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ASX Release

SM71 Project Area 3D Seismic Processing Agreement

- **Byron has commenced the largest seismic processing project in company history at SM71**
- **3rd generation RTM and Inversion processing will be obtained over the SM71 project area**
- **This is the same type of geophysical data used to make Byron's SM71 oil discovery**
- **Byron initiated and will solely manage and fund this seismic processing project, utilising its GOM experience and expertise**

Byron Energy Limited ("Byron" or the "Company") (ASX: BYE) is pleased to announce that it has executed an agreement with WesternGeco, a Schlumberger subsidiary, to add additional licensed 3D seismic data to its in-house data inventory and to perform new, high effort seismic data processing over the South Marsh Island 71 ("SM71") project area in the Gulf of Mexico.

Byron will increase its contiguous 3D seismic data coverage in the SM71 project area to a total of 172 square miles (445 square kilometres) or 22 Outer Continental Shelf ("OCS") lease blocks of high-quality 3D seismic. Under the agreement, WesternGeco will also reprocess the data using 3rd generation, high frequency Reverse Time Migration ("RTM") and Kirchhoff PreStack depth migration algorithms to produce broadband, high quality seismic imaging. This will improve the stratigraphic definition within the SM71 project area which is a key to future drilling success. The scope of work is custom-tailored to Byron's imaging objectives adjacent to the SM71 salt dome and is the largest seismic processing project the Company has ever undertaken.

Additional processing work will involve high resolution PreStack inversion processing and reservoir characterization imaging. This data will be used to further evaluate the producing intervals at SM71 and de-risk other prospects on Byron's acreage within the project area.

Schlumberger, through WesternGeco, has long been a worldwide leader in seismic data processing and their RTM processed data played a key role in Byron's oil discovery at SM71. The SM71 project contains Byron's cornerstone oil and gas producing asset at SM71. In May 2016, Byron drilled the initial SM71 F1 well which led to the construction and installation of the Company operated SM71 F Platform in November 2017. Beginning in December 2017, Byron drilled two additional wells and subsequently completed the SM71 F1, F2 and F3 wells. As announced on 26 April 2018, these wells were producing a combined gross 4,650 barrels of oil per day and 3.2 million cubic feet of gas per day. Net daily sales revenue to Byron, based on current prices and rate of production, from oil and gas sales at SM71 is approximately US\$125,000 per day.

Byron's continued strategy in the Gulf of Mexico is to apply the latest geophysical technology in the search for hydrocarbons and the discovery of oil and gas at SM71 is a prime example. The initial SM71 prospect was the result of applying Reverse Time Migrated 3D data to an area of complex stratigraphy and steeply dipping strata near a prolific salt dome. Following the success of the F1 well, seismic inversion processing was utilised

to further refine and delineate other targets encountered in the F2 and F3 wells. The F2 well logged oil pay in the B65 Sand that was originally defined by 3D seismic inversion processing. Given the success of the SM71 wells, Byron has decided to expand its coverage of both RTM data and inversion processing and take advantage of new processing algorithms offered by WesternGeco for both products.

Additional processing deliverables will include RTM and Kirchhoff based Common Depth Point (“CDP”) angle gathers and offset stacks for Amplitude Verses Offset (“AVO”) analysis and a new suite of seismic inversion products to aid in reservoir characterization and understanding.

The processing portion of the project is expected to take about 6 months and will begin immediately. In the interim, Byron has taken delivery of existing data products and has begun evaluating the data. Byron personnel will be closely involved in the processing undertaken by WesternGeco.

As outlined in the Company’s March 2018 Quarterly Activities Report, released to the ASX on 27 April 2018, within the SM71 project area, Byron currently holds leasehold rights (as operator) to four OCS blocks and another three blocks are pending award to Byron as result of OCS Sale 250 held in March 2018. Six blocks are unleased in the project area and the remaining blocks are held by production. Oil and gas production in the project area has totalled 137 million barrels of oil and 2.2 trillion cubic feet of gas.

CEO Comment:

Maynard V. Smith, Byron’s CEO had this to say regarding Byron’s agreement with WesternGeco:

“Byron has a had a long-standing relationship with WesternGeco and we are very happy to be working closely with them again on this project. The key to finding more oil and gas is to use the latest available technology and that is what WesternGeco brings to the table. Using WesternGeco processed RTM data at SM71, we were fortunate to make one the larger oil discoveries on the GOM shelf in recent years and bring it into production.”

“This is the first deployment of cash flow from SM71 and it is being used to fund another round of geophysical and geological technology that we expect will provide an excellent return to our shareholders. Historically, our team has proven itself to be quite adept at expanding its knowledge base within an area and then applying it to create shareholder value. We expect nothing less this time.”

“Other than existing participation rights in relation to VR232 and SM74, outlined in our March 2018 Quarterly Activities Report, there are no other third-party participation rights over our leasehold blocks within the project area, positioning us to seek deals that will be highly beneficial to the Company and leverage our drilling dollars when the time comes to drill.”

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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.