

ASX Release
First Bivouac Peak Test Well Fully Committed

- **All partners now committed to drilling of the Bivouac Peak East Prospect**
- **Bivouac Peak East is a high potential exploration prospect**
- **Initial test well expected to spud in the second half of August 2018**
- **Byron increases its working interest in Bivouac Peak by 3% to 43%**

Byron Energy Limited (“Byron” or the “Company”) (ASX: BYE) is pleased to announce that all partners have now formally elected to participate in the drilling of the initial test well in the Bivouac Peak Prospect Area. The initial test well is expected to spud in the second half of August.

Byron has recently proposed and, Otto Energy Limited (ASX: OEL) (“Otto”), Metgasco Limited (ASX: MEL) (“Metgasco”), and NOLA Oil and Gas Ventures LLC (“NOLA”) have all elected to participate in the Weiss-Adler et. al. No. 1 well to be drilled to a depth of 18,294 ft MD/18,000 ft TVD to test the Bivouac Peak East Prospect.

As part of finalisation of the commitment to drill, the participation interests have been restructured. Byron Energy Inc, a wholly owned subsidiary of the Company, remains as the operator.

Participant	New Working Interest	Previous Working Interest
Byron (operator)	43.00%	40%
Otto	40.00%	45%
Metgasco	10.00%	10%
NOLA	7.00%	5.00%
	100.00%	100.00%

The initial test well is designed to test the Bivouac Peak East Prospect, targeting a mapped gross prospective resource of 125.6 billion cubic feet (“Bcf”) and 11.3 million barrels oil (“Mmbo”) (32.2 million barrels oil equivalent (“Mboe”). The Bivouac Peak project area comprises two prospects, the Bivouac Peak East Prospect and the Deep Prospect. As reported in Byron’s 2017 annual reserve and prospective resources report, the total gross prospective resources for the two combined prospects at Bivouac Peak are estimated at 16.0 Mmbo and 177.7 Bcf (45.6 Mmboe). After allowing for the earn in by Otto and Metgasco, Byron’s share of total Bivouac Peak prospective resource would be 5.1Mmbo and 56.9 Bcf (14.6 Mmboe), net after royalties. Although the prospects are independent, success at the East Prospect would provide positive seismic calibration potentially reducing risk at the Deep Prospect as well.

By electing to participate in the initial test well both Otto and Metgasco have agreed to pay their previously agreed disproportionate share of the first US\$10.0 million of drilling costs for drilling of the initial test well to

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earn into the prospect, and their proportionate share of costs thereafter. Drilling costs for the first well are currently estimated at US\$10.8 million. Otto and Metgasco will pay 53.33% and 13.33% respectively of the first \$10.0 million of drilling costs (Otto US\$5.33 million and Metgasco US\$1.33 million). Byron and NOLA will pay 26.33% and 7.00% respectively of the first \$10.0 million of costs (Byron US\$2.63 million and NOLA US\$0.7 million). Drilling costs for the first well are currently estimated at US\$10.8 million. Any drilling costs above US\$10.0 million in respect of the initial Bivouac Peak test well and all future expenditure on the leases will be in accordance with relevant participating interests (Byron 43%, Otto 40%, Metgasco 10% and NOLA 7%).

As previously reported, the all necessary permits from the State of Louisiana and the US Army Corps of Engineers have been approved.

Byron is finalising the engagement of a drilling contractor and is well advanced in securing all other downhole and surface service providers to allow the drilling operation to begin second half of August 2018. Site preparation work will begin in early August. Subsequent to completion of site work, the shallow water barge drilling rig will be towed to the location and the drilling phase will begin. The well is expected to take approximately 75 days to reach total depth.

In case of success, completion and development costs to first production are currently estimated in the range of US\$9.0-11.0 million (gross). Should the well be productive, it is currently estimated that this well would commence production within 8-10 months following drilling of the initial test well.

CEO Comment

Maynard Smith, Byron's CEO had this to say regarding Bivouac Peak:

"We welcome the commitment of our partners to drill the initial test well on Byron's Bivouac Peak prospect. Election to participate by all of our partners clears the way for drilling of this high potential prospect. Byron initially utilised advanced 3D seismic to identify multiple exploration objectives on the acreage which lies within a regionally proven trend with prolific Miocene production. Subsequent evaluation and re-processing of 3D seismic data has matured drilling targets, including Bivouac Peak East. Increasing our equity by 3% in this project confirms our belief in the technical merit and commercial prospects of Bivouac Peak. We look forward to the commencement of drilling operations."

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.

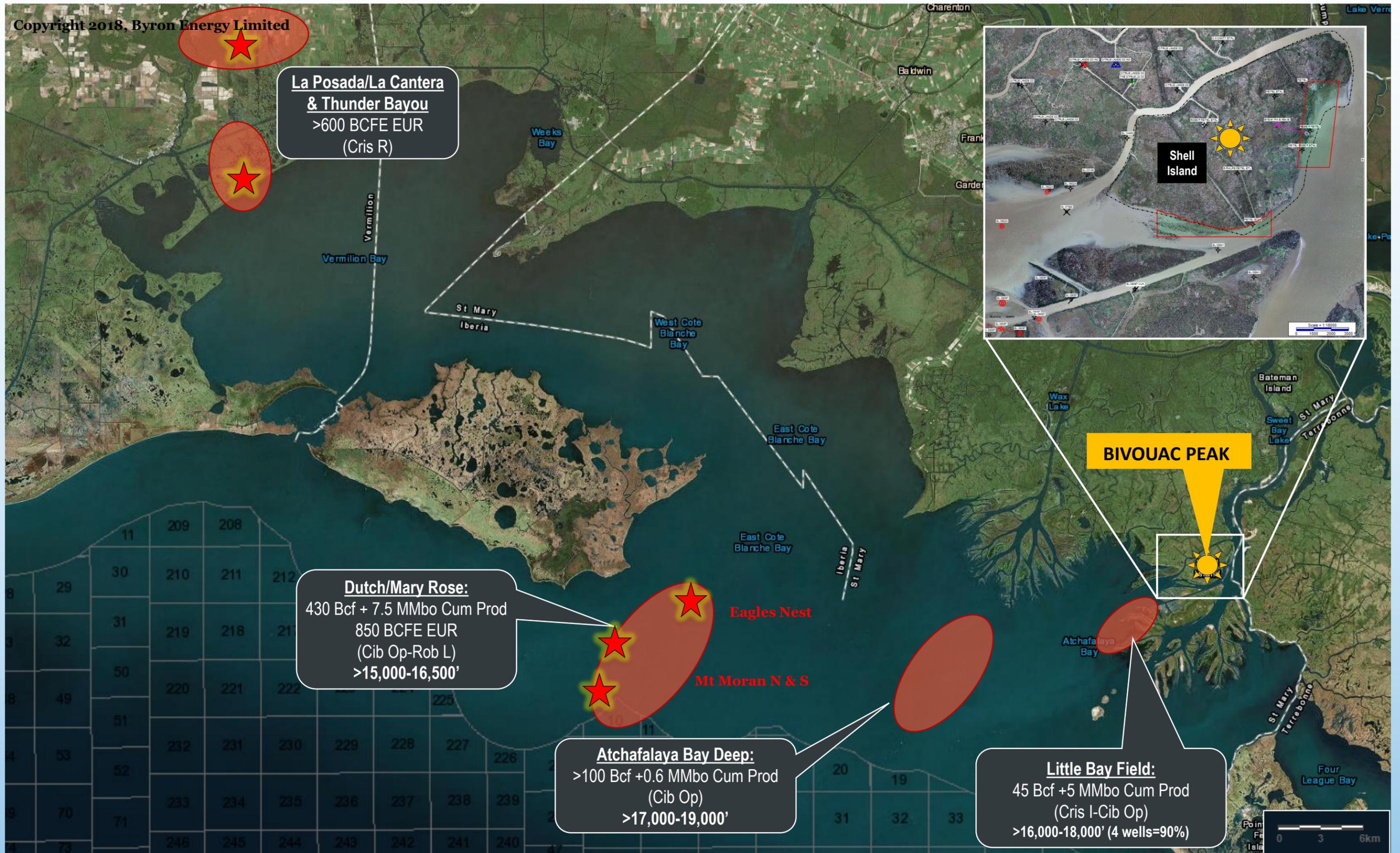
Prospective Resources – Information in respect of LR 5.25

- (i) Prospective resource estimates in this report for the Bivouac Peak Prospect Area were first reported in the Company's ASX release, Byron Energy Independent Reserves and Resources, dated 28 September 2017.
- (ii) The prospective resource information in this document:-
- a. is effective as at 30 June, 2017 (Listing Rule (LR) 5.25.1)
 - b. has been estimated and is classified in accordance with SPE-PRMS (Society of Petroleum Engineers - Petroleum Resources Management System) (LR 5.25.2)
 - c. is reported according to the Company's economic interest in the prospective resource net of royalties (LR 5.25.5)
 - d. has been estimated and prepared using the deterministic method (LR 5.25.6)
 - e. 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)
 - f. is reported on a best estimate basis (LR 5.28.1).

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).

Bivouac Peak Regional Map - LA Transition Zone

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Bivouac Peak Lease Map

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