

ASX ANNOUNCEMENT  
20 July 2017

## OTTO ENERGY TO PRESENT AT NOOSA MINING AND EXPLORATION CONFERENCE

Otto Energy Ltd (ASX: OEL) ("Otto" or the "Company") is pleased to release the attached investor presentation which CEO Matthew Allen will present today at the Noosa Mining and Exploration Conference.

The Operator of Otto's 50% owned SM 71 oil development, Byron Energy Limited (ASX:BYE), yesterday released a presentation to the ASX. This presentation included a significant amount of additional detailed information in relation to SM 71. Otto has included this Byron presentation as an Annexure to its latest presentation for the information of investors and potential investors. Please refer to slide 17 of the presentation.

www.ottoenergy.com

# Investor Update Presentation

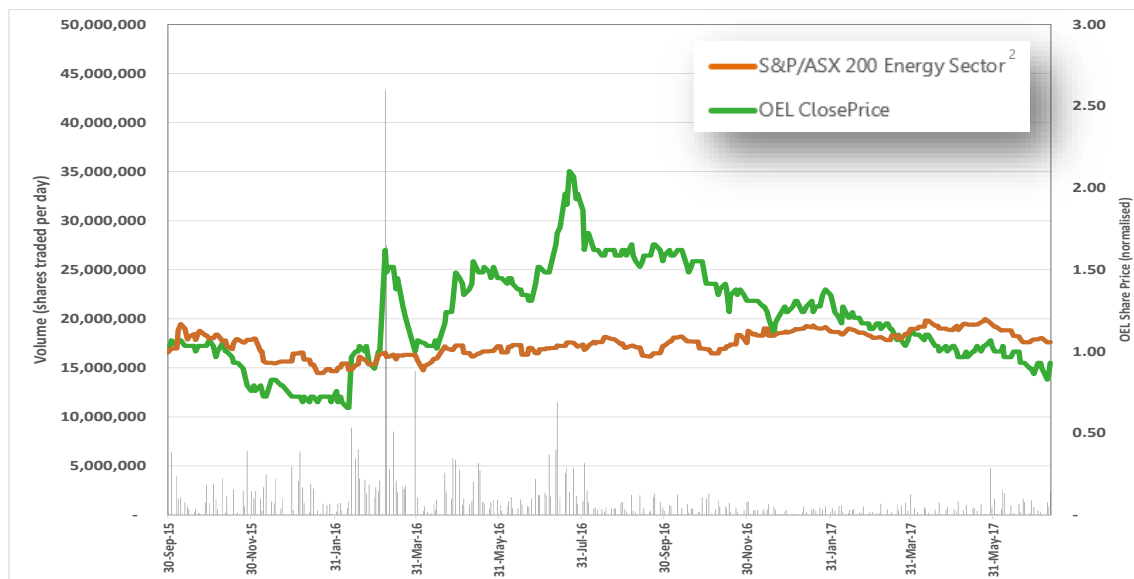
Gulf of Mexico Shelf oil and gas explorer/producer

Matthew Allen, Managing Director and CEO

July 2017

# Corporate Snapshot

A proven junior oil and gas company with focus on delivering shareholder value



## Capital Structure

Fully paid ordinary shares	1.186b
Unlisted options	Nil
Performance Rights	7.7m
Market capitalisation <sup>1</sup>	A\$32m
Cash (June 2017)	US\$12.2m/A\$15.9m
Debt (June 2017) <sup>3</sup>	Nil

1. Undiluted at 2.7 cents per share as at 12 July 2017

2. ASX 200 Energy Index normalized to 9 September 2015 OEL share price

3. Convertible note issue for US\$8.2m announced 29 May 2017, subject to shareholder approval on 25 July 2017

## Shareholders

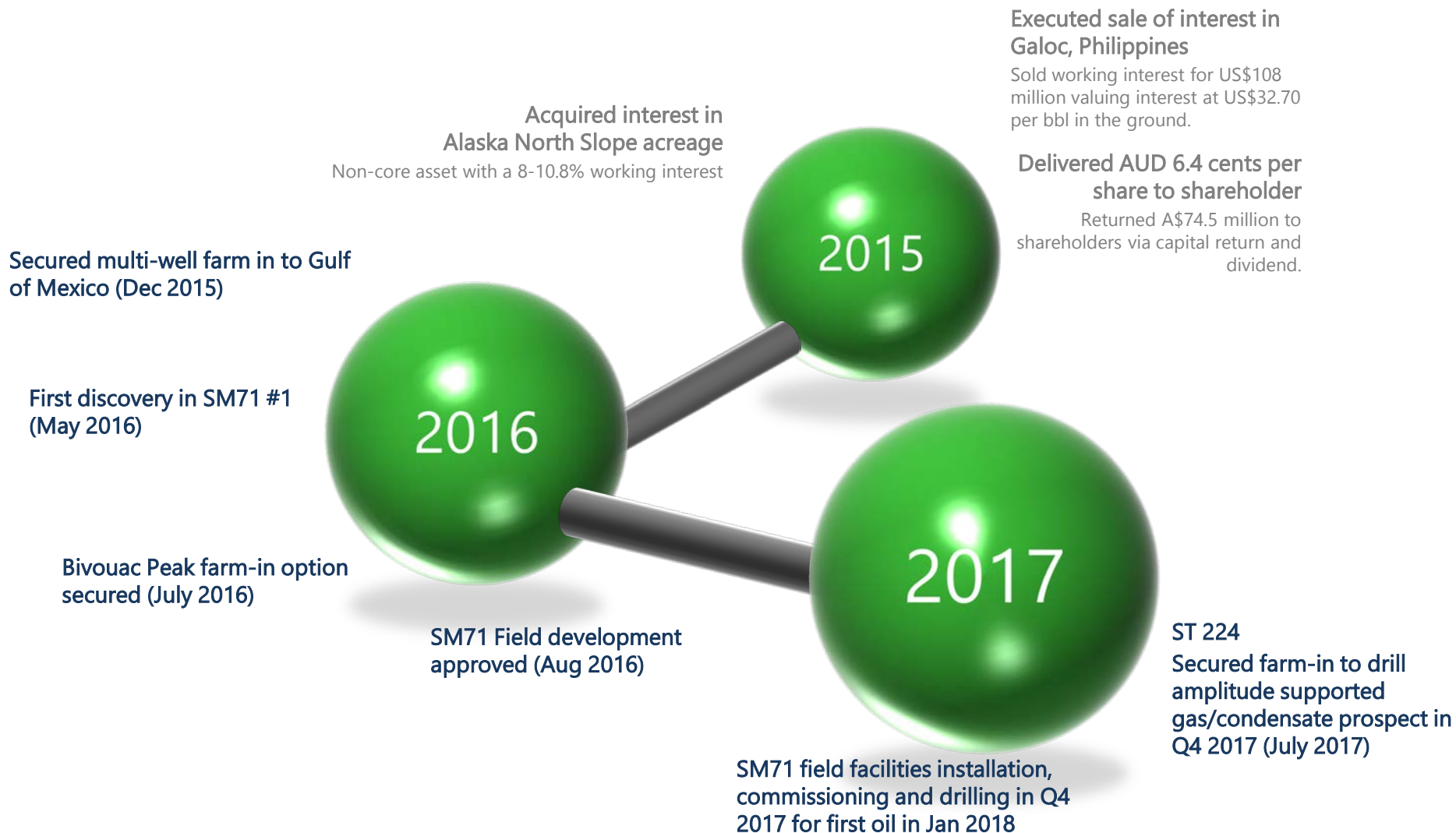
Molton Holdings	20.4%
Santo Holdings	20.4%
Directors & Management	2.4%
Shareholders	4,392

12 Month Turnover = 21.22% of issued capital

Average daily volume last 12 months = 0.989 million shares/day

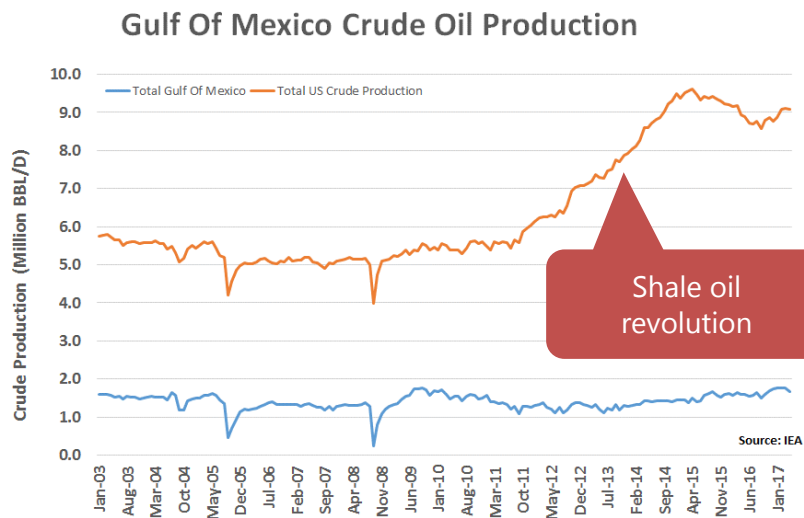
# Pre-empting the major change in oil & gas markets

## Building a Gulf of Mexico shelf focused business



# Gulf of Mexico Shelf – counter-cyclical play

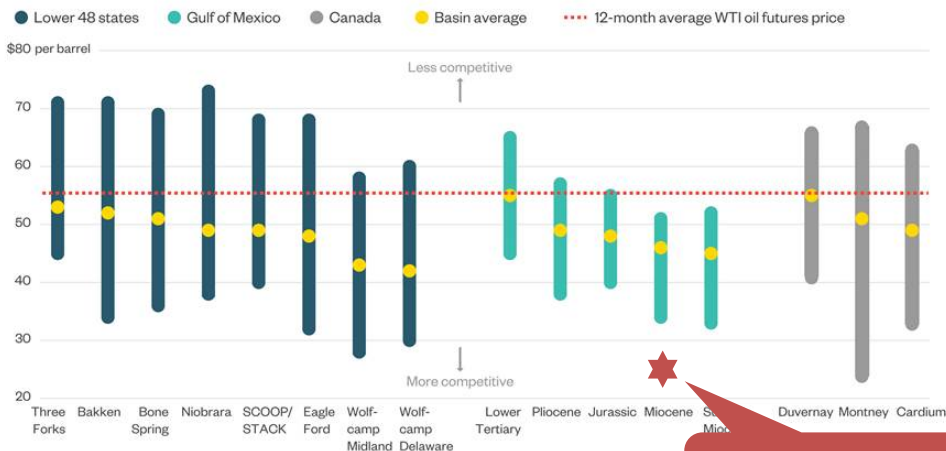
Limited investment in US conventional exploration – mature province yielding new discoveries



- Gulf of Mexico is a mature oil and gas province – producing since 1950's
- Currently produces ~ 2 MM bbl/day
- Shift from shelf to deepwater investment in the past 10 years
- Majors have exited the shelf – room for small players
- Technology has improved ability to discover and develop overlooked opportunities

## Point Break

Breakeven oil prices for North America's shale basins and the Gulf of Mexico vary widely, but on average they look competitive even with oil below \$60 a barrel



Source: Wood Mackenzie

Note: Breakeven prices reflect projected level needed to generate a 10 percent return on drilling

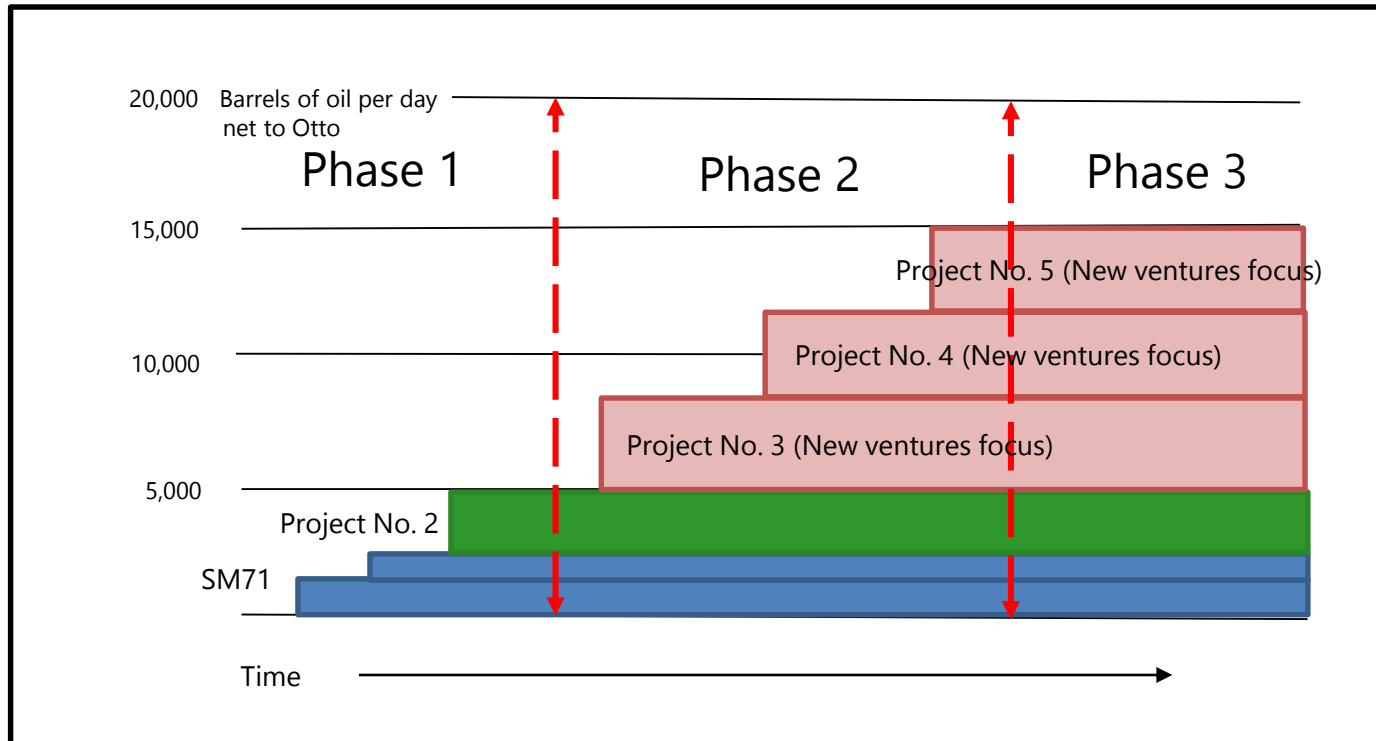
- Over US\$21.4 billion in Permian shale M&A transactions in Q1 2017
- Entry price for Permian prohibitive for junior oil and gas companies
- Conventional GoM shelf oil and gas is still economically attractive compared to shale
- Permian is now the marginal barrel in setting global oil prices

# Otto Energy US Gulf of Mexico Strategy

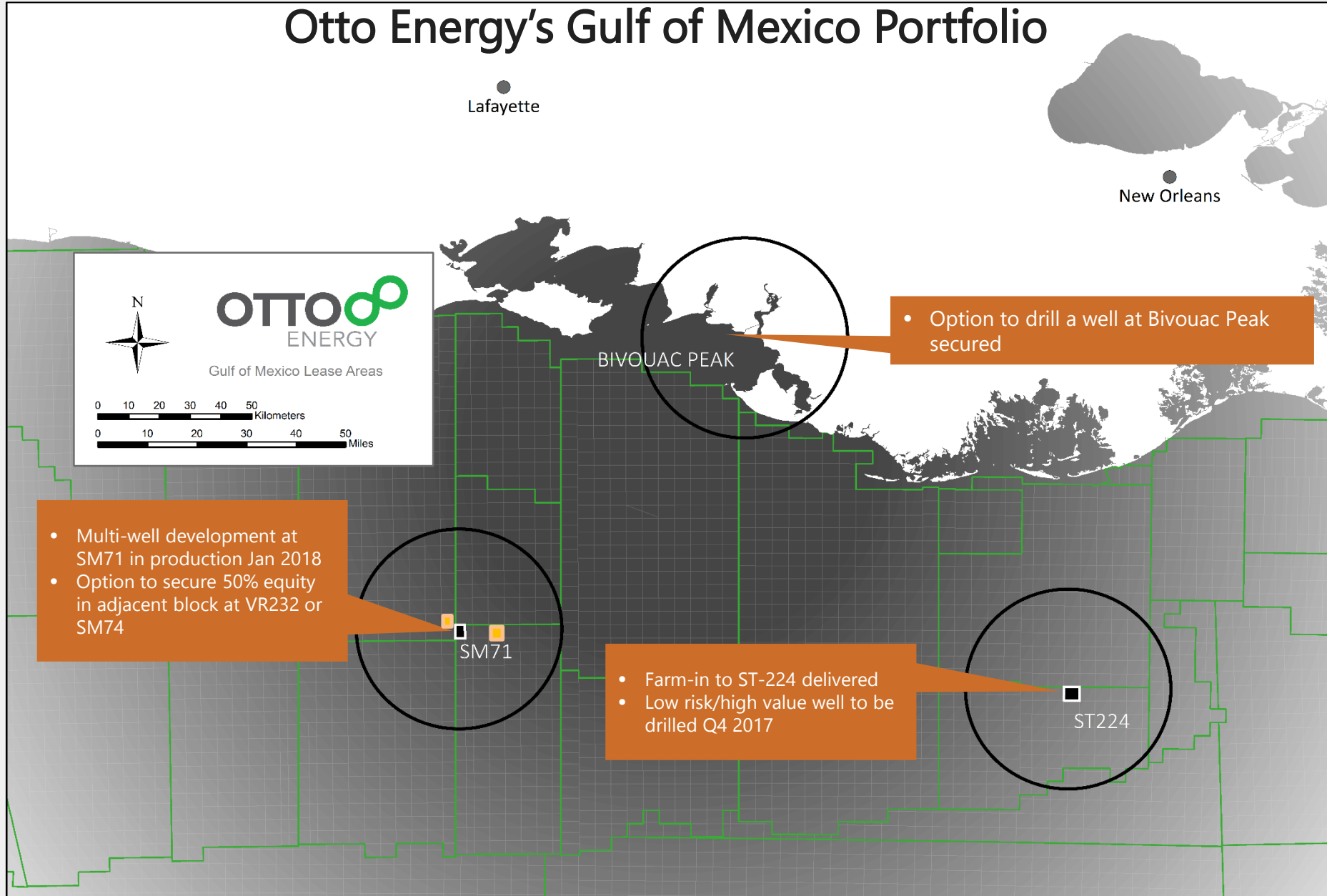
Targeting high margin, high chance of success, near term production

Focus on prospects with the following characteristics:

- ♦ Miocene/Pliocene geology which are amplitude supported
- ♦ Investing capital into drilling, not seismic
- ♦ Seeking early cashflow/ROI - ~12-18 months from exploration to production
- ♦ Shallow water (<300 feet) – keeping capex manageable
- ♦ High liquids yields to increase margins



# Otto Energy's Gulf of Mexico Portfolio



# South Marsh Island 71 (SM71)

Otto's first GoM shelf discovery – production to start Jan 2018

## SM71 Oil Discovery Well

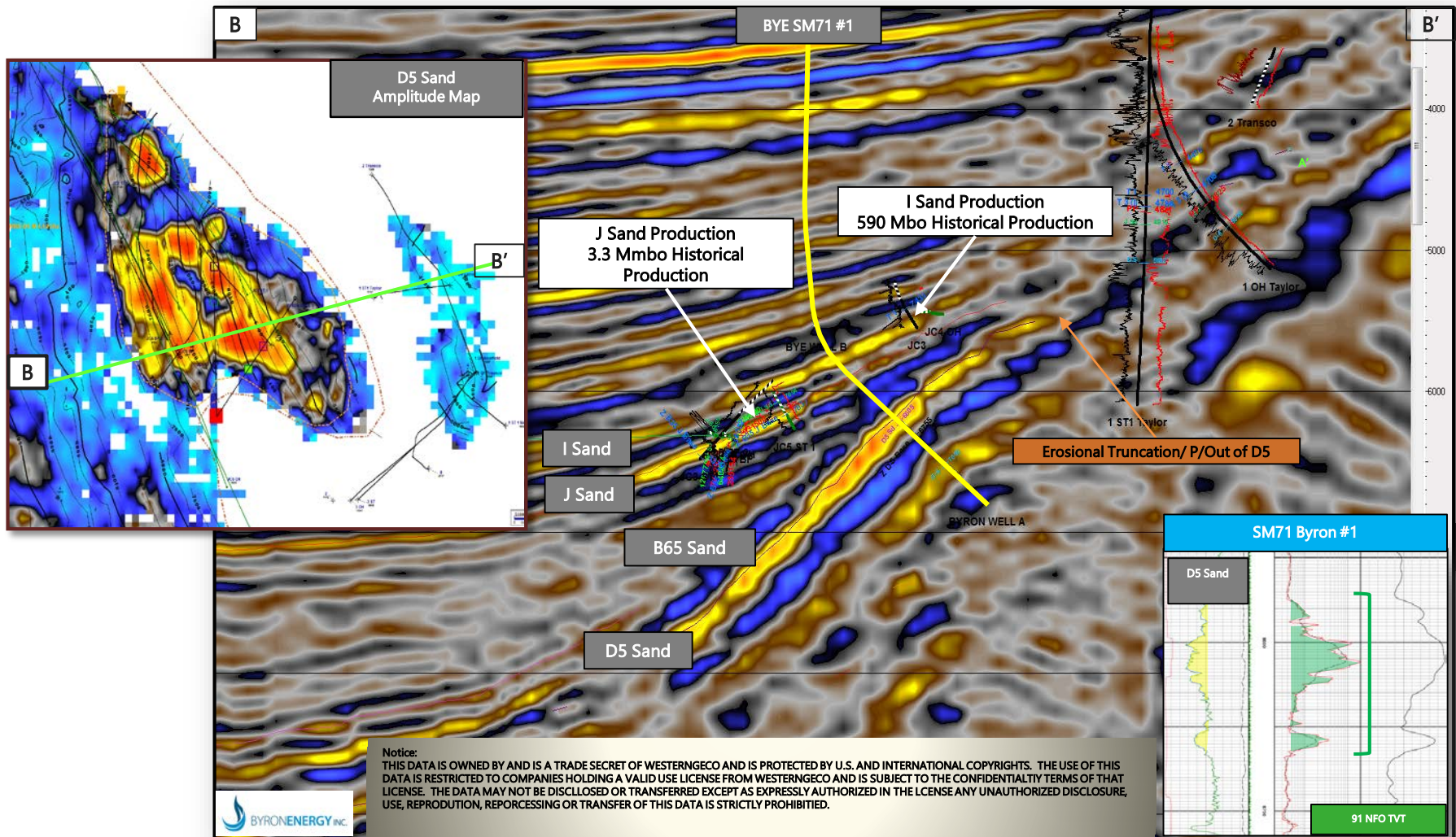
- ◆ 50% Participating Interest / 40.625% Net Revenue Interest in the SM71 discovery operated by Byron Energy Ltd (ASX: BYE)
- ◆ SM71 #1 well intersected 151 feet/46 metres of net pay in three intervals – currently suspended awaiting tie-in to platform
- ◆ Tripod platform acquired and being modified for installation and commissioning in Q4 2017
- ◆ Capacity to handle up to 6 wells and 4,500 bopd of oil production at platform
- ◆ Hook-up of the SM71 #1 well and drilling of an additional SM71 #2 well in Q4 2017
- ◆ SM71 #1 well expected to deliver 1,500 to 2,000 bopd of oil production (gross)
- ◆ Total net capex of US\$9.7m for a single well development (excluding decommissioning and restoration bonds)
- ◆ Incremental net capex of US\$3.25m for SM71#2 well



Construction progress on tripod platform and production equipment

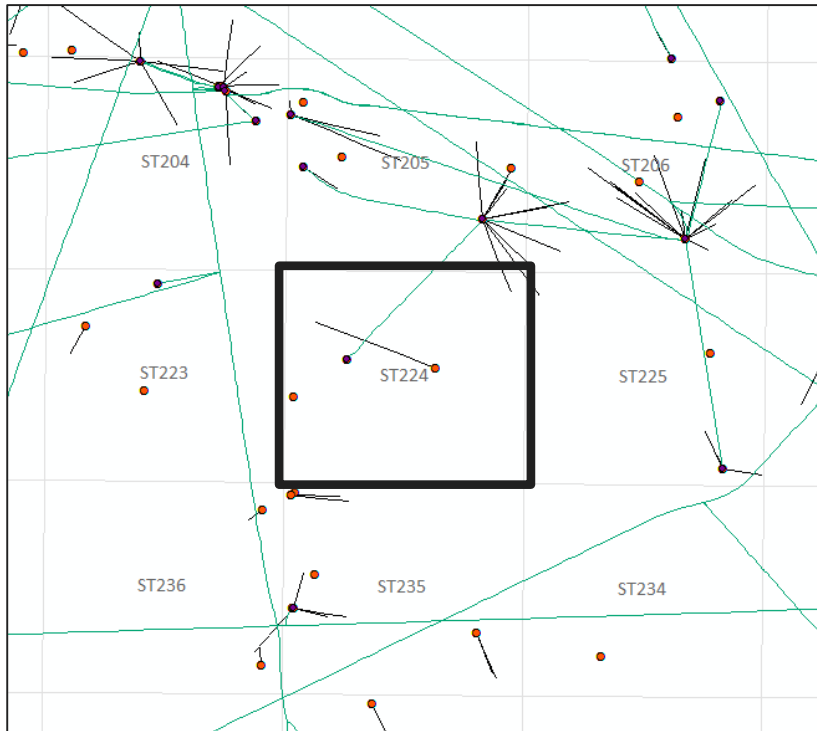
# Further upside at SM71 discovery

B65 sand target to be appraised during development drilling in Q4 2017



# South Timbalier 224 (ST224)

Amplitude supported, gas/condensate prospect drilling in Q4 2017



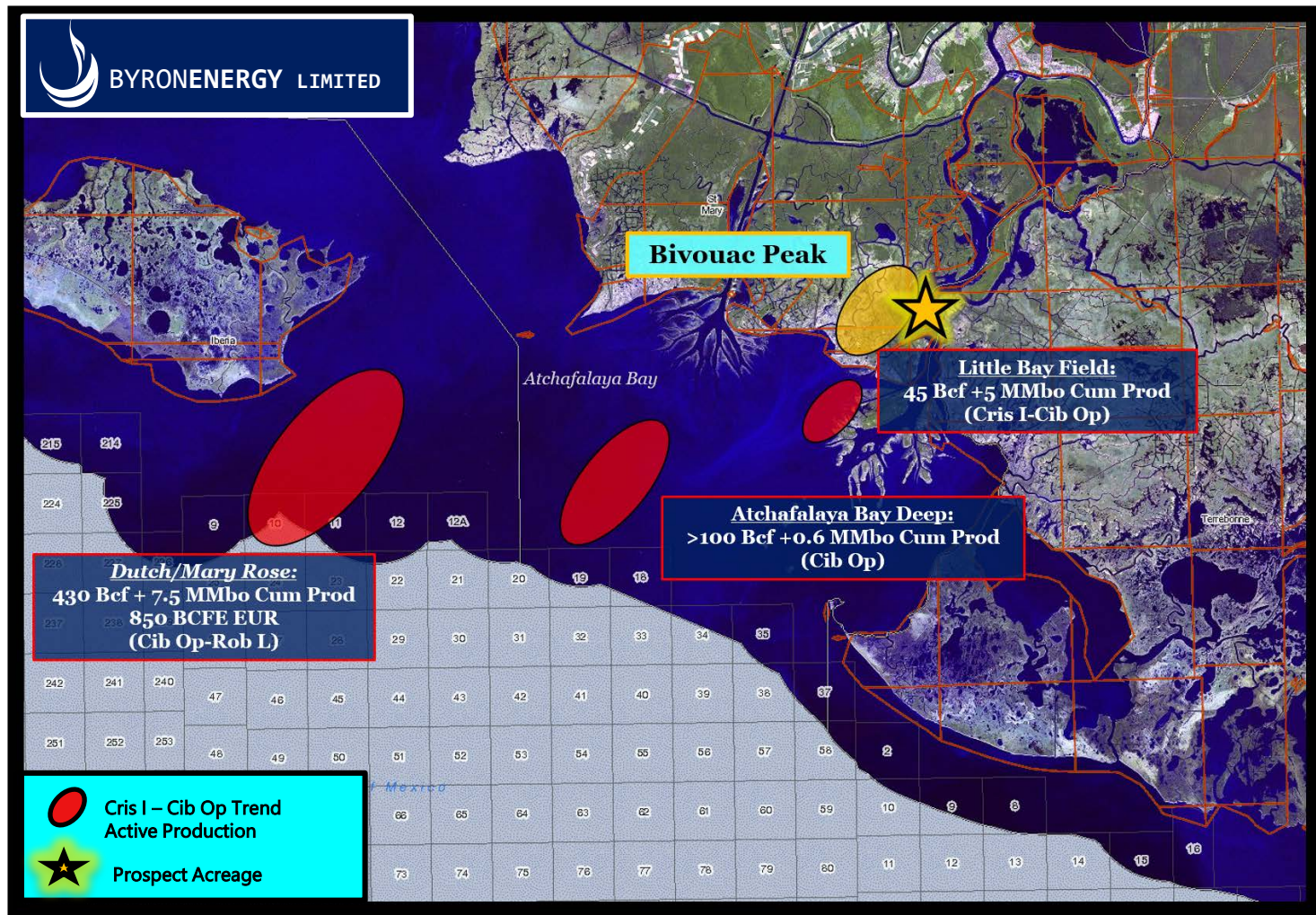
ST224 location showing nearby wells, platforms and pipeline facilities

## ST224 Farm-in

- ♦ 25% Participating Interest / 19.5625% Net Revenue Interest in the ST224 well
- ♦ ST224 #1 well to be drilled in Q4 2017 in 170 feet water depth to ~10,500 feet TVD
- ♦ Otto will earn a 25% participating interest by funding 25% of the well cost
- ♦ Net capex exposure US\$2.7m for the ST224 #1 well
- ♦ Amplitude supported gas/condensate opportunity within export range of existing infrastructure
- ♦ Modern 3D seismic used to identify prospect
- ♦ Nearby analogue discoveries contain high Condensate to Gas ratios – high liquids projects deliver higher margins

# Bivouac Peak

Onshore Louisiana gas/condensate prospect to be drilled in 2018



Note: Otto will earn interests in the above resources volumes by participating in wells. The estimated quantities of petroleum that may potentially be recoverable 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.

# Alaska North Slope

New conventional discoveries add to prospectivity of this prolific region

## Caelus Smith Bay Conventional Discovery (Oct 2016)

- Caelus-Tulimaniq #1 & step-out Caelus-Tulimaniq #2
- Brookian submarine fan play
- 183ft & 223ft net oil pay
- Estimated 1.8 to 2.4 billion barrels recoverable light oil
- Potential rate estimated at 200,000 barrels of oil per day

## ConocoPhillips Willow Conventional Discovery (Jan 2017)

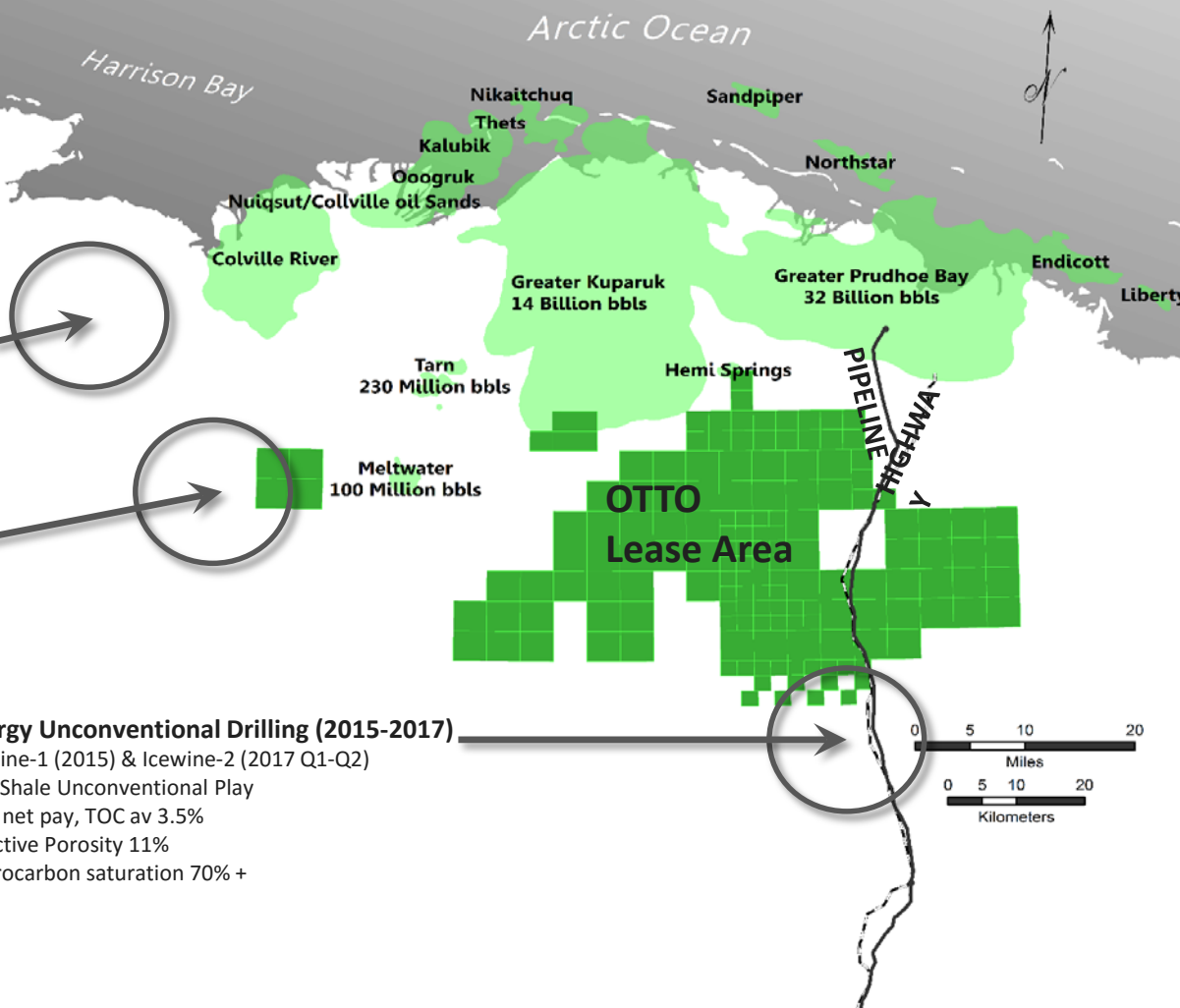
- Tiñmīaq-2 & Tiñmīaq-6
- Nanushuk formation (Brookian topset play)
- 72ft & 42ft of net oil pay
- Approximately 300 million barrels recoverable light oil
- Potential rate up to 100,000 barrels of oil per day

## Repsol/Armstrong Conventional Discovery (Mar 2017)

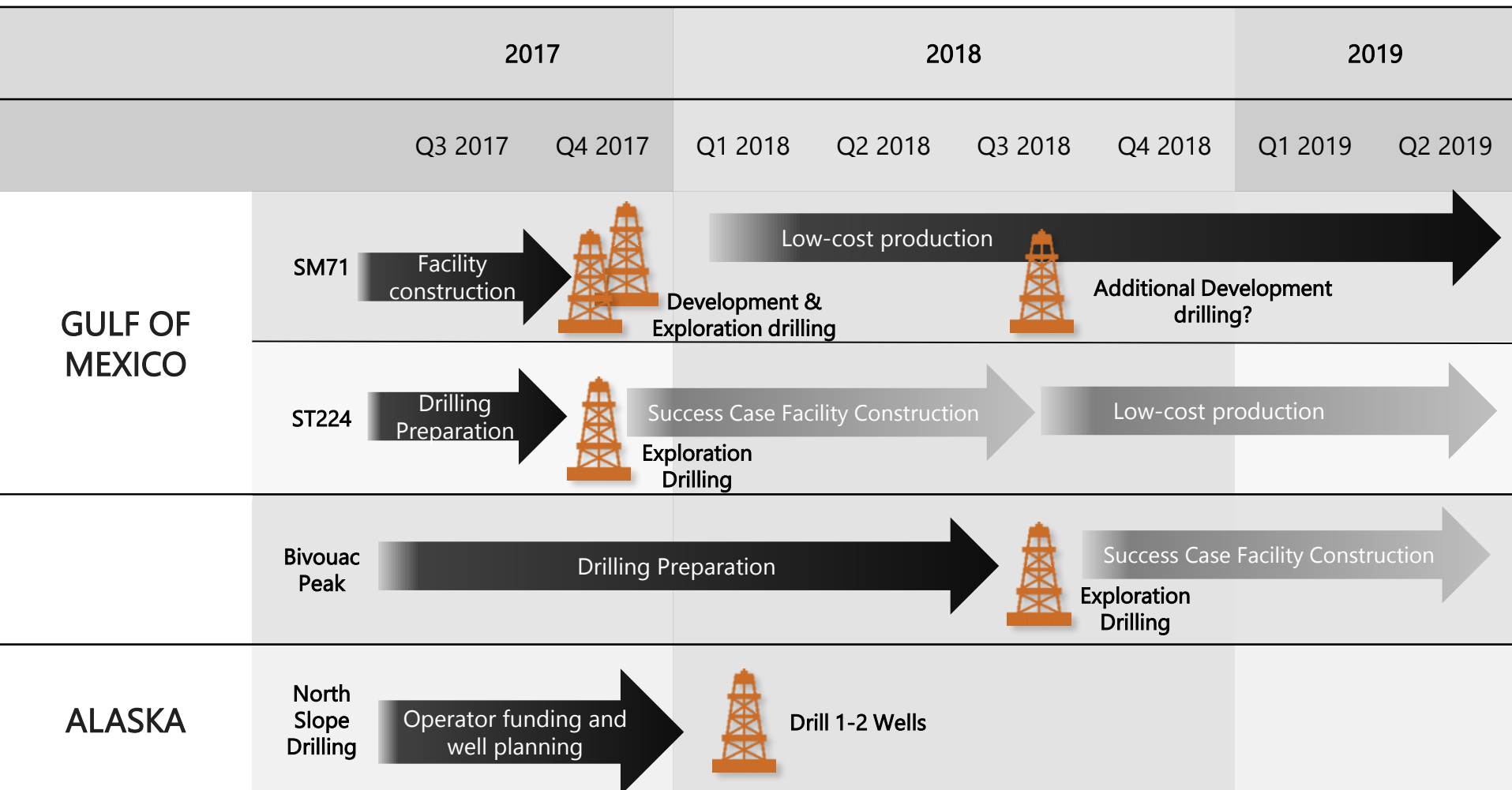
- Horseshoe-1 & Horseshoe-1A
- Nanushuk formation (Brookian topset play)
- 150ft & 100ft net oil pay
- Approximately 1.2 billion barrels recoverable light oil
- Potential rate approaching 120,000 barrels of oil per day

## 88 Energy Unconventional Drilling (2015-2017)

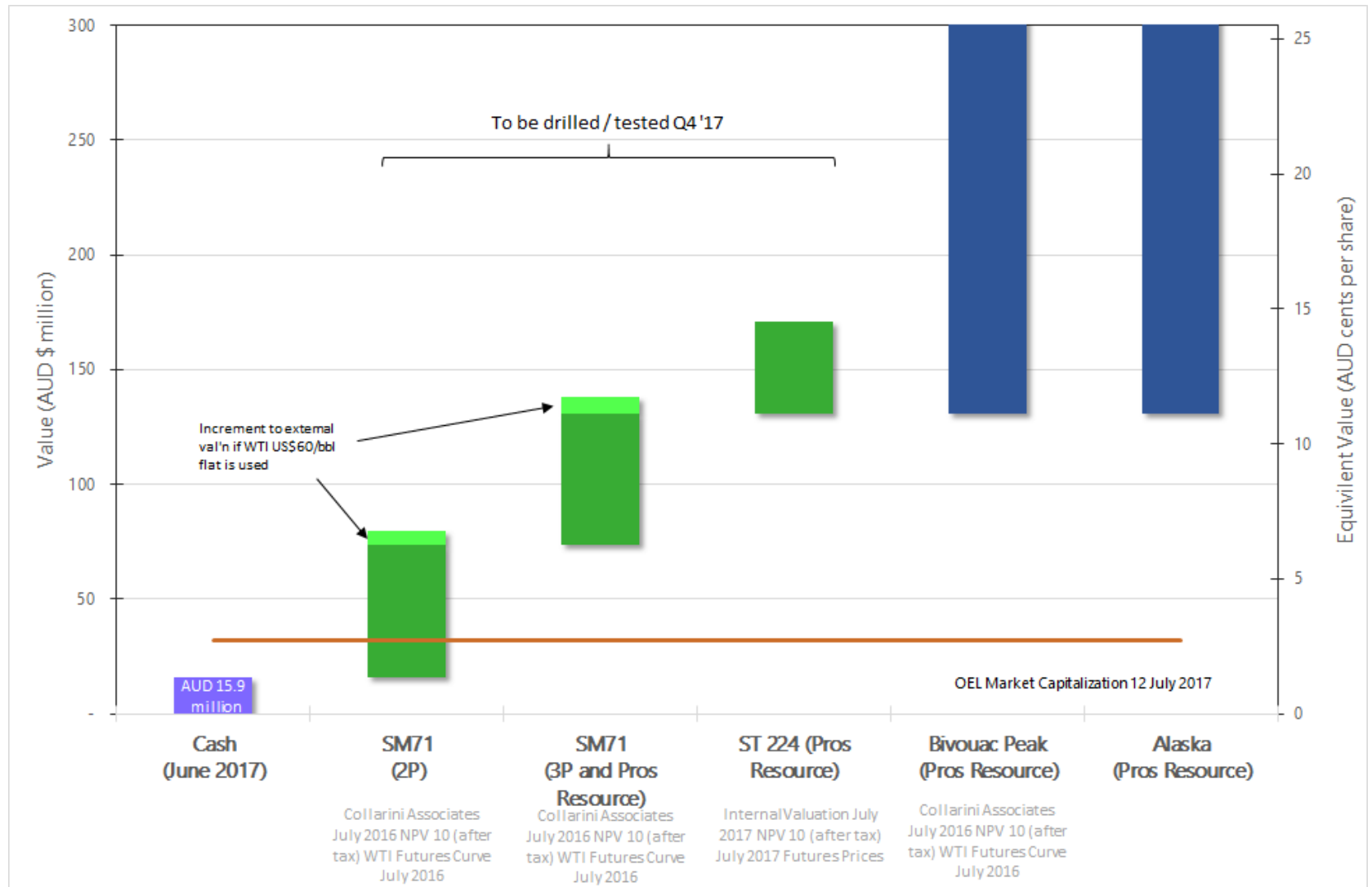
- Icewine-1 (2015) & Icewine-2 (2017 Q1-Q2)
- HRZ Shale Unconventional Play
- 180' net pay, TOC av 3.5%
- Effective Porosity 11%
- Hydrocarbon saturation 70% +



# Forward Activity Timeline



# Corporate Value Breakdown



# Additional Information

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# Experienced Board & Management Team

## Board of Directors



**John Jetter – Non-Executive Chairman.**  
**LLB, BEc INSEAD**

Former MD/CEO J.P. Morgan Germany.  
Non-Executive Director of Venture  
Minerals and Peak Resources Ltd.



**Ian Boserio – Non-Executive Director.**  
**BSc (Hons)**

Executive Technical Director of Pathfinder  
Energy Pty Ltd. Former executive positions  
with Shell & Woodside in exploration  
roles.



**Ian MacIver – Non-Executive Director.**  
**BComm, FCA, SF Fin, FAICD**

Managing Director Grange Consulting.  
Non-Executive Chairman of Western  
Areas.

## Senior Management



**Matthew Allen – Managing Director & CEO.**  
**BBus, FCA, FFin, GAICD**

Global exposure to the upstream oil and gas industry with  
over 15 years experience in Asia, Africa, Australia and Middle  
East. Previous senior roles with Woodside over 9 year period.



**Paul Senycia – Vice President, Exploration and New  
Ventures. BSc (Hons), MAppSc**

International oil & gas experience gained over 30 years.  
Specific focus on Australia, South East Asia & Africa. Previous  
roles at Oilex (Exploration Manager), Woodside Energy (Head  
of Evaluation) and Shell International.



**David Rich – Chief Financial Officer & Company Secretary.**  
**BCom. FCA, GAICD, Grad.Dip.CSP AGIA**

Experienced public company CFO with the last 15 years as  
CFO of upstream oil and gas companies with international  
interests including in Asia and the US.

# Disclaimer

This presentation does not constitute an offer to sell securities and is not a solicitation of an offer to buy securities. It is not to be distributed to third parties without the consent of Otto Energy Limited (the “Company”).

This presentation contains forward looking statements that are subject to risk factors associated with oil and gas businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

The Company, its directors, officers and employees make no representation, warranty (express or implied), or assurance as to the completeness or accuracy of forward looking statements.

## Competent Persons Statement

The information in this report that relates to oil and gas resources in relation to Alaska was compiled by technical employees of Great Bear Petroleum, the Operator of the Alaskan acreage, and subsequently reviewed by Mr Paul Senycia BSc (Hons) (Mining Engineering), MAppSc (Exploration Geophysics), who has consented to the inclusion of such information in this report in the form and context in which it appears. Mr Senycia is a full time employee of the Company, with more than 30 years relevant experience in the petroleum industry and is a member of The Society of Petroleum Engineers (SPE). The 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 resources information included in this report are based on, and fairly represents, information and supporting documentation reviewed by Mr Senycia. Mr Senycia 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.

The reserve and contingent resource information in this report in relation to SMI70/71 is based on information compiled by technical employees of independent consultants Collarini and Associates, under the supervision of Mr Mitch Reece BSc PE. Mr Reece is the President of Collarini and Associates and is a registered professional engineer in the State of Texas and a member of the Society of Petroleum Evaluation Engineers (SPEE), Society of Petroleum Engineers (SPE), and American Petroleum Institute (API). 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 Statement are based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr Reece. Mr Reece 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.

The reserve and contingent resource information in this report in relation to Bivouac Peak is based on information 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

Prospective resource estimates in this presentation are prepared as at June 2016. The resource estimates have been prepared using the internationally recognised Petroleum Resources Management System to define resource classification and volumes. The resource estimates are in accordance with the standard definitions set out by the Society of Petroleum Engineers, further information on which is available at [www.spe.org](http://www.spe.org). The estimates are un-risked and have not been adjusted for both an associated chance of discovery and a chance of development.

Otto is not aware of any new information or data that materially affects the assumptions and technical parameters underpinning the estimates of reserves and contingent resources and the relevant market announcements referenced continue to apply and have not materially changed.

## Reserves cautionary statement

Oil and gas reserves and resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. Additionally, by their very nature, reserve and resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional drilling and analysis, the estimates are likely to change. This may result in alterations to development and production plans which may, in turn, adversely impact the Company's operations. Reserves estimates and estimates of future net revenues are, by nature, forward looking statements and subject to the same risks as other forward looking estimates.

# Annexure 1

## Byron Energy Limited Presentation

Byron Energy Limited (ASX:BYE) is the Operator and 50% partner in the SM 71 oil development with Otto Energy Limited (50% participating interest). Byron yesterday released the attached presentation to the ASX. This presentation includes a significant amount of new information related to SM 71 and therefore Otto provides this presentation as an Annexure for investors and potential investors.

In reference to the Byron SM 71 presentation material, Otto makes the following clarifications:

- ♦ Drilling plans for the first two wells are Otto's base case expectation but are still subject to formal submission and approval by the joint venture.
- ♦ The joint venture intends to drill a third well once production has commenced. Byron shows this well in April 2018 and Otto during Q3 2018. This well has yet to be proposed and its timing will be firmed once steady state production is achieved.
- ♦ Slide 6 refers to the Suspension of Production (SOP) status of the SM 71 block. Licence expires on 31 July 2017 and the JV has applied for the SOP.



# Investor Presentation July 2017

*On the Path to Production,  
Cash Flow & Reserve Growth*



# Disclaimer

## Disclaimer

This presentation is provided by Byron Energy Limited ABN 88 113 436 141 ("Byron") in connection with providing an overview to interested parties. The information in this presentation is of a general nature and does not purport to be complete.

## Do not rely on this information

This information is based on information supplied by Byron from sources believed in good faith to be reliable at the date of the presentation. Do not rely on this information to make an investment decision. This information does not constitute an invitation to apply for an offer of securities and does not contain any application form for securities. This information does not constitute an advertisement for an offer or proposed offer of securities. It is not intended to induce any person to engage in, or refrain from engaging in, any transaction.

## No liability

No representation or warranty is made as to the fairness, accuracy or completeness of this information, or any opinions and conclusions this presentation contains or any other information which Byron otherwise provides to you. Except to the extent required by law and the Listing Rules of ASX Limited, Byron, its related bodies corporate and their respective officers, employees and advisers (together called 'Affiliates') do not undertake to advise any person of any new, additional or updating information coming to Byron's or the Affiliates' attention after the date of this presentation relating to the financial condition, status or affairs of Byron or its related bodies corporate. To the maximum extent permitted by law, Byron and its Affiliates are not liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on this information or otherwise in connection with it.

## Forward looking statements

Statements in this presentation which reflect management's expectations relating to, among other things, production estimates, target dates, Byron's expected drilling program and the ability to fund exploration and development are forward-looking statements, and can generally be identified by words such as "will", "expects", "intends", "believes", "estimates", "anticipates" or similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements and may contain forward-looking information and financial outlook information. Statements relating to "reserves" are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions, that some or all of the reserves described can be profitably produced in the future. These statements are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

Although management believes the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include, but are not limited to, risks relating to: amount, nature and timing of capital expenditures; drilling of wells and other planned exploitation activities; timing and amount of future production of oil and natural gas; increases in production growth and proved reserves; operating costs such as lease operating expenses, administrative costs and other expenses; our future operating or financial results; cash flow and anticipated liquidity; our business strategy and the availability of lease acquisition opportunities; hedging strategy; exploration and exploitation activities and lease acquisitions; marketing of oil and natural gas; governmental and environmental regulation of the oil and gas industry; environmental liabilities relating to potential pollution arising from our operations; our level of indebtedness; industry competition, conditions, performance and consolidation; natural events such as severe weather, hurricanes and earthquakes; and availability of drilling rigs and other oil field equipment and services. Accordingly, readers are cautioned not to place undue reliance on such statements.

All of the forward-looking information in this presentation is expressly qualified by these cautionary statements. Forward-looking information contained herein is made as of the date of this document and Byron disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by law. In relation to details of the forward looking drilling program, management advises that this is subject to change as conditions warrant, and we can provide no assurances that drilling rigs will be available.

## Net Present Worth at 10% (NPW-10)

NPW -10 figures are net present value of future net revenue, before income taxes and using a discount rate of 10%. The estimated future net revenue values utilised do not necessarily represent the fair market value of Byron's oil and gas properties. All evaluations of future net revenue in this presentation are after deduction of royalties, drilling and development costs, production costs and well abandonment costs.

Reserves and Resources – Information on the Company's reserves and resources calculations are provided at the end of this presentation.

# Presentation Outline

- Who we are
- Our track record
- Cutting edge technology
- SM 71 discovery and development plan
- Lease Sale 247 and near term growth through exploration opportunity

# Byron Energy Overview

Byron Energy Ltd. (BYE: ASX Listed) is focused on conventional opportunities in the shallow waters (10 – 60m) of the US Gulf of Mexico (GOM) Shelf & Onshore Coastal Louisiana. The Company's strategy is underpinned by utilisation of established and cutting edge technology in its assessment of properties.

## Key features include:

- Byron management team has over **140 years combined experience** operating in the GOM, **Byron is operator** on all of its current GOM leases
- Byron Lease Blocks are all located within or very **close to existing production** greatly enhancing the chances of success
- Cutting Edge Technology** (RTM, Inversion)
- Currently building production facility to produce **6.3 mmbo\* discovery at SM71** providing foundation for **cash-flow and growth**
- SM71 oil discovery greatly **reduces the risk** for current and future investors
- 2P \$12/boe F&D&P** cost provides significant margin (and upside) vs unconventional plays
- Counter cyclical timing** leverages low cost drilling, development, and production
- Substantial **drill ready exploration portfolio** in place
- Near term production** commencing January 2018

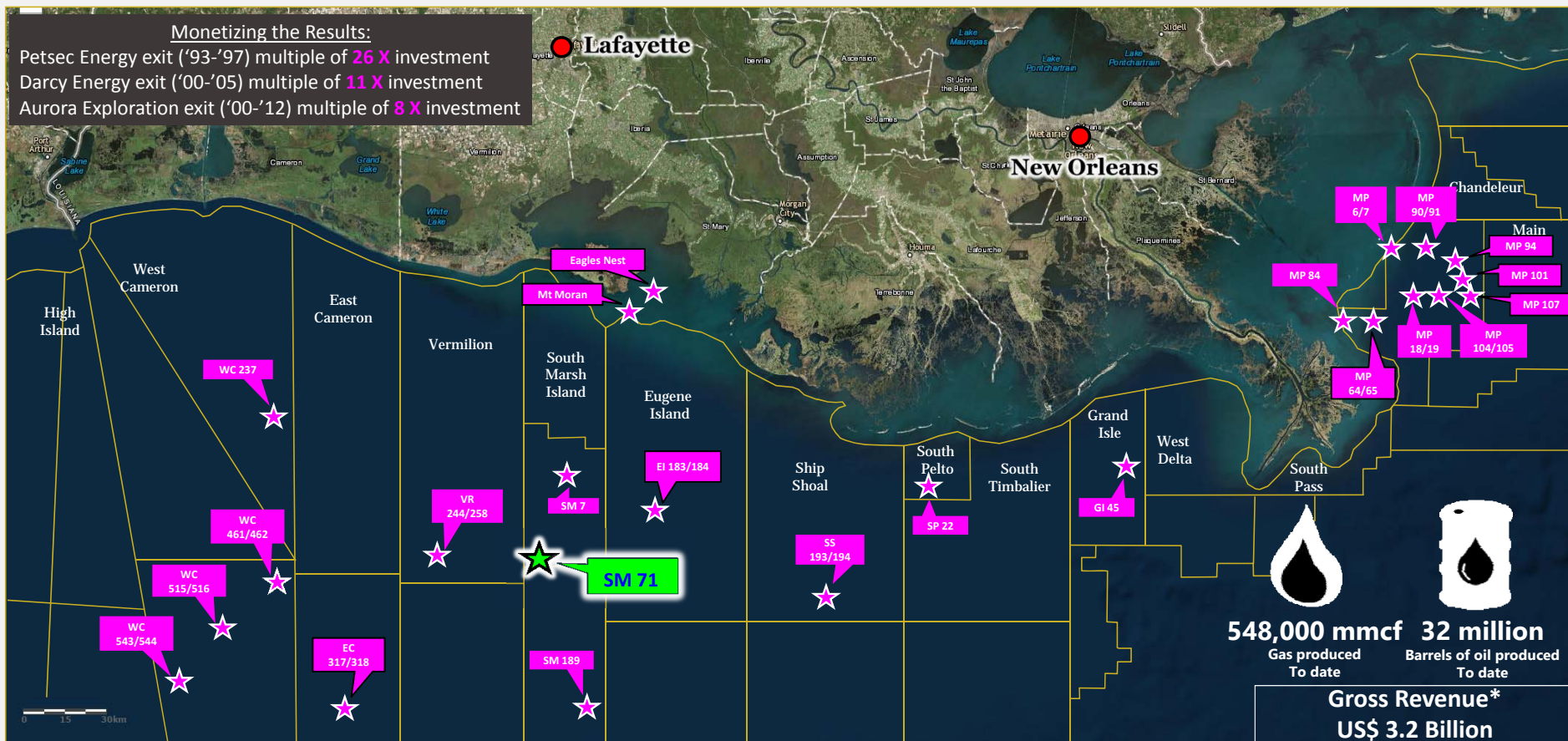
Byron Energy, Ltd	ASX:BYE	
Share Price	A\$0.10	
Ordinary Shares	277 m	
Options	23.0 m	
Convertible Notes**	\$8.0 m	
Market Cap	A\$28 m	
Cash (31/3/17)	US\$6.23m	
	Oil (mmbo)	Gas (mmcf)
3P Gross Reserves (SM70 & SM71)*	6.3	4,500

Board of Directors	
Doug Battersby	(Non-Executive Chairman)
Maynard Smith	(Director & Chief Executive Officer)
Prent Kallenberger	(Director & Chief Operating Officer)
William Sack	(Executive Director-Technical)
Charles Sands	(Non-Executive Director)
Paul Young	(Non-Executive Director)
Director Shareholdings	~25%

# Byron Exploration Team GOM & Near Shore Successes

## Monetizing the Results:

Petsec Energy exit ('93-'97) multiple of **26 X** investment  
 Darcy Energy exit ('00-'05) multiple of **11 X** investment  
 Aurora Exploration exit ('00-'12) multiple of **8 X** investment



Petsec , Darcy, Aurora



Byron



**>80% success rate**  
 (115 producing wells  
 from 141 attempts)



**24 Structures & Facilities**  
 Operated and/or set in the GOM

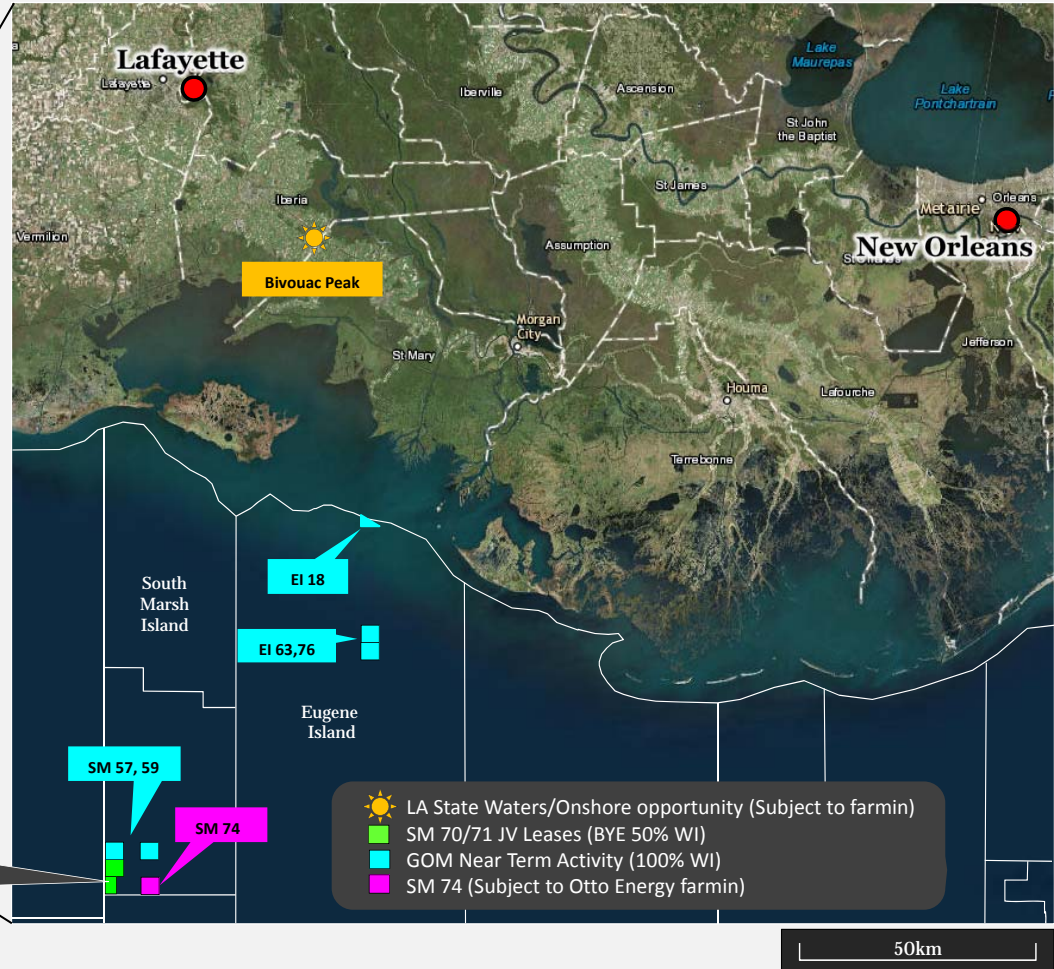


**29 Pipelines**  
 Installed in the  
 GOM

# Byron Energy Asset Description

## Gulf of Mexico & Louisiana State Waters

Area	Operator	Interest WI/NRI* (%)	Lease Expiry Date	Area (Km2)
South Marsh Island Block 57	Byron	100.00/81.25	June 2022	21.98
South Marsh Island Block 59	Byron	100.00/81.25	June 2022	20.23
South Marsh Island Block 70	Byron	50.00/40.625	July 2017	22.13
South Marsh Island Block 71	Byron	50.00/40.625	SOP*	12.16
South Marsh Island Block 74	Byron	100.00/81.25	June 2022	20.23
Eugene Island Block 18	Byron	100.00/78.75	April 2020	2.18
Eugene Island Block 63	Byron	100.00/81.25	May 2018	20.23
Eugene Island Block 76	Byron	100.00/81.25	May 2018	20.23
Bivouac Peak** (Transition Zone Offshore LA)	Byron	90.00/67.05	September 2018	9.70

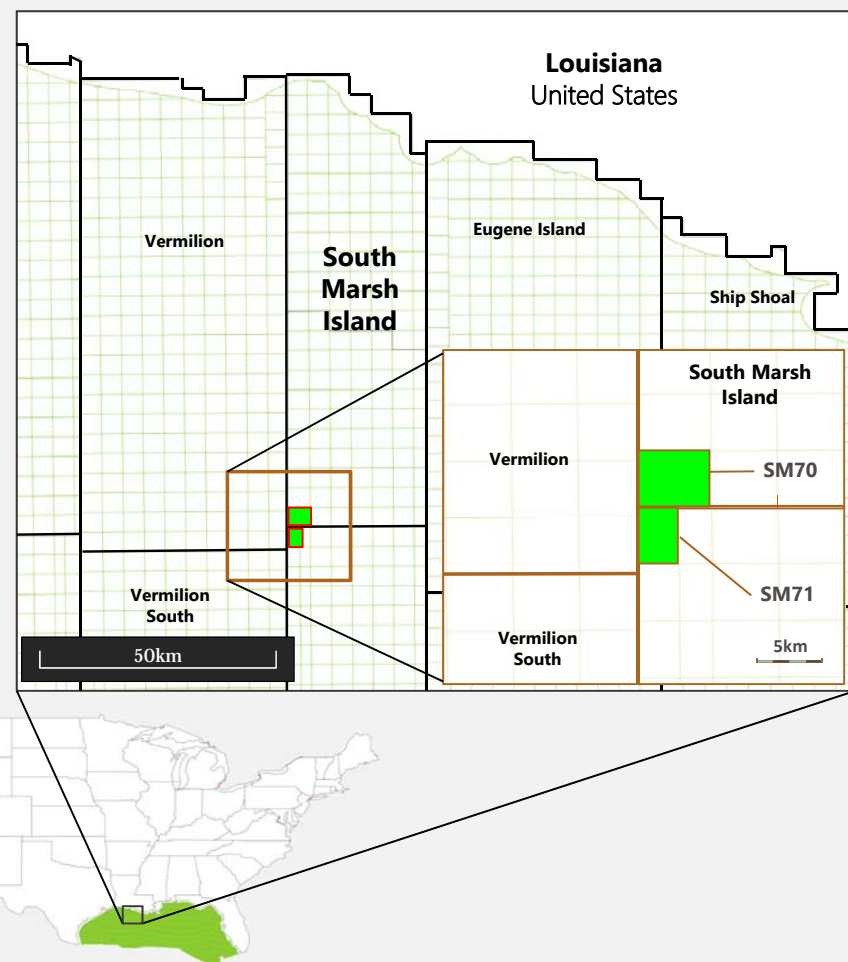


# South Marsh Island 70/71 (SM71)

## Project Summary

Joint Venture Partners	Byron Energy Otto Energy
Operator	Byron Energy Inc.
Water Depth	<b>40 meters (131')</b>
Previous SM71 Production	3.9 mmbo + 10 bcf
Acquired	OCS Sale 222 June 2012
Byron Working Interest	<b>50%</b>
Byron Net Revenue Interest	40.625%
Forecast Gross Production Per Well	<b>&gt;1500 bopd</b>
Initial Production (Two Wells)	January 2018
Gross Development Cost (Two Wells)	USD \$27.4m ( <b>USD \$13.7 Net to Byron</b> )
Forecast 2 Well Monthly Cash Flow Net to Byron	<b>USD\$2m @ USD\$50/barrel</b>

SM71 Undeveloped Reserves* (Net to Byron)	Oil (Mbbl)	Gas (MMcf)
1P	582	404
2P	2,028	1,462
3P	2,568	1,835
Prospective Resources	2,043	1,990



# Metgasco Convertible Note

On 22 July 2016, Byron and Metgasco Limited (“Metgasco”) entered into a 3-year agreement to issue up to \$A8 million in Convertible Notes (“Convertible Notes”), repayable over the course of the agreement.

Terms	
Quantity	8,000,000 Convertible Notes @ A\$1.00 (A\$8,000,000 issued in January 2017)
Term	3-year to 20 <sup>th</sup> July, 2019*
Interest	12% p.a + Line Fee of 2% p.a.
Repayment	8 x A\$1m quarterly instalments over 2 years, commencing Oct-2017
Options	10m Options, exercisable at A\$0.25, expiring on 21 July 2019
Conversion rights	Notes convertible at Metgasco’s option between 20 July 2018 and 21 July 2019 at 10% discount to 30 day VWAP
Security	General Deed of Security and Priority over SM70/71 leases

\* Metgasco has a first right of refusal to participate up to 10% in any placement until 20th July, 2019.

### SM71 Byron #1

#### Discovery

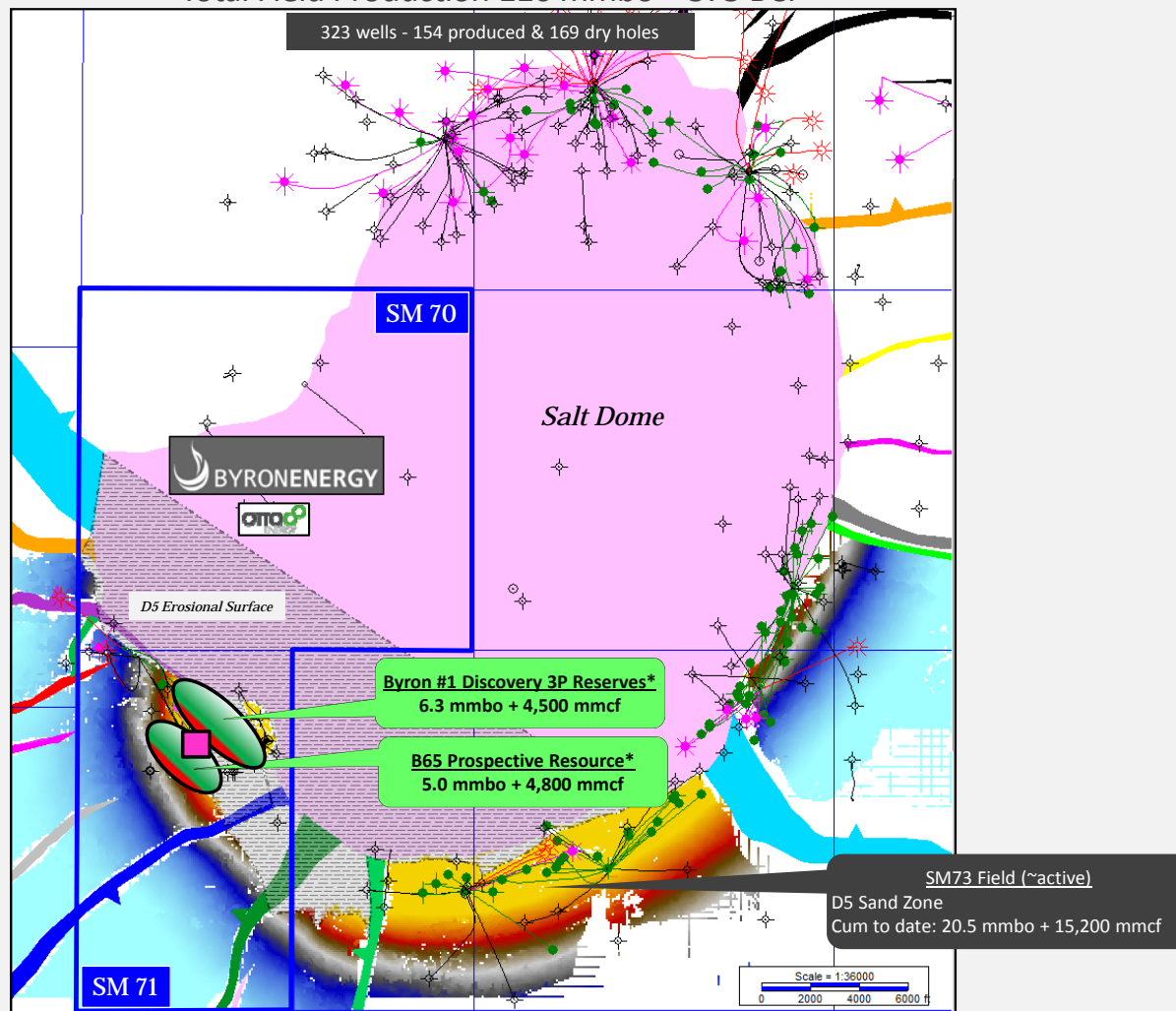
Gross 3P Reserves\*  
6.3 mmbo + 4,500 mmcf

### SM71 B65

Gross Prospective Resource\*  
5.0 mmbo + 4,800 mmcf

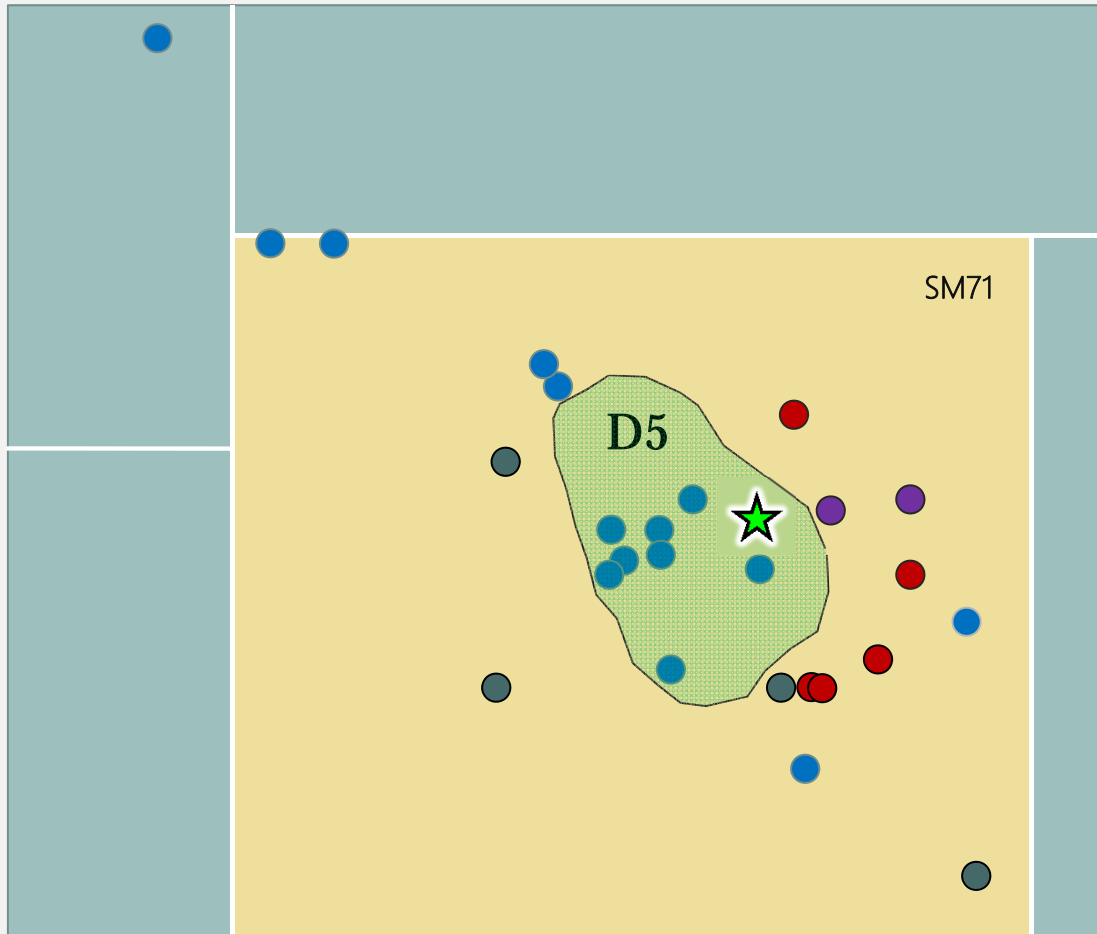
## SM 70/71 D5 Structure Map

Total Field Production 116 mmbo + 375 BCF



# South Marsh Island Block 71

## Lease & Drilling History



**Shell Oil** ●  
 Drilled 4 Wells  
 1962 - 1973

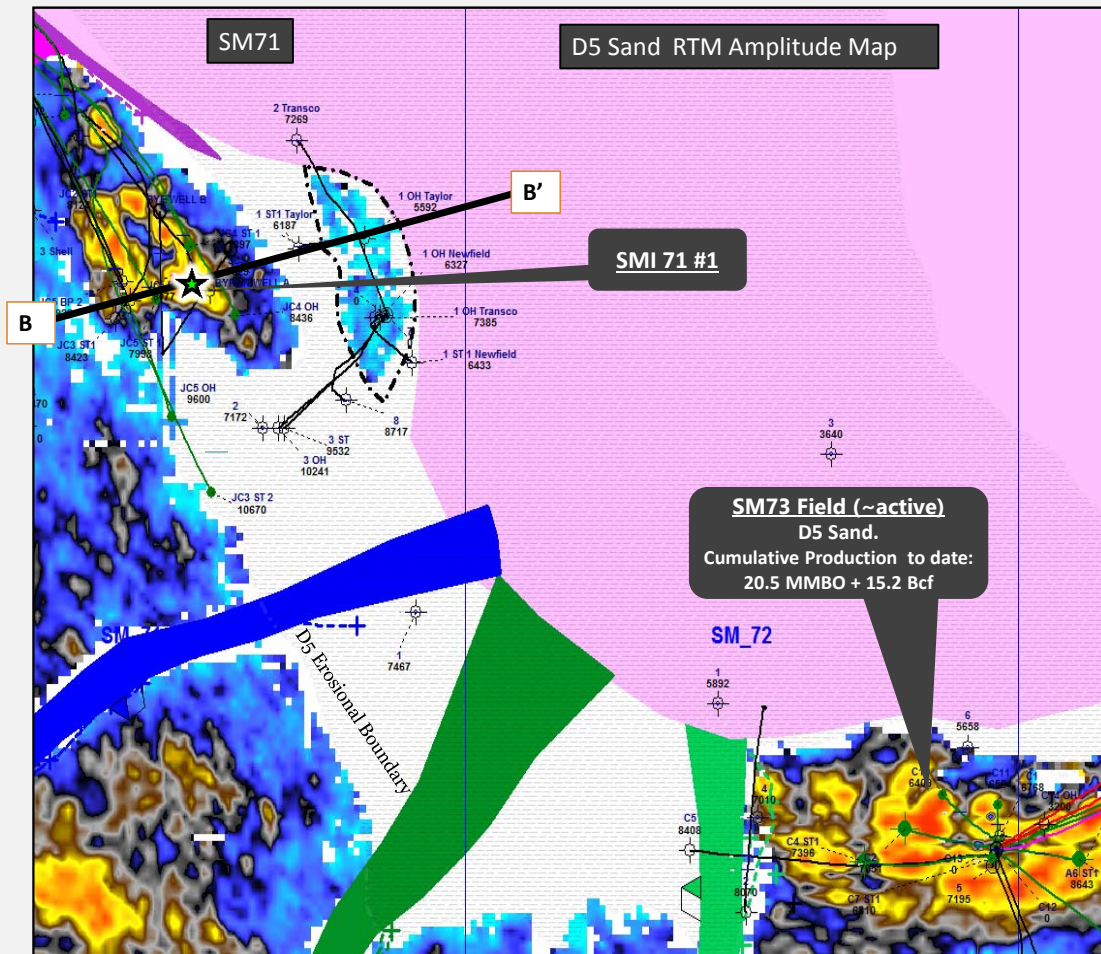
**Superior, Transco, McMoRan, et. Al** ●  
 Drilled 5 wells  
 1977 - 1982

**Tenneco** ●  
 Farmed out to Taylor  
 Drilled 2 Wells  
 1983 - 1988

**Shell Oil** ●  
 Farm out 1st well to Newfield  
 Drilled 14 wells (Horizontal Dev.)  
 Produced 3.9 mmbo + 9,700 mmcf  
 Sold to Apache in 1999  
 1990 - 2010

**Byron Energy #1 April 2016** ★  
 The RTM Advantage

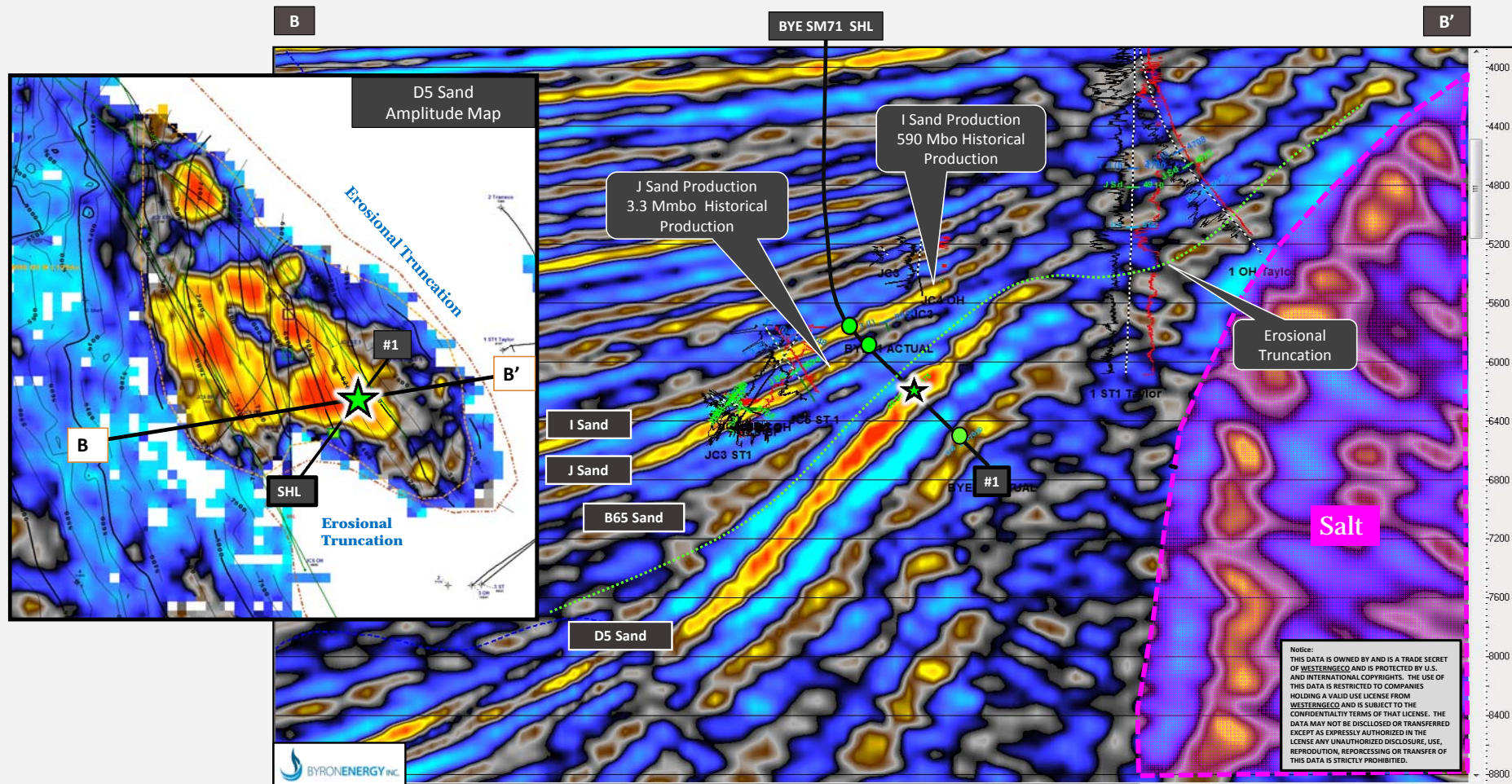
# South Marsh Island 71 – D5 Sand Discovery



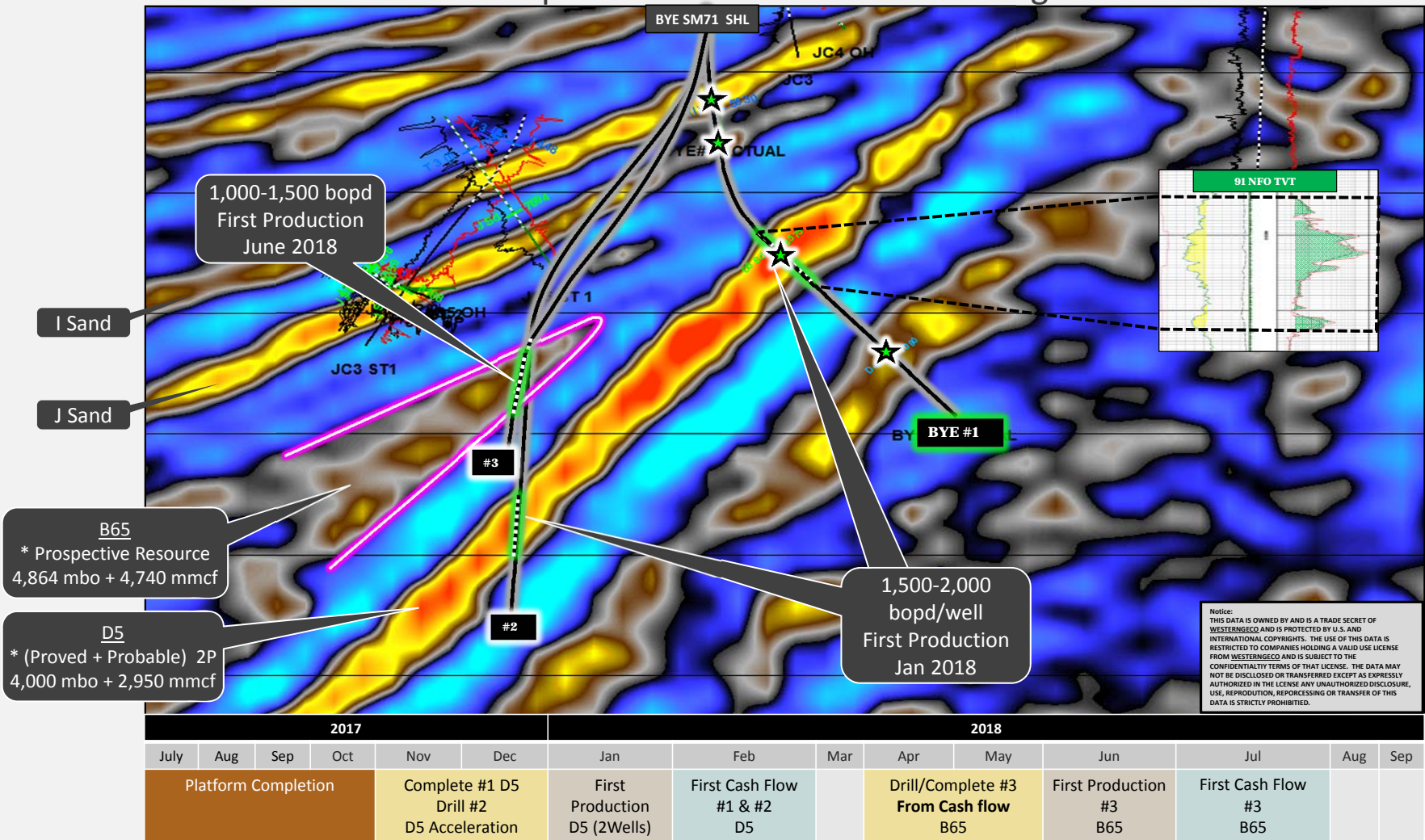
- Production expected to commence in **1st quarter 2018**
- Initial projected flow rates over **1,500 bbls/day/well**
- Initial 2 well net cash flow to Byron **USD\$2,000,000/month**
- SM71 # 1 Well logged **151' TVT** oil pay in the I3, J, D5 and D6 sands
- SM71 discovery made possible through use of **RTM seismic technology**

SM71 Gross Reserves*	Oil (Mbbbl)	Gas (MMcft)
1P	1,432	994
2P	4,990	3,599
3P	6,318	4,516
Prospective Resources	5,029	4,899

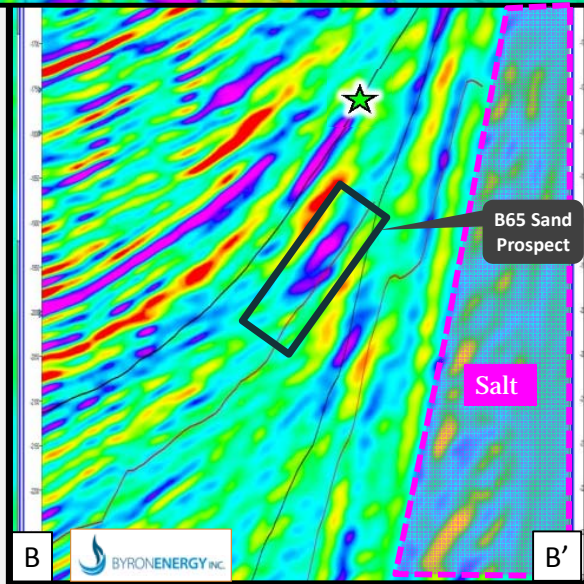
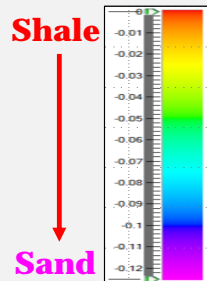
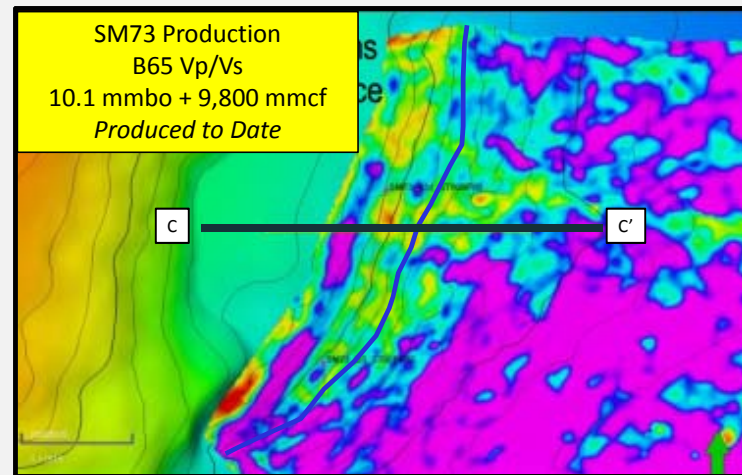
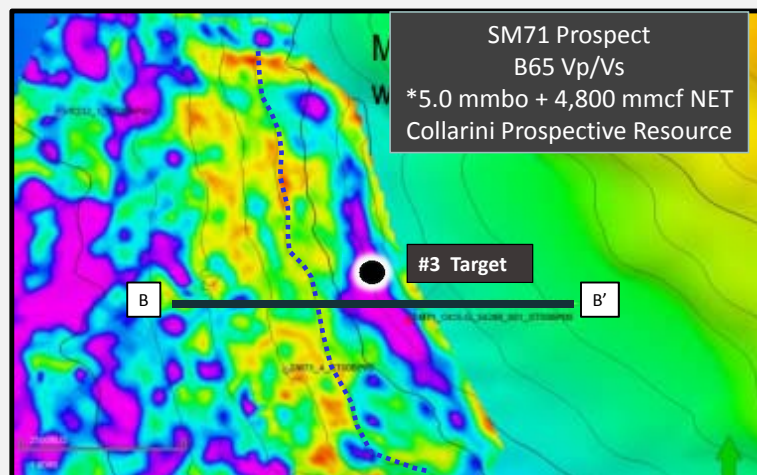
# SM71 Byron #1 Well I, J, D5 & D6 Hydrocarbon Sand Intersections



## SM71 Development: 3 Well Scenario Conceptual Well Placement and Timing

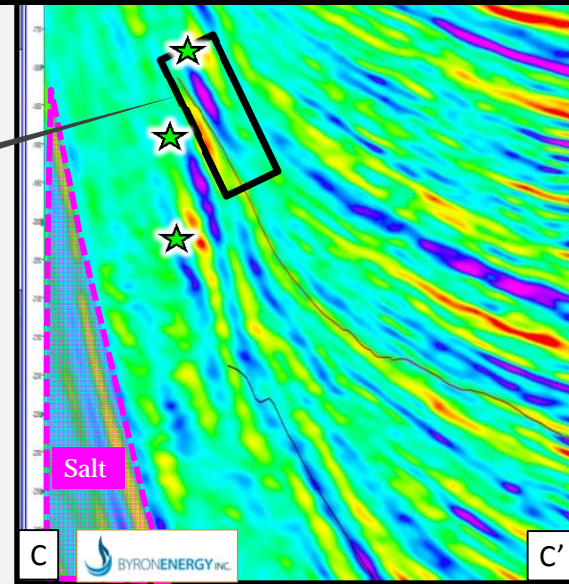


# SM71 – B65 Sand – Comparison of Prospect to Production



B65 Sand Production

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# South Marsh 71

## Development plan

### Complete Manned Tripod

Expected completion Sep 2017

Lift boat delivery to SM71 location Oct 2017

### Drilling rig arrives Nov 2017 Departs Jan 2018

Complete the **#1 Well** in D5 Sand

Drill the **#2 Well** to test the **B65 Sand** and complete in D5 Sand

### Pipeline work to be completed by Nov 2017

Build and connect (4" or 6") 500' oil pipeline to Crimson 8" oil line

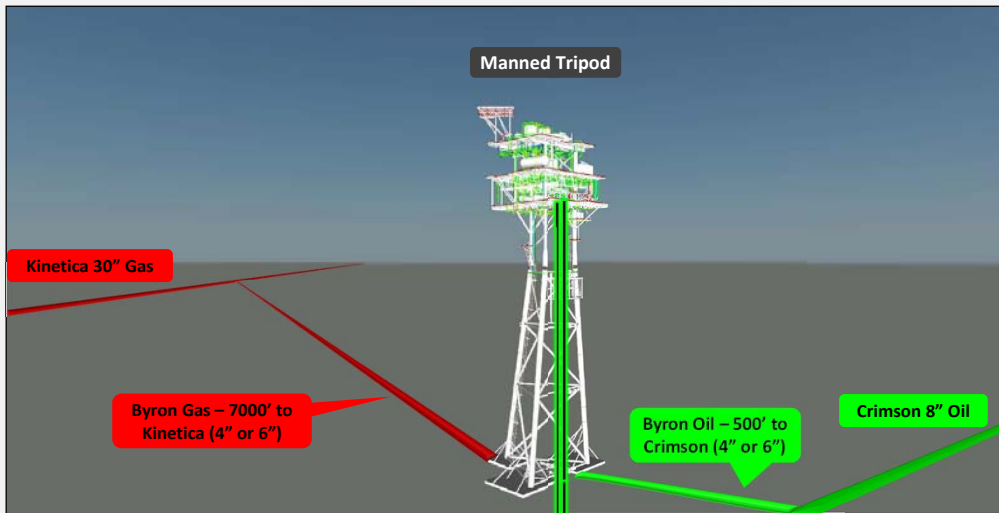
Build and connect (4" or 6") 7,000' gas pipeline to Kinetica 30" gas line

### First production Jan 2018

Oil and gas production expected to commence

Jan 2018 from the #1 & #2 wells at a combined rate between **3,000 – 4,000 barrels** of oil per day

Fixed low cost **contract operations**



### Manned Tripod

Robust oil and gas throughput to handle future exploration success  
**6 x well capacity**

### Oil

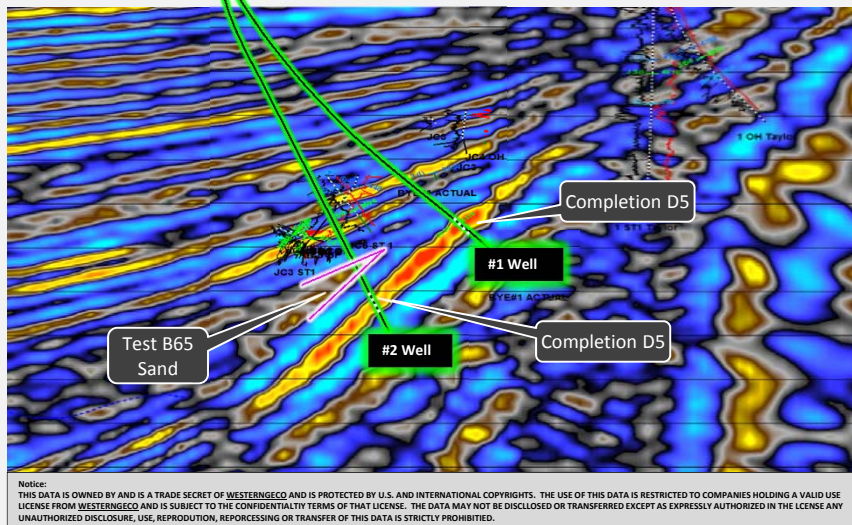
4,500 Bopd from wells on SM71  
15,000 Bopd throughput

### Gas

20,000 Mcfpd from wells on SM71  
75,000 Mcfpd throughput

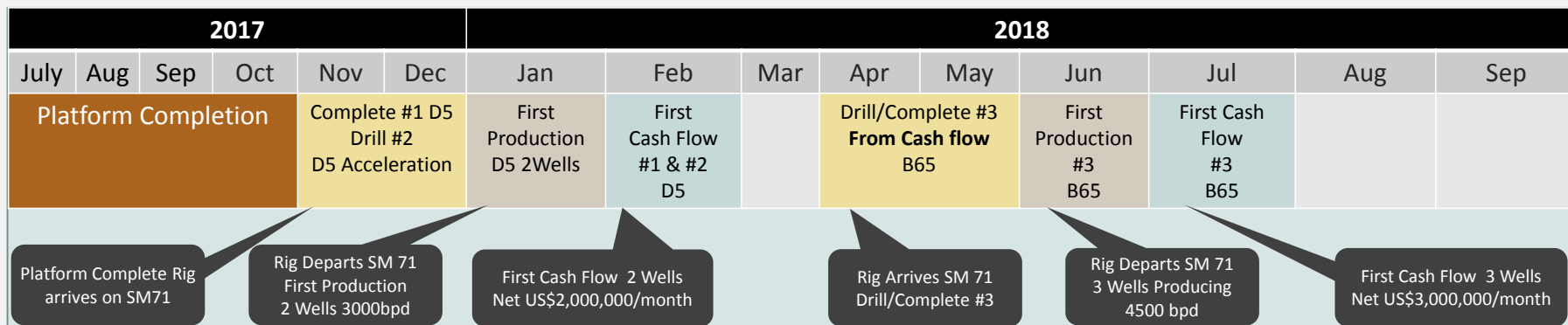
### Water

5,000 Bwpd

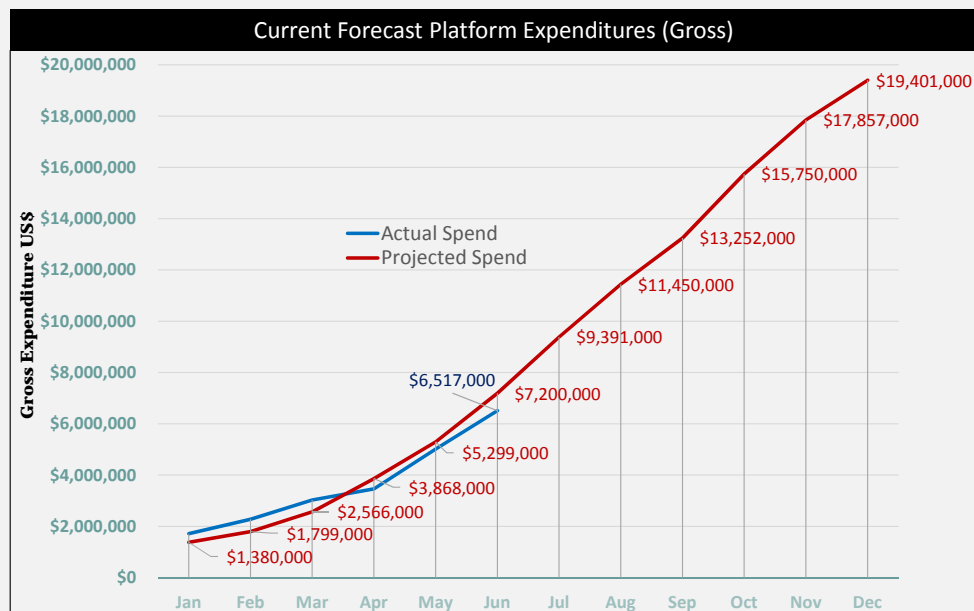


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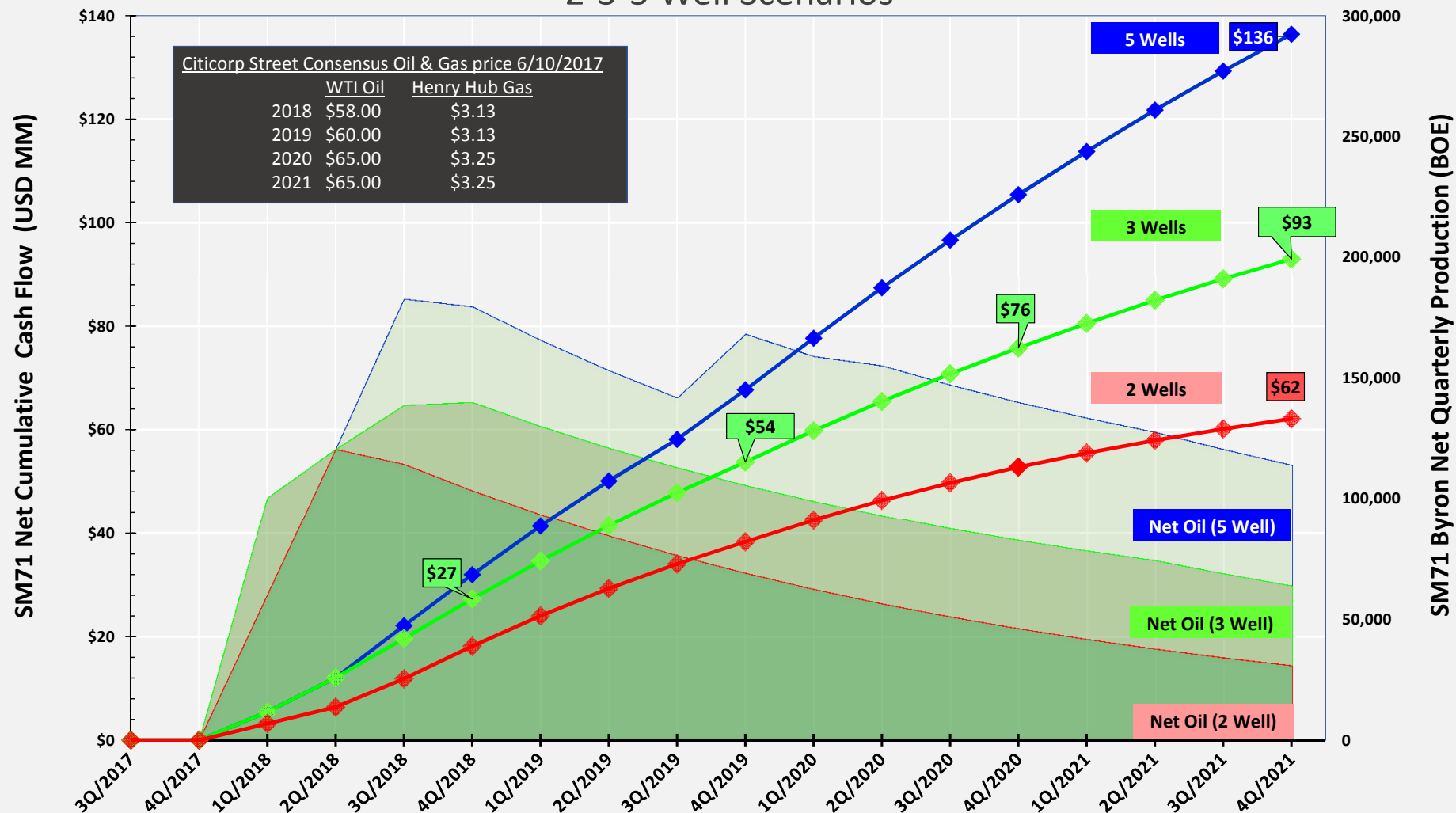
# SM71 Project Timeline & Platform Capex – July 1, 2017- Sep 2018



CAPEX Breakdown - SM71 Manned Facility		
	Gross	Byron
Facility CAPEX	US\$ 000	US\$ 000
Platform Construction	11,991	5,995
Platform Installation	1,800	900
Offshore Hook-Up & Transportation	610	305
Pipeline - 4" oil (500') & 4" Gas (7000')	1,900	950
Completion of SM71 #1	3,100	1,550
<b>Total CAPEX</b>	<b>19,401</b>	<b>9,700</b>
Bonds	1,500	750
<b>Total</b>	<b>20,901</b>	<b>10,450</b>
<b>#2 Drill &amp; Complete Capex:</b>		
Drill & Complete #2	6,500	3,250
<b>Total 1<sup>st</sup> Production (2 Wells)</b>	<b>27,401</b>	<b>13,700</b>



# SM71 Production and Net Cumulative Cash Flow Forecast 2-3-5 Well Scenarios



# SM 71 Development Reserve Valuation

## Collarini Report 7/1/2016 (BYE Adjusted for 4/2017 Capex & timing)

Reserve Category	Reserves (Gross)*			Reserves (net to Byron)*			Capex**	Undiscounted Pre-tax net cashflow**	Pre tax 10% NPW Unrisked**	Pre tax 10% NPW Unrisked**
	oil mbo	gas mmcf	boe mbo	oil mbo	gas mmcf	boe mbo	US\$000	US\$000	US\$000	A\$000
<b>1P</b>										
<b>Proved</b>	<b>1432</b>	<b>994</b>	<b>1,598</b>	<b>582</b>	<b>404</b>	<b>649</b>	<b>15,777</b>	<b>13,780</b>	<b>\$8,011</b>	<b>\$10,681</b>
Probable	3558	2605	3,992	1,446	1,058	1,622	3,310	82,718	\$57,323	\$76,431
<b>2P</b>	<b>4,990</b>	<b>3,599</b>	<b>5,590</b>	<b>2,028</b>	<b>1,462</b>	<b>2,272</b>	<b>\$19,087</b>	<b>\$96,498</b>	<b>\$65,334</b>	<b>\$87,112.00</b>
Possible	1328	917	1,481	540	373	602	3,413	\$26,666	\$15,652	\$20,869
<b>3P</b>	<b>6,318</b>	<b>4,516</b>	<b>7,071</b>	<b>2,568</b>	<b>1,835</b>	<b>2,874</b>	<b>\$22,500</b>	<b>\$123,164</b>	<b>\$80,986</b>	<b>\$107,981</b>
Prospective Resources	5,029	4,899	5,846	2,043	1,990	2,375	4,200	\$119,178	\$55,243	\$73,657
			(6:1)			(6:1)				

**Notes:**

All reserves and cash flows are un-risked and pre-tax

Exchange rate: \$A1=\$US0.75

\*Source; Collarini and Associates report date 20 July 2016; refer ASX release dated 25/07/2016 and 28/09/2016

\*\* Pricing based on 1 July 2016 NYMEX strip; adjusted for current BYE capex estimates and production start

## SM 57/59/74 Near Term Drill Ready Exploration Opportunities

### SM71 Byron #1

#### Discovery

Gross 3P Reserves\*  
6.3 mmbo + 4,500 mmcf

### SM71 B65

Gross Prospective Resource\*  
5.0 mmbo + 4,800 mmcf

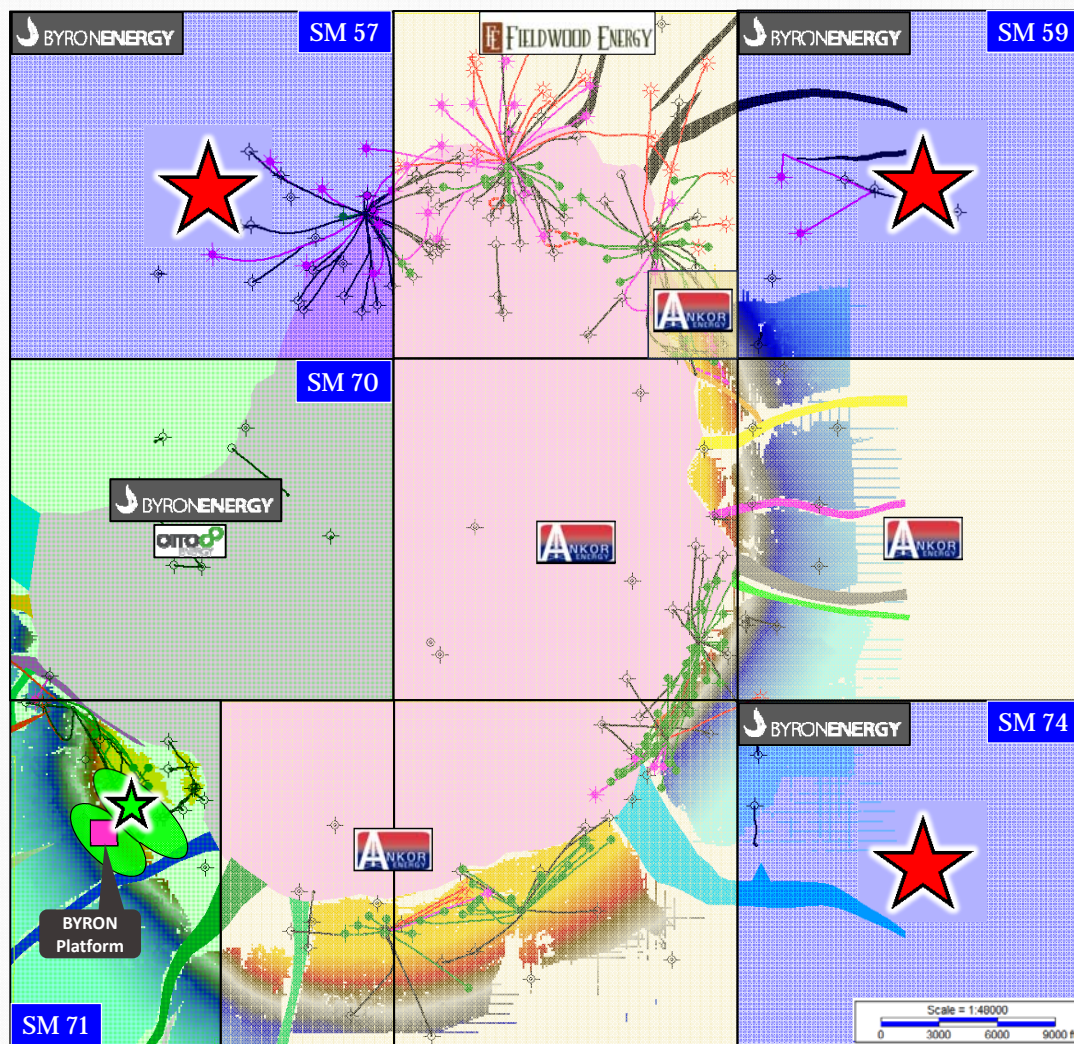
### GOM Lease Sale 247 March 2017

#### SM 57/59/74

Byron has mapped over 15 high quality prospects on its leases, over this salt dome, using state of the art RTM and Seismic Inversion

#### Byron Mapped Gross Prospective Resource

27.5 mmbo + 193,000 mmcf \*\*



# Byron Energy Gross Reserves and Resources

Reserves and Resources	Lease	Notes	Gross		Net	
Reserves						
			Oil (mmbo)	Gas (Bcf)*	Oil (mmbo)	Gas (Bcf)*
2P Reserves (SM71)	SM 70/71		5.0	3.7	2.0	1.5
2P Reserves( EI 63/76)	EI 63/76		0.5	0.7	0.4	0.6
<b>2P Reserves (SM71 and EI 63/76)</b>		1	5.5	4.4	2.4	2.1
Possible (SM 17 and EI 63/76)		1	1.9	1.8	0.9	1.1
<b>3P Reserves (SM71 and EI 63/76)</b>			<b>7.3</b>	<b>6.2</b>	<b>3.3</b>	<b>3.2</b>
Prospective Resources						
SM 71 (Collarini)	SM 70/71	1,3	5.0	4.9	2.0	2.0
SM 57/59/74 (Byron)	SM 57/59/74	2,4,6	27.5	193.0	22.4	156.8
<b>Total SM 71 Dome Area Prospective Resources</b>			<b>32.5</b>	<b>197.9</b>	<b>24.4</b>	<b>158.8</b>
Bivouac Peak	Bivouac Peak	1,5	16.0	177.6	10.7	119.1
EI 63/76	EI 63/76	1	8.7	211.4	7.1	171.8
<b>Grand Total Prospective Resources</b>			<b>57.2</b>	<b>587.0</b>	<b>42.2</b>	<b>449.7</b>

Notes:

1. As at 30/06/2016; Collarini and Associates report dated 20th July 2016; refer ASX releases dated 25/07/2016 and 28/9/2016

2. As at 1<sup>st</sup> July, 2017; Byron estimates (see Reserves and Resources notes on Page 23)

3. Byron anticipates that the 30 June 2017 reserves and resources review expected to be undertaken by Collarini and Associates in July/August 2017 will result in a material upgrade to SM 71 prospective resources as a result of further RTM mapping

4. The net resources are before Otto exercises any rights to acquire an interest in SM 74 (refer to the Company's ASX release dated 22<sup>nd</sup> June 2017)

5. Byron's net resources are based on Byron's existing net revenue interest (NRI) of 67.05%; should Otto and Metgasco exercise their options to acquire an interest, Byron's NRI will reduce to 26.075%

6. These leases are in close proximity to the SM 71 project and as such are expected to form part of the SM 71 project

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 and these estimates have both an associated risk of discovery and a risk of development; and further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

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# RESERVES AND RESOURCES INFORMATION

## **SM 70/71, EI 63/76 and Bivouac Peak**

### **Reserves and Resources Reporting**

Pursuant to ASX Listing Rules ("LR") the reserves, contingent resources, and prospective resources information in this document:

- (i) is effective as at 30 June, 2016 (LR 5.25.1)
- (ii) has been estimated and is classified in accordance with SPE-PRMS (Society of Petroleum Engineers - Petroleum Resources Management System) (LR 5.25.2)
- (iii) is reported according to the Company's economic interest in each of the reserves and net of royalties (LR 5.25.5)
- (iv) has been estimated and prepared using the deterministic method; and the aggregate 1P may be a very conservative estimate and the aggregate 3P may be a very optimistic estimate due to the portfolio effects of arithmetic summation; and prospective resources have not been adjusted for risk using the chance of discovery (LR 5.25.6)
- (v) 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) is reported on a best estimate basis for prospective resources (LR 5.28.1)
- (vii) is reported on an un-risked basis for prospective resources which have not been adjusted for an associated chance of discovery and a chance of development (LR 5.35.4).

**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 and these estimates have both an associated risk of discovery and a risk of development; and further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons (LR 5.28.2).

The reserves and resources estimates in respect to SM 70/71, EI 63/76 and Bivouac Peak are based on information disclosed in the Company's ASX releases dated 25<sup>th</sup> July 2017, 28<sup>th</sup> September 2016 and the 2016 Annual Report. The Company confirms that it is not aware of any new information or data that materially affects the information included within the above releases, and that all the material assumptions and technical parameters underpinning the estimates therein continue to apply and have not materially changed.

### **Reserves Cautionary Statement**

Oil and gas reserves and resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. Additionally, by their very nature, reserve and resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional drilling and analysis, the estimates are likely to change. They may result in alterations to development and production plans which may, in turn, adversely impact the Company's operations. Reserves estimates and estimates of future net revenues are, by nature, forward looking statements and subject to the same risks as other forward looking statements.

### **Other Reserves Information**

Byron currently operates all of its properties which are held under standard oil and gas lease arrangements on the outer continental shelf of the Gulf of Mexico and in South Louisiana. The Company's working interest ownership (WI%), net revenue interest (NRI%) and lease expiry dates in relation to each of its properties are generally included in the Company's presentations and ASX releases which are available on the ASX or the Company's website.

### **Competent Person's Statement**

The information in this presentation that relates to oil and gas reserves and resources in relation to SM 71, EI 63 and Bivouac Peak was compiled by technical employees of independent consultants Collarini and Associates, under the supervision of Mr Mitch Reece BSc PE. Mr Reece is the President of Collarini and Associates and is a registered professional engineer in the State of Texas and a member of the Society of Petroleum Evaluation Engineers (SPEE), Society of Petroleum Engineers (SPE), and American Petroleum Institute (API). 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 Statement are based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr Reece. Mr Reece 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 (LR 5.41 and 5.42).

# RESERVES AND RESOURCES INFORMATION

## **SM 57/59/74 (reported for the first time)**

### Reserves and Resources Reporting

- (i) The prospective resources information in this document is effective as at 1<sup>st</sup> 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 (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).

### Competent Person's Statement

The information in this report that relates to oil and gas prospective resources in relation to SM 57, SM 59 and SM 74 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 (LR 5.41 and 5.42).