

ASX Release

SM58 Update: Hydrocarbons Encountered in SM58 011 Well

- **Byron operated SM58 011 has logged hydrocarbons in the O Sand**
- **LWD logging tools indicate a gross thickness of 300 feet measured depth (300 TVT) of hydrocarbons**
- **SM58 011 will be drilled to total depth before additional logs are run**

Byron Energy Limited (“Byron” or the “Company”) (ASX: BYE) is very pleased to announce as of 1700 Hours US Central Daylight Time on 25 August 2019, the Byron Energy operated SM58 011 well has been drilled to a depth of 10,875 feet Measured Depth (“MD”), equivalent to 9.832 feet True Vertical Depth (“TVD”), and has encountered hydrocarbons in the target O Sand section. At the current time, the well is drilling ahead prior to acquiring further electrical logs.

The target O Sand was encountered at a depth of 10,435 feet MD (9,340 TVD) in line with predrill expectations. Logging While Drilling (“LWD”) Gamma Ray and Resistivity tools and Mudlog shows indicate the presence of hydrocarbons beginning at the top of the O Sand to the current drill depth of 10,875 feet MD. Preliminary pay counts based on LWD logs indicate a total of 300 feet MD (300 feet True Vertical Thickness) gross thickness of hydrocarbon with no evidence of water seen to this depth. Based on LWD logs, the O Sand appears to be a very high quality and well developed reservoir.

Upon reaching total depth of 11,466 feet MD (10,418 feet TVD), the Company will utilize Measurement After Drill (“MADPASS”) logging tools to acquire a quad combo suite of electrical logs (Gamma, Resistivity, Sonic, Neutron Porosity, and Density) across the O Sand interval which will aide in identifying the exact hydrocarbon type and liquids content.

As previously announced, the SM58 011 well is drilling Byron’s Cutthroat Prospect*, targeting the highly productive normally pressured O Sands which produced 16.5 million barrels of oil and 85 billion cubic feet of gas on SM58 since production began in 1964. The SM58 011 well is operated by Byron and will be drilled to a plan depth of 11,466 feet Measured Depth (“MD”) (10,418 feet true vertical depth).

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.

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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.

Byron will continue to issue progress reports on the SM58 011 well as drilling and logging progresses.

Byron’s CEO, Maynard Smith had this to say about the SM58 011 well:-

“We are very enthused and excited by what we have seen thus far in the SM58011 well and are confident that this result will lead to a commercial development on SM58. This result vindicates the high effort that was put into the seismic processing which was used to define and drill the Cutthroat Prospect. I would like to thank the Byron staff and our contractors who have worked so diligently on this project to achieve this result.”

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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.

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