

17 October 2013

DRILLING RIG CONTRACTED FOR BYRON ENERGY SM6 #1 WELL

Byron Energy Limited ("Byron") is pleased to report that it has entered into a legally binding agreement with Spartan Offshore Drilling ("Spartan") with respect to a day-work drilling contract for a jack-up rig to drill the Byron Energy SM6 #1 Well ("SM6 #1") in the South Marsh Island Block 6 ("SMI 6") located in the shallow water of the Gulf of Mexico, USA. Under the agreement, drilling of SM6 #1 will commence no earlier than 1 March 2014. The exact spud date is dependent on when the rig is released from its previous drilling commitments and final regulatory approval.

The agreement with Spartan is a key milestone in Byron's plans to drill SM6 #1, planned for the March quarter, 2014.

In addition, Byron has entered into an agreement with Twin Brothers Marine of Franklin, Louisiana for construction of a seven slot caisson for use at SM6 #1 (266 feet in length and 72 inch in diameter). TEC of New Orleans, Louisiana is in charge of engineering and project management. The caisson will be set prior to the arrival of the Spartan rig and will also serve as protective device in the event the well is successful while Byron finalises its development and production plans.

As previously reported, the SM6 #1 well is located on South West Prospect, in the south west corner, on a major salt dome in SMI 6. 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.

For further information contact:-

Maynard Smith
Chief Executive, Byron Energy Limited
+ 1 337 534 3601

Prent Kallenberger
Chief Operating Officer, Byron Energy Limited
+1 337 769 0548

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.