

26 February 2018

ASX Release

UPDATE ON BIVOUAC PEAK PERMITTING, LEASE EXTENSIONS AND ADDITIONS

- The Bivouac Peak coastal use permit joint application has been submitted by Byron and is under review by both state and federal agencies.
- The original Bivouac Peak lease term has been extended for one-year to accommodate anticipated permit approvals.
- Byron has secured two new leases (~330 Acres) on state water bottom tracts peripheral to and adjoining the existing Bivouac Peak lease.
- Byron has increased its working interest share, prior to farm-out related reduction, to a gross 95%.

Byron Energy Limited (“Byron or the Company”) (**ASX: BYE**) is pleased to announce that it has secured leases on two state water bottom tracts adjacent to the Bivouac Peak lease and have agreed to the extension of the original Bivouac Peak lease term for an additional year. These initiatives will serve to facilitate the permitting and anticipated spud of the Bivouac Peak East prospect in 2H/2018 pending various approvals by federal, state, and local agencies.

On January 11, 2018 Byron was deemed the high bidder on two peripheral, non-core tracts adjoining the Bivouac Peak lease at the Louisiana State lease sale and subsequently awarded State Lease #21778 (~200 Acres), with a state royalty rate of 21.5%, and State Lease #21779 (~130 Acres), with a state royalty rate of 25%, for a three-year primary term. Byron’s partners in the Bivouac Peak Prospect Area have the right to participate for their proportionate share of the State Lease acquisitions as provided by their respective participation agreements over the Bivouac Peak Prospect Area.

Additionally, Byron has negotiated the extension of the term of the original Bivouac Peak lease with the private landowners through September 1, 2019, to facilitate likely permit approval and anticipated drilling activity.

Byron’s permitting and well planning activities on Bivouac Peak are progressing as planned with anticipated approvals currently expected in 2H/2018. The process is ongoing and has included site specific survey work, pre-application geologic review, and the submission of the joint

application *coastal use permit* to the Louisiana Coastal Management and the US Army Corps of Engineers for review.

Additionally, Byron has increased its working interest (“WI”) position by 5% to 95% and the private US entity has reduced their interest by the same amount retaining a 5% WI. Byron, through its wholly owned subsidiary Byron Energy Inc., is the operator of Bivouac Peak Prospect Area and now holds a 95% WI and a 70.775% net revenue interest (“NRI”) in the Bivouac Peak lease; a portion of Byron’s working interest is subject to a reduction based on a promoted farm-in by both Otto Energy Limited group (**ASX: OEL**), and Metgasco Energy Limited (**ASX: MEL**) as each hold an option to participate for a 45% WI and 10% WI respectively by electing to participate in the initial test well and paying their disproportionate share of costs to earn. Assuming all partners elect to participate for their respective interests Byron will hold a 40% WI and a 29.8% NRI in the Bivouac Peak lease.

The Company’s Bivouac Peak East predrill resources as at 30 June 2017 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.

CEO Comment:

Maynard Smith, Byron’s CEO had this to say about the Bivouac Peak project:

“We are pleased to further progress the Bivouac Peak Prospect permit applications, negotiate the necessary extensions, and complete the successful acquisition of adjacent protection acreage in order to put Byron and our partner’s in position to test the Bivouac Peak East prospect in the second half of 2018. The Byron team has done an excellent job of efficiently moving the project forward through the multi-agency permitting process in the Louisiana coastal waters.”

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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 track record 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.