FOR PERSONAL USE ONLY

Rules 4.7.3 and 4.10.3[1]

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Byron Energy Limited

ABN / ARBN: 88

88 113 436 141

Financial year ended:

30 June 2020

Our corporate governance statement[2] for the above period above can be found at:[3]

☐ These pages of our annual report:

☒ This URL on our website: http://www.byronenergy.com.au/wp-content/uploads/2020/10/Byron-Energy-CGS-2020-FA-1.pdf

The Corporate Governance Statement is accurate and up to date as at 19 October 2020 and has been approved by the Board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 26 October 2020

Name of ~~Director or~~ Secretary authorising lodgement: Nick Filipovic

[1] Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

[2] "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

[3] Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

PERSONAL USE ONLY

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*] … and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): ☐	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable

[4] If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

PERSONAL USE ONLY

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	… the fact that we have a diversity policy that complies with paragraph (a): ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*] … and a copy of our diversity policy or a summary of it: ☐ at [*insert location*] … and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them: ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*] … and the information referred to in paragraphs (c)(1) or (2): ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☒ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	… the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*] … and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable

PERSONAL USE ONLY

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	… the evaluation process referred to in paragraph (a): ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*] … and the information referred to in paragraph (b): ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable

PERSONAL USE ONLY

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	[If the entity complies with paragraph (a):] … the fact that we have a nomination committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*] … and a copy of the charter of the committee: ☐ at [*insert location*] … and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*] [If the entity complies with paragraph (b):] … the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively: ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☒ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	… our board skills matrix: ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☒ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable

PERSONAL USE ONLY

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	… the names of the directors considered by the board to be independent directors: ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*] … and, where applicable, the information referred to in paragraph (b): ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*] … and the length of service of each director: ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☒ an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	… the fact that we follow this recommendation: ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☒ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	… the fact that we follow this recommendation: ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☒ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	… our code of conduct or a summary of it: ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement

PERSONAL USE ONLY

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	[If the entity complies with paragraph (a):] … the fact that we have an audit committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*] … and a copy of the charter of the committee: ☒ at byroneneregy.com.au … and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*] [If the entity complies with paragraph (b):] … the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner: ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☒ an explanation why that is so in our Corporate Governance Statement
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement

PERSONAL USE ONLY

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	… our continuous disclosure compliance policy or a summa it: ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	… information about us and our governance on our website: ☒ at www.byronenergy.com.au	☐ an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	… our policies and processes for facilitating and encouraging participation at meetings of security holders: ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	… the fact that we follow this recommendation: ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement

PERSONAL USE ONLY

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	[If the entity complies with paragraph (a):] … the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*] … and a copy of the charter of the committee: ☒ at byronnergy.com.au … and the information referred to in paragraphs (4) and (5): ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*] [If the entity complies with paragraph (b):] … the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework: ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☒ an explanation why that is so in our Corporate Governance Statement
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	… the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound: ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*] … and that such a review has taken place in the reporting period covered by this Appendix 4G: ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement

PERSONAL USE ONLY

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	[If the entity complies with paragraph (a):] … how our internal audit function is structured and what role it performs: ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*] [If the entity complies with paragraph (b):] … the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☒ an explanation why that is so in our Corporate Governance Statement
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	… whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement

PERSONAL USE ONLY

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	[If the entity complies with paragraph (a):] … the fact that we have a remuneration committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*] … and a copy of the charter of the committee: ☐ at [*insert location*] … and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement **OR** ☐ at [*insert location*] [If the entity complies with paragraph (b):] … the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☒ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	… separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable

PERSONAL USE ONLY

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …[4]
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	… our policy on this issue or a summary of it: ☒ in our Corporate Governance Statement **OR** ☐ at [*insert location*]	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable

FOR PERSONAL USE ONLY

BYRONENERGY

Focused on the future

Corporate Governance Statement
For the year ended 30 June 2020
ABN 88 113 436 141

FOR PERSONAL USE ONLY

Corporate Governance Statement

Compliance with Corporate Governance Principles and Recommendations

This corporate governance statement is provided by Byron Energy Limited ("Byron or the Company") pursuant to ASX Listing Rule 4.10.3 and measures the Company's governance practices against the recommendations in the 3rd edition of the Corporate Governance Principles and Recommendations ("ASX Principles and Recommendations").

The corporate governance statement discloses the extent to which the Company has followed the ASX Principles and Recommendations during the year ended 30 June 2020 and has been approved by the Board of the Directors of the Company ("the Board"). Byron has prepared an ASX Appendix 4G – Key to Disclosures which together with this corporate governance statement is lodged with the ASX.

This corporate governance statement is effective as of 19 October 2020.

Principle 1 – Laying Solid Foundations for Management and Oversight

Recommendation 1.1 – Role of the Board and Management

The Board is responsible for corporate governance, that is, the system by which the Company and its subsidiaries ("the Group") are managed.

The Board has adopted a Corporate Governance Charter, incorporating a Board Charter, which outlines the manner in which its powers and responsibilities are exercised and discharged having regard to principles of good corporate governance and applicable laws.

The Corporate Governance Charter, incorporating a Board Charter, is available on the Company's website: www.byronenergy.com.au (in the Corporate Governance section of the website).

The role of the Board is to create sustainable shareholder wealth in a manner consistent with the Company's Constitution, the Board Charter and all legal and regulatory requirements.

The Board achieves this by:

(a) charting strategy and setting financial targets for the Group;

(b) monitoring the implementation and execution of strategy and performance against financial targets;

(c) appointing and overseeing the performance of executive management;

(d) setting and overseeing the Company's values and corporate governance framework, and ensuring that the Company acts with integrity and in accordance with the highest ethical standards;

(e) ensuring there is an effective balance between the delegation and responsibility for the day to day operation and management to the Managing Director/CEO and the role of the Board in monitoring, guiding and providing oversight; in setting, overseeing the Company's direction; and

(f) ensuring effective communication with shareholders.

The Board has responsibility for the matters specified above and, in addition to those matters reserved to it by law, reserves to itself the following matters and all power and authority in relation to those matters:

(a) oversight of the Group including its control and accountability systems;

(b) appointing and removing the Managing Director/CEO;

(c) ratifying the appointment and, where appropriate, the removal of the Company Secretary;

(d) reviewing and overseeing the operation of systems of risk management and internal compliance and control, codes of ethics and conduct, and legal and regulatory compliance;

(e) monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available;

(f) approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures;

(g) approving and monitoring financial and other reporting;

(h) performance of investment and treasury functions;

(i) monitor industry developments relevant to the Group and its business;

(j) developing suitable key indicators of financial performance for the Group and its business;

(k) input into and final approval of management's development of corporate strategy and performance objectives;

(l) the overall corporate governance of the Group including the strategic direction, establishing goals for management and monitoring the achievement of these goals; and

(m) oversight of Committees.

To assist in the execution of its responsibilities, the Board has the authority to establish Committees (and delegate powers accordingly) to consider such matters as it may consider appropriate including, by way of example only, audit matters, finance and business risks, remuneration, and nominations, and to establish a framework for the effective and efficient management of the Company and the Group.

The Company complies with Recommendation 1.1 of the ASX Principles and Recommendations.

Recommendation 1.2 – Director Checks

The Company has processes in place to ensure the appropriateness of candidates for appointment and election as Directors.

Full details of each Director are announced in the initial appointment announcement and also included in the Annual Report. Where a Director is seeking election, shareholders are given full details.

The Company complies with Recommendation 1.2 of the ASX Principles and Recommendations.

FOR PERSONAL USE ONLY

Corporate Governance Statement continued

Recommendation 1.3 – Written Agreement With Each Director and Senior Executive

The Company has written agreements with each Non-Executive Director.

The Company also had written agreements with the Executive Directors, including Managing Director/Chief Executive Officer.

The Company complies with Recommendation 1.3 of the ASX Principles and Recommendations.

Recommendation 1.4 – Company Secretary

The Company Secretary reports directly to the Board, through the Chairman, on all matters regarding the functioning of the Board.

The Company complies with Recommendation 1.4 of the ASX Principles and Recommendations.

Recommendation 1.5 – Diversity

Having regard to the size of the Company (including a small complement of staff) and the nature of its activities, a separate formal diversity policy has not been adopted.

The Company does not discriminate on the basis of age, ethnicity or gender in any employment matters and when a position becomes vacant the Company seeks to employ the best candidates available for the position.

The Company currently has no women in senior executive positions or women on the Board. The Board fully supports the gender diversity concept and is committed to establishing measurable objectives for achieving gender diversity as the business expands.

The Company and its Australian and USA subsidiaries employ less than 12 people and is not a "relevant employer" under the Workplace Gender Equality Act.

The Company does not comply with Recommendation 1.5 of the ASX Principles and Recommendations.

Recommendation 1.6 – Board Performance Assessment

The Company has a process for periodically evaluating the performance of its Board and each Director. The performance of all the Directors is reviewed by the Chairman each year. The performance of the Chairman is reviewed and assessed each year by the other Directors.

The performance of the Committees is reviewed by the Chairman each year. The Chairman determines the evaluation criteria and process.

The Company complies with Recommendation 1.6 of the ASX Principles and Recommendations.

Recommendation 1.7 – Performance Evaluation of Senior Executives

The Company has a process for periodically evaluating the performance of its Managing Director/Chief Executive Officer and other senior executives. The performance of Managing Director/Chief Executive Officer and other senior executives is reviewed by the Board each year. In addition, the performance of the Managing Director/Chief Executive Officer and other senior executives is constantly reviewed by the Board as part of the ordinary course of meetings of Directors.

The Company complies with Recommendation 1.7 of the ASX Principles and Recommendations.

Principle 2 – Structure the Board to Add Value

Recommendation 2.1 – Nomination Committee

The Board has not formed a Nomination Committee as recommended by Recommendation 2.1 of the ASX Principles and Recommendations.

The Board as a whole reviews the composition of the Board and appointment of new Directors, to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.

The composition of the Board is currently determined according to the following principles:

(a) the Board must comprise members with a broad range of experience, expertise, skills and contacts relevant to the Group and its business;

(b) the Board must consist of a minimum of three Directors and a maximum of 10 Directors;

(c) the number of Directors may be increased where the Board considers that additional expertise is required in specific areas or when an outstanding candidate is identified;

(d) the Chairman must be a Non-Executive Director; and

(e) at least half of the Board must be Non-Executive Directors.

Having regard to the size, current ownership structure of the Company and the nature of its activities, the Board believes that the current composition of the Board is appropriate as it adds value by ensuring there is a broad range of experience, expertise, skills, qualifications, and contacts which are deemed relevant to the business of the Company.

The Board also considers it more efficient for the selection and appointment of Directors to be considered by the Board itself at this stage. The Board may also engage an external consultant where appropriate to identify and assess suitable candidates who meet the Board's selection criteria.

FOR PERSONAL USE ONLY

Corporate Governance Statement continued

Directors are initially appointed by the full Board subject to election by shareholders at the next annual general meeting. Under the Company's Constitution the tenure of Directors (other than Managing Director/Chief Executive Officer) is subject to reappointment by shareholders not later than the third anniversary following his or her last appointment. Subject to the requirements of the *Corporations Act 2001* (Cth), the Board does not subscribe to the principle of a compulsory retirement age and there is no maximum period of service as a Director. A Managing Director/Chief Executive Officer may be appointed for any period and on any terms the Directors think fit and, subject to the terms of the written agreement entered into, the Board may revoke this appointment according to the terms of this agreement.

As the Group's activities increase in size and scope, the size of the Board will be reviewed periodically to determine if a Nominations Committee is required for the Board to properly perform its responsibilities and functions.

The Company does not comply with Recommendation 2.1 of the ASX Principles and Recommendations.

Recommendation 2.2 – Board Skills Matrix

The Board endeavours to ensure that the Board comprises members with a broad range of experience, expertise, skills and contacts relevant to the Group and its business. Having regard to the size, current ownership structure of the Company and the nature of its activities, the Board considers that it has the necessary balanced mix of skills.

To date the Board does not consider that a specific skills matrix is required. However, the Board will continue to consider whether it would be appropriate for the Company to adopt a board skills matrix as the Company continues to develop and grow.

The profile of each Director containing their skills, experience, expertise and term of office is set out in the Directors' Report.

The Company does not comply with Recommendation 2.2 of the ASX Principles and Recommendations.

Recommendation 2.3 – Directors' Independence

The Company's Corporate Governance Charter requires:

- the Board to comprise a minimum of three Director;
- at least half of the Board must be Non-Executive Directors; and
- the Chairman must be a Non-Executive Director.

The current Board comprises six Directors with three Non-Executive Directors and three Executive Directors.

The Board has followed the criteria outlined in Box 2.3 of ASX Principles and Recommendations when assessing the independence of the Directors. Based on the criteria in the ASX Principles and Recommendations, Messrs Battersby, Smith, Kallenberger, Sack and Young are not considered independent. The profile of each Director containing their skills, experience, expertise and term of office is set out in the Directors' Report.

The Company does not comply with Recommendation 2.3 of the ASX Principles and Recommendations.

Recommendation 2.4 – Majority of Directors Independent

The Company does not currently have a majority of the Board who are independent Directors as recommended by Recommendation 2.4 of the ASX Principles and Recommendations.

Having regard to the size, current ownership structure of the Company and the nature of its activities, the Directors believe that the current composition of the Board is appropriate as it adds value by ensuring there is a broad range of experience, expertise, skills, qualifications, and contacts which are deemed relevant to the business of the Company.

The situation will be monitored and changed in line with best practice as and when the Directors feel the Company is of sufficient size.

To ensure that independent judgement is achieved and maintained in respect of its decision-making processes, the Board has adopted a number of measures which include the following:

- each Director has the right to seek independent legal or other professional advice at the Company's expense; and
- any Director having a conflict of interest in relation to a particular item of business must declare their interest and not vote on that item of business and excuse themselves from the Board meeting if required by the Board before commencement of discussion on the topic.

The Company does not comply with Recommendation 2.4 of the ASX Principles and Recommendations.

Recommendation 2.5 – Independent Chairman & Chief Executive Officer

The roles of Chairman and Managing Director/Chief Executive Officer of the Company are separately held by Mr Doug Battersby and Mr Maynard Smith respectively. Although the Company's Chairman is a Non-Executive Director, he is a substantial shareholder and as such is not an independent Director under the definition of the ASX Principles and Recommendations.

The Board considers Mr D. Battersby's role as Non-Executive Chairman essential to the success of the Company at this stage of its development.

The Company does not comply with Recommendation 2.5 of the ASX Principles and Recommendations.

FOR PERSONAL USE ONLY

Corporate Governance Statement continued

Recommendation 2.6 – Company Induction and Professional Development of Directors

The Board considers that its Directors are suitably qualified and experienced to fulfil their roles, and that the Board possesses the correct mix of skills for the Board to be able to carry out its function effectively.

Each new Director of the Company is, upon appointment, provided with an induction into the Company's assets and business including policies and procedures. This includes discussions with members of the existing Board, the Company Secretary and other key executives to familiarise themselves with the Company.

The Company complies with Recommendation 2.6 of the ASX Principles and Recommendations.

Principle 3 – Act Ethically and Responsibly

Recommendation 3.1 – Code of Conduct

The Board has adopted a detailed Code of Conduct For Directors (incorporated in the Corporate Governance Charter) and a Securities Trading Policy. Both are published on the Company's website: www.byronenergy.com.au. The purpose of these codes is to guide Directors, senior executives and employees in the performance of their duties and to define the circumstances in which both the Directors and management, and their respective associates, are permitted to deal in securities.

The Company complies with Recommendation 3.1 of the ASX Principles and Recommendations.

Principle 4 – Safeguarding Integrity in Corporate Reporting

Recommendation 4.1 – Audit & Risk Management Committees

The Company has an Audit and Risk Management Committee which is governed by its own charter.

Part of the Committee's responsibilities includes:

- advising the Board on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Company;
- provision of additional assurance regarding the quality and reliability of financial information prepared for use by the Board in determining policies or for inclusion in the financial report; and
- reviewing the risk management framework and policies within the Company and monitoring their implementation.

The Company's Audit and Risk Management Committee comprises two Non-Executive Directors, Mr Paul Young (Chairman) and Mr Charles Sands. While Mr Young is not the Chairman of the Board, he is not considered independent. Mr Charles Sands was an independent Director for the whole of the year.

A copy of the Audit and Risk Management Committee Charter (incorporated in the Company's Corporate Governance Charter) is available on the Company's website: www.byronenergy.com.au.

The Board believes that given the size of the Company, the Committee will adequately fulfil its intended role. Nevertheless, it will reassess its ability to do this on a regular basis. The Company may consider appointing further independent Directors in the future at which time it may reconsider the composition of the Audit and Risk Management Committee.

The Company has disclosed the relevant qualifications and experience of the members of the Audit and Risk Management Committee in the Directors' Report.

The Audit and Risk Management Committee met a total of three times during the year ended 30 June 2020.

While the Company has an Audit Committee in line with Recommendation 4.1 of the ASX Principles and Recommendations, the Company does not comply with Recommendation 4.1 (a) (1) and 4.1 (a) (2) in that it does not have at least three members, all of whom are Non-Executive Directors and a majority of whom are independent Directors, and is chaired by an independent Director, who is not the Chair of the Board.

Recommendation 4.2 – Declarations from the CEO and CFO

The Managing Director/Chief Executive Officer and the Chief Financial Officer (or equivalent) have provided a declaration to the Board in accordance with section 295A of the Corporations Act and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial risk.

The Company complies with Recommendation 4.2 of the ASX Principles and Recommendations.

Recommendation 4.3 – External Auditors

The Company invites the auditors to attend the AGM. The auditors are available to answer any questions from shareholders relevant to the audit.

The Company complies with Recommendation 4.3 of the ASX Principles and Recommendations.

Principle 5 – Make Timely and Balanced Disclosure

Recommendation 5.1 – Disclosure Policy

The Company is committed to providing timely, complete and accurate disclosure of information to allow a fair and well informed market in its securities and compliance with continuous disclosure requirements imposed by law including the Corporations Act and the ASX Listing Rules.

A copy of the Company's Continuous Disclosure Policy is available on the Company's website: www.byronenrgy.com.au.

The Company complies with Recommendation 5.1 of the ASX Principles and Recommendations.

FOR PERSONAL USE ONLY

Corporate Governance Statement continued

Principle 6 – Respecting the Rights of Shareholders

Recommendation 6.1 – Information on Website

The Company provides information about itself and its governance to its investors via the Company's website: www.byronenrgy.com.au which contains all relevant information about the Company. The Company will regularly update the website and its contents therein as deemed necessary.

The Company complies with Recommendation 6.1 of the ASX Principles and Recommendations.

Recommendation 6.2 – Investor Relations Program

The Board aims to ensure that shareholders are informed of all major developments affecting the Group's state of affairs.

In line with ASX's continuous disclosure requirements, the Company keeps its shareholders informed through regular reports including the annual reports, half yearly reports, quarterly reports and specific ASX releases covering material developments and other price-sensitive information. Shareholders are encouraged to attend and participate at general meetings. The Company's auditors attend the annual general meetings and are available to answer shareholders' questions. The Directors believe that the Company's policies comply with the Guidelines in relation to the rights of shareholders.

In addition, the Company has in place a key investor relations program that aims to facilitate effective two-way communication with investors. The program comprises:

- meetings with key existing and potential shareholders and brokers; and
- presentations to these key stakeholders on the Company's activities and outlook and the industry outlook. Those presentations are released to the ASX prior to those presentations in accordance with the ASX Listing Rules.

The Company complies with Recommendation 6.2 of the ASX Principles and Recommendations.

Recommendation 6.3 – Participation at Meetings of Shareholders

All shareholders are notified in writing of general meetings and encouraged to participate in person or by proxy to ensure a high level of accountability and understanding of the Group's strategy, activities and financial position and performance.

The Company complies with Recommendation 6.3 of the ASX Principles and Recommendations.

Recommendation 6.4 – Electronic Communication

The Company's website, www.byronenergy.com.au has a facility for investors to send emails to the Company.

The Company's share registry, Boardroom Pty Ltd, has facilities for shareholders to receive and send communications electronically.

The Company complies with Recommendation 6.4 of the ASX Principles and Recommendation.

Principle 7 – Recognising and Managing Risk

Recommendation 7.1 – Risk Committee

The Company has an Audit and Risk Management Committee which is governed by its own charter.

Part of the Committee's responsibilities includes:

- advising the Board on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Company;
- provision of additional assurance regarding the quality and reliability of financial information prepared for use by the Board in determining policies or for inclusion in the financial report; and
- reviewing the risk management framework and policies within the Company and monitoring their implementation.

The Company's Audit and Risk Management Committee comprises two Non-Executive Directors, Mr Paul Young (Chairman) and Mr Charles Sands. While Mr Young is not the Chairman of the Board, he is not considered independent.

A copy of the Audit and Risk Management Committee Charter is included in the Company's Corporate Governance Charter available on the Company's website: www.byronenergy.com.au.

The Board believes that given the size of the Company, the Committee will adequately fulfil its intended role. Nevertheless, it will reassess its ability to do this on a regular basis. The Company may consider appointing further independent Directors in the future at which time it may reconsider the composition of the Audit and Risk Management Committee.

The Company has disclosed the relevant qualifications and experience of the members of the Audit and Risk Management Committee in the Directors' Report.

The Audit and Risk Management Committee met a total of three times during the year ended 30 June 2020.

While the Company has a Committee to oversee risk as recommended by Recommendation 7.1 of the ASX Principles and Recommendations, it does not comply with Recommendation 7.1 (a) (1) and (2) in that it does not have at least three members, a majority of whom are independent Directors and is chaired by an independent Director.

Recommendation 7.2 – Annual Risk Review

The Board annually reviews and approves the risk framework of the Company.

The Company undertook a review of the Company's risk management framework during the year ended 30 June 2020.

The Company complies with Recommendation 7.2 of the ASX Principles and Recommendation.

FOR PERSONAL USE ONLY

Corporate Governance Statement continued

Recommendation 7.3 – Internal Audit

Having regard to the size (including a small complement of staff), current ownership structure of the Company and the nature of its activities, the Company does not have an internal audit function. The Board as a whole, in conjunction with the Audit and Risk Management Committee and its external auditor, discharges the function of evaluating and continually improving the effectiveness of its risk management and control processes.

The Company complies with Recommendation 7.3 of the ASX Principles and Recommendation.

Recommendation 7.4 – Economic, Environmental and Social Sustainability Risks

The Company's performance is subject to business, financial and operational risks including but not limited to:

- industry risks associated with exploration and production of oil and gas generally and offshore operations specifically, including inability to find or replace reserves;
- oil and gas price risk;
- economic risks, such as changes in economic conditions that may adversely impact the Company's business or operations;
- environmental risks due to oil spills, natural gas leaks, pipeline ruptures or discharges of toxic gases;
- financial risks including access to needed capital on satisfactory terms; and
- social sustainability risks.

The key areas of risk, uncertainty and material issues facing the Company in executing its strategy and delivering on its targets are included in the Directors' Report incorporated in the Company's Annual Report.

The Company's Risk Management Policy incorporates these risks into a formal risk profile prepared by management to keep the Board informed about risks of this nature facing the Company. This risk profile is reviewed and updated at least annually.

The Company complies with Recommendation 7.4 of the ASX Principles and Recommendation.

Principle 8 – Remunerate Fairly and Responsibly

Recommendation 8.1 – Remuneration Committee

Having regard to its size, with a small complement of staff and executive, the Company does not currently have a dedicated Remuneration Committee. The task of ensuring that the level of Director and executive remuneration is appropriate and competitive, and that its relationship to performance is clear, is dealt with by the Board.

The Company does not comply with Recommendation 8.1 of the ASX Principles and Recommendation.

Recommendation 8.2 – Disclosure of Remuneration Policies and Practices

The Company's policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of Executive Directors and other senior executives is disclosed in the in the Remuneration Report which forms part of the Directors' Report.

The Company complies with Recommendation 8.2 of the ASX Principles and Recommendation.

Recommendation 8.3 – Policy on Equity Based Remuneration Scheme

From time to time Executive Directors, employees and consultants may be offered options subject to approval by shareholders where required.

Under the Company's Securities Trading Policy, available on the Company's website: www.byronenergy.com.au senior executives and Directors are prohibited from entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of any equity based remuneration packages, such as options and employee incentive rights.

The Company complies with Recommendation 8.3 of the ASX Principles and Recommendation.