

**12 September 2017**

**ASX Release**

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## **Drilling Rig Contract Executed for SM71 Program**

Byron Energy Limited (“Byron or the Company”) (**ASX: BYE**) is pleased to advise that Byron Energy Inc., a wholly owned subsidiary of the Company, has executed a drilling contract with Ensco Offshore Company, under which the Ensco 68 jack-up rig will be provided for Byron’s South Marsh Island Block 71 drilling and completion program. The Ensco 68 will be available by the end of November 2017 after Byron sets its tripod production facility on the lease. The 60-day contract will allow Byron to drill the SM71 F2 well and then complete the SM71 F2 and SM71 F1 (previously referred to as SM 71 #1) wells.



*The Ensco 68 is an independent leg jack-up rig built by Marathon/ Le Tourneau in 1976 and has undergone numerous equipment updates and upgrades since it was placed in to service. Photo courtesy of Ensco Plc.*

The SM71 F2 well has two targets, the B65 Sand and the D5 Sand. The D5 Sand is the primary focus of the development at SM71 and the SM71 F2 well will provide a second take point in the D5 Sand reservoir. Byron’s initial SM71 well, the SM71 #1 (now renamed the SM71 F1), logged 151 feet (true vertical thickness) of oil pay in four zones and was drilled in 2016. The Company’s independent reserve assessment prepared by Collarini Associates (“Collarini”) assigned a total of 2.271 million barrels equivalent net to Byron to the SM71 F1 well on a 2P basis\*, with the bulk of those reserves coming from

the D5 Sand. The D5 Sand has been productive in other parts of the South Marsh Island 73 Field where over 20 million barrels of oil have been produced from multiple D5 Sand completions.

The secondary target of the SM71 F2 is the B65 Sand which lies above the D5 Sand and was stratigraphically pinched-out in the SM71 F1 well. Byron's RTM and proprietary inversion processing indicates a positive anomaly at the B65 Sand level that is analogous to known productive reservoirs of the B65 Sand; this well will test the prospective resources attributable to the B65 Sand and provide further calibration for those data sets as we explore in the greater SM71 area. Collarini assigned 2.042 million barrels of oil and 2.0 bcf of gas net to Byron to the B65 Sand as Prospective Resources\*. The B65 has produced 13 million barrels of oil from four trapping areas around the SM73 field.

The SM71 F2 well is currently programmed to a depth of 8,965 feet/2,608 metres measured depth (7,555 feet/2,303m True Vertical Depth) and is expected to take less than 30 days to drill. After drilling the SM71 F2, rig operations will convert to completing the SM71 F1 and SM71 F2 wells before the rig is released. Production is expected to start in in late January 2018 or approximately 10 days after the rig leaves location upon final hook-up of production equipment

The Company's wholly owned subsidiary, Byron Energy Inc., holds a 50% working interest (40.625% net revenue interest) in South Marsh Island Block 71 and is the operator of record. In January of 2017, Byron announced that it would utilize a manned, Byron operated platform to produce hydrocarbons found on the block. Otto Energy Ltd (**ASX: OEL**), holds the remaining 50% working interest.

## **CEO Comment**

### **Maynard V. Smith, Byron's CEO had this to say about the Ensco contract:-**

*"The Ensco 68 is a high quality drilling rig with a reliable operating history in the Gulf of Mexico. Signing this contract is another important step towards establishing Byron's first operated production platform. Our team in Lafayette and Australia continues to focus on the start-up of SM71 and this contract represents a tangible milestone. We look forward to working with Ensco during this phase of the project".*

*\* The reserves and resources referred to in this report were reported on 25 July 2016 (refer to the Company's ASX announcement dated 25 July 2016) and on 28 September 2016 (refer to the Company's ASX announcement dated 28 September 2016).*

### **For further information contact:-**

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