

28 September 2017

ASX Release

Byron Energy Independent Reserves and Resources

- **SM 71 2P net reserves to Byron of 2.27 million barrels of oil equivalent (89% oil) net to Byron (3P 2.87 mmboe) in line with previous estimates**
- **SM 71 Prospective Resources increased by 152% from 2.37 mmboe to 5.99 mmboe net to Byron over 2016**
- **SM 59/57/74 Area, recently acquired lease sale opportunities, Prospective Resources of 62.98 mmboe net to Byron**

Byron Energy Limited ("Byron or the Company") (ASX:BYE) is pleased to provide a summary of the independent reserves and resources estimate for the Company's projects in the shallow waters of the Gulf of Mexico. The report covers South Marsh Island Blocks 71 ("SM 71"), South Marsh Island Blocks 57/59/74 ("SM 57/59/74"), Eugene Island Block 63/76 ("EI 76") and the Bivouac Peak leases.

The independent reserves and resources estimates were prepared by Collarini Associates ("Collarini"), based in Houston, Texas, USA.

The combined reserves and resources, net to Byron, are as follows:

Byron Energy Limited Reserves and Resources (Net to Byron)*			
Gulf of Mexico, offshore Louisiana, USA			
30 June 2017	Oil MMBL	Gas MMCF	MBOE (6:1)
Reserves (Undeveloped)			
Proved (1P)	581	403	648
Probable Reserves	1,445	1,058	1,621
Proved and Probable (2P)	2,026	1,461	2,269
Possible Reserves	536	370	598
Proved, Probable & Possible (3P)	2,562	1,831	2,867
Contingent Resource			
CR1C	-	-	-
CR2C	351	567	446
CR3C	421	680	534
Total Contingent Resource	772	1,247	980
Total Prospective Resource			
Best Estimate (Unrisked)	43,159	551,000	134,992

* See cautionary notes on next page

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Reserves - The aggregate 1P may be a very conservative estimate and the aggregate 3P may be a very optimistic estimate due to the portfolio effects of arithmetic summation

Conversion to boe - MBBL = thousand barrels; MMCF = million cubic feet; MBOE = thousand barrels of oil equivalent ("BOE") with a BOE determined using a ratio of 6,000 cubic feet of natural gas to one barrel of oil – 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency

Prospective Resource - 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

Project Summary

South Marsh Island 71: The net reserves at Byron's SM 71 project reflect the significant oil discovery announced by Byron in April 2016 as a result of drilling Byron's SM 71 #1 well (now designated the SM71 F1 well by BSEE). There has been virtually no change in gross or net reserves between 30 June 2016 and 30 June 2017.

Byron Energy Limited Reserves and Resources					
South Marsh Island 71					
	Gross		Net to Byron		
30 June 2017	Oil MBBL	Gas MMCF	Oil MBBL	Gas MMCF	MBOE (6:1)
Reserves (Undeveloped)					
Proved (1P)	1,430	993	581	403	648
Probable Reserves	3,556	2,603	1,445	1,058	1,621
Proved and Probable (2P)	4,986	3,596	2,026	1,461	2,269
Possible Reserves	1,320	911	536	370	598
Proved, Probable & Possible (3P)	6,306	4,507	2,562	1,831	2,867
Total Prospective Resource					
Best Estimate (Unrisked)	5,913	52,912	2,402	21,495	5,985

The SM 71 project is currently under development with the construction of a manned, Byron operated tripod facility nearing completion. In addition, Byron has permitted, bid and awarded the work to build and connect a 500 foot oil pipeline and a 7,000 foot gas pipeline. Installation of the facility and pipelines is expected to be completed in November 2017. The Ensco drilling rig is expected on site in late November 2017 after installation of the tripod, to drill SM 71 F2 well and to complete the SM 71 F1 well. Currently, first oil and gas production is expected in January 2018 from the two wells at a combined rate of 3,000-4,000 barrels of oil per day.

Recent interpretation of Byron's 3D RTM and proprietary Full Waveform Inversion datasets has yielded two significant additions to the Prospective Resources attributable to SM71. In addition to the previously identified B65 Sand potential, which will be a target in the Byron's SM71 F2 well, other potential has been

identified in the D6 Sand and deeper sand intervals. These prospects can be reached from the SM71 F platform in the future as development proceeds and will become more attractive as natural gas prices increase.

South Marsh Island 57/59/74 Area: The Company's SM 57/59/74 leases are included in the Collarini 2017 report for the first time. The Company previously announced an in-house management preliminary estimate of a combined SM 57/59/74 prospective resource on 19 July 2017. The ongoing evaluation and maturation of multiple prospects has led to an increase in estimated Prospective Resource of 30% across the newly leased area. The SM 57/59/74 leases are in close proximity to Byron's previously announced SM 71 discovery and will increase Byron's footprint in the South Marsh Island 73 Field.

Byron Energy Limited Reserves and Resources					
SM 57 / 59 / 74					
	Gross		Net to Byron		
30 June 2017	Oil MBBL	Gas MMCF	Oil MBBL	Gas MMCF	MBOE (6:1)
Total Prospective Resource					
Best Estimate (Unrisked)	28,259	295,529	22,961	240,118	62,981

Byron currently holds a 100% Working Interest ("WI") and a 81.25% Net Revenue Interest ("NRI") in SM 57/59/74. Otto Energy Limited ("Otto") (ASX:OEL) has certain rights in respect to SM 74, providing Byron with the reduction of risk capital through the partial carry of drilling costs in the initial test well on the lease to earn a 50% WI in the lease if the VR 232 lease is not ultimately awarded to Byron (see Appendix A for details).

Bivouac Peak: Collarini has attributed to the Company's onshore Louisiana Bivouac Peak gross prospective resource potential of 15,990 Mbbbl and 177,666 Mmcf to Byron's Bivouac Peak leases. Byron currently holds a 90% WI and a 67.05% NRI at Bivouac Peak. Byron's Bivouac Peak 90% WI is subject to a promoted farm-in by both Otto and Metgasco Energy Limited ("Metgasco") (ASX: MEL). Both companies currently have the option to earn a working interest, Otto 45%WI and MEL 10%WI, in the Bivouac Peak lease by electing to participate in the initial well and paying their disproportionate share of drilling costs and drilling to a specified earning depth. If both companies elect to participate, and upon earning, Byron's working and net revenue interests would be reduced proportionately. Bivouac Peak consists of two prospects, the first of which is to be tested by an initial test well planned for the second half of 2018, which will expose Byron and its potential farm-in partners to 32.6 mmboc (gross) of the total 45.6mmboc of prospective resources potential.

Byron Energy Limited Reserves and Resources					
Bivouac Peak					
	Gross		Net to Byron		
30 June 2017	Oil MBBL	Gas MMCF	Oil MBBL	Gas MMCF	MBOE (6:1)
Total Prospective Resource					
Best Estimate (Unrisked)	15,990	177,667	10,721	119,126	30,575

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Eugene Island 63/76: EI 63/76 has been reclassified from Reserves to Contingent Resource given the Company's focus in its oilier projects – SM 71, SM 57/59/74, in close proximity to SM 71 development, and the Bivouac Peak leases. The EI 63/76 leases expire in May 2018 which is an additional factor contributing to reclassification to Contingent Resource. Byron will investigate farm-out opportunities for EI 63/76. The re-classification of EI 63/76 reduced the Company's 2P reserves by 0.45 mmboe.

Commenting on the reserves report, Byron's CEO Mr Maynard Smith said, "As expected the 2017 Collarini report has maintained our Proved, Probable and Possible reserves for SM 71 at the 2016 levels. Pleasingly, prospective resources attributed to SM 71 have more than doubled from 2,374 mboe to 5,985 mboe as a result of the use of proprietary RTM seismic processing to map additional prospects which can be drilled from Byron's SM71 F Platform.. A portion of these SM71 prospective resources will be tested in the upcoming F2 development well, and with success will provide substantial movement of resources into the proved and probable reserve categories.

Mr Smith added, "SM 57/59/74 which are in close proximity to Byron's SM 71 project have substantially boosted the Company's prospective resources, adding a number of exciting prospects to our inventory. To date, we have mapped 15 prospects on these leases, using second generation RTM seismic technology and state of the art Full Waveform Inversion".

Further details are included in Appendices A to E.

For further information contact:-

Maynard Smith
Chief Executive, Byron Energy Limited
+61 2 6685 3115

Peter Love
Investor relations
+61 7 3121 5674

Appendix A - Projects

At 30 June 2017, Byron's portfolio of projects in the shallow waters of the Gulf of Mexico, offshore Louisiana, USA comprised:-

Properties	Operator*	Interest WI/NRI* (%)	Area (Km ²)	Lease Expiry Date	Comments
South Marsh Island					
Block 71**	Byron	50.00/40.625	12.16	SOP	Reserves and prospective resources included in this report
Block 70	Byron	50.00/40.625	22.13	Expired Jul-2017	Not applicable
Block 57	Byron	100.00/81.25	21.98	Jun-22	Prospective resources included in this report
Block 59	Byron	100.00/81.25	20.23	Jun-22	Prospective resources included in this report
Block 74****	Byron	100.00/81.25	20.23	Jun-22	Prospective resources included in this report
Eugene Island					
Block 18	Byron	100.00/78.75	2.18	Apr-20	Early stage of evaluation; not included in this report
Block 63	Byron	100.00/81.25	20.23	May-18	Contingent resources included in this report
Block 76	Byron	100.00/81.25	20.23	May-18	Contingent resources included in this report
Transition Zone (Coastal Marshlands Louisiana)					
Bivouac Peak Leases#	Byron	90.00/67.05	20.23	Sep-18	Prospective resources included in this report

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

** Otto Energy Limited ("Otto") has a 50% working interest in Byron's SM 71 lease; this lease is held through a Suspension of Production granted in August 2017 (refer to Company's ASX release dated 29 August 2017).

*** As reported on 22 June 2017, Byron was also the high bidder on Vermilion Area Block 232 ("VR 232"). However the Bureau of Ocean Energy Management ("BOEM") advised Byron that its bid for VR 232 was rejected by the BOEM. Byron has filed a written request for reconsideration by the BOEM. If VR 232 is not awarded to Byron, Otto Energy Limited ("Otto") (ASX:OEL) will have a right to acquire a 50% working interest / 40.625 net revenue interest in SM 74 on promoted terms leaving Byron with a 50% working interest / 40.625% net revenue interest (see Byron's ASX release dated 22 June 2017 for additional details).

Both Otto and Metgasco Limited ("Metgasco") have acquired an option to earn a 45% and a 10% working interest respectively. If both Otto and Metgasco earn into the Bivouac Peak project, Byron's WI and NRI will reduce to 35% and 26.075% respectively.

Appendix B - Reserves as a 30 June 2017

Byron Energy Limited Reserves (Net to Byron) Gulf of Mexico, Offshore Louisiana, USA								
Reserves Reconciliation	Oil (MMBL)				Gas (MMCF)			
	30/6/16	Production	Revisions	30/7/17	30/6/16	Production	Revisions	30/7/17
SM 71 (Undeveloped)								
Proved (1P)	582	0	-1	581	404	0	-1	403
Probable Reserves	1,446	0	-1	1,445	1,059	0	-1	1,058
Proved and Probable (2P)	2,028	0	-2	2,026	1,463	0	-2	1,461
Possible Reserves	540	0	-4	536	373	0	-3	370
Proved, Probable & Possible (3P)	2,568	0	-6	2,562	1,836	0	-5	1,831
EI 76 (Undeveloped)								
Proved (1P)	0	0	0	0	0	0	0	0
Probable Reserves	351	0	-351	0	568	0	-568	0
Proved and Probable (2P)	351	0	-351	0	568	0	-568	0
Possible Reserves	428	0	-428	0	692	0	-692	0
Proved, Probable & Possible (3P)	779	0	-779	0	1,260	0	-1,260	0
Grand Total (Undeveloped)								
Proved (1P)	582	0	-1	581	404	0	-1	403
Probable Reserves	1,797	0	-352	1,445	1,627	0	-569	1,058
Proved and Probable (2P)	2,379	0	-353	2,026	2,031	0	-570	1,461
Possible Reserves	968	0	-432	536	1,065	0	-695	370
Proved, Probable & Possible (3P)	3,347	0	-785	2,562	3,096	0	-1,265	1,831

Variation in Reserves

There was almost no change in the proved reserves between 30 June 2016 and 30 June 2017. The change in probable and possible reserves is almost entirely due to re-classification of EI 63/76 from reserves to contingent resource.

Appendix C - Contingent Resource as at 30 June 2017

Byron Energy Limited Contingent Resources (Net to Byron) Gulf of Mexico, Offshore Louisiana, USA			
Contingent Resource 30 June 2017	Oil MMBL	Gas MMCF	MMBOE (6:1)
El 76			
1C	0	0	0
2C	351	567	446
3C	421	680	534
Total Contingent Resource	772	1,247	980
Grand Total			
1C	0	0	0
2C	351	567	446
3C	421	680	534
Total Contingent Resource (2017)	772	1,247	980
Total Contingent Resource (2016)	222	73,654	12,498

Variation in Contingent Resource

The reduction in contingent resource from 30 June 2016 to 30 June 2017 is due to removal of GI 95 from contingent resource following relinquishment of the GI 95 leases, as reported to the ASX on 28 September 2016, partly offset by the re-classification of El 63/76 from reserves to contingent resource.

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Appendix D - Prospective Resources as at 30 June 2017

Byron Energy Limited Prospective Resources (Net to Byron) Gulf of Mexico, Offshore Louisiana, USA			
Best Estimate Unrisked 30 June 2017	Oil MMBL	Gas MMCF	MMBOE (6:1)
SM 71			
Total Prospective Resource	2,402	21,495	5,985
SM 57 / 59 / 74			
Total Prospective Resource	22,961	240,118	62,981
EI 76			
Total Prospective Resource	7,075	170,261	35,452
Bivouac Peak			
Total Prospective Resource	10,721	119,126	30,575
Grand Total			
Total Prospective Resource (2017)	43,159	551,000	134,993
Total Prospective Resource (2016)	20,180	333,359	75,740

Movement between 2016 and 2017			
As at 30 June 2016	20,180	333,359	75,740
Additions			
- SM 57 / 59 / 74	22,961	240,118	62,981
Revisions			
- SM 71	360	19,506	3,611
- EI 63/76	-37	-1,529	-292
- Bivouac Peak	-1	2	0
Removals			
- GI 95*	-304	-40,456	-7,047
As at 30 June 2017	43,159	551,000	134,993

* GI 95 was relinquished in September 2016 and re-leased in September 2017

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

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Variation in Prospective Resource

The increase in prospective resource from 30 June 2016 to 30 June 2017 is due to increase in prospective resource for SM 71 and inclusion of prospective resource for SM 57/59/74 partly offset by removal of GI 95 prospective resource after GI 95 lease was relinquished (see ASX announcement dated 28 September 2016).

The SM 57/59/74 in-house preliminary prospective resource estimate net to Byron of 22.4 mmbbl and 156.8bcf was announced on 19 July 2017. The Collarini estimate of SM 57/59/74 prospective resource net to Byron, of 23.0 mmbbl and 240.1 bcf is 30% above (on mmboe basis) the in-house estimate reflecting the ongoing technical evaluation and continued maturation of mapped prospects within the SM57/59/74 areas.

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Appendix E - Notes to Annual Reserves and Resources Statement

Reserves and Resources Governance

Byron's reserves estimates are compiled annually. Byron engages Collarini and Associates, a qualified external petroleum engineering consultant, to conduct an independent assessment of the Company's reserves. Collarini and Associates is an independent petroleum engineering consulting firm that has been providing petroleum consulting services in the USA for more than fifteen years. Collarini and Associates does not have any financial interest or own any shares in the Company. The fees paid to Collarini and Associates are not contingent on the reserves outcome of the reserves report.

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 Statement 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 and resource 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. This 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.

Pricing Assumptions

Oil prices used in this report represent consensus (Citi Research July 14, 2017 Bloomberg Street Consensus), starting on January 1, 2018, of \$56.00 per barrel, with a final price of \$62.00 per barrel on January 1, 2020, and held constant thereafter. Gas prices used in this report represent a Henry Hub base, starting on January 1, 2018, of \$3.14 per MMBtu, rising to a final price of \$3.19 per MMBtu on January 1, 2020, and held constant thereafter. These prices were adjusted to account for transportation cost, basis difference, and oil gravity.

ASX Reserves and Resources Reporting Notes

- (i) The reserves, contingent resources and prospective resources information in this document is effective as at 30 June, 2017 (Listing Rule (LR) 5.25.1)
- (ii) The reserves, contingent resources and prospective resources information in this document has been estimated and is classified in accordance with SPE-PRMS (Society of Petroleum Engineers - Petroleum Resources Management System) (LR 5.25.2)
- (iii) The reserves, contingent resources and prospective resources information in this document is reported according to the Company's economic interest in each of the reserves, contingent resource and prospective resource net of royalties (LR 5.25.5)
- (iv) The reserves, contingent resources and prospective resources information in this document has been estimated and prepared using the deterministic method (LR 5.25.6)
- (v) The reserves, contingent resources and prospective resources information in this document has been estimated using a 6:1 BOE conversion ratio for gas to oil; 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency (LR 5.25.7)
- (vi) The reserves, contingent resources and prospective resources information in this document has been estimated on the basis that products are sold on the spot market with delivery at the sales point on the production facilities (LR 5.26.5)

- (vii) The method of aggregation used in calculating estimated reserves was the arithmetic summation by category of reserves. As a result of the arithmetic aggregation of the field totals, the aggregate 1P may be a very conservative estimate and the aggregate 3P may be a very optimistic estimate due to the portfolio effects of arithmetic summation (LR 5.26.7 & 5.26.8)
- (viii) Prospective resources are reported on a best estimate basis (LR 5.28.1)
- (ix) For prospective resources, 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 (LR 5.28.2)
- (x) All of Byron's reserve, contingent resources and prospective resources are located in the shallow waters of the Gulf of Mexico, offshore Louisiana; furthermore, all of Byron's reserves are undeveloped as at 30 June 2017 (LR 5.39.1)

Contingent Resources Material Oil and Gas Projects – EI 63/76

LR 5.33.1 Permits or Licenses	Eugene Island Block 63/76 ("EI 63/76") is located in the shallow waters of the Gulf of Mexico, offshore Louisiana, USA
LR 5.33.2 The basis for confirming the existence of a significant quantity of potentially moveable hydrocarbons and the determination of a discovery	EI 63/76 – producibility of contingent resources is based on close analogy to nearby production from similar stratigraphic sands and which exhibit a similar trapping styles of adjacent blocks EI 62 and 77.
LR 5.33.3 A brief description of:	
- Analytical procedures used to estimate the contingent resources	EI 63/76 – Contingent resources are estimated using a combination of structure mapping from proprietary RTM processed 3 D seismic. In addition, well logs and production histories of previously producing wells on this block and adjacent blocks have been incorporated into the evaluations.
- Key contingencies	EI 63/76 – EI 63/76 has been reclassified from Reserves to Contingent Resource given the Company's focus in its oilier projects. The EI 63/76 leases expire in May 2018 which is an additional factor contributing to reclassification to Contingent Resource. Byron will investigate farm-out opportunities for 63/76.
- Any further appraisal drilling and evaluation work to be undertaken to assess the potential for commercial recovery, and to progress the "material oil and gas project"	EI 63/76 – This project is targeting contingent resources and will require production infrastructure to be constructed, subject to successful drilling, as there is no existing production infrastructure in these blocks.
LR 5.33.4 – If the reported estimates of contingent resources are contingent on technology under development, a brief explanation of: - whether the technology is under active development; - whether a pilot for the technology is planned and budgeted; and - whether the technology has been demonstrated to be commercially viable in analogous reservoirs and, if not, whether it has been demonstrated to be commercially viable in other reservoirs	EI 63/76 - not applicable as reported estimates of contingent resources are not contingent on technology under development.
LR 5.33.5 – Unconventional petroleum resources	EI 63/76 - not applicable as EI 63/76 is not an unconventional petroleum project.