

**10 November 2014**

**ASX Release  
Addendum to Byron Energy 2014 Annual Report**

Byron Energy Limited (“Byron or the Company”) (ASX:BYE) provides the following addendum to the Annual Report for the year ended 30 June 2014 in accordance with ASX Listing Rule 5.39.

As at 30 June 2014 Byron has 16 blocks in the shallow waters of the Gulf of Mexico, offshore Louisiana, USA. At this stage reserves and/or prospective resources have been attributed to four projects, covering six leases, comprising SM 6, SM 70/71 (“SM 71”), EI 63/76 (“EI 76”) and GI 95. The remaining leases cover projects at an early stage of exploration and have not had any reserves or prospective resources assigned to them.

The independent reserves estimates were prepared by Collarini Associates (“Collarini”), based in Houston, Texas, USA, in line with the classification and reporting requirements of the Petroleum Resources Management System (“SPE-PRMS”) as now required by Australian Securities Exchange Listing Rule 5.

The undeveloped reserves, net to Byron, for each of SM 6, SM 71, EI 76 and GI 95 and in aggregate are shown in the table on page 2.

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Byron Energy Limited Reserves (Net to Byron) Gulf of Mexico, Offshore Louisiana, USA			
Reserve Class 30 June 2014	Oil MBBL*	Gas MMCF*	MBOE (6:1)*
<b><u>SM 6 (Undeveloped)</u></b>			
<b>Proved (1P)</b>	<b>1,193</b>	<b>13,908</b>	<b>3,511</b>
Probable Reserves	1,797	3,368	2,358
<b>Proved and Probable (2P)</b>	<b>2,990</b>	<b>17,276</b>	<b>5,869</b>
Possible Reserves#	1,344	-3,944	687
<b>Proved, Probable &amp; Possible (3P)</b>	<b>4,334</b>	<b>13,332</b>	<b>6,556</b>
<b><u>SM 71 (Undeveloped)</u></b>			
<b>Proved (1P)</b>	<b>664</b>	<b>358</b>	<b>724</b>
Probable Reserves	257	139	280
<b>Proved and Probable (2P)</b>	<b>921</b>	<b>497</b>	<b>1,004</b>
Possible Reserves	475	256	518
<b>Proved, Probable &amp; Possible (3P)</b>	<b>1,396</b>	<b>753</b>	<b>1,522</b>
<b><u>EI 76 (Undeveloped)</u></b>			
<b>Proved (1P)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Probable Reserves	706	1,141	896
<b>Proved and Probable (2P)</b>	<b>706</b>	<b>1,141</b>	<b>896</b>
Possible Reserves	261	421	331
<b>Proved, Probable &amp; Possible (3P)</b>	<b>967</b>	<b>1,562</b>	<b>1,227</b>
<b><u>GI 95 (Undeveloped)</u></b>			
<b>Proved (1P)</b>	<b>26</b>	<b>12,939</b>	<b>2,183</b>
Probable Reserves	147	38,248	6,521
<b>Proved and Probable (2P)</b>	<b>173</b>	<b>51,187</b>	<b>8,704</b>
Possible Reserves	52	22,467	3,797
<b>Proved, Probable &amp; Possible (3P)</b>	<b>225</b>	<b>73,654</b>	<b>12,501</b>
<b><u>Grand Total (Undeveloped)</u></b>			
<b>Proved (1P)</b>	<b>1,883</b>	<b>27,205</b>	<b>6,418</b>
Probable Reserves	2,907	42,896	10,055
<b>Proved and Probable (2P)</b>	<b>4,790</b>	<b>70,101</b>	<b>16,473</b>
Possible Reserves	2,132	19,200	5,333
<b>Proved, Probable &amp; Possible (3P)</b>	<b>6,922</b>	<b>89,301</b>	<b>21,806</b>
<p># Possible gas reserves are negative because two reservoirs that are treated as gas bearing for the proved and probable cases are treated as oil bearing for the possible case. This results in a reduction in total gas reserves with an increase in total oil reserves. The reductions in gas reserves for the possible cases appear as a negative value.</p>			

\*MBBL = thousand barrels; MMCF = million cubic feet; MBOE = thousand barrels of oil equivalent ("BOE") with a BOE determined using a ratio of 6,000 cubic feet of natural gas to one barrel of oil – 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency.

A reconciliation showing movements in reserves between the 2013 Annual Report and 2014 Annual Report is shown in the table below.

<b>Byron Energy Limited Reserves Reconciliation (Net to Byron)</b> <b>Gulf of Mexico, Offshore Louisiana, USA</b>			
<b>MBOE (6:1 conversion ratio)</b>	<b>1P Reserves</b>	<b>2P Reserves</b>	<b>3P Reserves</b>
<b>2013 Annual report (1 August, 2012)</b>	<b>6,536</b>	<b>16,428</b>	<b>35,278</b>
<b>Production</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Changes*</b>	<b>-118</b>	<b>45</b>	<b>-13,472</b>
<b>2014 Annual Report (30 June, 2014)</b>	<b>6,418</b>	<b>16,473</b>	<b>21,806</b>

\* 3P change mainly due to relinquishment of WC 490 and WC 472 area leases during the year ended 30 June 2014

In addition to the reserves, the combined best case un-risked prospective resources for each of SM 6, SMI 71, EI 76 and GI 95 and in aggregate are shown in the table below.

<b>Byron Energy Limited Prospective Resources (net to Byron)</b> <b>Gulf of Mexico, Offshore Louisiana, USA</b>			
<b>Best Estimate Unrisked 30 June 2014</b>	<b>Oil MBBL</b>	<b>Gas MMCF</b>	<b>MBOE (6:1)</b>
<b><u>SM 6</u></b>			
<b>Total Prospective Resource</b>	<b>7,205</b>	<b>118,396</b>	<b>26,938</b>
<b><u>SM 71</u></b>			
<b>Total Prospective Resource</b>	<b>1,661</b>	<b>746</b>	<b>1,785</b>
<b><u>EI 76</u></b>			
<b>Total Prospective Resource</b>	<b>2,583</b>	<b>114,894</b>	<b>21,732</b>
<b><u>GI 95</u></b>			
<b>Total Prospective Resource</b>	<b>304</b>	<b>40,456</b>	<b>7,047</b>
<b><u>Grand Total</u></b>			
<b>Total Prospective Resource*</b>	<b>11,753</b>	<b>274,492</b>	<b>57,502</b>

\*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.

### **Reserves and Resources Methodology**

*The deterministic method has been used to compile Reserves and Resource estimates. The aggregate 1P may be a very conservative estimate and the aggregate 3P may be a very optimistic estimate due to the portfolio effects of arithmetic summation. Prospective Resources have not been adjusted for risk using the chance of discovery.*

### **Reserves and Resources Governance**

*Byron obtains oil and gas reserves and resources reports from independent consultants it deems suitably qualified and knowledgeable in the Company's area of focus. As at 30 June 2014 the independent reserves and resources estimate was prepared by Collarini Associates ("Collarini"), based in Houston, Texas, USA in accordance with the classification and reporting requirements of the Petroleum Resources Management System ("SPE-PRMS") as now required by Australian Securities Exchange ("ASX") Listing Rule 5. Collarini is an independent third party reserves and resources evaluator qualified in accordance with ASX Listing Rule requirements.*

*This is the first reserves and resources report prepared pursuant to ASX Listing Rule 5. Going forward, the Company will undertake a review of all of its reserves and resources at least once a year, at 30 June.*

### **Competent Persons Statement**

*The information in this report that relates to oil and gas reserves and resources was compiled by technical employees of independent consultants Collarini and Associates, under the supervision of Mr Mitch Reece BSc PE. Mr Reece is the President of Collarini and Associates and is a registered professional engineer in the State of Texas and a member of the Society of Petroleum Evaluation Engineers (SPEE), Society of Petroleum Engineers (SPE), and American Petroleum Institute (API). 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 Statement are based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr Reece. Mr Reece 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.*

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