

18 March 2019

ASX Release

Update on SM58 Acquisition

- **As previously announced, Byron recently closed the acquisition of the South Marsh Island 58 Lease Block including the SM58 #E1 producing wellbore and the SM69 E Platform and Flowlines**
- **The strategic acquisition adds significant drilling opportunities to the portfolio through 18.5 Mmbo and 57 Bcf of Prospective Resource* (gross) as mapped by Byron using its latest WesternGeco 2018 proprietary RTM/VIP data**
- **Total Gross Prospective Resources* are split between 8.5 Mmbo and 18 Bcf of low risk development opportunities and 10 Mmbo and 39 Bcf of low to moderate risk exploration opportunities**
- **Byron now has 6 contiguous lease blocks across the Northern and Western flanks of the SM73 Field**
- **Because of the oil prone, lower risk nature of drilling opportunities on SM58, after drilling SM74 Byron will fast track its drilling program on this block in preference to EI77 and EI63**
- **Newly established short-term loan facility for \$US 4.2 million**

Byron Energy Limited (“Byron” or the “Company”) (ASX: BYE) is very pleased to announce it has closed on the acquisition of South Marsh Island Block 58 (“SM58”) and associated SM69 assets, for \$US4.25 million with an effective date of January 1, 2019. Byron has funded this acquisition out of its internal cash resources. Byron has also arranged an unsecured \$US4.2 million loan facility, of which \$US3.25 million is sourced from the Company’s directors, to cover any short-term contingencies.

Byron now holds all of the operator’s rights, title, and interest in and to the SM58 Lease Block to a depth of 13,639 ft. subsea with 100% working interest (“WI”) and 83.33% net revenue interest (“NRI”) and a 53% WI (44.165% NRI) in the associated non-operated producing assets being the SM69 E Platform, the E1 wellbore, and the E platform to B platform pipelines located within SM69; all part of the greater SM73 Field (Attachment 1). Below 13,639 ft. subsea, Byron has a 50% WI (41.67% NRI) under a pre-existing exploration agreement.

Significant Exploration & Development Opportunity

The prolific SM58 lease has, to date, produced 36 million barrels of oil (“Mmbo”) and 265 billion cubic feet (“Bcf”) of gas from 65 wellbores with all pre-existing wells (excluding the #E1 wellbore) and platforms fully decommissioned by the previous operators. Acquisition of the SM58 lease provides access to significant additional exploration and development opportunities within Byron’s recently announced 2018 Reverse Time Migration (“RTM”) and Vector Imaging Partition (“VIP”) proprietary seismic reprocessing project area as described in the Company’s 17 January 2019 ASX announcement. SM58 is located immediately between Byron’s SM57 and SM59 leases which when combined provide Byron with contiguous exploration acreage across the northern half of the SM73 Field.

In addition to the producing E1 well, Byron has to date identified seven additional well locations on SM58 in the shallow section above 13,639 ft. subsea (Attachment 2) with over 18.5 Mmbo and 57 Bcf of Prospective Resource* (gross) potential utilizing Byron’s cutting edge proprietary 2018 RTM/VIP 3D data set (Attachment 3). All seven of these prospects can be

tested without drilling through geo-pressure, which greatly reduces most of the drilling risk and cost overruns associated with drilling in the Gulf of Mexico. Four of the seven locations will test development prospects in reservoirs which have been productive in down dip locations which reduces the geologic risk and greatly enhances the likelihood of success. All seven wells can be drilled from a common surface location. Additional information will be provided as evaluation is matured.

The other three locations, identified by Byron, will test exploration prospects which Byron considers to be low to moderate risk. Attachment 4 is a proprietary RTM seismic line showing one of the exploration prospects and illustrates a very strong and thick amplitude response on the seismic data similar to seismic responses from highly productive reservoirs updip from Byron's prospect. This prospect is further de-risked by the fact that 3,000 ft. down dip from the prospect is a well that intersected 500 ft. of clean porous sand in the target 'O sand' section. Historical production in the 'O sand' interval ft. has been characterised by thick sands, often over 300 ft. to 400 ft. thick, with very high recovery rates, but covering only small areas in highly structurally complex traps. This has made it difficult for previous operators to identify all of these highly productive pools without the benefit of advanced seismic imaging techniques such as the ones that Byron is employing.

Attachment 4 illustrates how similar the SM58 'O Sand' prospect anomaly is to Byron's D5 Sand discovery at SM71 although much thicker, which would be consistent with net pay sand thicknesses averaging over 400 ft. encountered in the 'O Sand' in nearby updip productive wells.

The low risk nature of the drilling opportunities identified on SM58 has prompted a review of Byron's previously announced drilling timeline to the market with SM58 now being brought forward ahead of the EI77 and EI63 wells. Byron is currently in discussions with rig companies to contract the drilling of two wells starting in the third quarter of this year.

Byron's SM71 & SM58 Producing Asset:

Production from the SM58 E1 wellbore flows from the SM69 E Platform to the SM69 B Platform where separation and processing occurs. The SM69 E Platform is a recently constructed (2013) two slot structure with one well slot utilized, one available, and offers expansion potential of an additional third slot. The SM58 E1 well is currently producing at 120 barrels of oil per day ("Bopd") and 0.150 million cubic feet of gas per day ("Mmcf"), on gross basis and 53 Bopd and 0.066 Mmcf net to Byron.

Current gross daily production from the Byron operated SM71 F Platform is approximately 3,100 Bopd and 7.1 Mmcf (1,260 Bopd and 2.9 Mmcf net to Byron). Byron's current combined daily production from the SM73 Field area is approximately 1,300 Bopd and 3.0 Mmcf net to Byron.

Byron's SM58 acquisition includes:

- 100% WI (83.33% NRI) in the SM58 Lease to a depth of 13,639 ft. TVD; and 50% WI (41.67% NRI) below 13,639 ft. TVD with a third party currently holding the remaining 50% WI under an existing Joint Exploration Agreement.
- 53% WI (44.165% NRI) in the SM58 E1 production, reserves, and associated SM69 E Platform and Flowlines
 - Proved Developed Producing Reserves of 86,000 barrels of oil ("Mbo") + 0.04 Bcf of gas (net to Byron)**
 - Proved Developed Behind Pipe Reserves of 129 Mbo + 0.07 Bcf of gas (net to Byron)**
- Operating Rights to all depths on SM58, excluding the E1 wellbore which is operated by the SM69 operator off the jointly owned SM69 E Platform.
- E1 gross production of 120 Bopd 0.15 Mmcf processed under an existing Production Handling Agreement.

*** 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.*

***The Company's SM58 reserves were released to the ASX on 14 February 2019. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements in respect to SM58 and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.*

Short term Loan Facility:

Byron has financed the SM58 acquisition with cash on hand. Byron has also established a short-term loan facility for \$US2.0 million and \$A3.1 million, equivalent to \$US4.2 million at an exchange rate of \$A1=\$US0.71 (“the Loan Facility”) with \$US3.2 million sourced from four of its directors (Messrs Battersby, Smith, Sands and Young). The Loan Facility will backstop any financing requirements and enable the Company to conduct its near-term activities as planned, including drilling operations at SM 74. The Loan Facility is unsecured, repayable by 30 November 2019 and will bear interest, from time of drawdown, at a rate of 10% per annum payable on loan repayment date.

SM74 Drilling:

Byron has been informed by White Fleet Drilling that the WFD350, to be utilized to drill the SM74 Byron D14, has been delayed until late April or early May as the current operator has experienced drilling difficulties and is side-tracking their well.

CEO Comment

Maynard Smith, Byron’s CEO had this to say regarding SM58:

“The closing of the SM58 acquisition demonstrates not only Byron’s ability to identify and pursue opportunity but also how to leverage our experience and relationships to add value to our inventory of producing, development and exploration prospects. It is rare to find and acquire producing assets with both significant exploration & development potential and minimal decommission liabilities on the Gulf of Mexico Shelf. This transaction strengthens our position in a prolific Company core area with newly recognized growth opportunities identified on our 2018 RTM/VIP data set. The strategic reprocessing of the dataset and the relationships built in the area has already paid dividends and will serve Byron well for years to come. Byron’s growing core acreage position has afforded us numerous drilling and development scenarios which should translate to organic growth and increased shareholder value.”

For further information, please contact:

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Peter Love
Investor Relations
61 7 3121 5674

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.

Competent Persons Statement

The information in this report that relates to oil and gas reserves and 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.

Forward Looking Statements

This document may contain forward-looking information. Forward-looking information is generally identifiable by the terminology used, such as "expect", "believe", "estimate", "should", "anticipate" and "potential" or other similar wording. Forward-looking information in this document includes, but is not limited to, references to: well drilling programs and drilling plans, estimates of potentially recoverable resources, and information on future production and project start-ups. By their very nature, the forward-looking statements contained in this document require Byron and its management to make assumptions that may not materialise or that may not be accurate. Although Byron believes its expectations reflected in these statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.

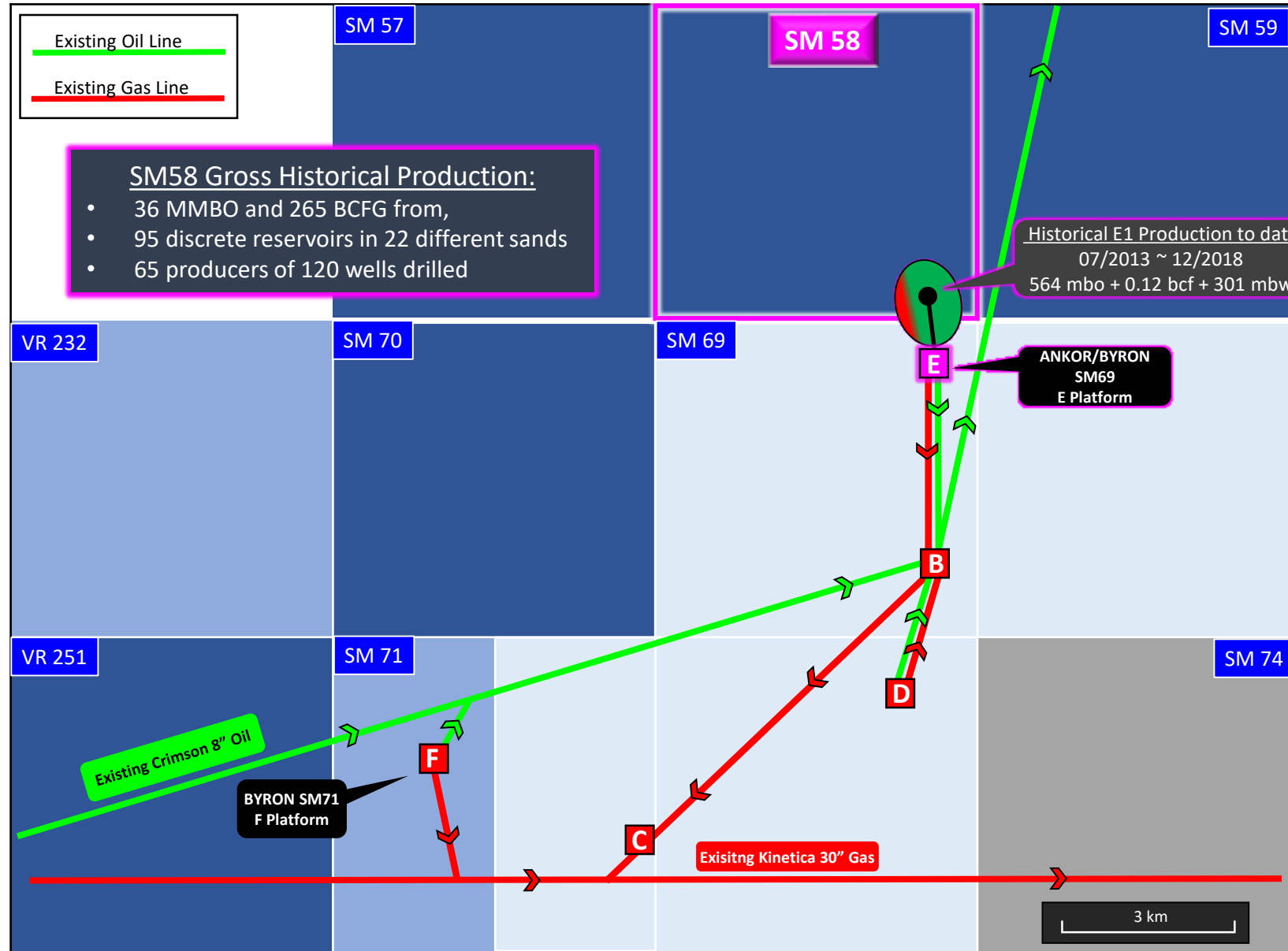
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Prospective Resources Reporting Notes (SM58 reported for the first time)

- (i) The prospective resources information in this document is effective as at 31 December 2018 (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 2007) (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 ("SM58") Lease Block including the SM58 #E1 producing wellbore and the SM69 E Platform and Flowlines in 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 reserves.
- (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).

South Marsh Island Project Map

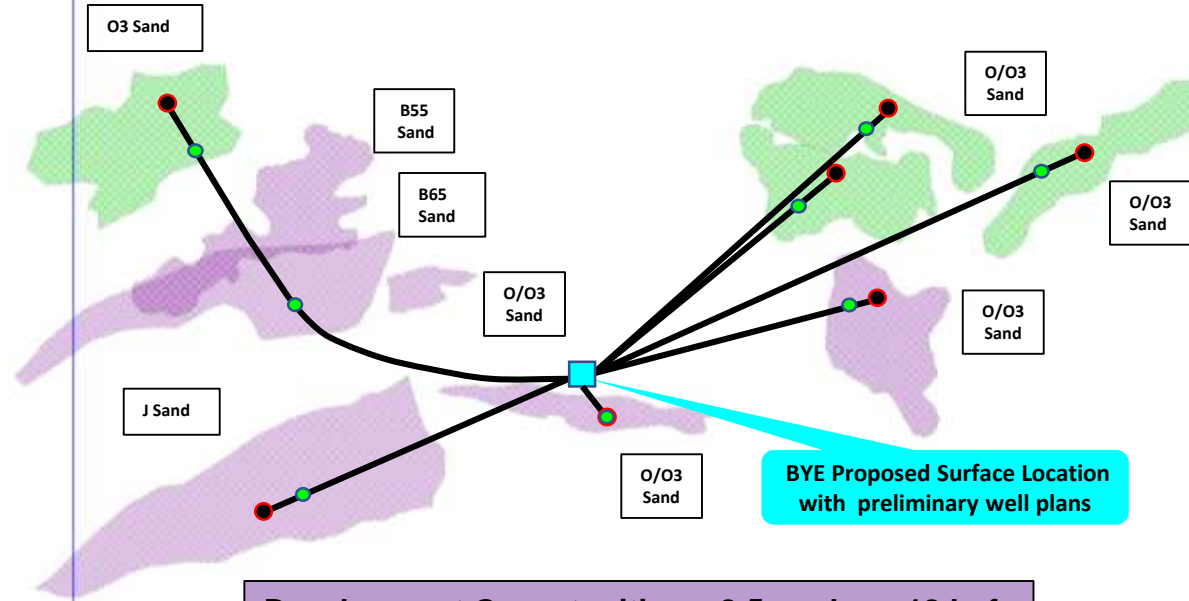


<p>BYRONENERGY INC. Byron 100% WI</p>	<p>BYRONENERGY INC. Byron 70% WI/MEL 30% WI</p>	<p>BYRONENERGY INC. Byron/Otto 50% WI</p>	<p>ANKOR ENERGY</p>
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SM 58 Remaining Opportunities

Historical production to date 35.8 mmbo + 265 bcf

Exploration Opportunities - 10 mmbo + 39 bcf



Development Opportunities – 8.5 mmbo + 18 bcf

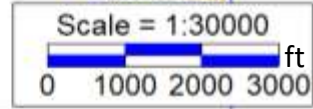
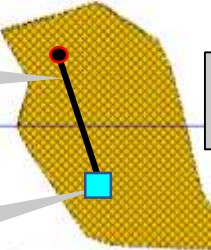
SM 58 Byron

SM 69 Ankor

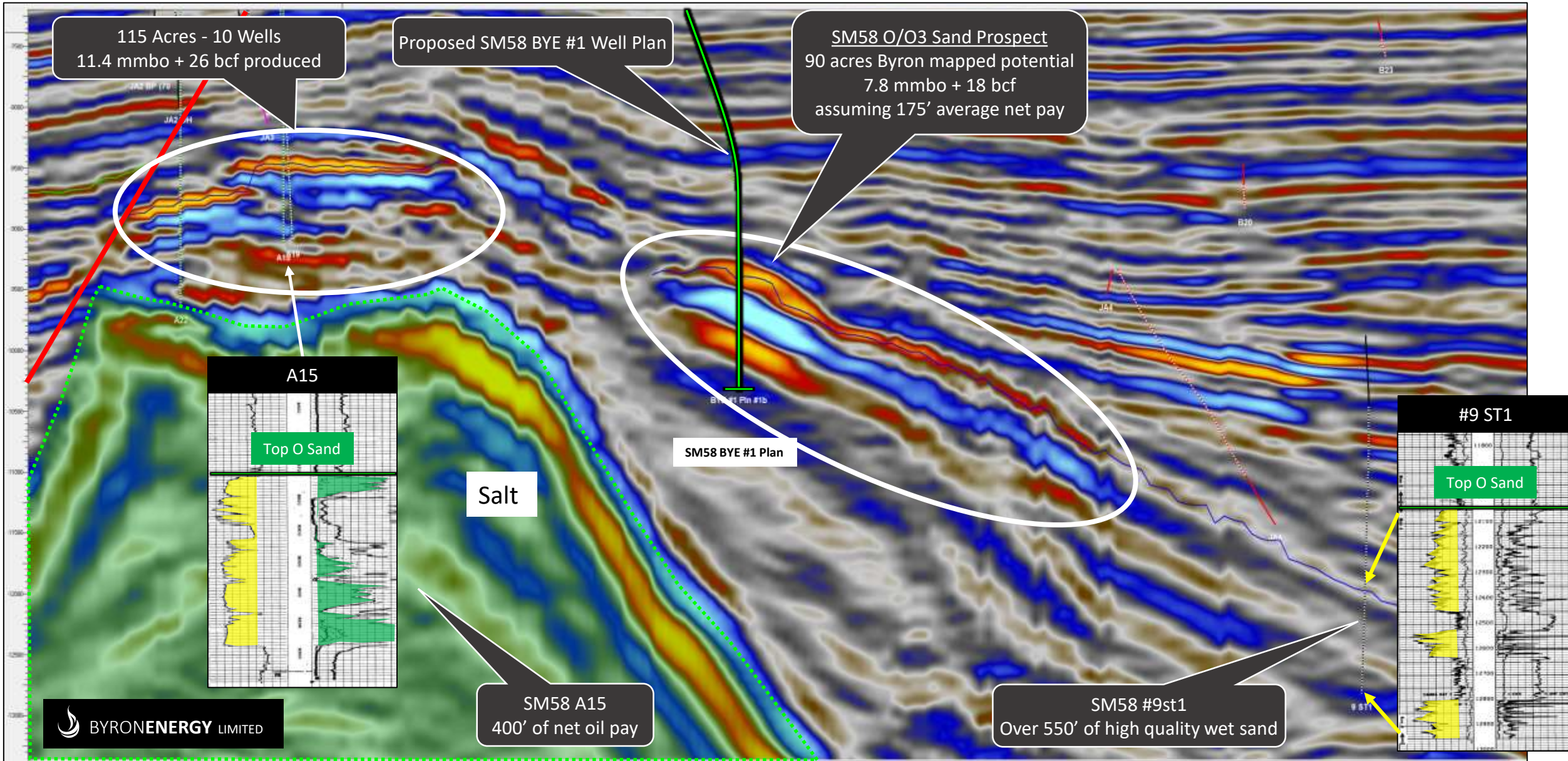
E1 Producing Well
120 bopd + 150 mcfgpd
(Jan 1st 2019)

SM69
Byron/Ankor 'E Platform'

Net to Byron Remaining
1P Reserves
215 mbo

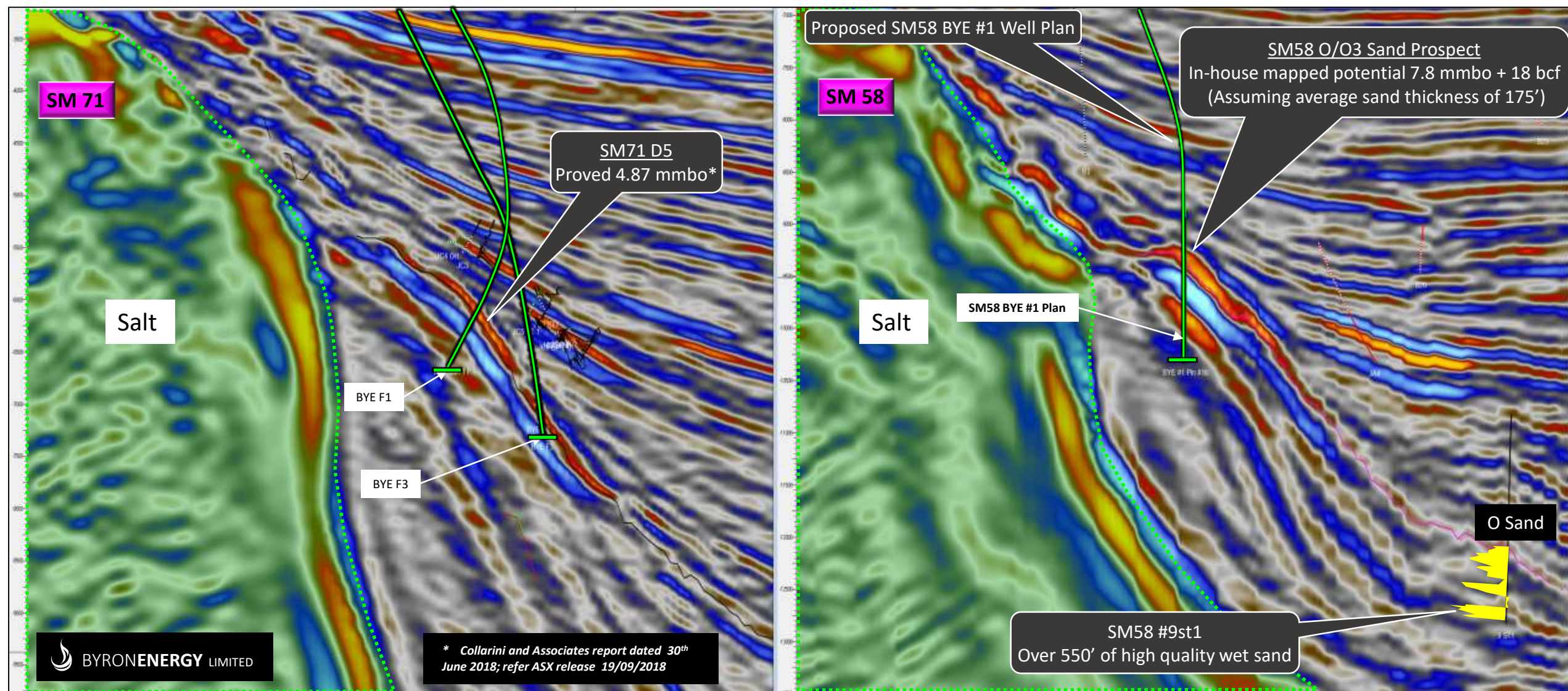


SM 58 O Sand Prospect - 2019 WGC RTM



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SM71/58 - D5/O Sand Prospect - Comparison - 2019 WGC RTM



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