

23 March 2022

ASX RELEASE
DRILLING PROGRAM AND CURRENT PRODUCTION Update

- Enterprise Offshore Drilling 264 jack-up rig is on schedule for an early to mid-April commencement of drilling of the SM58 G3 and G5 wells
- Permits for the drilling of the SM58 G3 and G5 wells are now approved by BSEE
- Byron is in final discussions with EOD for a January 2023 three well drilling program
- US\$11 million prepayment agreement with supermajor executed
- Current Byron net daily production from all wells is 1,680 barrels of oil per day and approximately 4.7 million cubic feet of gas per day

Byron Energy Limited (Byron or the Company) (ASX: BYE) is pleased to provide the following update on the Company's imminent drilling, future drilling, funding, and current production.

April 2022 Drilling Program Update

On 1 February 2022, Byron announced it would drill two wells from the SM58 G Platform beginning in April using the Enterprise Offshore Drilling 264 (EOD 264) jack-up rig. The SM58 G3 (G3) will drill the Rainbow Trout prospect and the SM58 G5 (G5) will drill the Smoked Trout prospect (Attachment 1, page 1). Reactivation of the EOD 264 is on schedule for an early to mid-April start. The actual start date is subject to several things including final US Coast Guard inspection and certifications which are currently scheduled for March 28, weather conditions for both the reactivation work and for mobilization, and approval of the rig's condition by the Byron drilling engineers and third-party inspectors. Once those conditions are met, the EOD 264 will be towed to location and work will begin.

As a cost saving measure, Byron will "batch drill" the G3 and G5 wells by driving conductor pipe in each well, then drilling and cementing surface casing in each well before drilling the target sections in each well. The G3 and G5 wells are targeting combined 2P reserves* of 3.5 mmbo and 4.6 Bcfg with a target flow rate of gross 750 bopd per well.

Byron has secured fully approved drilling permits for the G3 and G5 wells.

*The reserves referred to above are based on information disclosed in the Company's ASX release dated 28 September 2021. The Company confirms that it is not aware of any new information or data that materially affects the information included with in the above release and that all material assumptions and technical parameters have not materially changed.

Proposed January 2023 Drilling Program

Byron is in final discussions with EOD to contract a rig for a two well program with an optional third well commencing in January 2023. This future drilling program will include an exploration well on the Golden Trout prospect on SM70 (Attachment 1, page 2). If the SM70 well is successful, a new unmanned platform as a satellite facility tied back to the host SM58 G platform will be required and would lead to several future drilling opportunities from that location. Byron has filed the initial permit for a surface location on SM70 and expects it to be approved in the September quarter 2022.

The second well in the first 2023 program would likely be drilled on either the Dolly Vardon or Steelhead prospects from the SM58 G platform while the optional third well will be decided based on results of the upcoming 2022 program and the initial well in the 2023 program (Attachment 1, page 2).

It is forecasted that, based upon success with the G3 and G5 wells, these future drilling and completion costs will be funded from free cash flow. Major development capital for additional platforms and pipelines would be obtained from existing capital source relationships.

SM 71 F2 Recompletion/SM 71 F4 Remediation

Byron recently submitted an Authority For Expenditure (AFE) to its 50% working interest partner, Otto Energy, to recomplete the SM71 F2 well from the existing B55 Sand to the up-hole J1 Sand reservoir. The AFE was approved, and Byron has submitted permits for the F2 recompletion.

In addition, Byron has submitted permits to perform remedial work in the SM71 F4 well, which is a 100% working interest Byron well, to reperforate the J1 Sand to establish a better oil rate after work on the well was initiated in late 2021. That result was hindered by a poor cement isolation packer that resulted in the plugging of the perforations.

Both jobs will be undertaken with a liftboat which is expected to be available in late April 2022.

Offtake and Prepayment Agreements Executed

Byron has now executed a 3-year extension of its existing oil offtake agreement with the oil industry supermajor that has been the sole purchaser of Byron's GOM oil production and hedge counterparty since inception of Byron's production.

In addition, the Company's oil purchaser has provided access to funding of US\$11 million through the prepayment of future oil revenue, beginning after April 2022. The prepayment has a 12-month repayment term, including a 4-month non-repayment grace period, followed by eight equal monthly instalments of US\$1.375 million commencing in August 2022. The prepayment will be largely secured by Byron's existing forward sale agreement of 400 bopd through to December 2022 plus an additional 200 bopd beginning in January 2023 and ending in March 2023. The fee for this prepayment is approximately US\$1 per produced barrel of oil during the one-year term, or until such time as the loan is repaid. The prepayment agreement also includes the provision for an early repayment at the Company's discretion.

The small incremental extension of existing hedges in the total amount of 18,000 barrels of oil from January 2023-March 2023, or approximately 200 bopd during the period, was placed at a price of US\$80.95 per barrel after costs. Byron's total hedge position is less than 25% of current net daily oil production with no hedging beyond March 2023.

These prepaid funds, together with forecasted free cashflow will provide all necessary funding for the upcoming SM58 G3 and G5 drilling, and completion program and a contingency side-track wellbore should the need arise.

Through this prepayment agreement, Byron has effectively leveraged its existing forward sale agreement into cost efficient, simple, and low risk funding.

Current Byron Hedge Position

Byron's total hedged oil production as at 23 March 2022 is as follows: -

Period <i>Forward Sale Agreement</i>	Daily Hedged Volume (bopd)	Period Hedged Volume (bbl)	NYMEX WTI Fixed Base Price Crude Oil*	NYMEX Roll Adjust	LLS/WTI Price Differential	Realised Price on hedged production prior to transportation charges
April-Dec 2022 (existing)	400	110,000	US\$52.70	unhedged	unhedged	To be determined
Jan-March 2023	200	18,000	US\$80.95	unhedged	unhedged	To be determined

*WTI CMA base price is adjusted for NYMEX Roll, LLS/WTI price differentials. Transportation (estimated at - US\$4.70/barrel +/-0.20) to arrive at a realised price.

Current Production Update

Oil and gas production from the producing wells in the Company's South Marsh Island project area continues to be strong, consistent and in-line with expectations.

The SM69 E2 well has stabilised at 725 barrels of oil per day (bopd) with a flowing tubing pressure of 500 pounds per square inch. The well has been extremely stable at this rate with pressure data over the last month indicating full water support has been achieved. It's interesting to note that Byron and third-party long term predrill estimates for this well were 650 bopd and the well has performed up to expectations confirming the validity of the predrill geologic and economic models.

The SM58 G2 well was perforated through a very complex set of distinctly different O Sand reservoirs, requiring close monitoring and several field adjustments. This effort has resulted in a stabilized rate of about 100 bopd and 250 bwpd. The nearby SM58 B14 offset well produced similar amounts of oil and water for almost ten years and Byron anticipates that the G2 has a similar future.

Total production from the SM58 & SM69 platforms, including the SM58 E1 and SM69 E2 wells, is gross 921 bopd and 4.8 million cubic feet per day (mmcfpd), net to Byron 714 bopd and approximately 4.0 mmcfpd.

The SM71 F facility is producing gross 2,364 bopd and 1.6 mmcfpd, net to Byron 966 bopd and 0.65 mmcfpd.

At current rates of production and hedging (400 bopd hedged) and a WTI base price of US\$100 per barrel and US\$4.60 per mcf, prior to adjustments for transportation costs and other customary price adjustments (e.g., added premium for Louisiana Light), Byron is generating net operating revenue of approximately US\$5.0 million per month. Oil revenue accounts for approximately 88% of the total net revenue with gas sales accounting for the remaining 12%. For every \$10 movement in the base oil price, Byron's monthly net revenue changes by approximately US\$0.4 million.

Byron's CEO Maynard Smith said:

"Thanks to the hard work and dedication of the entire Byron team, the Company is now very well positioned to take full advantage of the current high oil and gas price environment and add future production with a strong, exciting and low risk development and exploration portfolio to exploit over the next 12 months."

Ownership interests: SM58, SM 69 and SM71

Byron is the operator of SM58 G platform and producing wells with a 100% Working Interest (WI) and 83.33% Net Revenue Interest (NRI) in the SM58 Block, excluding the SM58 E1 well.

Byron holds a non-operated 53% WI (44.167% NRI) in the SM69 E platform with one active producing well, the SM58 E1 well.

Byron has also earned a 100% WI and 80.33% NRI in the SM69 E2 well until E2 Project Payout, at which time and at the Ankor group's election, Byron's NRI will either adjust to 77.33% or the Ankor group can convert up to a 30% WI and, if fully converted, Byron's interest in the project would then adjust to 70% WI with an unburdened 58.33% NRI (equivalent to 83.33% 8/8ths) going forward. The E2 well is produced back to the SM58 G platform through a new pipeline laid in July 2020 with hydrocarbons from the E2 well processed through the SM58 G platform.

Byron is the operator of SM71 with a 50% WI and 40.625% NRI in the SM71 Block with Otto Energy group holding the remaining interest. In 2019, prior to drilling the SM71 F4 well, Otto elected not to participate, resulting in Byron holding a 100% WI with an 81.25% NRI in the SM71 F4 well until such time as Byron recovers 600% of all well drilling, completion and operating costs up to such payout. At the 600% payout, Otto will have the option to revert to their 50% WI and 40.625% NRI in the well.

Authorised by: The Board of Directors

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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.

Disclaimers

Forward looking statements

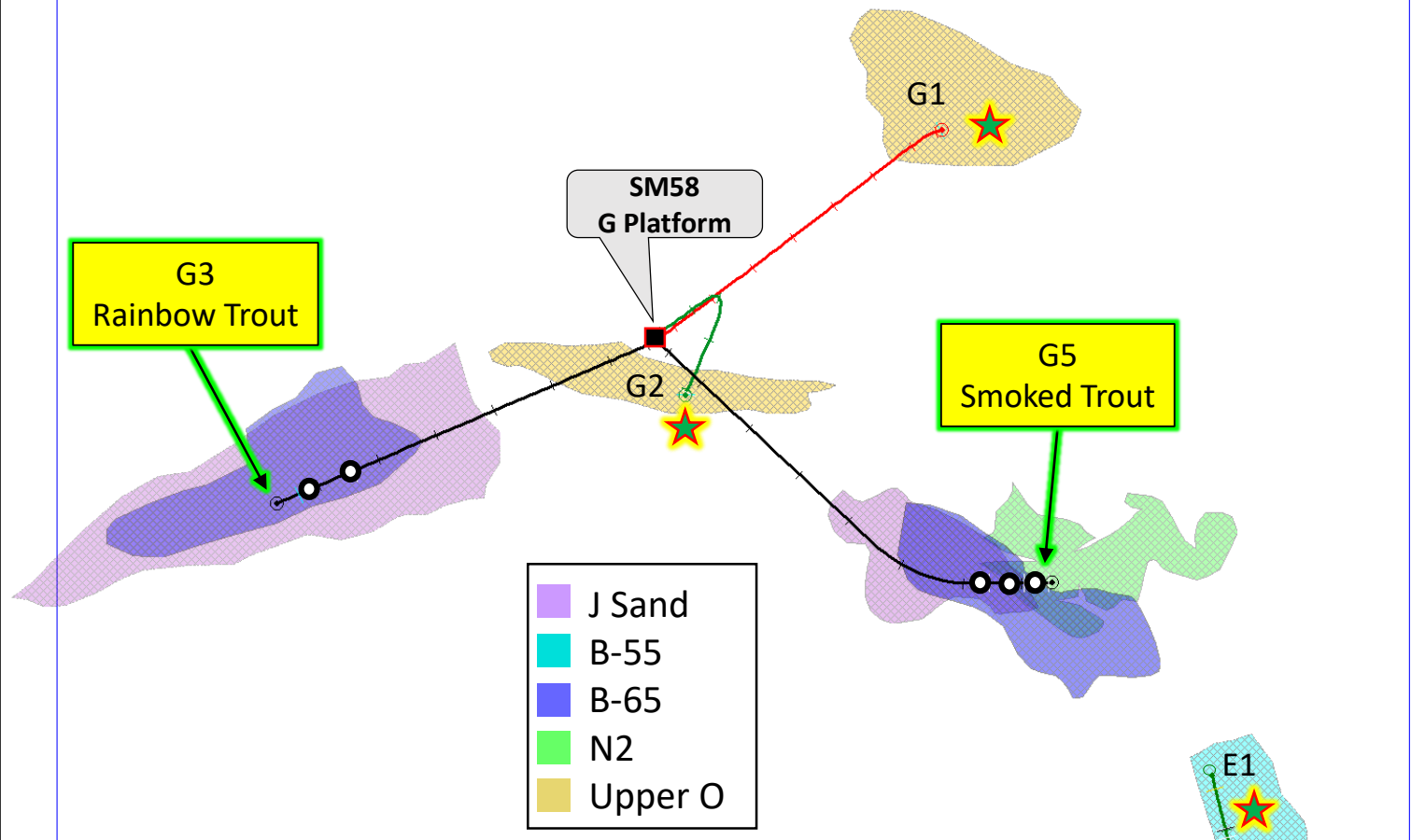
Statements in this document which reflect management's expectations relating to, among other things, production estimates, target dates, Byron's expected drilling program and the ability to fund exploration and development are forward-looking statements and can generally be identified by words such as "will", "expects", "intends", "believes", "estimates", "anticipates" or similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements and may contain forward-looking information and financial outlook information. Statements relating to "reserves" are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions that some or all of the reserves described can be profitably produced in the future. These statements are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

All of the forward-looking information in this document is expressly qualified by these cautionary statements. Forward-looking information contained herein is made as of the date of this document and Byron disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by law. In relation to details of the forward-looking drilling program, management advises that this is subject to change as conditions warrant, and we can provide no assurances that drilling rigs will be available.

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SM 58

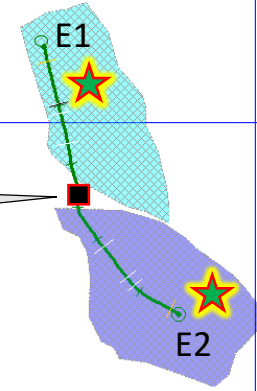
April 2022 Drilling Program:
SM 58 G3 (Rainbow Trout) & G5 (Smoked Trout)
Development Wells



SM 69

★ Active Producing Well

SM69
E Platform



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SM 58/69/70
All Prospects, Future
Wells & Producing Wells

- I Sand
- J Sand
- B-55
- B-65
- L2
- N2
- N8
- O Upper
- O Lower

★ Active Producing Well

