

8 January 2016

ASX Release

Byron Secures Extension For SM 6 Lease

Byron Energy Limited (Byron or the "Company") (ASX: BYE) is pleased to announce that it has obtained an extension of the lease term over the South Marsh Island ("SM 6") lease.

In its release dated 11 December 2016 (Byron Secures Multi-well Farm Out Deal with Otto on GOM Properties), Byron advised that it had requested a Suspension of Production ("SOP") from the Bureau of Safety and Environmental Enforcement ("BSEE") for SM 6 to extend the lease term to give Byron time to design, install and hook up new production facilities.

Byron is pleased to advise that an SOP for SM 6 has been granted by BSEE from December 28, 2015 through December 31, 2016, based on an activity schedule submitted by Byron. In accordance with the activity schedule, Byron will first conduct a Right of Way pipeline pre-lay survey in January 2016. As previously announced Byron has entered into a production handling agreement with an offset lease operator with capacity to process production from SM 6. The pipeline, when completed, would link SM 6 wells with the nearby host platform, on the offset lease.

As announced in the 11 December 2015 release, **Otto Energy Limited ("Otto") (ASX: OEL)** will earn a 50% working interest in Byron's SM 6 lease by paying a disproportionate share of drilling costs of the SM 6 #2 well and reimbursing a portion of Byron's past costs. Otto will then have an option to earn a 50% working interest in Byron's SM 70/71 leases by paying a disproportionate share of drilling costs of the SM 71 #1 well and reimbursing a portion of Byron's SM 70/71 past costs.

Byron expects to spud the SM 6 #2 well during the first quarter of 2016.

For further information contact:-

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