

30 June 2014

ASX Release
Byron Energy SM 6 #1 BP01 Drilling Update – No. 12

On June 27, 2014 Byron Energy Limited (“Byron or the Company”) (ASX:BYE) advised that at 4.00 pm on June 26 2014 (USA Central time) the Byron Energy SM6 #1 BP01 well (“SM6 #1 BP01”) was re-establishing complete circulation in preparation to trip out of the hole and resume operations. Circulation was re-established at a depth of 7,424 feet (2,263 metres) measured depth, 7,377 feet (2,249 metres) true vertical depth, and background gas has fallen to less than 50 units. In order to control the gas kick, the mud weight was increased. This necessary step unfortunately resulted in the drill pipe becoming stuck. Stretch measurements indicate that the drill pipe is differentially stuck just below the 8 5/8" casing shoe at 4,600 feet (1,402 metres).

At 4.00 pm June 29, 2014 (USA Central time) the Company is continuing with attempts to free the differentially stuck drill pipe.

Whilst attempting to re-establish circulation, a second gas kick was experienced measuring 2,965 units. This was accompanied by a moderate mud log show from the bottom of 7 (seven) feet (2 metres) of the hole. Analysis of this mud log show indicated the presence of 3% sand in the cuttings which had good fluorescence with streaming cut. These factors can be indicative of an oil or condensate bearing rock. This show is close to the pre-drill mapped depth of the primary target G20 Sand. The net thickness of the interval and the economic significance of this zone cannot be determined unless and until drilling has recommenced and electric logs have been run.

The SM6 #1 BP01 well is located in South Marsh Island Block 6 (“SM 6”), offshore Louisiana, 216 km southwest of New Orleans, Louisiana, USA, in a water depth of approximately 65 feet (20 metres). Byron, through a wholly owned subsidiary Byron Energy Inc. (the operator), has a 100% working interest and an 81.25% net revenue interest in SM 6.

Byron will provide further progress drilling reports as material information becomes available.

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