

31 August 2017

ASX Release

Construction Operations Resume in Galveston after Hurricane Harvey

Byron Energy Ltd., ASX **BYE**, (the “Company” or “Byron”) is pleased to report that construction operations have resumed in Galveston, Texas after the passage of Hurricane Harvey. As of noon August 30, 2017 (Galveston time), an initial 10-man crew has resumed work installing interconnect piping and instrument and electrical equipment in preparation for anticipated load out and setting of the tripod jacket and decks in late October. No significant damage is reported in the Laredo Construction yard, which is located on Pelican Island adjacent to the Galveston Ship Channel, due to Hurricane Harvey which passed through the area beginning on August 25, 2017. The storm produced over 20 inches (50 cm) of rain and high winds in the Galveston area over a five-day period. Storm related damage and reported rainfall amounts were much greater north of Galveston.

The workforce is expected to return to its full complement of 35 workers over the next few days as road conditions in the area improve. Nearly all the production equipment is now fully fabricated and either in the construction yard or will be delivered next week. Currently, work is concentrated on completing the installation of interconnect piping and all the instrumentation and electronics in preparation for re-stacking the decks. Once the decks are stacked in the next two weeks, intra-level piping connections will be made and once hooked up, all equipment will be cycled and tested prior to load out. Current estimates of load out for installation are the second half of October.



Equipment installed on the cellar deck undergoing storm preparations. Photo: Byron Energy Inc.

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. In 2016, the Company announced that the SM71 #1 well logged a total of 151 feet of true vertical thickness of hydrocarbon in four sands. An independent reserve assessment of the well indicates a total of 2.27 million barrels of oil equivalent (net to Byron) across all zones on a 2P basis*. In January of 2017, Byron announced that it would utilize a manned, Byron operated platform to produce these hydrocarbons. **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 impact of Hurricane Harvey: –

"We were very happy to learn that there were no storm related injuries or damage at the Laredo Construction facility or to any Byron equipment because of Hurricane Harvey. It is remarkable that one day after the storm passed, workers could resume work after such a historic storm and we are grateful for their efforts. Although a few days of inactivity have taken place, we are still on track to set the tripod and decks at the end of October and prepare for the drilling of the SM71 F2 well shortly thereafter".

** 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). Furthermore, on 28 September 2016, the Company reported the impact of relinquishment of GI 95 on the Company's contingent and prospective resources (refer to the Company's ASX announcement dated 28 September 2016).*

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