

Quarterly Report for the Period Ended 30 June 2018

Summary

- First full quarter of oil and gas production from the Byron operated SM 71 flagship oil project.
- Byron's share of oil and gas production (net sales volume) for the June quarter was 134,160 barrels of oil and 116,950 mmbtu of gas.
- Net revenue recorded for the June quarter was approximately \$US 9.1 million (net to Byron after quality adjustments, transportation charges and royalties).
- All partners now committed to drilling of the Bivouac Peak East Prospect, a high potential exploration prospect, with initial test well expected to spud in the second half of August 2018.
- The SM74 high-quality oil and gas prospect will be drilled in November 2018, from the adjacent existing SM 73 D platform pending final approvals and drilling rig availability.
- Byron was awarded seven leases at the Gulf of Mexico OCS Lease Sale 250 including three leases with additional drilling opportunities near SM71 and four highly prospective Eugene Island leases.
- Byron commenced the largest seismic processing project in the Company's history with 3rd generation RTM and Inversion processing to be obtained over the SM71 project area.

Name:	Byron Energy Limited
ASX code:	BYE
Shares on issue at 30 June 2018:	685 million
Quoted shares:	685 million
Options on issue (unquoted):	51.8 million
Cash at Bank 30 June 2018:	US\$2.26 million
Convertible notes: (unquoted)	5.0 million @ \$A1.00 secured convertible notes
Market Capitalisation at 30 June 2018:	A\$243.2 million (@A\$0.355 per share)

Directors

Doug Battersby (Non-Executive Chairman)
 Maynard Smith (Chief Executive Officer)
 Prent Kallenberger (Chief Operating Officer)
 Charles Sands (Non-Executive Director)
 Paul Young (Non-Executive Director)
 William Sack (Executive Director)
Company Secretary and Chief Financial Officer
 Nick Filipovic

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Corporate

Issued Capital

As at 30 June 2018, Byron's issued capital comprised:-

Securities	Total issued	Quoted	Unquoted
Shares (ASX:BYE)	684,987,034	684,987,034	Nil
Options	51,800,000	Nil	51,800,000
Convertible Notes*	5,000,000	Nil	5,000,000

Convertible Notes Outstanding

Balance at start of June 2018 quarter	Total redeemed during June quarter	Balance at end of June 2018 quarter
6,000,000 @ A\$1	1,000,000 @ A\$1 in April 2018	5,000,000 @ A\$1

8,000,000 @ A\$1.00 secured convertible notes (unquoted), were issued to Metgasco Limited in January 2017. The convertible notes are convertible at the election of the note holder (i) between 20 July 2018 and 21 July 2019; or (ii) on the occurrence of a change of control, at a price which is a 10% discount to the 30 day VWAP. The convertible notes are repayable in A\$1.0 million quarterly instalments over 2 years commencing in October 2017, with the next quarterly repayment due in July 2018. For the terms of the Convertible Notes refer to Byron's ASX release dated 22 July 2016.

Project Updates

Salt Dome Projects (Byron Operated)

South Marsh Island 71

Byron owns the South Marsh Island block 71 ("SM71") a lease in the South Marsh Island Block 73 ("SM 73") field. The SM 73 field encompasses nine OCS lease blocks (81 square miles) which overlie a large piercement salt dome. The salt dome is responsible for providing the trapping mechanism for production in all portions of the SM 73 field. The SM 73 field is productive from discrete hydrocarbon-bearing sandstone reservoirs which are primarily trapped in three-way structural closures bound either by salt or stratigraphic thinning, on their updip edge. These reservoirs are Pleistocene to Pliocene age sands ranging in depth from 5,000 ft to 8,800 ft TVD. The majority of the field production has come from depths less than 7,500 ft in high quality sandstone reservoirs.

Byron is the designated operator of SM71 and owns a 50% Working Interest ("WI") and a 40.625% Net Revenue Interest ("NRI") in the block, with Otto Energy Limited ("Otto") holding an equivalent WI and NRI in the block. Water depth in the area is approximately 137 feet.

The June 2018 quarter was the first full quarter of oil and gas production from the Byron operated SM71 oil project.

Salt Dome Projects (cont)

South Marsh Island 71 Production

As noted in recent Company information releases, oil and gas production from the Byron operated SM71 F platform began in late March 2018 when the SM71 F1 and F2 wells were opened to production. In early April, the SM71 F3 well also began producing. The F1 and F3 wells are completed in the primary D5 Sand reservoir and the F2 well is completed in the B65 Sand, a secondary exploration target.

During a four-day pipeline shut in period in April, the Company made several improvements to the oil and gas production system on the platform. Most of these improvements were focused on resizing valves to optimize production levels and minimize 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.

As announced on 18 May 2018, Byron conducted Flowing Bottom Hole Pressure/Shutin Bottom Hole Pressure ("FBHP/SBHP") tests on the SM 71 F1, F2 and F3 wells to further evaluate well performance.

Based on final analysis of the FBHP/SBHP survey data, several general conclusions can be drawn for each reservoir.

D5 Sand (F1 and F3 wells)

The FBHP/SBHP survey data indicated that the F1 and F3 well intersections of the D5 Sand are entirely consistent with the Company's pre-drill mapping and expectations. The SM71 F1 and F3 wells, are performing to expectations and overall production rates will be largely unaffected by the shut in of the F2 well.

B65 Sand (F2 well)

The FBHP/SBHP data from the F2 well indicated that there was no near wellbore damage and the B65 Sand reservoir also had high permeability. However, the F2 well was experiencing reservoir pressure depletion. The FBHP/SBHP data indicated the B65 Sand had lost over 50% of its initial reservoir pressure and as the pressure dropped, so did daily oil and gas rates. Since the announcement of 18 May, pressure continued to decline, resulting in declining production rates. To date, 32,466 barrels of oil and 60.9 million cubic feet of gas and no barrels of water have been recovered from the B65 Sand in the SM71 F2 well. This data, along with pressure data indicates an estimated trap size of 3 acres, whereas the targeted seismic anomaly size was 175 acres. This provides strong evidence that the B65 Sand intersected by F2 is isolated from the main B65 Sand target area. The F2 well was recently shut in to analyse the pressure build-up of the well and was brought back online on Monday 2 July 2018 USCDT. After flowing for approximately 8 hours, the F2 well ceased production of hydrocarbons and has been shut in.

As reported previously, the SM71 F2 has two remaining hydrocarbon zones, the B55 and J1 Sands with 50,000 to 100,000 barrels expected to be recovered from each zone. The Company will initially perforate the B55 Sand and verify that economic flow rates can be achieved. When the B55 Sand ultimately ceases production, the J1 Sand would be recompleted before the Company will propose redrilling the well to the main B65 Sand area. Due to equipment availability, the initial B55 Sand recompletion work is expected to take place in September.

The B65 Sand is one of many focus areas of the recently announced seismic processing project Byron is undertaking with Schlumberger's subsidiary WesternGeco (see below) to help determine the placement of future wells.

Byron's share of production for the quarter ended 30 June 2018 is shown in the table overleaf.

Salt Dome Projects (cont)

South Marsh Island 71 Production (cont)

Production (sales)	For three months ended 30 June 2018	Financial year to date 30 June 2018
Gross production		
Oil (bbls)	330,239	348,581
Gas (mmbtu)	287,876	300,430
Working Interest share (Byron 50%)		
Oil (bbls)	165,120	174,291
Gas (mmbtu)	143,938	150,215
Net Revenue Interest share (Byron 40.625%)		
Oil (bbls)	134,160	141,611
Gas (mmbtu)	116,950	122,050
Sale revenue (accrual basis)	For three months ended 30 June 2018	Financial year to date 30 June 2018
Net sales revenue (Byron 40.625% after royalty)	US\$ 9.1 million	US\$ 9.5 million

Based on the high quality of Louisiana Light Sweet crude ("LLS") produced at SM71, Byron receives a premium based on LLS versus West Texas Intermediate ("WTI") price differentials. During the June 2018 quarter, Byron realized an average oil price after uplift for LLS price differentials and deductions for transportation, oil shrinkage and other applicable adjustments of US\$65.23 per bbl.

With respect to the natural gas produced, Byron's processing of sales gas for Natural Gas Liquids ("NGL") is currently resulting in a small price uplift. As a result, Byron realized an average price, after NGL uplift, transportation and deductions for NGL processing, of approximately US\$2.58 per mmbtu during the June quarter.

For the quarter ended 30 June 2018 Byron's share of net revenue was approximately US\$9.1 million.

South Marsh Island blocks 57, 59 & 74

Following the Lease Sale 247, held on 22 March 2017, the Bureau of Ocean Energy Management ("BOEM") awarded Byron three leases comprising South Marsh Island Area Block 57 ("SM57"), South Marsh Island Area Block 59 ("SM59") and South Marsh Island Area South Addition Block 74 ("SM74").

The SM 57/59/74 blocks substantially increased Byron's footprint near Byron's existing SM71 oil project in the SM 73 Field.

Planning and technical work was advanced during the June quarter, focused on the SM 74 Block.

Salt Dome Projects (cont)

South Marsh Island blocks 57, 59 & 74 (cont)

SM74 Initial Test Well - Subsequent to the end of the June 2018 quarter (on 19 July, 2018) the Company announced it is finalising documentation with the operator of South Marsh Island Block 73 ("SM73") to allow the SM74 prospect to be drilled from the adjacent existing SM 73 D platform. SM73 is immediately adjacent to Byron's SM 74 lease which will allow Byron to drill its SM74 prospect from an existing platform. The SM74 D-14 well will be drilled in November 2018 pending final documentation approval, BOEM permit approval and drilling rig availability. Upon a successful well the development cost saving can be up to USD\$ 20 million and the time from completion to production reduced to six months. Byron has farmed out a 30% working interest to Metgasco Limited ("Metgasco") on standard industry terms.

Metgasco will earn a thirty percent (30%) WI in the SM74 lease and the SM74 D-14 well by paying 40% of the cost of the well to casing point and 40% of the cost of the leasehold acquisition. Metgasco will also reimburse the Company for 30% of certain other acquisition expenses.

The SM74 D-14 well will be operated by Byron and will be directionally drilled from the "L" slot on the SM73 D platform to a total depth of 16,464 feet MD (14,741 feet TVD). The SM74 D-14 well will test three stacked seismic amplitude supported targets defined by Byron using the same Reverse Time Migration ("RTM") seismic data used to make the Company's nearby SM71 oil discovery in 2016. The three target sands have a combined gross reserve potential of 5.2 million barrels of oil and 13 billion cubic feet of gas* as reported in the Company's third-party reserve report, prepared by Collarini and Associates, released to the ASX on the 28th of September 2017.

Lease Sale 250

As previously reported, the Company bid on seven blocks at the Gulf of Mexico, Outer Continental Shelf ("OCS") Lease Sale 250 ("Lease Sale 250") held in New Orleans, Louisiana on 21 March, 2018.

The prospects identified in these seven blocks, in and around salt domes, were generated by interpretation of the Company's high-quality Reverse Time Migration ("RTM") and Inversion processed 3D seismic data.

All seven blocks were awarded to Byron during the June quarter.

(j) Eugene Island blocks 62, 63, 76 and 77

The Company was advised by the BOEM that its bids for Eugene Island blocks 62, 63, 76 and 77 ("EI 62,63,76 and 77"), at Lease Sale 250 were deemed acceptable and the leases have now been awarded to Byron.

The Company bid US\$ 253,000 for each block for a total of US\$ 1,012,000 for Eugene Island blocks 62, 63, 76 and 77 as the lease bonus amount. With the recently reduced royalty rates in place for new shelf leases in the Gulf of Mexico, Byron will now receive an 87.5% net revenue interest (previously 81.25%) for its 100% working interest in blocks EI 62, 63, 76 and 77. Final payment for the four leases and first year lease rentals was made in late June 2018.*

The EI 63 and 76 leases were previously held by the Company before being relinquished in January 2018 and were included in Byron's independent Reserves and Resource Report released to ASX on 28 September 2017, prepared by Collarini and Associates ("Collarini"). Byron's latest in-house mapping, as reported in the Company's ASX release dated 12 June 2018, indicates a total gross prospective resource of 308 bcf of gas and 12,600 mbo of oil for all four blocks (270 bcf and 11,025 mbo net to Byron).

* Refer to Prospective Resource information at the end of the quarterly activities report

Salt Dome Projects (cont)

Lease Sale 250 (cont)

El 62, 63, 76 and 77 were designated as the Eugene Island 77 Field in the 1960s and have produced 362 bcf of gas and 6.5 million barrels of oil from sands trapped by the Eugene Island 77 salt dome. Initial production from the field began in 1957. There is no production on these blocks currently.

In 2014, Byron undertook proprietary Reverse Time Migration (“RTM”) utilizing WesternGeco (a Schlumberger group company) over the entire Eugene Island 77 Field. Byron has identified a number of exploration and exploitation opportunities using the RTM seismic data. Many of these prospects are in an updip position to previous oil and gas production and are considered to be low to moderate risk drilling opportunities. RTM data was instrumental in identifying the prospect that led to Byron’s recent successful drilling campaign and subsequently establishing production at South Marsh Island 71. Byron’s stated strategy is to identify opportunities for growth in the Gulf of Mexico using state of the art geophysical technology.

(ii) Vermillion 232, Vermilion 251 and South Marsh Island 70

On 20 June 2018 the Company announced that the BOEM had awarded Byron VR 232, VR 251, and SM 70 blocks bid for at Lease Sale 250.

The Company bid US\$ 1.1 million for Vermilion 232 (“VR 232”) as the lease bonus amount. Byron’s bid for VR 232 in OCS Lease Sale 247, in March 2017, was rejected and this amount represented the value placed on the block by BOEM. As reported in the Company’s ASX release dated 20 June 2018, Byron has mapped a gas and gas condensate prospect on the block with in-house calculated gross prospective resource potential of 11 Bcf and 170,000 barrels (4.8 Bcf and 74,000 barrels net to Byron).^{*} This prospect could be tested from the Byron operated SM71 F platform, but there are currently no plans to drill VR 232 until production levels at the platform allow it to be produced efficiently in the event of success. In addition, the Company has identified two other higher risk/higher reward exploration prospects on VR 232 which require further geophysical evaluation before a drilling decision is made.

Pursuant to the Participation Agreement, effective 1 December 2015, between Byron Energy Inc, and Otto Energy (Louisiana) LLC (“Otto”), a wholly owned subsidiary of Otto Energy Limited, Otto has elected to participate in the acquisition of VR 232 for a fifty percent (50%) working interest. Under that agreement, Otto must pay an amount equal to a gross one hundred thirty-three percent (133%) of Otto’s fifty percent (50%) interest share of acquisition costs, which includes the dry hole cost of the initial test well, plus a gross fifty percent (50%) of other past costs paid by Byron. In electing to participate in VR 232, each company will own a 50% Working Interest and a 43.75% Net Revenue Interest in the block. Upon election to participate in VR 232, Otto has no further rights to participate in any blocks or projects, including SM 74, under the December 2015 Participation Agreement.

Byron has identified several higher risk exploratory leads on both Vermilion 251 (“VR 251”) and South Marsh Island 70 (“SM 70”). These leads will be evaluated once Byron completes its South Marsh Island project seismic reprocessing work in late 2018 (see below). Byron placed a bid of US\$ 225,520 for the 5,000 acre VR 251 block and a bid of US\$ 273,370 for the 5,468 acre SM 70 block. The Company does not currently carry any in-house reserves and/or resources for either of these blocks.

^{*} Refer to Prospective Resource information at the end of the quarterly activities report

Salt Dome Projects (cont)

SM71 Project Area 3D Seismic Processing Agreement

During the June quarter Byron executed an agreement with WesternGeco, a Schlumberger subsidiary, to add additional licensed 3D seismic data to its in-house data inventory and to perform new, high effort seismic data processing over the SM71 project area in the Gulf of Mexico.

Byron will increase its contiguous 3D seismic data coverage in the SM71 project area to a total of 172 square miles (445 square kilometres) or 22 OCS lease blocks of high-quality 3D seismic. Under the agreement, WesternGeco will also reprocess the data using 3rd generation, high frequency RTM and Kirchhoff PreStack depth migration algorithms to produce broadband, high quality seismic imaging. This will improve the stratigraphic definition within the SM71 project area which is a key to future drilling success. The scope of work is custom-tailored to Byron's imaging objectives adjacent to the SM71 salt dome and is the largest seismic processing project the Company has ever undertaken.

Additional processing work will involve high resolution PreStack inversion processing and reservoir characterization imaging. This data will be used to further evaluate the producing intervals at SM71 and de-risk other prospects on Byron's acreage within the project area.

Schlumberger, through WesternGeco, has long been a worldwide leader in seismic data processing and their RTM processed data played a key role in Byron's oil discovery at SM71. The SM71 project contains Byron's cornerstone oil and gas producing asset at SM71. In May 2016, Byron drilled the initial SM71 F1 well which led to the construction and installation of the Company operated SM71 F Platform in November 2017. Beginning in December 2017, Byron drilled two additional wells and subsequently completed the SM71 F1, F2 and F3 wells.

Given the success of the SM71 wells, Byron has decided to expand its coverage of both RTM data and inversion processing and take advantage of new processing algorithms offered by WesternGeco for both products.

Additional processing deliverables will include RTM and Kirchhoff based Common Depth Point ("CDP") angle gathers and offset stacks for Amplitude Verses Offset ("AVO") analysis and a new suite of seismic inversion products to aid in reservoir characterization and understanding.

The processing portion of the project began in June and is expected to take about 6 months to complete. In the interim, Byron has taken delivery of existing data products and has begun evaluating the data. Byron personnel will be closely involved in the processing undertaken by WesternGeco.

Following the Company's success at Lease Sale 250, Byron now holds leasehold rights (as operator) to seven OCS blocks. Six blocks are unleased in the project area and the remaining blocks are held by production by other companies. Oil and gas production in the project area has totalled 137 million barrels of oil and 2.2 trillion cubic feet of gas.

Non-salt dome projects (Byron Operated)

Bivouac Peak Leases

The Bivouac Peak Prospect Area is located in the highly productive transitional zone comprising the northernmost shallow waters of the Louisiana State Waters, and onshore coastal Louisiana.

Non-Salt Dome Projects (cont)

Bivouac Peak Leases (cont)

Byron is the operator of the Bivouac Peak Prospect area, through its wholly owned subsidiary Byron Energy Inc. The Bivouac Peak Prospect Area comprises onshore/marshland leases from: -

- a) private landowners over approximately 2,400 contiguous acres (9.7 square kilometres) along the southern Louisiana Gulf Coast inboard of Byron's existing shallow water projects in the Federal OCS leasing areas; and
- b) two peripheral, non-core tracts adjoining the Bivouac Peak lease at the Louisiana State lease sale and subsequently awarded State Lease #21778 (~200 Acres) and State Lease #21779 (~130 Acres).

In June 2018, Byron proposed and Otto, Metgasco Limited ("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%	40.00%
Otto (subject to completion of earn-in)	40.00%	45.00%
Metgasco (subject to completion of earn-in)	10.00%	10.00%
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 5.1 Mmbo 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 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).

*Refer to Prospective Resource information at the end of the quarterly activities report

Non-Salt Dome Projects (cont)

Bivouac Peak Leases (cont)

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%).

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.

Eugene Island Block 18

Byron has a 100% working interest in Eugene Island Block 18 ("EI 18"), a non-salt dome project in 10 feet (3 metres) of water, approximately 50 miles (81 kilometres) south of Morgan City, Louisiana. No exploration activity was undertaken on EI 18 during the quarter.

Grand Isle Block 95

Grand Isle Block 95 ("GI 95") is located in US Federal waters, approximately 100 miles (161 kilometres) southeast of New Orleans, Louisiana, at a water depth of approximately 201 feet (61 metres). The Company has a 100% operated WI and an 87.5% NRI.

No exploration activity was undertaken on the Company's GI 95 gas project during the quarter.

2018 Annual Reserves and Resources Report

The Company's 2018 Annual Reserves and Resources Report is currently being prepared by Collarini Associates, an independent petroleum engineer, based in Houston, Texas, USA. This report will have an effective date of 30 June 2018 and is expected to be completed and released to the ASX during the September quarter of 2018.



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Byron Energy Operated SM71 F Platform Gulf of Mexico USA 25 April 2018

Properties

As at 30 June 2018, Byron's portfolio of properties, all in the shallow waters of the Gulf of Mexico, and coastal marshlands of Louisiana, USA comprised: -

Properties	Operator	Interest WI/NRI* (%)	Lease Expiry Date	Area (Km ²)
South Marsh Island Block 71	Byron	50.00/40.625	Production	12.16
South Marsh Island Block 57	Byron	100.00/81.25	June 2022	21.98
South Marsh Island Block 59	Byron	100.00/81.25	June 2022	20.23
South Marsh Island Block 74	Byron	100.00/81.25	June 2022	20.23
South Marsh Island Block 70	Byron	100.00/87.50	June 2023	22.13
Vermillion Block 232	Byron	50.00/43.75	June 2023	18.32
Vermillion Block 251	Byron	100.00/87.50	June 2023	18.17
Eugene Island Block 18	Byron	100.00/78.75	April 2020	2.18
Eugene Island Block 62	Byron	100.00/87.50	June 2023	20.23
Eugene Island Block 63	Byron	100.00/87.50	June 2023	20.23
Eugene Island Block 76	Byron	100.00/87.50	June 2023	20.23
Eugene Island Block 77	Byron	100.00/87.50	June 2023	20.23
Grand Isle Block 95	Byron	100.00/87.50	September 2022	18.37
Transition Zone (Coastal Marshlands, Louisiana)				
Bivouac Peak Private Landowner Leases**	Byron	93.00/69.285	September 2019	9.70
Bivouac Peak State Lease number 21778**	Byron	100.00/76.00	January 2021	0.81
Bivouac Peak State Lease number 21779**	Byron	100.00/72.50	January 2021	0.53

* Working Interest ("WI") and Net Revenue Interest ("NRI").

** Both Otto Energy Limited ("Otto") and Metgasco Limited ("Metgasco") have exercised their options to earn a 40% and 10% working interest, respectively, in Byron's Bivouac Peak Landowner Leases and State Leases. If both Otto and Metgasco earn into the Bivouac Peak project, Byron's working interest and net revenue interest will be reduced to 43% and 32.035% respectively. Otto and Metgasco will earn a 40% and 10% working interest respectively by paying a disproportionate share of the costs of the initial test well to reach the earning depth or up to a cap of US\$10.0 million (gross cost), whichever occurs first, after which Otto and Metgasco will revert back to paying 40% and 10% of all future costs.

Glossary

Bbl = barrels
 bcf = billion cubic feet
 Bopd = barrels of oil per day
 Btu = British Thermal Units
 mcfg = thousand cubic feet 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
 tcf = trillion cubic feet

Conversions

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

1 mcf = 1.087 mmbtu's currently for SM 71 production; the heat content of SM 71 gas may vary over time

Prospective Resource – Information in respect of LR 5.25

1. SM 74, VR 232 and Bivouac Peak

- i) Prospective resource estimates in this report for SM 74 were included in the Company's ASX release, Byron Energy Independent Reserves and Resources, dated 28 September 2017.
- ii) Prospective resource estimates in this report for VR 232 were reported in the Company's ASX release, Three New Gulf of Mexico Leases Awarded, dated 20 June 2018.
- iii) Prospective resource estimates in this report for the Bivouac Peak Prospect Area were reported in the Company's ASX release, Byron Energy Independent Reserves and Resources, dated 28 September 2017.
- iv) The prospective resource information in this document for SM 74 and Bivouac Peak is effective as at 30 June, 2017 (Listing Rule (LR) 5.25.1)
- v) The prospective resource information in this document for SM 74 is effective as at 19 June, 2018 (Listing Rule (LR) 5.25.1)
- vi) The prospective resource information in this document:-
 - a. has been estimated and is classified in accordance with SPE-PRMS (Society of Petroleum Engineers - Petroleum Resources Management System) (LR 5.25.2)
 - b. is reported according to the Company's economic interest in the prospective resource net of royalties (LR 5.25.5)
 - c. has been estimated and prepared using the deterministic method (LR 5.25.6)
 - d. 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)
 - e. is reported on a best estimate basis (LR 5.28.1).

The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed (LR 5.43).

Prospective Resource Estimates

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)

Forward Looking Statements

This document may include forward looking statements. Forward looking statements include, but are not necessarily limited to, statements concerning Byron's planned operations program and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward looking statements. 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.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Byron Energy Limited

ABN

88 113 436 141

Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows	Current quarter US\$'000	Year to date (12 months) US\$'000
1. Cash flows from operating activities		
1.1 Receipts from customers (net of royalties)	6,296	6,296
1.2 Payments for		
(a) exploration & evaluation	(511)	(1,842)
(b) development	(8,030)	(41,760)
(c) production	(848)	(848)
(d) staff costs	(468)	(1,496)
(e) administration and corporate costs	(210)	(1,002)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	9
1.5 Interest and other costs of finance paid	(153)	(779)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)		
- Refundable Security Deposits	-	300
- Advisory Fees	-	(15)
- Cash contributions from farminees / JV partners	2,219	21,308
1.9 Net cash from / (used in) operating activities	(1,704)	(19,829)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements	(948)	(1,644)
(c) investments	-	-
(d) other non-current assets	-	-

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Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (12.months) US\$'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(948)	(1,644)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	22,337
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(1,034)
3.5	Proceeds from borrowings	1,391	1,391
3.6	Repayment of borrowings / convertible notes	(770)	(2,343)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	621	20,351
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,292	3,395
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,704)	(19,829)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(948)	(1,644)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	621	20,351
4.5	Effect of movement in exchange rates on cash held	(4)	(16)
4.6	Cash and cash equivalents at end of period	2,257	2,257

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5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter US\$'000	Previous quarter US\$'000
5.1 Bank balances	2,257	4,292
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,257	4,292

6. Payments to directors of the entity and their associates	Current quarter US\$'000
6.1 Aggregate amount of payments to these parties included in item 1.2	292
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. Payments to related entities of the entity and their associates	Current quarter US\$'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$'000	Amount drawn at quarter end \$'000
8.1 Loan facilities*	A\$ 520 & US\$ 1,000	A\$ 520 & US\$ 1,000
8.2 Credit standby arrangements	-	-
8.3 Other (please specify) Convertible Note**	A\$ 5,000	A\$ 5,000
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

*Unsecured loans from the Directors at an interest rate of 10% p.a.

** On 20th January 2017 Metgasco Limited ("Noteholder") originally subscribed for A\$ 8 million in secured convertible notes, comprising 8,000,000 \$1 notes, to be used for SM 71 project development and general corporate purposes. A\$ 3 million of convertible notes were redeemed by the end of the June 2018 quarter. For the terms of the Convertible Notes, please refer to Byron's ASX release dated 22 July 2016.

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9.	Estimated cash outflows for next quarter*	US\$'000
9.1	Exploration and evaluation (inc new lease acquisitions)	(2,600)
9.2	Development (net to Byron)	(300)
9.3	Production	(460)
9.4	Staff costs	(500)
9.5	Administration and corporate costs	(300)
9.6	Other - Financing charges and loan repayment	(890)
9.7	Total estimated cash outflows	(5,050)

*During the June quarter Byron banked net sales receipts of US\$ 6.3 million. Byron expects to receive substantial net sales receipts during the September 2018 quarter from the sale of its 50% WI (40.635% NRI) share of SM 71 oil and gas production from the Byron operated SM 71 oil field, not included in the table above.

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased	Gulf of Mexico USA Eugene Island blocks 62, 63, 76 and 77 Vermillion block 251 South Marsh Island 70 Vermillion block 232		0% 0% 0% 0%	100% 100% 100% 50%

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Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



(Company secretary)

Date: 30 July 2018

Print name: Nick Filipovic.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.