

5 February 2018

ASX Release

SM71 Update: Well Completion Operations Underway

- **EnSCO 68 drilling rig is now positioned over the SM71 F1 for completion**
- **Three wells will be completed for production over the next 6 weeks**
- **Production start-up at the SM71 F platform is slated for mid-March**

Byron Energy Limited (“Byron or the Company”) (ASX: BYE) is pleased to advise that the EnSCO 68 drilling rig has been repositioned over the SM71 F1 well and operations to complete the F1 as a producing well in the D 5 Sand have begun. This marks the end of drilling operations which began in early December 2017. During this time, the Company drilled two new wells in the initial development phase of the SM71 project, both of which were successful.

The SM71 F1 well was drilled to a depth of 7,477 feet measured depth in April of 2016 and logged a total of 151 feet of True Vertical Thickness (“TVT”) net hydrocarbons in four discrete sands. The primary target in the F1 well was the D5 Sand, a prolific oil producing sand in other portions of the SM73 salt dome field. The F1 logged 91 feet TVT net oil pay in the D5 Sand and Byron committed to construction of a manned tripod production facility on that basis.

In November 2017, the SM71 F platform was set on location and the EnSCO 68 drilling rig was mobilised to begin drilling operations.

The SM71 F2 well was drilled to a total depth of 8,615 Measured Depth (“MD”) in late December and logged a total of 203 feet TVT net oil in four sands including the D5 Sand (130 feet TVT Oil pay) and a previously untested sand, the B65 Sand. After the drill pipe became stuck below the D5 Sand, casing was run across the B65 Sand (54 feet TVT feet net oil pay) and the F2 well will serve as the initial take point in the newly discovered B65 Sand reservoir.

Byron announced that it would drill a third well, the SM71 F3, to further develop the D5 Sand. In January, the F3 well was drilled to a depth of 7,714 feet MD and logged oil in five sands, including 175 feet TVT of oil in the D5 Sand. Casing was run and cemented to total depth and the F3 will be completed in the D5 Sand as part of the completion program at SM71.

Completion operations on all three wells will take about 6 weeks. Byron will utilise modern sand control techniques common to the Gulf of Mexico to optimise production rates and provide longevity to each well. During completion work, only limited flowback will be possible and production rates will be established only as each well is placed into production. Piping and instrumentation work on the SM71 F Platform is nearing completion and production start-up will begin in mid-March. The wells will begin producing sequentially as the new facility is brought on line.

CEO Comment:

Maynard Smith, Byron’s CEO had this to say about the SM71 project:

“We are very pleased with the outcome of the drilling program at SM71. The milestone of moving to completion operations is important for our company and our partner Otto Energy. With production beginning in just a few weeks, we will be very busy finalising the wells for production and completing work at our platform”.

“Byron would like to thank our consulting drilling engineers and our many vendors for a safe, efficient program these past 8 weeks. The F2 and F3 wells were drilled on time and without any safety incidents. A job well done by all involved.”

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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.