

Quarterly Report for the Period Ended 30 June 2013

Name:	Byron Energy Limited
ASX code:	BYE
Shares on issue:	128.0 million
Quoted shares:	108.5 million
Options on issue (unquoted):	37.4 million
Cash at 30 June 2013:	\$US15.0 million
Market Capitalisation at \$0.41	\$A52.5 million

Highlights

- Acquisition of Byron Energy (Australia) Pty Ltd, a \$A14.5 million capital raising and a change of focus to oil and gas exploration and development
- Byron Energy Limited ("Byron") commenced trading on the ASX on 30 May 2013 under the code BYE
- Byron's focus will be to explore and develop Byron's portfolio of 100% owned oil and gas properties in the shallow waters of the Gulf of Mexico ("GOM")

Permitting of the proposed Byron Energy SM6 #1 well ("SM6 #1") commenced during the June quarter. The Exploration Plan, a key step in the permitting process, was submitted to the Bureau of Ocean Energy Management ("BOEM") in early June. Byron currently expects to drill SM6 #1 in the March quarter 2014, subject to obtaining all relevant regulatory approvals and rig availability.

South Marsh Island Block 6 ("SMI 6") is an oil and gas prospect with extensive Reverse Time Migration ("RTM") seismic interpretation. Byron has independently assessed gross proved, probable and possible reserves of 6.6 MMbbls of oil and 14.1 Bcf of gas (5.4 MMbbls of oil and 11.4 Bcf of gas, net to Byron) on SMI 6.

Directors

Doug Battersby (Non-Executive Chairman)
 Maynard Smith (Chief Executive Officer)
 Prent Kallenberger (Chief Operating Officer)
 Charles Sands (Non-Executive Director)
 Paul Young (Non-Executive Director)

Company Secretary and Chief Financial Officer

Nick Filipovic

Contact Details

Level 4, 480 Collins Street
 Melbourne Vic 3000
 Telephone: +61 3 8610 6583
 Email: info@byronenergy.com.au
 Web: www.byronenergy.com.au

Quarterly Report for the Period Ended 30 June 2013 (Cont.)

During the June quarter Byron was awarded 6 additional leases in the shallow waters of the GOM, acquired at Lease Sale 227 held in March 2013. All of these leases are over salt dome structures and may be amenable to enhanced seismic techniques. This takes Byron's portfolio to 22 lease blocks in the shallow waters of the GOM.

Byron had a cash balance of \$US15.0 million at 30 June 2013, of which \$US12.7 million is denominated in \$US (\$A sold for \$US at \$A1=\$US0.9573) and the balance in \$A.

Corporate

In May 2013 Byron Energy Limited (formerly Trojan Equity Limited) completed the acquisition of Byron Energy (Australia) Pty Ltd, and a \$A 14.5 million capital raising following shareholder approval on 22 April 2013.

The issue of new securities pursuant to the prospectus dated 2 April 2013 took place on Friday 24 May 2013 and comprised:-

- (i) **Entitlement Offer** - 15,577,374 shares at an issue price of \$A0.40 per share and 6,230,969 unlisted options exercisable at \$0.50 before 31 December 2016,
- (ii) **Placement Offer** - 20,577,375 shares at an issue price of \$A0.40 per share and 3,292,380 unlisted options exercisable at \$0.50 before 31 December 2016, and
- (iii) **Acquisition Offer** - 84,026,411 shares and 27,856,735 unlisted options, exercisable at \$A0.50 before 31 December 2016, were issued to Byron shareholders and option holders

Byron's issued capital now comprises:-

	Total issued	Quoted	Unquoted	Escrowed*
Shares (ASX:BYE)	127,969,847	108,519,329	19,450,518	19,450,518
Options	37,380,084	Nil	37,380,084	13,687,083

* escrowed until 30 May 2015.

Properties

At 30 June 2013, Byron's portfolio of properties comprised:-

Properties	Operator	Interest WI/NRI* (%)	Status	Lease Expiry Date	Area (Km ²)
South Marsh Island Block 6	Byron	100.00/81.25	Exploration	June 2015	20.23
South Marsh Island Block 70	Byron	100.00/81.25	Exploration	July 2017	22.13
South Marsh Island Block 71	Byron	100.00/81.25	Exploration	July 2017	12.16
Ship Shoal Block 180	Byron	100.00/81.25	Exploration	May 2015	20.23
West Delta Block 49	Byron	100.00/81.25	Exploration	May 2014	20.23
West Cameron Block 490	Byron	100.00/79.25	Exploration	May 2014	20.23
West Cameron Block 491	Byron	100.00/79.25	Exploration	May 2014	20.23
West Cameron Block 475	Byron	100.00/79.25	Exploration	January 2015	20.23
West Cameron Block 469	Byron	100.00/79.25	Exploration	January 2015	20.23
West Cameron Block 472	Byron	100.00/79.25	Exploration	January 2015	20.23
West Cameron Block 473	Byron	100.00/79.25	Exploration	January 2015	20.23
West Cameron Block 263	Byron	100.00/81.25	Exploration	May 2018	20.23
East Cameron Block 154	Byron	100.00/81.25	Exploration	July 2017	20.23
East Cameron Block 155	Byron	100.00/81.25	Exploration	May 2018	20.23
East Cameron Block 190	Byron	100.00/81.25	Exploration	July 2017	20.23
Eugene Island Block 191	Byron	100.00/81.25	Exploration	July 2017	20.23
Eugene Island Block 210	Byron	100.00/81.25	Exploration	July 2017	20.23
Eugene Island Block 63	Byron	100.00/81.25	Exploration	May 2018	20.23
Eugene Island Block 76	Byron	100.00/81.25	Exploration	May 2018	20.23
Eugene Island Block 190	Byron	100.00/81.25	Exploration	July 2018	20.23
Grand Isle Block 95	Byron	100.00/79.75	Exploration	September 2017	18.37
Vermilion Block 200	Byron	100.00/81.25	Exploration	June 2018	20.23

*Working Interest ("WI") and Net Revenue Interest ("NRI")

Project Update

South Marsh Island Block 6

Byron's primary area of focus in 2013 is SMI 6, located offshore Louisiana, 216km southwest of New Orleans in approximately 17m of water. Byron owns a 100% working interest and an 81.25% net revenue interest in the block.

Drilling opportunities

SMI 6 is located on the western flank of a large piercement salt dome. The face of the salt dome dips to the east forming an overhang, which most likely prevented the accurate seismic imaging of the prospect with older datasets.

SMI 6 is productive from discrete, hydrocarbon-bearing, sandstone reservoirs, which are primarily trapped in three-way structural closures bound either by salt or stratigraphic thinning on its updip edge. These reservoirs are Pliocene to Upper Miocene age sands from 2,184m to 3,094m, total vertical depth.

SMI 6 is ready for drilling with a number of shallow and deep potential drilling targets identified.

There are four proved undeveloped attic reserve drill opportunities: two in the south fault block for the F-20, F-30, G-20, H-30, H-40 and H-50 Sands; in the central fault block for the I-5 Sand; and in the north fault block for the F-30, H-40, H-50 and I-10 Sands.

There is a probable incremental reserve opportunity in the south fault block associated with the G-20 Sand.

There are two possible reserve drill opportunities: in the south fault block for the F-10, F-40, F-45, I-5 and I-10 Sands; and in the north fault block for the I-10 Sand.

There are also four exploratory opportunities: in the south fault block for the 12,300 ft, 13,900 ft and 15,000 ft Sands; in the central fault block for the 12,300 ft, 13,900 ft, 14,500 ft and 15,000 ft Sands; and two in the north fault block for the F-30, F-40, H-30, H-40, H-50, 12,300 ft, 13,900 ft and 15,000 ft Sands.

Proposed SM6 #1 Well

Byron's initial focus at SMI 6 is the South West Prospect where it is proposing to drill the SM6 #1 well in the south west corner of a major salt dome. Byron plans to drill this well in the March quarter of 2014, subject to obtaining all relevant regulatory approvals and rig availability.

South Marsh Island Block 6 (Cont.)

The South West Prospect is estimated to contain gross proved, probable and possible reserves of 3.8 MMbbls of oil and 10.8 Bcf of gas (3.1 MMbbls of oil and 8.8 Bcf of gas net to Byron) in the un-pressured (shallow) sands. Additional gross prospective resources of 0.3 MMbbls of oil and 10.5 Bcf of gas are estimated in the deeper pressured section (0.2 MMbbls of oil and 8.6 Bcf of gas net to Byron). The SM6#1 well will be drilled to only test the un-pressured (shallow) section. The deep section is to be tested with another well at a future date.

Exploration Plan and Application for Permit to Drill

During the June 2013 quarter, Byron submitted an Exploration Plan ("EP") for SMI 6 to BOEM, an important first step in obtaining a drilling permit. BOEM and other federal and state government agencies are now conducting reviews of the EP, examining amongst other things, well locations, current structure maps, sequence of exploration activities, biological reports, coastal zone management consistency, environmental report, air emissions information and the worst case discharge and relief well planning.

Once the EP is approved by the BOEM and the coastal zone management review is completed by the state, an Application for Permit to Drill ("APD") will be submitted by Byron to the Bureau of Safety and Environmental Enforcement ("BSEE"). BSEE will then review the APD to examine the fitness of the drilling unit, mud program, casing program and cement program, amongst other things. Once BSEE is satisfied with Byron's APD it would grant Byron a permit to drill SM6 #1. Byron has commenced discussions with drilling rig operators and insurers to secure a drilling rig and the required insurances so that it can spud the well if and when the drilling permit is granted by the BSEE.

Other Lease Blocks: SS 180, WD 49, WC 490, WC 472 and GI 95

In addition to SMI 6, Byron has a 100% working interest in 21 leases, five of which contain either proved, probable or possible reserves. These leases comprise Ship Shoal Block 180 ("**SS 180**"), West Delta Block 49 ("**WD 49**"), West Cameron Block 490 ("**WC 490**"), West Cameron Block 472 ("**WC 472**") and Grand Isle Block 95 ("**GI 95**").

SS 180 and WD 49 both contain undeveloped oil and gas reserves. GI 95, acquired at the 2012 Lease Sale, contains large undeveloped gas reserves and prospective resources, exceeding 100 Bcf, net to Byron.

WC 490 and WC 472 each also contain significant undeveloped gas reserves.

While these blocks are considered attractive by Byron, given Byron's initial focus on SMI 6 it is not expected that any of SS 180, WD 49, WC 490 and GI 95 properties would be drilled until sometime in 2014, subject to farm-out and funding.

Lease Sale 227 (2013)

Byron was the high bidder on six blocks at Lease Sale 227 held in March 2013. During the June 2013 quarter, BOEM awarded the six high bid blocks to Byron: West Cameron Block 263, East Cameron Block 155, Eugene Island Block 63, Eugene Island Block 76, Eugene Island 190 and Vermilion Block 200. All of these blocks are over salt dome structures and may be amenable to enhanced seismic reprocessing techniques

Salt Dome Projects

Byron has now acquired acreage on a total of seven salt domes including SMI 6. The other six projects are in the early stages of geologic and geophysical evaluation. Byron has initiated discussions with a seismic contractor in order to affect RTM processing on a number of these blocks. The discussions are at early stage and may not result in a successful outcome. Blocks under consideration for RTM processing are: SMI 70 and 71, EI 63 and 76, VR 200, EI 190, 191 and 210, EC 154, 155 and 190 and WC 263.

Competent Person Statement

The references to hydrocarbon reserves in this announcement are based on information reviewed and compiled into an Independent Technical Report by Mr Andrew Andrejewskis BSc, GradDip B Admin, FAusIMM (CP), FAIM. This report can be found within the company's replacement prospectus dated 2 April 2013. The reserves estimates are consistent with the definitions of Proved, Probable and Possible hydrocarbon reserves and prospective hydrocarbon resources defined by the Australian Securities Exchange (ASX) Listing Rules. Mr Andrejewskis is a qualified person as defined in ASX Listing Rule 5.11 and has consented to the inclusion of reserves information in this announcement in the form and context in which it appears.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Byron Energy Limited (formerly Trojan Equity Limited)

ABN

88 113 436 141

Quarter ended ("current quarter")

30 June 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$US'000	Year to date (3 months) \$US'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(495) - - (679)	(495) - - (679)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	22	22
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(1,152)	(1,152)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(794) - -	(794) - -
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	(49)	(49)
Net investing cash flows	(843)	(843)
1.13 Total operating and investing cash flows (carried forward)	(1,995)	(1,995)

+ See chapter 19 for defined terms.

For personal use only

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,995)	(1,995)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	14,008	14,008
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other 1. - share issue and transaction costs	(777)	(777)
	2. - Cash balances acquired on reverse asset acquisition*	1,952	1,952
	Net financing cash flows	15,183	15,183
	Net increase (decrease) in cash held	13,188	13,188
1.20	Cash at beginning of quarter/year to date	2,098	2,098
1.21	Exchange rate adjustments to item 1.20	(297)	(297)
1.22	Cash at end of quarter	14,989	14,989

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$US'000
1.23	*Aggregate amount of payments to the parties included in item 1.2	266
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

* The acquisition by Byron Energy Limited of Byron Energy (Australia) Limited is considered a reverse asset acquisition under the Australian Accounting Standard AASB 3 "Business Combinations" notwithstanding that Byron Energy Limited is the legal parent in the acquisition. Consequently, the cash balance acquired represents the cash balance of Byron Energy Limited (formerly Trojan Equity Limited) at the time of the acquisition. The cash balance at the start of the quarter represents cash balance of Byron Energy (Australia) Pty Ltd (the acquirer for accounting purposes). The transaction was completed in May 2013.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

As announced to the ASX in May 2013, Byron Energy Limited ("Byron" or the "Company"), formerly Trojan Equity Limited acquired Byron Energy (Australia) Pty Ltd and its wholly owned subsidiaries on 24 May 2013. As consideration, the Company issued 84,026,411 shares and 25,256,735 unlisted options, exercisable at \$0.50 at any time before 31 December 2016, to Byron Energy (Australia) Pty Ltd shareholders and option holders.

+ See chapter 19 for defined terms.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$US'000	Amount used \$US'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$US'000
4.1 Exploration and evaluation	875
4.2 Development	-
4.3 Production	-
4.4 Administration	600
Total	1,475

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$US'000	Previous quarter \$US'000
5.1 Cash on hand and at bank	14,989	2,098
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	14,989	2,098

+ See chapter 19 for defined terms.

For personal use only

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

<i>Please see Attachment A and end of the 5B Report for details</i>		Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	Nil		-	-
6.2	Interests in mining tenements and petroleum tenements acquired or increased		<i>Please see Attachment A at the end of Appendix 5B Report for details of petroleum tenements acquired through the acquisition of Byron Energy (Australia) Pty Ltd</i>	0%	100%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	127,969,847	108,519,329		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	120,181,160	100,730,642		
7.5 +Convertible debt securities (description)	Nil			

+ See chapter 19 for defined terms.

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	37,380,084	Nil	Exercise price \$A0.50	Expiry date 31 December 2016
7.8	Issued during quarter	37,384,084	Nil	\$A0.50	31 December 2016
7.9	Exercised during quarter	Nil	Nil		
7.10	Expired during quarter	Nil	Nil		
7.11	Debentures (totals only)	Nil			
7.12	Unsecured notes (totals only)	Nil			

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

N. Filipovic
(Company secretary)

Date: 18 July 2013.

Print name:

Nick Filipovic

+ See chapter 19 for defined terms.

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 Issued and quoted securities The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

For personal use only

ATTACHMENT A

Properties

Byron's portfolio of properties in the shallow waters of the Gulf of Mexico, United States 100% owned and operated by Byron, is summarised below.

Properties	Operator	Interest WI/NRI* (%)	Status	Lease Expiry Date	Lease Area (Km2)
South Marsh Island					
Block 6	Byron	100.00/81.25	Exploration	June 2015	20.23
Block 70	Byron	100.00/81.25	Exploration	July 2017	22.13
Block 71	Byron	100.00/81.25	Exploration	July 2017	12.16
Ship Shoal					
Block 180	Byron	100.00/81.25	Exploration	May 2015	20.23
West Delta					
Block 49	Byron	100.00/81.25	Exploration	May 2014	20.23
West Cameron					
Block 490	Byron	100.00/79.25	Exploration	May 2014	20.23
Block 491	Byron	100.00/79.25	Exploration	May 2014	20.23
Block 475	Byron	100.00/79.25	Exploration	January 2015	20.23
Block 469	Byron	100.00/79.25	Exploration	January 2015	20.23
Block 472	Byron	100.00/79.25	Exploration	January 2015	20.23
Block 473	Byron	100.00/79.25	Exploration	January 2015	20.23
Block 263	Byron	100.00/81.25	Exploration	May 2018	20.23
East Cameron					
Block 154	Byron	100.00/81.25	Exploration	July 2017	20.23
Block 190	Byron	100.00/81.25	Exploration	July 2017	20.23
Block 155	Byron	100.00/81.25	Exploration	May 2018	20.23
Eugene Island					
Block 191	Byron	100.00/81.25	Exploration	July 2017	20.23
Block 210	Byron	100.00/81.25	Exploration	July 2017	20.23
Block 63	Byron	100.00/81.25	Exploration	May 2018	20.23
Block 76	Byron	100.00/81.25	Exploration	May 2018	20.23
Block 190	Byron	100.00/81.25	Exploration	July 2018	20.23
Grand Isle					
Block 95	Byron	100.00/79.75	Exploration	September 2017	18.37
Vermilion					
Block 200	Byron	100/81.25	Exploration	June 2018	20.23

*Working Interest ("WI") and Net Revenue Interest ("NRI")

+ See chapter 19 for defined terms.

For personal use only