

ASX Release

Lease Sale 247 Update

- **Byron has been advised by the BOEM that its high bid for VR 232 has been rejected**
- **Byron intends to appeal the decision by the BOEM**

Further to the Company's ASX release dated 2 June 2017, Byron Energy Limited ("Byron or the Company") (**ASX: BYE**) been advised by the Bureau of Ocean Energy Management ("BOEM") that its bid for Vermilion Area Block 232 ("VR 232") has been rejected by the BOEM. Under lease sale policy, any high bidder whose bid is rejected, may, within 15 days of such rejection file a written request for reconsideration. Byron intends to file for reconsideration by the BOEM.

The current status of the four leases Byron was the high bidder on at Lease Sale 247 held on Wednesday 22 March 2017, referred to in the Company's ASX release of 23 March 2017, is as follows:

Block	Working Interest	Net Revenue Interest	Status
South Marsh Island Area Block 57 ("SM 57")	100.00%	81.25%	Byron's bid deemed acceptable by BOEM (refer ASX release 2 June 2017)
South Marsh Island Area Block 59 ("SM 59")	100.00%	81.25%	Byron's bid deemed acceptable by BOEM (refer ASX release 2 June 2017)
South Marsh Island Area South Addition Block 74 ("SM 74")	100.00%	81.25%	Byron's bid deemed acceptable by BOEM (refer to ASX release 19 May 2017)
Vermilion Area Block 232 ("VR 232")	100.00%*	81.25%*	Byron apparent high bidder; BOEM has rejected the bid as insufficient; Byron intends to appeal

**If the lease is ultimately awarded to Byron, Otto will have a right to acquire a 50% working interest/40.625% net revenue interest, leaving Byron with a 50% working interest/40.625% net revenue interest.*

As reported in the Company's March 2017 quarterly activities report, pursuant to the Participation Agreement, effective December 1, 2015, between Byron Energy Inc, a wholly owned subsidiary of the Company, and Otto Energy (Louisiana) LLC ("Otto"), a wholly owned subsidiary of Otto Energy Limited (**ASX:OEL**), (the "Participation Agreement"), Otto had a right to elect to participate for up to a fifty percent

(50%) interest in the acquisition of one new asset acquired by Byron, through to March 2017. Otto elected to participate for a fifty percent (50%) interest in the acquisition of VR 232, if acquired by Byron.

Byron and Otto will jointly work on Byron's appeal submission with respect to VR 232 which will be submitted within the prescribed 15 day period.

Should Byron ultimately not acquire VR 232, Otto will have the right to acquire a 50% working interest in SM 74 on the same terms.

SM 74, SM 57 and SM 59 together with VR 232, if awarded on appeal, are near Byron's previously announced South Marsh Island block 71 ("SM 71") discovery and will increase Byron's footprint in the South Marsh Island 73 Field. The bids were generated by interpretation of the Company's high quality ARTM and Inversion processed 3D seismic data. Byron is the designated operator of two other leases in the area, SM 71 and SM 70, where the Company owns a 50% Working Interest and a 40.625% Net Revenue Interest in each block. Water depth in the area is approximately 137 feet.

For further information, please contact:

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