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ASX Release

SM71 F2 B55 Sand Recompletion Update

Byron Energy Limited ("Byron" or "the Company") (ASX: BYE) is pleased to provide the following update on the Company's South Marsh Island Block 71 ("SM71") Project.

Recompletion operations on the Company operated South Marsh Island 71 F2 well have finished. The entire B55 Sand section was perforated over a 22 foot measured depth interval which equates to 11 feet of true vertical sand thickness. After perforating the B55 Sand, the well was flowed back to the production system and rates of 382 barrels of oil per day (99% oil cut) and subsequent shut in tubing pressures of 1152 psi were observed. At the end of the flowback, a small amount of sand was produced and subsequently washed out with coil tubing prior to sand control operations. Sand control measures were performed last week and since then the well has had difficulties unloading the completions fluids and stable oil and gas production rates have yet to be established. To date, approximately 300 of the 458 barrels of completion fluids have been recovered on flowback from the formation along with 220 barrels of oil. The well is currently flowing at an unstabilised rate of 150-200 Bopd and we expect the well to continue to unload and stabilise over the next couple of weeks.

The liftboat and personnel have been demobilised to Fourchon, Louisiana and operations on the SM71 F platform have returned to normal. Byron's production operators are supervising the continued unloading of the SM71 F2 well.

Byron Energy Inc., a wholly owned subsidiary of Byron Energy Ltd. is the operator of block SM71 and holds a 50% working interest. The remaining 50% is held by Otto Energy Ltd. (ASX: OEL).

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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 record of accomplishment 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.