

ASX Release

Purchase of Platform for Future Development

- **Purchase of a production platform, which can be utilised on any future Byron development, completed**
- **Cost savings in the order of \$4 million are expected with 'buy versus build' and expedited first production cycle time expected to be reduced by an estimated 6-9 months**

Byron Energy Ltd. ("Byron or the Company") (ASX: BYE) is pleased to advise that it has purchased a production platform consisting of two decks, a jacket and production equipment from a private company for a total price of \$US1.0 million. This price comprises the cost of the entire facility with production equipment and the cost to offload both decks and the jacket from barges after it is removed and transported to a construction yard of Byron's choice.

Significant time savings of 6 – 9 months and cost savings in the order of \$US4 million are expected through the purchase of this facility. Overall, the modifications to the facility are moderate. The jacket will require modifications to accommodate the 130' feet of water depth in the South Marsh Island area. Additional well slots can also be added to bring the total available well slots from six to nine. The entire facility will be painted before it is installed. Much of the production equipment can be utilised and will be removed, refurbished, repainted and reinstalled.

Because the bulk of engineering design work is already done, engineering costs and design time will also be substantially lower. Currently, it is estimated Byron could reduce cycle time to first production by anywhere from six to nine months by acquiring this platform.

While this structure could be used at any of Byron's South Marsh Island leases and the deck package could be used at any of Byron's Eugene Island leases, the Company currently expects that it is likely to be used on SM58, assuming the future SM58 #1 well is a commercial discovery. The topside structure is expected to remain in the fabrication yard, requiring little further expenditure until the drilling of SM 58#1 well is concluded.

The four-pile platform was utilised primarily as a gas production facility and was designed for about 180 feet of water. Photographs of the platform are attached to this release.

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CEO Comment:

Maynard Smith, CEO of Byron, said:

“We are very pleased to have secured this facility, another example of the ability of Byron’s US team to implement shareholder friendly capital conservation initiatives. This topside structure is a rare find and provides us flexibility on any of our projects while significantly reducing capital needs and time to first production.”

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.

Forward Looking Statements

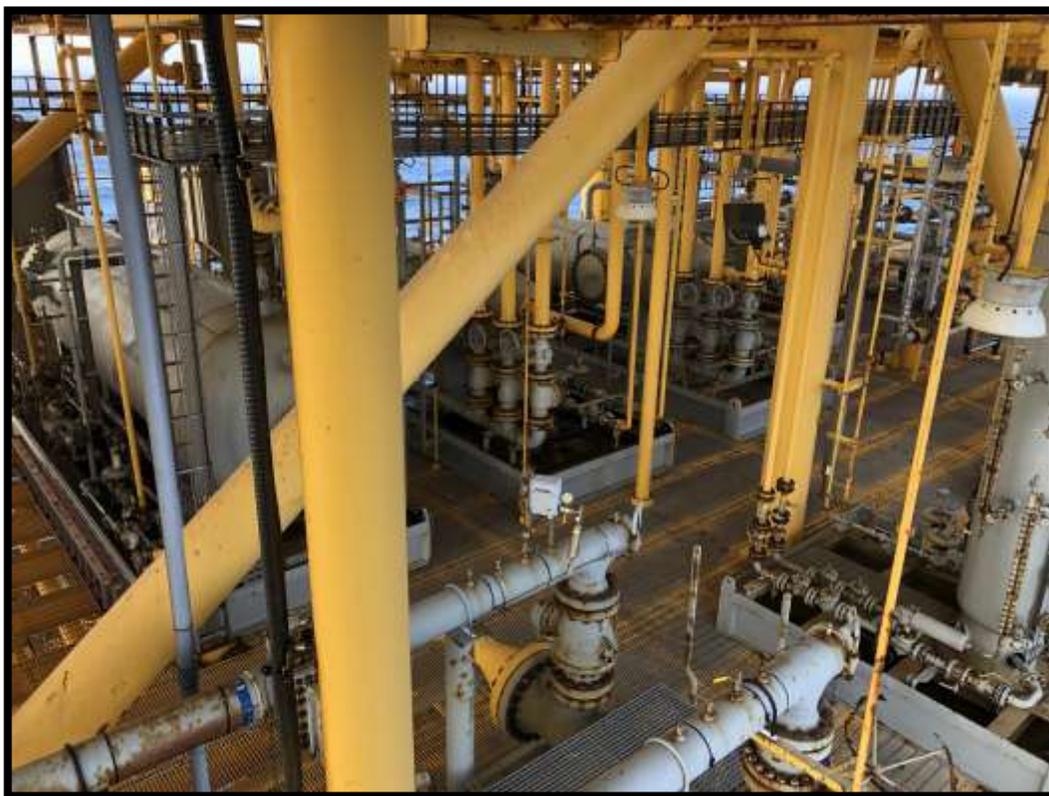
This release may contain forward-looking information. Forward-looking information is generally identifiable by the terminology used, such as "expect", "believe", "estimate", "should", "anticipate" and "potential" or other similar wording. Forward-looking information in this document includes, but is not limited to, references to: well drilling programs and drilling plans, estimates of potentially recoverable resources, and information on future production and project start-ups. By their very nature, the forward-looking statements contained in this document require Byron and its management to make assumptions that may not materialise or that may not be accurate. Although Byron believes its expectations reflected in these statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.



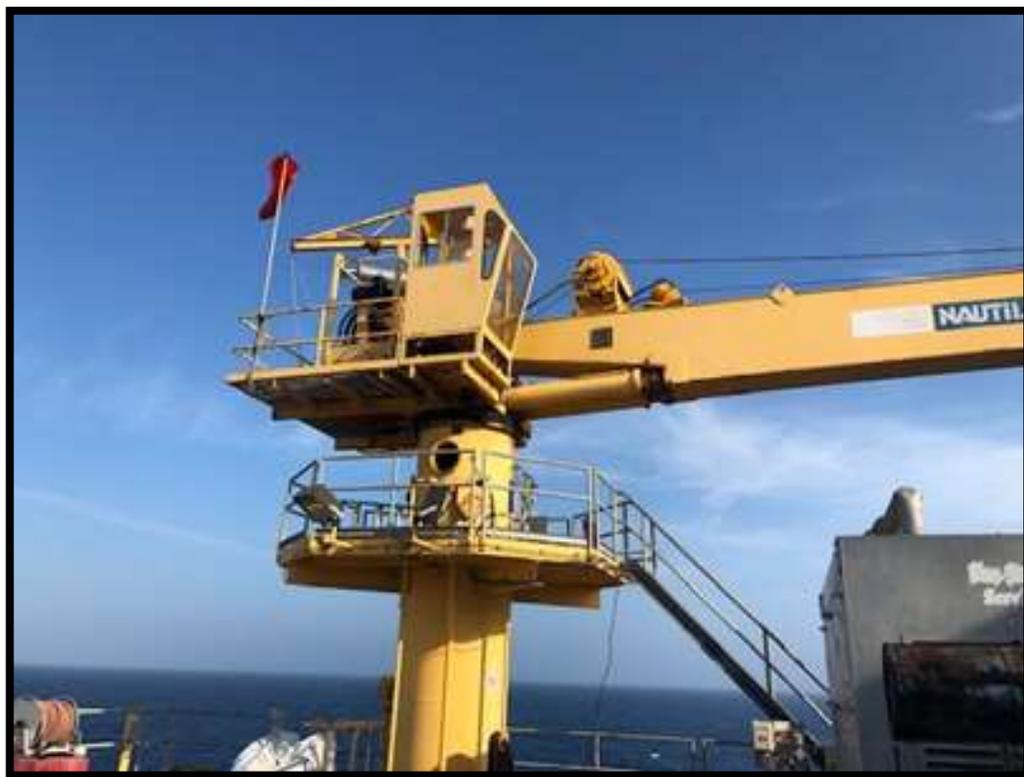
Purchased Production Platform



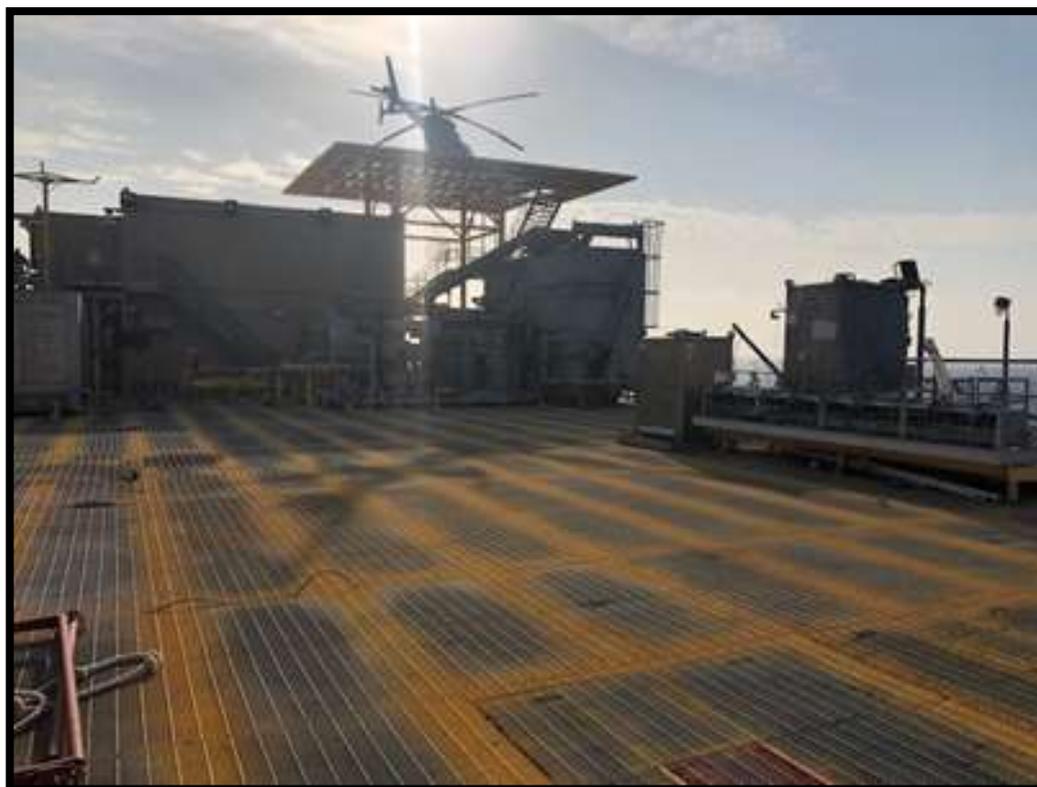
Water Skimmer



Production Deck



Crane and Pedestal



Top Deck and Grating Condition