

30 November 2017

ASX Release

SM71 Update: Ensco 68 Drilling Rig Now Jacked Up on Location

- Ensco 68 jack-up rig is now on location at South Marsh 71
- Ensco 68 is preparing to spud the Byron SM71 F2 well later this week
- Drilling and evaluation time is expected to be approximately one month from spud date

Byron Energy Limited ("Byron or the Company") (**ASX: BYE**) is pleased to advise that the Ensco 68 independent leg jack-up drilling rig arrived on location at South Marsh Island Block 71 ("SM 71") on 26 November 2017 and is now pre-loaded and jacked up to working height over the SM71 F platform. Initial work involves driving conductor pipe over the SM71 F1 well to tie it back to the well bay and to protect it during drilling operations. Once that work is accomplished, the rig will skid over to the SM71 F2 slot and begin to drive 24" drive pipe prior to spudding.



The Ensco 68 independent leg jack up drilling rig under tow on November 26, 2017 in the Gulf of Mexico

The SM71 F2 well is being drilled to test two targets: the D5 Sand and the B65 Sand. The primary target in the F2 well is the D5 Sand which has been ascribed 625,000 barrels of oil equivalent* net to Byron, in the probable category, by Collarini and will serve to extend the D5 proven reserves down-dip from the F1 well. The secondary target, the B65 Sand, has the potential to add significant reserves to the SM71 project. Collarini Associates (“Collarini”), an independent petroleum engineering consultant (based in Houston, Texas) has attributed 1.6 million barrels of oil equivalent* net to Byron as prospective resources in the B65 Sand. The 8,965 ft/2,733 metres MD (7,555 ft/2,303 metres TVD) F2 well is estimated to take approximately one month to drill total depth and evaluate from the spud date.

Byron, through its wholly owned subsidiary Byron Energy Inc. is the operator of SM71 and has a 50% working interest and a 40.625% net revenue interest in SM 71. Otto Energy Limited group (**ASX: OEL**) holds the remaining interest in SM 71.

Byron will issue progress reports on the SM71 F2 as material developments occur.

CEO Comment

Maynard V. Smith, Byron’s CEO had this to say about the arrival of the Ensco 68 at SM71:

“The arrival of the Ensco 68 marks an important accomplishment for Byron and its partner. After successfully setting the SM71 F platform last week, we now have a high-quality rig in place to begin drilling our F2 well and eventually undertake our completion operations. I am very pleased with the progress our team has made. We look forward to a safe, successful drilling campaign and of course, to the commencement of production from SM71 in early 2018”.

**The reserves and resources referred to in this release were reported on 28 September 2017 (refer to the Company’s ASX announcement dated 28 September 2017) and were prepared by Collarini and Associates, Houston, TX.*

SM71 Project Summary

SM 71 Block	Gulf of Mexico, USA.	Water Depth 137 feet
Operator:	Byron Energy Inc.	<i>WI 50% NRI 40.625%</i>
Partner:	<i>Otto Energy (Louisiana) LLC</i>	<i>WI 50% NRI 40.625%</i>

Byron Energy Inc. SM71 F1 Well – Drilled May 2016 - Four Hydrocarbon Sands Logged

Reserves:	<i>2,269 mboe (2P) *</i>	<i>2,867 mboe (3P) * Net to Byron - all sands</i>
Primary D5 Sand:	<i>938 mboe (2P) *</i>	<i>1,018 mboe (3P) * mboe Net to Byron</i>
Status:	<i>Mudline suspended, waiting completion and facility installation</i>	

Byron Energy Inc SM71 F2 Well – Expected SPUD Date – Late November 2017

Two Target Sands:	<i>B65 Sand (net to Byron)</i>	<i>1,616 mboe (Prospective Resource) *</i>
	<i>D5 Sand (net to Byron)</i>	<i>625 mboe (2P)/ 679 (3P) *</i>

Project Timing:

First Production:	<i>Late January 2018</i>
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For Further Information Contact:-

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