

2 September 2019

ASX Release

SM58 011 Well Progress Report

Byron Energy Limited (“Byron or the Company”) (ASX: BYE) advises that while running the Log While Drilling (“LWD”) Quad Combo log on the SM58 011 well tight hole conditions were encountered at a depth of between 10,815 feet and 10,825 feet Measured Depth (“MD”). Accordingly, it was decided to run a hole opener bit prior to setting casing. While running in with the hole opener no resistance or issues were encountered until reaching a depth of 10,825 feet MD near the base of the O sand, whereby the hole opener immediately became stuck.

Byron spent approximately one day jarring on the drill pipe and bottom hole assembly as well as applying other fishing techniques but was unable to free it. While it would have been operationally possible to back off and leave the bottom 50 feet of drill pipe in the well and still set casing, that ultimately would have limited the ability to complete and produce from the bottom 100 feet of the 300 feet thick O Sand due to the future liner overlap that may be required after the well deepened below 10,805 feet. Because of these considerations, it was decided to bypass the well and redrill the bottom 900 feet of the SM58 011 so that the entire O Sand can ultimately be completed for production in this SM58 011 BP1 well.

Byron plans to bypass the existing hole from approximately 9,800 feet, redrill and set casing to the depth of approximately 10,805 feet MD in the SM58 011 BP1 hole, prior to drilling on for the lower O Sand package to a total depth of 11,486 feet MD. By setting casing to this depth, the Company will protect the upper O Sand reservoir and be able to safely deepen the well with higher mud weights which will improve hole stability.

After setting the sidetrack plug, current operations at the SM58 011 are preparing to test Blow Out Preventers after pulling out of the hole. Bypass operations are expected to begin in the first part of the upcoming week, and it is currently expected to take 10 -14 days to reach final total depth of 11,486 feet.

As reported on 29 august 2019, a quad-combo suite of Electric, Porosity, and Sonic logs were obtained in the well bore by running Measurement After Drilling logs (MADPASS). Third party petrophysical calculations indicated 302 feet of gross hydrocarbon bearing O Sands with 271 feet of net True Vertical Thickness were logged in the well bore with the package filled to base.

The logs confirm a thick, clean, high quality O Sand with average porosity above 30 percent.

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The SM58 011 well has logged the thickest O Sand hydrocarbon column within the entire SM73 field in which over 350 wells have been drilled.

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.

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

**For further information on Byron's Cutthroat Prospect see the Company's ASX release dated 1 August 2019*

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

"The clear goal here is to achieve a high-quality completion across the entire 300' O Sand so as to maximise its production rate and ultimate reserve recovery. Our current plan should achieve this and also allow us to test the deeper objective in the most cost-effective manner"

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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.