26 April 2018

ASX Release

Operational Update: SM71 F Platform Performance

- **Total production to date is 83,000 bbls of oil and 55.5 mm cubic feet of natural gas**
- **SM71 F Platform daily sales volumes are averaging 4,650 bopd and 3,200 mcfgpd**
- **Byron's net sales revenue is approximately USD$125,000 per day at the current rate of production based on $68 WTI per barrel oil and excluding lease operating costs**

Byron Energy Limited ("Byron" or the "Company") (ASX: BYE) is very pleased to provide the following update on platform production and oil and gas sales volumes at the Company's flagship South Marsh Island Block 71 oil project.

Production from the Byron operated SM71 F platform began on 23 March 2018 when the SM71 F1 and F2 wells were opened to sales. The SM71 F3 began production on 6 April 2018. All three wells have been on production since 6 April 2018. From 23 March 2018 to 25 April 2018 (0700 hours USCDT), the three wells have combined to produce a total gross sales volume of 83,000 barrels of oil and 55.5 mm cubic feet of natural gas.

On 9 April 2018, Byron advised the market that the pipeline carrying oil to sales from the SM71 F platform would be shut in for a short period due to maintenance by the pipeline operator, Crimson Gulf, LLC. That shut in began on 19 April 2018 and lasted four days.

During the shut-in period, the Company made several improvements to the oil and gas production system on the platform. Most of these improvements were focussed on resizing valves to optimise production levels and minimise downtime on the platform. All three wells were returned to production on 22 April 2018 at a combined average rate of 4,650 bopd and 3,200 mcfgpd which is over 90% of the platform's throughput capacity. By producing at this rate, we will minimize facility issues and reduce downtime which is currently expected to average 4% per month. This rate of production also optimises drawdown on each of the wells and should maximise the ultimate long-term recovery from the reservoirs. Based on these rates, Byron's net daily sales (after Federal royalties of 18.75%) are approximately 1,890 BOPD and 1,300 mcfgpd.

Based on the high quality of Louisiana Light Sweet crude ("LLS") produced at SM71, Byron will receive approximately a $2.50 per barrel premium based on current LLS verses West Texas Intermediate ("WTI") price differentials. Byron's current realized oil price after uplift for LLS price differentials and deductions for transportation, oil shrinkage, BS&W, and other applicable adjustments is approximately equal to WTI less $3.60 per bbl. At an average monthly NYMEX WTI price of $68.00 per bbl, Byron would realise a price of approximately $64.40 per bbl net for each barrel of net oil produced.

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With respect to the natural gas produced, Byron's processing of sales gas for NGL is currently resulting in an uplift of approximately $0.09 per mmbtu. As a result, Byron's realized price, after NGL uplift and deductions for transportation and NGL processing, is approximately equal to NYMEX Henry Hub gas less $0.30 per mmbtu**.** At an average monthly NYMEX Henry Hub price of $2.70 per mmbtu, and an average conversion of 1,087 btu per 1 mcfg delivered to the plant, Byron would realise a price of approximately $2.40 per mmbtu net to Byron for each mmbtu of net sales gas.

Therefore, based on current production rates, a WTI oil price of $68.00 per bbl and a NYMEX gas price of $2.70 per mmbtu, Byron's net sales revenue is estimated to be USD$125,000 per day at gross daily sales volumes of 4,650 bbls of oil per day and 3,200 mcf of gas per day with the pricing adjustments outlined above. When all start-up issues are resolved, the estimated monthly gross operating costs, at this production rate, are currently expected to average approximately USD$250,000/month (USD$125,000 net to Byron).

Byron, through its wholly owned subsidiary Byron Energy Inc. is the operator of SM71 and holds a 50% working interest and a 40.625% net revenue interest in SM71. Otto Energy Limited group (ASX: OEL) holds the remaining interest in SM71.

CEO Comment:
Maynard V. Smith, Byron's CEO said this:

"We are very pleased to have had such a smooth start-up of production from our SM71 F platform. Operational and facility issues have been minimal and are fully in line with the types of issues associated with any new oil production facility."

"With oil prices at a 3-year high, we are especially happy to be producing at these levels to take full advantage of the current price scenario. This income will allow Byron to pursue further opportunities within our very exciting inventory of internally generated prospects and thereby significantly increase shareholder value. The timing of initial production at SM71 could not have been better."

Byron Energy Operated SM71 F Platform

Gulf of Mexico USA 25 April 2018

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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.

Glossary and Conversions

BS&W = Basic Sediment and Water
Bbl = barrels
Bopd = barrels of oil per day
Btu = British Thermal Units
mcfg = thousand cubic of gas
mcfgpd = thousand cubic feet of gas per day
mcf = thousand cubic feet
mmcf = million cubic feet
mmbtu = million British Thermal Units
NGL = Natural gas Liquids, such as ethane, propane and butane
1 mcf = 1,087 btu's currently for SM 71 production; the heat content of SM 71 gas may vary over time.