

4 December 2017

ASX Release
SM 71 F2 Well Drilling Ahead

- **SM 71 F2 well has spudded and is drilling ahead at 564 ft MD**
- **SM 71 F2 is the second well on the Byron operated SM 71 block**
- **Drilling and evaluation time is expected to be approximately one month**

Byron Energy Limited ("Byron or the Company") (ASX:BYE) is pleased to advise that the EnSCO 68 jack-up rig has spudded the Byron operated OCS G-34266 #F-2 well ("F2") on South Marsh Island Block 71 ("SM 71). As announced on 22 November 2017 the SM71 F Byron operated production platform has been successfully installed.

Currently, at 9.45 pm USA Central Standard Time, 3 December 2017, the F2 well is drilling ahead at 564 ft (Measured Depth ("MD")). 16-inch conductor pipe will be set at 800 ft MD.



The EnSCO 68 independent leg jack up drilling rig under tow on November 26, 2017 in the Gulf of Mexico

For personal use only

The SM71 F2 well is being drilled to test two targets: the D5 Sand and the B65 Sand. The primary target in the F2 well is the D5 Sand which has been ascribed 625,000 barrels of oil equivalent* net to Byron, in the probable category, by Collarini and will serve to extend the D5 proven reserves down-dip from the F1 well. The secondary target, the B65 Sand, has the potential to add significant reserves to the SM71 project. Collarini Associates (“Collarini”), an independent petroleum engineering consultant (based in Houston, Texas) has attributed 1.6 million barrels of oil equivalent* net to Byron as prospective resources in the B65 Sand. The 8,965 ft/2,733 metres MD (7,555 ft/2,303 metres TVD) F2 well is estimated to take approximately one month to drill total depth and evaluate from the spud date.

Byron, through its wholly owned subsidiary Byron Energy Inc. is the operator of SM71 and has a 50% working interest and a 40.625% net revenue interest in SM 71. Otto Energy Limited group (ASX: OEL) holds the remaining interest in SM 71.

Byron will issue progress reports on the SM71 F2 as material developments occur.

Byron’s CEO, Maynard Smith, commented: *“Byron is very pleased to spud the F2 well on our SM 71 oil project. F2 is an exciting and potentially high impact oil play for our shareholders. While the primary target is the D5 sand, with potential to extend the D5 proven reserves down-dip from the F1 well, the opportunity to drill test the B65 sand, on the way down to the D5, at no extra cost, is where the real upside is. It is particularly pleasing to be drilling this well and heading towards production at a time of improving oil prices.”*

**The reserves and resources referred to in this release were reported on 28 September 2017 (refer to the Company’s ASX announcement dated 28 September 2017) and were prepared by Collarini and Associates, Houston, TX.*

SM71 Project Summary

SM 71 Block	Gulf of Mexico, USA.	Water Depth 137 feet
Operator:	Byron Energy Inc.	<i>WI 50% NRI 40.625%</i>
Partner:	<i>Otto Energy (Louisiana) LLC</i>	<i>WI 50% NRI 40.625%</i>

Byron Energy Inc. SM71 F1 Well – Drilled May 2016 - Four Hydrocarbon Sands Logged

<i>Reserves:</i>	<i>2,269 mboe (2P) *</i>	<i>2,867 mboe (3P) * Net to Byron - all sands</i>
<i>Primary D5 Sand:</i>	<i>938 mboe (2P) *</i>	<i>1,018 mboe (3P) * mboe Net to Byron</i>
<i>Status:</i>	<i>Mudline suspended, waiting completion and facility installation</i>	

Byron Energy Inc SM71 F2 Well – Expected SPUD Date – Late November 2017

<i>Two Target Sands:</i>	<i>B65 Sand (net to Byron)</i>	<i>1,616 mboe (Prospective Resource) *</i>
	<i>D5 Sand (net to Byron)</i>	<i>625 mboe (2P)/ 679 (3P) *</i>

Project Timing:

<i>First Production:</i>	<i>Late January 2018</i>
--------------------------	--------------------------

**The reserves and resources referred to in this release were reported on 28 September 2017 (refer to the Company's ASX announcement dated 28 September 2017) and were prepared by Collarini and Associates, Houston, TX.*

For Further Information Contact:-

Maynard Smith
Chief Executive Officer
+61 2 6685 3115

Peter Love
Investor Relation
+61 7 3121 5674