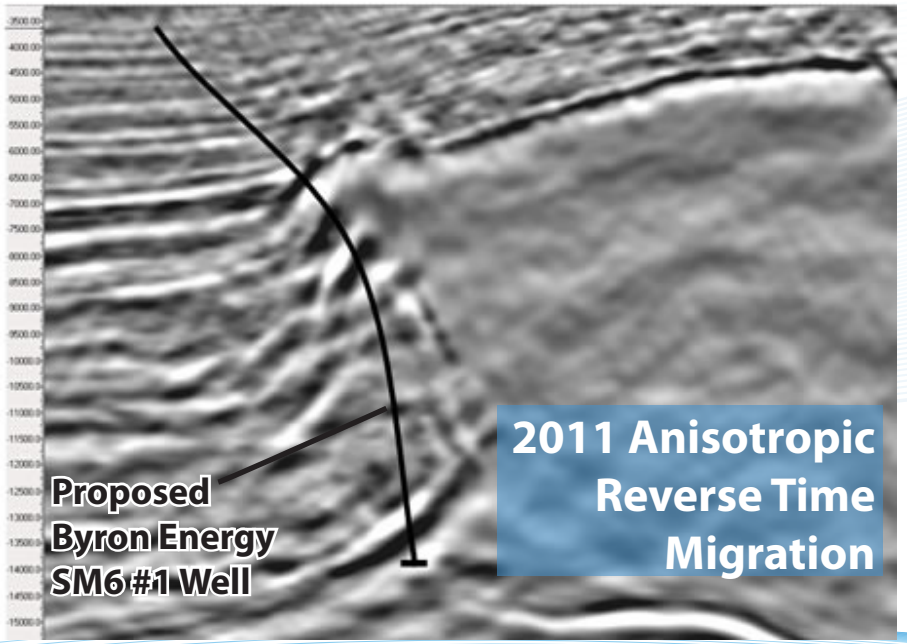
Proposed
Byron Energy
SM6 #1 Well
2011 Anisotropic
Reverse Time
Migration

Risk Factors

There are a number of risks which may impact on the operating and financial performance of the Company. A full list of risk factors can be found in Section 2.3 of the Byron Energy prospectus released to ASX on [xx].

- Oil and gas exploration and development is a high risk activity and includes the significant risk that no commercially productive natural gas or oil reservoirs will be discovered.
- Results may differ materially from estimates in regard to Byron's oil and natural gas reserves and other estimated quantities.
- Oil and natural gas prices are volatile and low prices could have a material adverse impact on Byron.
- Development of undeveloped reserves may take longer and cost more than presently anticipated.
- If the Company's development programme is successful, it is likely that it will experience a rapid growth in its operations which could place significant demand on managerial, operational and financial resources.
- Competition in the oil and natural gas industry is intense which may make it more difficult for the Company to acquire further properties, market oil and gas and secure trained personnel.
- Byron's oil and gas operations in the Gulf of Mexico, USA are subject to regulation at the US federal, state and local level and some of the laws, rules and regulations that govern operations carry substantial penalties for non-compliance.
- Shortages or increases in the cost of drilling rigs, equipment, supplies or personnel could delay or adversely affect the Company's operations which could have a material adverse effect on its business, financial condition and results.
- Offshore operations are subject to a variety of operating risks specific to the marine environment including capsizing, collisions and damage or loss from hurricanes or other adverse weather conditions.

Contact Information

For more information please contact:

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Competent Person Statement

The references to hydrocarbon reserves in this announcement are based on information reviewed and compiled into an Independent Technical Report by Mr Andrew Andrejewskis BSc, GradDip B Admin, FAusIMM (CP), FAIM. The reserves estimates are consistent with the definitions of Proved, Probable and Possible hydrocarbon reserves and prospective hydrocarbon resources defined by the Australian Securities Exchange (ASX) Listing Rules. Mr Andrejewskis is a qualified person as defined in ASX Listing Rule 5.11 and has consented to the inclusion of reserves information in this announcement in the form and context in which it appears.