

22 March 2018

ASX Release

Lease Sale 250 Results and SM71 Update

- Byron is the high bidder on seven leases at the Gulf of Mexico OCS Lease Sale 250
- Three of the new leases will provide additional drilling opportunities near SM71
- Eugene Island leases are considered highly prospective based on proprietary RTM data
- Production start-up is imminent with first oil expected late this week
- Operations to recover the stuck completion assembly in the F3 well are ongoing

Byron Energy Limited (“Byron” or the “Company”) (ASX: BYE) would like to provide the following update on the Company’s participation in Gulf of Mexico OCS Lease Sale 250 and the SM71 oil project.

OCS Lease Sale 250 Update

Byron Energy Inc, a wholly owned subsidiary of the Company, was the apparent high bidder on seven blocks bid at the Gulf of Mexico, Outer Continental Shelf (“OCS”) Lease Sale 250 held in New Orleans, Louisiana on 21 March 2018. An apparent high bid is subject to OCS bid adequacy review and under Bureau of Ocean Energy Management (“BOEM”) rules may be rejected if deemed inadequate. The BOEM review process can take up to 90 days.

The Company exposed approximately \$US2.6 million in gross bonus bids on the following blocks:

Block*	Gross Bonus Amount (\$US000)	Working Interest (“WI”)	Net Revenue Interest (“NRI”)
Eugene Island Area Block 62 (“E162”)	253	100.00%	87.50%
Eugene Island Area Block 63 (“E163”)	253	100.00%	87.50%
Eugene Island Area Block 76 (“E176”)	253	100.00%	87.50%
Eugene Island Area Block 77 (“E177”)	253	100.00%	87.50%
Vermilion Area Block 232 (“VR232”) **	1,101	50.00%**	43.75%**
Vermilion Area Block 251 (“VR251”)	226	100.00%	87.50%
South Marsh Island Area Block 70 (“SM70”)	273	100.00%	87.50%
Byron’s Total Gross Bonus Exposure	2,612		
Byron’s Total Net Bonus Exposure*	1,878		

* See Attachment 1 for lease maps

** W.I. and N.R.I. interest and net bonus amount stated is after Otto Energy (Louisiana) LLC (“Otto”), a wholly owned subsidiary of Otto Energy Limited (ASX:OEL) farm in election for VR 232

Eugene Island Area Blocks 62, 63, 76 and 77 comprise the Eugene Island Block 77 Field, located offshore Louisiana, 110 miles southwest of New Orleans, LA in approximately 25 feet of water. This dome has been a prolific oil and gas producer in the past beginning in 1959 with total production of

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6.5 million barrels of oil and 361 billion cubic feet of gas from 13 pay sands. There is no production on these blocks currently.

Byron previously held the leases over EI63 and 76 but relinquished the leases in January 2018 with the intent of rebidding at Lease Sale 250. Proprietary RTM seismic processing, like that utilised at SM71, was undertaken by Byron over the EI77 salt dome in 2015 and defined several prospective areas.

Three of the Lease Sale 250 blocks, VR232, VR 251, and SM70, are adjacent to the Byron operated South Marsh Island Block 71 ("SM 71") discovery and upon award, will substantially increase Byron's footprint in the South Marsh Island 73 Field. Byron evaluated these blocks with the same high-quality Reverse Time Migrated 3D seismic data and proprietary Inversion processed seismic data used in the discovery of oil and gas at SM71 in 2016. Byron also holds 100% working interests under primary term leases on SM57, 59 and 74.

Byron was high bidder for VR232 at OCS Lease Sale 247 one-year ago, but the bid was rejected by BOEM. An appeal was filed in July 2017 and the Company was informed the appeal had been denied in January 2018. Byron's bid represents the value placed on the block by BOEM. Pursuant to the Participation Agreement, effective 1 December 2015, between Byron Energy Inc, and Otto Energy (Louisiana) LLC ("Otto"), a wholly owned subsidiary of Otto Energy Limited (**ASX: OEL**), Otto has the right to participate for a fifty percent (50%) interest in VR232, or SM74 if Byron's bid is rejected by BOEM. Under that agreement, Otto must pay an amount equal to a gross one hundred thirty-three percent (133%) of Otto's fifty percent (50%) interest share of lease acquisition costs plus a gross fifty percent (50%) of other past costs paid by Byron. Upon the award of VR232, Otto will have no further rights to participate in any blocks or projects under the December 2015 Participation Agreement.

SM71 Operations Update

Over the past week, both the SM71 F1 and F2 wells have been connected to the production manifold in preparation for start-up. In addition, all other piping to allow production has been accomplished and safety systems have been connected and tested. The Bureau of Safety and Environmental Enforcement ("BSEE") conducted the last of its required inspections on 20 March 2018 with no material issues to resolve. Pending final notification, the platform will be approved so that start-up can occur before the end of the week. At that point, both the F1 and F2 wells will be brought into production one by one and tested to establish proper, stable rates.

Byron expects to make its next announcement once the initial wells have been brought on line and flow rates are stabilized to ensure that accurate information is provided to the market. Until then, there will be no further releases unless a material development occurs.

As announced on March 15, 2018, at the end of an otherwise successful sand control operation in the SM71 F3 wellbore, the completion assembly became stuck across the D5 Sand interval. Since then, operations to remove the assembly have been ongoing. Coiled tubing was mobilised to the location and was used to successfully wash out the inside of the drillpipe. Next, the drillpipe was cut above a packer and fishing operations were initiated. Today, at approximately 10:45 am US Central Daylight Time 21 March 2018, while jarring on the stuck tool there were indications that the completion tools may have come free. Fluid losses in the wellbore observed at the time are consistent with expectations for retrieval of the completion tool. Currently, the rig is pulling the drillpipe out of the hole and the results will be known later tonight US time. If the tool is free and comes to the surface, further work will be undertaken to ensure the D5 Sand completion is intact before the F3 well can be placed online. While the current situation is time consuming, it is important that the progressive steps to remove the stuck tool be followed closely to help ensure success.

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 SM71. Otto Energy Limited group holds the remaining interest in SM71.

Byron's CEO Maynard Smith said: *"We are very pleased with the results of Sale 250. Once our bids are awarded, we will have added highly prospective acreage to our already strong position on the SM71 dome and added another high-quality, large impact RTM based project to our portfolio.*

Lease Sale 250 represents another part of our stated strategy of using high tech geophysics to explore for oil and gas in the Gulf of Mexico.

The start-up of production from our SM71 F Platform is a very exciting milestone for our company and our shareholders. We expect to begin production before the end this week and look forward to announcing stabilized rates in the near future.

Our team has performed at a very high level and accomplished another major milestone for our Company. It has been a very well-coordinated effort across multiple disciplines and we want to thank all our vendors, consultants and employees for the excellent work and safe conditions that have prevailed through-out this operation.

Additionally, the support we have received from our shareholders and partner is much appreciated, and we are very excited about the future of our company."

For further information, please contact:

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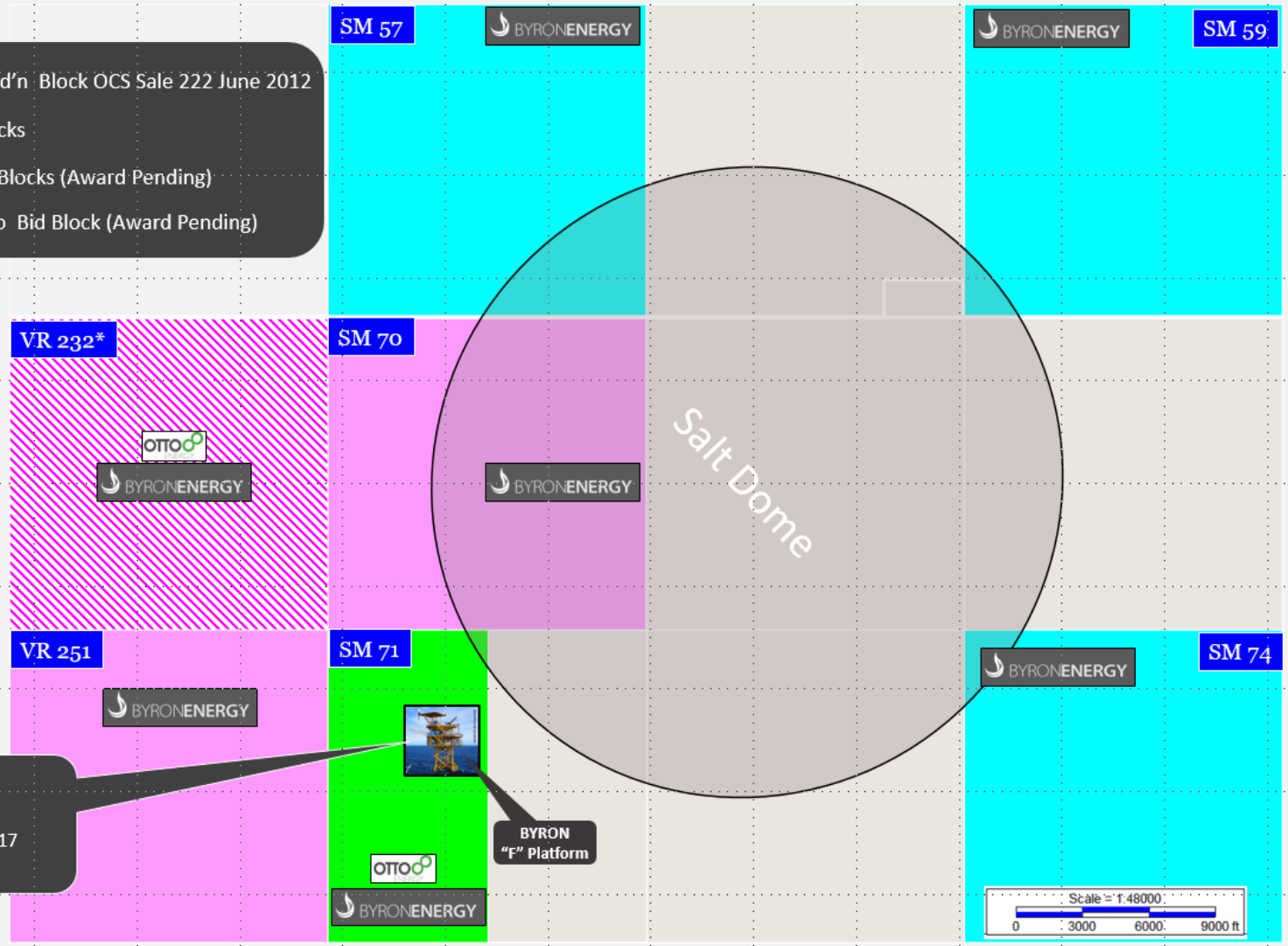
About Byron:

Byron Energy Limited ("Byron or the Company") (**ASX: BYE**) is an independent oil and natural gas exploration and production company, headquartered in Australia, with operations in the shallow water offshore Louisiana in the Gulf of Mexico. The Company has grown through exploration and development and currently has working interests in a portfolio of leases in federal and state waters. Byron's experienced management team has a proven record of accomplishment of advancing high quality oil and gas projects from exploration to production in the shallow water in the Gulf of Mexico. For more information on Byron please visit the Company's website at www.byronenergy.com.au.

SM 71 Dome Focus Area

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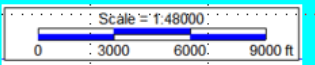
- SM71 JV Lease Byron/Otto Near Prod'n Block OCS Sale 222 June 2012
- OCS Lease Sale 247 2017 Byron Blocks
- OCS Lease Sale 250 2018 Byron Bid Blocks (Award Pending)
- OCS Lease Sale 250 2018 Byron/Otto Bid Block (Award Pending)



SMI 71 Development

- Discovery Well SM71#1 drilled Q2 2016
- Manned tripod installed on location Nov 2017
- F2 & F3 wells drilled in Dec 2017/Jan 2018

BYRON
"F" Platform



Attachment 1 continued

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EI 77 Field Dome

Water Depth	25'
Previous Production	6.5 Mmbo + 361 Bcf
Byron Interest	100% WI, 87.50% NRI
OCS Lease Sale 250, March 2018	Award Pending ■

EI 63

EI 62



EI 76

EI 77

