

16 December 2019

ASX Release

South Marsh Island Compressor 71 Upgrade Completed

- Installation of a new, upgraded compressor at SM1 F Platform is now complete
- Compressor was installed on budget with minimal production interruptions
- SM71 F Platform returned to pre-job production rates as of 15 December 2019

Byron Energy Limited (“Byron” or the “Company”) (ASX: BYE) as operator, is very pleased to announce that the planned compressor upgrade and installation at its South Marsh Island 71 F Platform has been successfully completed and all wells on the platform are now back online at normal production levels.

The compressor upgrade will allow the Company to manage the producing wells in a more consistent, stable manner as the wells will no longer be affected by normal fluctuations in sales line pressure caused by monthly pipeline maintenance operations. There are many benefits to stable production rates including more accurate monthly sales nominations, more predictable operating costs and, with the increased ability to control production rates there will be overall better reservoir management which results in improved oil recovery.

A lift boat transporting the new compressor was mobilized to the platform and work began on 4 December. Installation work at the platform was scheduled for fourteen days, but the construction crews were extremely efficient, and the work has been completed in 8 days. Because of the heavy lifts involved in swapping out the old compressor and welding to connect new flow lines, the three producing wells were expected to be shut in for approximately ten days during the installation process.

Platform production was shut-in at 0700 hours USCST on 7 December for construction work. The SM71 F3 was returned to production in less than three days producing through the high-pressure production system. Both the SM71 F1 and F2 wells were shut-in a total of seven days. All three wells have now been returned to their pre-job production rates and platform sales volumes are back to previous levels. The installation work was carried out on budget and crews were demobilized on 12 December.



SM71 compressor upgrade construction spread

December 2019

Since production began at the SM71 F platform in March 2018, the three wells have produced a combined total of 1.97 million barrels of oil and 2.8 billion cubic feet of gas. The primary D5 Sand reservoir has now produced 1.90 million barrels of oil and 2.7 billion cubic feet of gas from the SM71 F1 and F3 wells with no produced water.

A new well, the SM71 F4, has been permitted and, would extend the D5 Sand reservoir and add new reserves to the field in the success case. The SM71 F4 well will be drilled by Byron on a 100% working interest basis and is expected to spud shortly after the contracted rig is released from its current job. Current timing expectations place the rig at SM71 in late January 2020.

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

Maynard Smith, Byron's CEO had this to say about the compressor upgrade:

"Offshore construction work of this scope is never easy to predict, but due to extremely good advance planning by the Byron team and a very effective and efficient crew, we were able to complete this job well inside our expectations. Most importantly, the work was carried out in a very safe and cost-effective manner. Being able to manage our wells without the influence of sales line pressure fluctuations will be a great advantage to us not only now, but down the road as these wells will eventually produce water making stabilized production rates harder to maintain. Right now, the wells are performing to our expectations and continue to provide the reliable cash flow we need to continue our growth in the Gulf of Mexico, especially our future SM58 G Platform. We are rapidly closing in on a major milestone of 2 million barrels of water free production from the SM71 F Platform."

For further information, please contact:

Maynard Smith
CEO
61 3 8610 6583

Peter Love
Investor Relations
61 7 3121 5674

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