

27 December 2017

ASX Release

**BYRON SM 71 F2 APPRAISAL WELL ENCOUNTERS HYDROCARBONS IN
FOUR DISCRETE SANDS, INCLUDING THE B65 AND D5**

- SM71 F2 well has been drilled and logged to 8,615 feet measured depth
- Four high quality oil bearing sands were intersected with estimated combined net oil pay of true vertical thickness of 190 feet (58 metres)
- Two of these sands, the B65 and D5, are thick excellent quality sands which are expected to be capable of high rates of oil production

Byron Energy Ltd (ASX: BYE) ("Byron" or the "Company") is pleased to announce that the Byron operated OCS G-34266 #F-2 appraisal well ("F2") on South Marsh Island Block 71 ("SM 71") has encountered four discrete hydrocarbon bearing sands.

On 25 December 2017 (11.00 PM USA Central Time) the F2 well had reached a depth of 8,615 feet measured depth ("MD"). A triple combo Log While Drilling ("LWD") tool, which includes neutron/density porosity data, has been acquired over the prospective portions of the wellbore. Based on Byron's preliminary evaluation, the transmitted resistivity and porosity log data demonstrates the presence of oil across all four separate pay intervals, summarised as follows:

Zone	Top of Sand (feet) MD/TVD	Base of Sand (feet) MD/TVD	True Vertical Thickness ("TVT") Net Feet Oil Pay
J1 Sand	6,819/6,455	6,835/6,468	11
B55 Sand	7,266/6,727	7,288/6,739	10
B65 Sand	7,488/6,838	7,572/6,880	52
D5 Sand	8,205/7,200	8,405/7,300	117

All four sands exhibit excellent reservoir quality and are expected to be capable of high quality production based on analogous productive zones from the SM 71 and 73 Fields. Each of these four sands has been productive in other areas of the SM73 Field.

Net oil pay counts are preliminary and based on the transmitted LWD data. Final pay counts will be calculated if, and when, LWD memory data becomes available and upon the completion of a petrophysical analysis.

While drilling the final section of the hole in the F2 well below the D5 interval, referred to as the “rathole” (extra hole drilled at the end of the well beyond the last zone of interest in order to facilitate completion), the drill pipe became stuck approximately 214 feet below the bottom of the D5 Sand. The current operation, at 2.00 pm USA Central Time, 26 December 2017 is working to free stuck drill pipe.

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.

Commenting on the result, Byron's CEO, Maynard Smith said: *“Encountering four separate hydrocarbon zones with combined gross thickness of 204 feet (62 metres), is an outstanding result for Byron. In the D5 sand, we have proven up an oil column of over 900 feet which is a very rare occurrence in the Gulf. Not only will the F2 well result in significantly higher 1P & 2P reserves for SM 71* but it will also provide high rate oil zones resulting in substantial cashflow that will fund Byron’s ongoing exploration and development program. This result further validates our use of RTM and seismic inversion technology in and around previously productive salt domes. It underscores Byron’s strategy of using high tech geophysical data and augers well for the drilling of other prospects we have identified on SM 71 and the recently acquired SM 57/59/74 leases.”*

Byron will issue progress reports on the operations at the F2 well as material developments occur.

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**The Company’s reserves and 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. The results of F2 well are expected to result in a material uplift in Byron’s proved and probable reserves when Collarini updates the Company’s reserves, effective 30 June 2018, in the September 2018 quarter.*