

20 June 2018

ASX Release

Three New Gulf of Mexico Leases Awarded

- **Byron's high bids for SM 70, VR 232 and VR 251 have been deemed acceptable by BOEM**
- **These three blocks offset Byron's SM71 oil development and increase Byron's leasehold footprint in the SM71 Project Area to 7 leases**
- **The Company now has working interests in 13 OCS leases and the 2,500 acre Bivouac Peak private lease**

Byron Energy Limited ("Byron or the Company") (ASX: BYE) is pleased to announce that Byron Energy Inc., a wholly owned subsidiary of the Company, has been advised by the Bureau of Ocean Energy Management ("BOEM") on 19 June, 2018 (USCDT) that its bids for South Marsh Island block 70 ("SM 70"), Vermilion block 232 ("VR 232") and Vermilion block 251 ("VR 251"), at Gulf of Mexico OCS Lease Sale 250 ("OCS Sale 250") held on Wednesday 21 March 2018 in New Orleans, Louisiana, have been deemed acceptable by the BOEM and the leases have now been awarded to Byron.

In the Company's ASX release dated 22 March 2018, we advised that Byron was the apparent high bidder on SM 70, VR 232, and VR 251 along with Eugene Island blocks 62, 63, 76 and 77 which were awarded on 8 June, 2018.

The Company bid US\$1,101,100 for VR 232 as the lease bonus amount. Byron's bid for VR 232 in OCS Lease Sale 247, in March 2017, was rejected and this amount represented the value placed on the block by BOEM. Byron has mapped a gas and gas condensate prospect on the block with in-house calculated gross prospective resource potential of 11 Bcf and 170,000 barrels. This prospect could be tested from the Byron operated SM71 F platform, but there are currently no plans to drill VR 232 until production levels at the platform allow it to be produced efficiently in the event of success. In addition, the Company has identified two other higher risk/higher reward exploration prospects on VR 232 which require further geophysical evaluation before a drilling decision is made.

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 previously elected to participate in the acquisition of VR 232, pending award, for a fifty percent (50%) interest in VR 232. 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 acquisition costs, which includes the dry hole cost of the initial test well, plus a gross fifty percent (50%) of other past costs paid by Byron. In electing to participate in VR 232, each company will own a 50% Working Interest and a 43.75% Net Revenue Interest in the block. Upon the award of VR 232, Otto has no further rights to participate in any blocks or projects, including SM 74, under the December 2015 Participation Agreement.

Byron has identified several higher risk exploratory leads on both VR 251 and SM 70. These leads will be evaluated once Byron completes its South Marsh Island project seismic reprocessing work in late 2018. Byron placed a bid of US\$225,520 for the 5,000 acre VR 251 block and a bid of US\$273,370 for the 5,468 acre SM 70 block. The Company does not currently carry any in-house reserves for either of these blocks.

The table below is a summary of Byron's results from OCS Sale 250. All of these leases are subject to a 12.5% Federal Government royalty.

Block*	Gross Bonus Amount (\$US000)	Working Interest ("WI")	Net Revenue Interest ("NRI")
Eugene Island Area Block 62	253	100.00%	87.50%
Eugene Island Area Block 63	253	100.00%	87.50%
Eugene Island Area Block 76	253	100.00%	87.50%
Eugene Island Area Block 77	253	100.00%	87.50%
Vermilion Area Block 232 **	1,101	50.00%**	43.75%**
Vermilion Area Block 251	226	100.00%	87.50%
South Marsh Island Area Block 70	273	100.00%	87.50%
Byron's Total Gross Bonus	2,612		
Byron's Total Net Bonus	1,878		

* See attachment 1 for detail of SM71 project area

**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) farmin election for VR 232

CEO Comment

Byron's CEO Maynard Smith said:

"Today's news is really great for Byron and its shareholders. We are very pleased to have received all seven of the leases we bid for in Sale 250. This is the culmination of many hours of hard work by the entire Byron team and it is gratifying to see it pay off with the addition of these 3 high-quality projects to our already strong portfolio of 10 OCS leases. We have greatly expanded our footprint in the SM71 area where we now hold working interests in 7 leases. By the end of the year, we will have newly processed Reverse Time Migration seismic data and inversion data over all of these leases."

"We look forward to working with Otto on VR 232 and building further value upon the success of SM 71. Otto has been a very good partner at SM 71 and has displayed great patience after the VR 232 bid was rejected last year. In the end, both companies have picked up a high-quality block with solid reserve potential."

"It has been a very busy and rewarding time for Byron. During the past year, we have constructed and set a new platform in the Gulf of Mexico, drilled two new wells, completed three wells for production and commissioned a new oil producing facility. And now, through Sale 250, we have added a total of seven new blocks to our inventory of future projects. Our team is currently focussed on the final planning for Bivouac Peak as we prepare to initiate the drilling phase of that project in the second half of 2018."

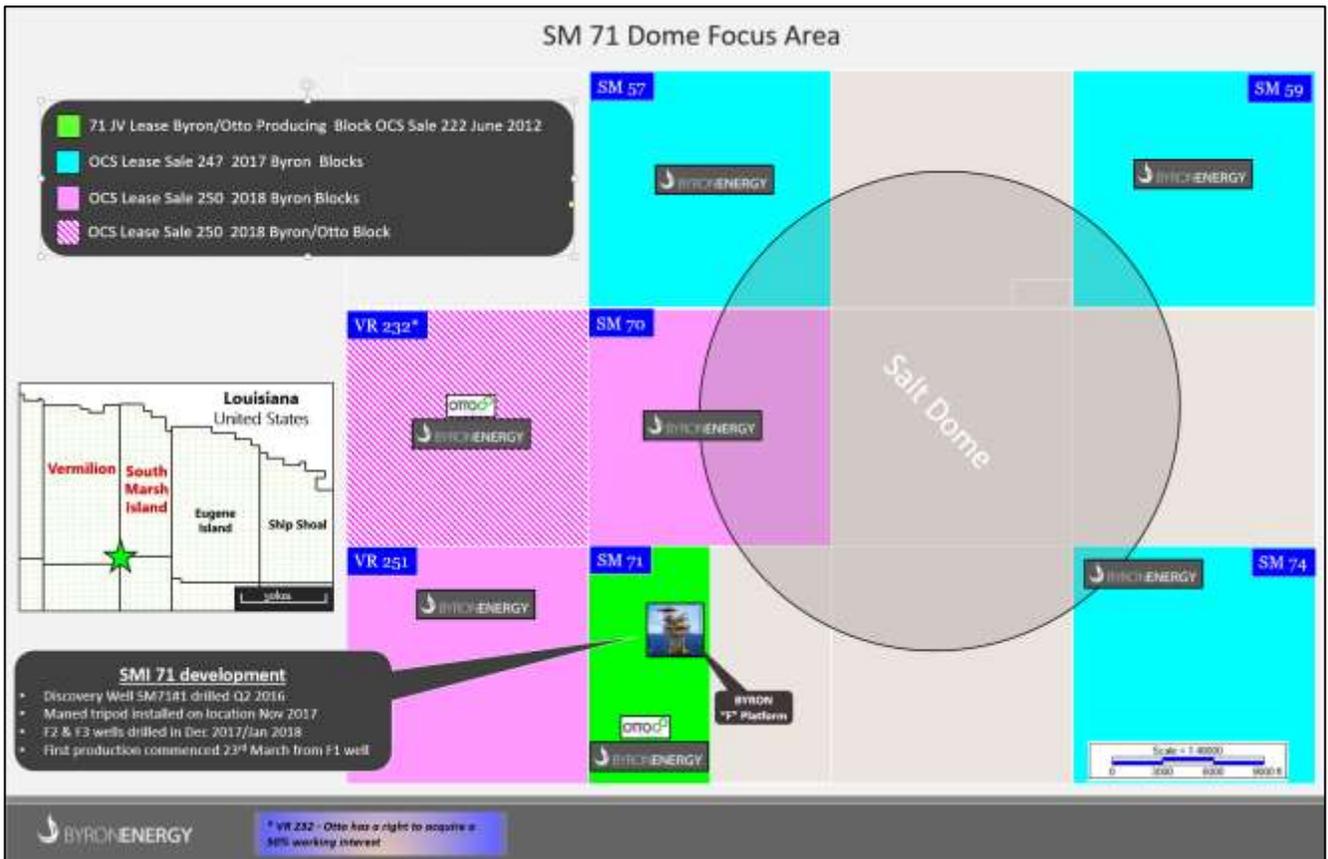
For further information, please contact:

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Attachment 1

For personal use only



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.

Prospective Resources Cautionary Statement

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

Competent Persons Statement

The information in this report that relates to oil and gas prospective resources was compiled by Mr Prent H. Kallenberger (BSc. Geology, MSc. Geophysics.), an Executive Director of Byron Energy Limited. 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 release are based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr Kallenberger. Mr Kallenberger 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.

Prospective Resources Reporting Notes (VR 232 reported for the first time)

(i) The prospective resources information in this document is effective as at 19 June 2018 (Listing Rule (LR) 5.25.1). (ii) The 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 prospective resources information in this document is reported according to the Company's economic interest in each of the reserves and net of royalties (LR 5.25.5). (iv) The prospective resources information in this document has been estimated and prepared using the deterministic method (LR 5.25.6). (v) The 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 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) Prospective resources are reported on a best estimate basis (LR 5.28.1). (viii) 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). (ix) In respect to the prospective resources referred to in this statement, Byron has acquired (VR 232 lease is approx. 4,525 acres) at the BOEM Lease Sale 250 held on March 21, 2018, all of which are located in the shallow waters of the Gulf of Mexico, offshore Louisiana, USA (LR 5.35.1). (x) The prospective resources have been estimated on the following basis (LR 5.35.2):- prospective resources have been identified at previously produced reserves, at the same or deeper stratigraphical levels; a combination of volumetric assessment and field analogues have been used to estimate the Prospective resources; exploration drilling will be required to assess these resources.. (xi) The chance of discovery is considered moderate as the prospective resources are near developed and undeveloped reserves and in a proven oil and gas producing province. There is a risk that exploration will not result in sufficient volumes of oil and/or gas for a commercial development (LR 5.35.3). (xii) Prospective resources are un-risked and have not been adjusted for an associated chance of discovery and a chance of development (LR 5.35.4).