

22 August 2019

ASX Release

SM71 Update: SM71 F4 and F5 Wells Proposed

- **Byron is permitting two wells; one to extend the limits of the D5 reservoir and a second to more efficiently drain the remaining D5 reserves at SM71**
- **A rig has been identified to drill the SM71 F4 and F5 wells and is expected on location early October**

Byron Energy Limited ("Byron or the Company") (**ASX: BYE**) is pleased to announce that it has completed the interpretation of the reprocessed seismic data, received earlier this year, under the South Marsh Island Project Seismic Reprocessing project from WesternGeco, a Schlumberger subsidiary. This interpretation has resulted in the identification of two areas in the D5 Sand reservoir which will not be drained efficiently by the currently producing SM71F1 and SM71 F3 wells. To effectively drain these two areas, two additional wells will be needed to fully develop the D5 Sand reservoir at SM71.

The first of these wells, the SM71 F4, will test a D5 Sand reservoir anomaly that is outboard of the main D5 field, (see attached illustration). If successful, this would extend and prove up additional reserves in the D5 reservoir. The second well, the SM71 F5, will test an area that will be poorly drained, if at all, by the F3. These wells will be included in Byron's annual reserves and resources report, as of 30 June 2019, being prepared by Collarini Associates, for all of the companies reserves and resources and is expected to be released in several weeks. This will provide the market with updated independently assessed reserves for these wells as well as SM71 overall.

After the SM71 F4 and SM71 F5 wells are completed, assuming success, Byron expects the D5 reservoir at SM71 will be fully developed except for an attic well required in three- or four-years' time.

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

Byron is preparing an Authority For Expenditure (“AFE”) for this drilling program and the AFE and supporting materials will be provided to Otto following a partners meeting scheduled for 26 August 2019. Additionally, Byron is in final stages of negotiating a rig contract for this drilling program and it is expected to be available and on location in early October, pending final permit approvals.

CEO Comment:

Maynard V. Smith, Byron CEO, had this say about the SM71 F4 and F5 wells:-

“Byron has been very keen to expedite the further development of the D5 field at SM71 given that we have a facility with available capacity. This could not be done until a thorough re-interpretation and evaluation of our recently reprocessed SM73 field seismic data. Now that this evaluation has been completed our data clearly indicates the potential for two more wells in our prolific D5 reservoir and we are looking forward to beginning the second phase of what has been a very profitable project”.

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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.

SM71 D5 Sand

