

19 July 2017

ASX Release

Prospective Resources – SM 57/59/74

Byron Energy Limited (“Byron or the Company”) (ASX: BYE) is pleased to announce the Company’s current own internal total prospective resources estimate for South Marsh Island (“SM”) 57/59/74 blocks, recently awarded to Byron, of 27.5 million barrels of oil and 193.0 bcf of gas on a gross basis (22.4 million barrels of oil and 156.8 bcf of gas net to Byron*).

These prospective resources are in addition to the gross 29.7 million barrels of oil and 393.9 bcf of gas (19.9 million barrels of oil and 292.9 bcf of gas net to Byron) of prospective resources as previously estimated by Collarini and Associates (“Collarini”) at Byron’s SM 71, EI 63/76 and Bivouac Peak Leases**. SM 57/59/74 will be included in the Company’s 2017 annual reserves and resources report to be prepared by Collarini, expected to be completed in late August 2017.

Byron is the operator of SM 57/59/74, through its wholly owned subsidiary Byron Energy Inc, and holds a 100% Working Interest (“WI”) and an 81.25% Net Revenue Interest (“NRI”). Byron is also the designated operator of two other leases in the area, SM 71 and SM 70, where the Company owns a 50% WI and a 40.625% NRI in each block and is currently preparing to install a production processing platform at SM 71 for production from our 2016 oil discovery well.

Maynard Smith, Byron’s CEO, said *“SM 57/59/74 are in close proximity to Byron’s previously announced SM 71 discovery and will increase Byron’s footprint in the South Marsh Island 73 Field. We have so far mapped 15 prospects on these leases, using second generation RTM seismic technology and state of the art Full Waveform Inversion”*.

** As reported on 22 June 2017, Byron was also the high bidder on Vermillion Area Block 232 (“VR 232”). However, the Bureau of Ocean Energy Management (“BOEM”) advised Byron that its bid for VR 232 was rejected by the BOEM. Byron has filed a written request for reconsideration by the BOEM. Otto has certain rights in respect to SM 74, if VR 232 is not ultimately awarded to Byron (see Byron’s ASX release dated 22 June 2017 for details).*

*** Refer to the Company’s ASX releases dated 25 July 2016 and 28 October 2016.*

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Prospective Resources Cautionary Statement

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons

Competent Persons Statement

The information in this report that relates to oil and gas prospective resources was compiled by Mr William Sack (BSc. Earth Sci./Physics, MSc. Geology, MBA), an Executive Director of Byron Energy Limited. Mr William Sack is a member of American Association of Petroleum Geologists. The reserves and resources included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/American Association of Petroleum Geologists (AAPG)/Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The reserves and resources information reported in this release are based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr Sack. Mr Sack is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

Prospective Resources Reporting Notes (SM 57/59/74 reported for the first time)

- (i) The prospective resources information in this document is effective as at 1 July 2017 (Listing Rule (LR) 5.25.1).
- (ii) The prospective resources information in this document has been estimated and is classified in accordance with SPE-PRMS (Society of Petroleum Engineers - Petroleum Resources Management System) (LR 5.25.2).
- (iii) The prospective resources information in this document is reported according to the Company's economic interest in each of the reserves and net of royalties (LR 5.25.5).
- (iv) The prospective resources information in this document has been estimated and prepared using the deterministic method (LR 5.25.6).
- (v) The prospective resources information in this document has been estimated using a 6:1 BOE conversion ratio for gas to oil; 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency (LR 5.25.7).
- (vi) The prospective resources information in this document has been estimated on the basis that products are sold on the spot market with delivery at the sales point on the production facilities (LR 5.26.5.)
- (vii) Prospective resources are reported on a best estimate basis (LR 5.28.1).
- (viii) For prospective resources, the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons (LR 5.28.2).
- (ix) In respect to the prospective resources referred to in this statement, Byron has acquired SM 57/59/74 (each lease approx. 5,000 acres) at the BOEM Lease Sale 247 held on March 22, 2017, all of which are located in the shallow waters of the Gulf of Mexico, offshore Louisiana, USA in close proximity to the Company's SM 71 project (LR 5.35.1).
- (x) The prospective resources have been estimated on the following basis (LR 5.35.2):-
 - prospective resources have been identified near the existing developed and undeveloped reserves, at the same or deeper stratigraphical levels but are deemed isolated from mapped reserves;
 - a combination of volumetric assessment and field analogues have been used to estimate the Prospective resources; exploration drilling will be required to assess these resources..
- (xi) The chance of discovery is considered moderate as the prospective resources are near developed and undeveloped reserves and in a proven oil and gas producing province. There is a risk that exploration will not result in sufficient volumes of oil and/or gas for a commercial development (LR 5.35.3).
- (xii) Prospective resources are un-risked and have not been adjusted for an associated chance of discovery and a chance of development (LR 5.35.4).