

30 October 2015

ASX Release

Byron Contracts Rig for SM 71 #1 well

Byron Energy Limited (“Byron” or the “Company”) (ASX:BYE) is pleased to announce that it has contracted Hercules Drilling Company LLC (“Hercules”) to drill the South Marsh Island 71 #1 well (“SM 71 #1”), located in the South Marsh Island Block 71 (“SM 71”) lease.

Byron will utilise Hercules Rig 264 to drill the SM 71 #1 well. Currently Byron expects to spud SM 71 #1 well in the first quarter of 2016, subject to farm-out/funding and obtaining all necessary regulatory permits. Under the contract with Hercules, Byron also has an option to utilise Rig 264 to drill a second well.

The SM 71 #1 well will be drilled in the north half of the SM 71 lease, adjacent to a major salt dome, approximately 230 km southwest of New Orleans, offshore Louisiana, in the shallow waters of the Gulf of Mexico at a water depth of approximately 130 feet (40 metres). Byron has a 100% working interest and an 81.25% net revenue interest in SM 71 and is the operator of the block, through Byron Energy Inc, a wholly owned subsidiary of the Company.

SM 71 #1 well will be drilled to a depth of 7,250 feet (2,210 metres) measured depth and 7,100 feet (2,164 metres) true vertical depth. The SM 71 prospect has two shallow non-pressured targets.

The reserves and prospective resources estimate for Byron’s 100% working interest and 81.25% net revenue interest in SM 71 was originally released to the ASX on 4 September 2015, comprising undeveloped proved, probable and possible reserves* of 1.04 million barrels of oil and 0.65 bcf of gas (net to Byron) with net prospective resources* of 4.6 million barrels of oil and 3.4 bcf of gas.

**Refer to page 3 for notes on reporting of reserves and prospective resources.*

The SM 71 #1 well will test two prospective sands, the J Sand and the D5 Sand. The J Sand has been assigned net proved and probable reserves of 686,000 barrels of oil and 0.37 bcf. The primary D5 Sand target has been assigned net prospective resources of 4.6 million barrels of oil and 3.4 bcf.

Maynard Smith, Byron's CEO, commented, "SM 71 is a relatively low risk project with very attractive economics even at current oil prices. SM 71 #1 well is targeting oil prone non-pressured sands at relatively shallow depths. In terms of costs, we have estimated drilling costs in the range of \$US4-5 million."

Mr Smith added, "Significant gains were made in D5 sand prospective resources for SM 71 in 2015, as reported in our reserves release on 4 September 2015, reflecting additional detailed technical work at SM 71 in which the prospect area compared favourably to analogous D5 oil production in adjacent blocks. This work significantly improved our understanding of trapping mechanisms, reservoir continuity, and potential trap sizes at SM 71, thus further de-risking the project."

For further information contact:-

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Notes on Reserves and Prospective Resources Reporting

Competent Persons Statement

The information in this report that relates to oil and gas reserves and resources was compiled by technical employees of independent consultants Collarini and Associates, under the supervision of Mr Mitch Reece BSc PE. Mr Reece is the President of Collarini and Associates and is a registered professional engineer in the State of Texas and a member of the Society of Petroleum Evaluation Engineers (SPEE), Society of Petroleum Engineers (SPE), and American Petroleum Institute (API). The reserves and resources included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/American Association of Petroleum Geologists (AAPG)/Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The reserves and resources information reported in this release are based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr Reece. Mr Reece is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

Reserves Cautionary Statement

Oil and gas reserves estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. Additionally, by their very nature, reserve and resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional drilling and analysis, the estimates are likely to change. The may result in alterations to development and production plans which may, in turn, adversely impact the Company's operations. Reserves estimates and estimates of future net revenues are, by nature, forward looking statements and subject to the same risks as other forward looking statements.

Prospective Resources Cautionary Statement

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Listing Rule 5.43.2

The reserves and prospective resources estimate, as at 30 June 2015, for Byron's 100% working interest and 81.25% net revenue interest in SM 71 was originally released to the ASX on 4 September 2015. For the purposes of Listing Rule 5.34.3, Byron confirms that it is not aware of any information or data that materially affects the information included in the announcement of 4 September 2015 and that all of the material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.