

1 August 2019

ASX Release

SM58 Update: Drilling Rig Mobilised for Initial Well

- **Byron operated SM58 011 well to be drilled to test O Sand Cutthroat Prospect**
- **Enterprise Offshore Drilling 263 rig is under tow to SM58**
- **11,466 MD well will test a 7.8 mmbo + 18 bcf (gross) oil and gas prospect**
- **SM58 011 is the first well of six potential wells on the SM58 lease (100% WI)**

Byron Energy Limited ("Byron or the Company") (ASX: BYE) is pleased to provide the following update regarding the drilling of the Company operated South Marsh Island 58 011 ("SM58 011") well.

Tugboats have been mobilised to meet the Enterprise 263 drilling rig and tow it to an open water location on Byron Energy's SM58 lease. Once on location, the rig will prepare to spud the SM58 011 well and test Byron's Cutthroat Prospect. Towing operations are expected to begin at 0600 hours (USCDT) on 1 August 2019 and are expected to take about 24 hours.

The proposed well will target the highly productive normally pressured O Sands which account for about half of the 35 million barrels of oil produced on SM58 since production began in 1964. The SM58 011 well will be operated by Byron and will be drilled to a depth of 11,466 feet Measured Depth ("MD") (10,418 feet true vertical depth) and is expected to take approximately one month to drill and evaluate from the time the rig is on location.

As shown on the accompanying attachments, the Cutthroat Prospect lies up-dip to the Shell SM58 9ST1 well that logged over 500 feet of high quality, wet O Sands in 1988. Byron's in-house prospective resources for Cutthroat are calculated at 7.8 million barrels of oil ("mmbo") and 18 billion cubic feet ("bcf") of gas, on a gross basis, 6.5 mmbo and 15.0 bcf net to Byron,* using an average O Sand thickness of 175 feet and historical O Sand recovery factors. The Cutthroat Prospect is very similar in trapping style to the productive SM71 F1 and F3 wells drilled by the Company in 2016. The combination of lateral faulting and up-dip pinch out of sands controlled by the SM 73 salt dome is common to nearly all the production from the SM73 field. Additionally, the prospect demonstrates seismic attributes consistent with hydrocarbons in the field.

The Company will bear 100% of the cost of the SM58 011 well. Byron holds all the operator's rights, title, and interest in and to the SM58 Lease Block to a depth of 13,639 ft. subsea with 100% Working Interest ("WI") and 83.33% Net Revenue Interest ("NRI"). To date, all identified drilling opportunities on the SM58 lease are above 13,639 feet subsea. Below 13,639 feet subsea, Byron has a 50% WI (41.67% NRI) under a pre-existing

exploration agreement. Additionally, Byron owns a non-operated 53% WI (44.165% NRI) in the associated existing producing assets being the SM69 E Platform and SM58 E1 wellbore.

Further updates will be provided as drilling progresses.

CEO Comment:

Maynard V. Smith, Byron CEO, had this say about the SM58 011 well:-

"The Company is very pleased to begin the first well on our recently acquired SM58 lease. Cutthroat is our first drill ready prospect and offers a large reward with moderate risk. Historically, the O Sands have been a very productive target and this prospect lies in an under drilled area of the block as mapped on our proprietary RTM seismic data. If the SM58 011 well is successful, the recent purchase of a production platform will result in significant capital and time savings to first production, and accelerate future drilling in SM58."

For further information, please contact:

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**** Prospective Resources Cautionary Statement*** - 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.

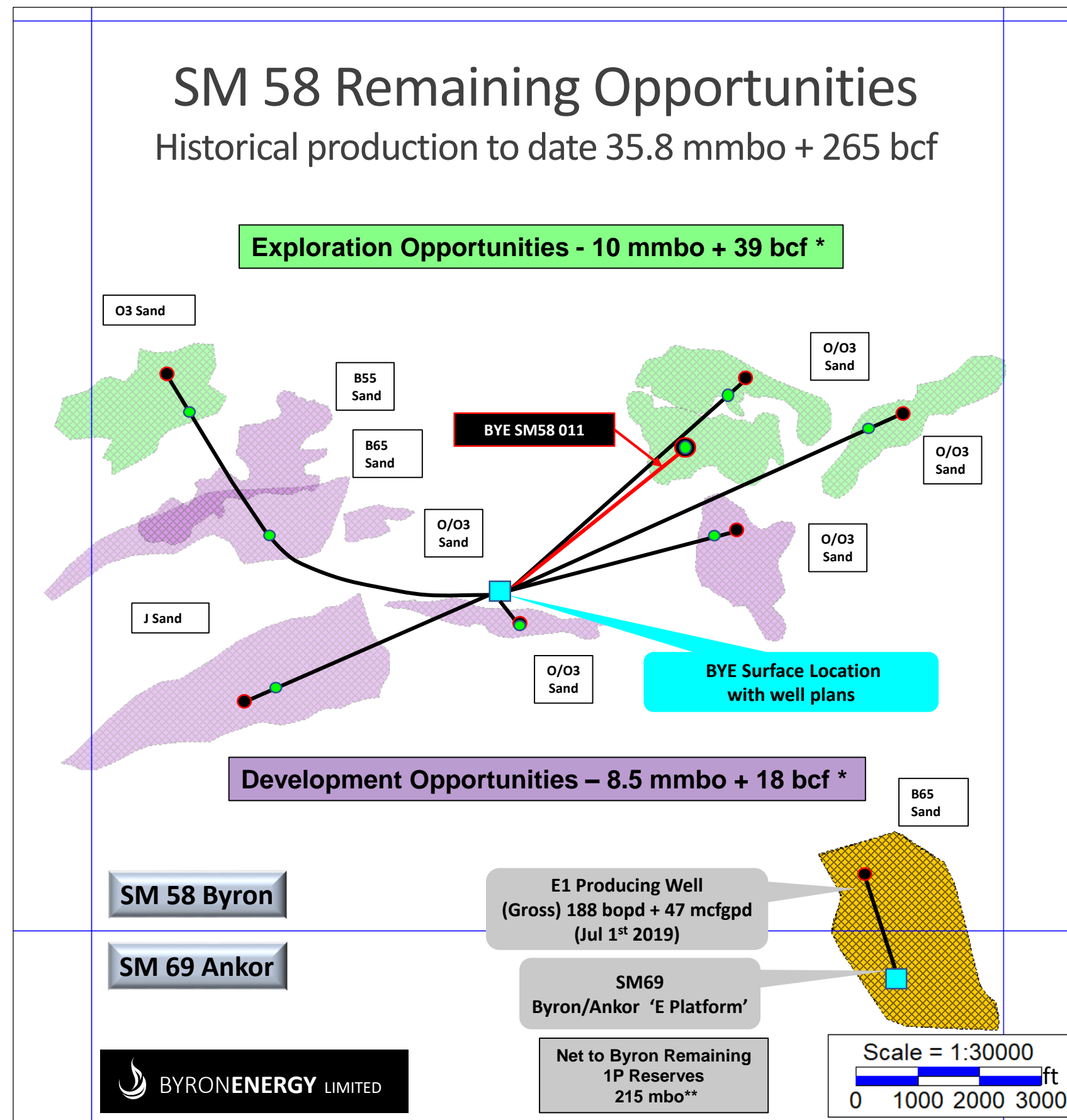
The Company's SM58 reserves, for the E1 well only, and the SM58 prospective resources were released to the ASX on 14 February 2019 and 18 March 2019 respectively. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements in respect to SM58 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.

Forward Looking Statements

This document may contain forward-looking information. Forward-looking information is generally identifiable by the terminology used, such as "expect", "believe", "estimate", "should", "anticipate" and "potential" or other similar wording. Forward-looking information in this document includes, but is not limited to, references to: well drilling programs and drilling plans, estimates of potentially recoverable resources, and information on future production and project start-ups. By their very nature, the forward-looking statements contained in this document require Byron and its management to make assumptions that may not materialise or that may not be accurate. 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.

About Byron:

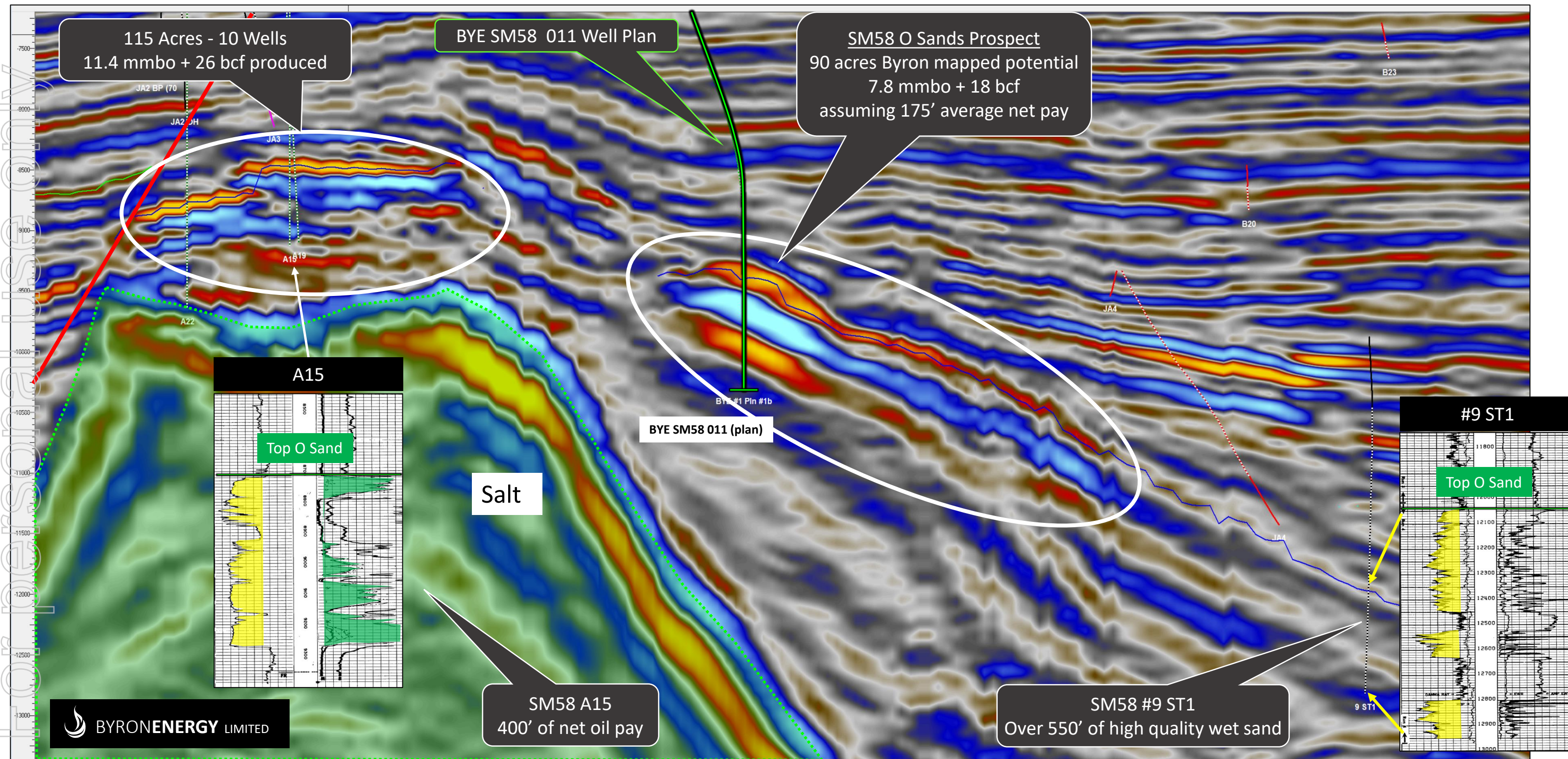
Byron Energy Limited ("Byron or the Company") (**ASX: BYE**) is an independent oil and natural gas exploration and production company, headquartered in Australia, with operations in the shallow water offshore Louisiana in the Gulf of Mexico. The Company has grown through exploration and development and 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.



* Byron In-house Prospective Resource Potential – Refer ASX release 18th March 2019

** Byron In-house Reserves – Refer ASX release 14th February 2019

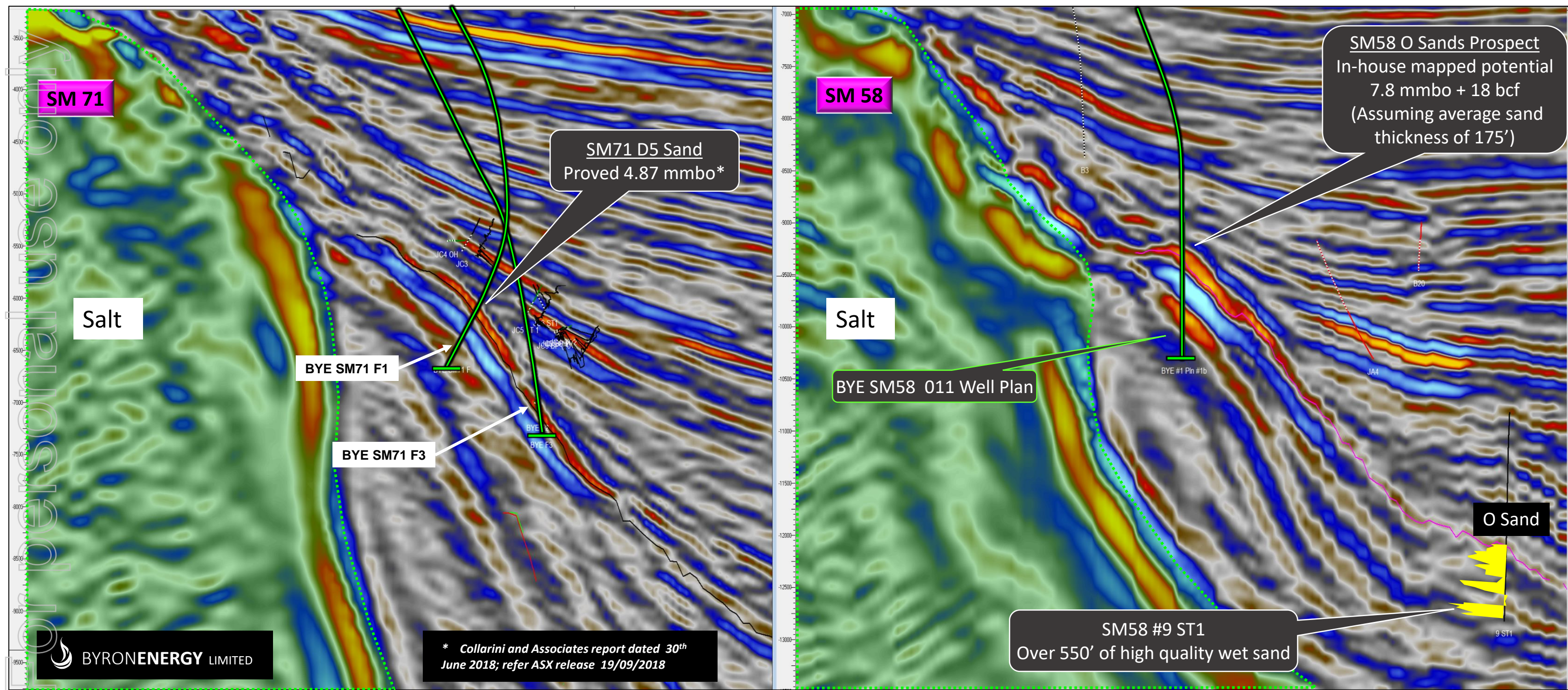
SM 58 O Sands Prospect - 2019 WGC RTM



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SM71/58 - D5/O Sands Prospect Comparison - 2019 WGC RTM



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SM58 Central O Sands Prospects and Production

