ASX Release
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Operational Update: SM71 F2 B55 Sand Recompletion Work Initiated

Byron Energy Limited ("Byron" or "the Company") (ASX: BYE) is pleased to provide the following update on the Company's South Marsh Island Block 71 ("SM71") Project.

Recompletion operations on the Byron operated South Marsh Island 71 F2 well have begun. The necessary permits for the zone change from the B65 Sand to the B55 Sand were approved last week. A liftboat with personnel and equipment to accomplish the job mobilised out of Fourchon, Louisiana on 25th September. The boat has jacked up to working height, rigged up and is working on the through tubing plug back to the B55 Sands.

The recompletion work is expected to take up to three weeks to finish and is estimated to cost $1.1 million. The next report is expected at the end of the recompletion work unless there any material developments.

Byron, through its wholly owned subsidiary Byron Energy Inc., is the operator of SM71 and holds a 50% working interest and a 40.625% net revenue interest in SM71. Otto Energy Limited group (ASX: OEL) holds the remaining interest in SM71.

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About Byron:

Byron Energy Limited ("Byron or the Company') (**ASX: BYE**) is an independent oil and natural gas exploration and production company, headquartered in Australia, with operations in the shallow water offshore Louisiana in the Gulf of Mexico. The Company has grown through exploration and development and currently has working interests in a portfolio of leases in federal and state waters. Byron's experienced management team has a proven record of accomplishment of advancing high quality oil and gas projects from exploration to production in the shallow water in the Gulf of Mexico. For more information on Byron please visit the Company's website at www.byronenergy.com.au.

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