

# Quarterly Report for the Period Ended 31 March 2022

## Summary

- Generated record quarterly sales revenue and average daily oil production (net to Byron) for the March 2022 quarter;
- Byron's share of oil and gas production (net sales volume) for the March 2022 quarter was 143,836 barrels of oil and 509,877 mmbtu of gas compared to the previous quarter of 145,815 barrels of oil and 668,010 mmbtu of gas;
- Net revenue recorded for the March 2022 quarter, was approximately US\$ 14.7 million (with realised net prices of US\$ 84.04 per barrel of oil and US\$ 4.67 per mmbtu of natural gas net to Byron after quality adjustments, oil and gas transportation charges and royalties (December 2021 quarter: net revenue approximately US\$ 13.4 million with realised net prices of US\$ 68.24 per barrel of oil and US\$ 4.85 per mmbtu of natural gas);
- Closed previously announced US\$11 million oil revenue prepayment facility with an oil supermajor in March 2022.

<b>Name:</b>	<b>Byron Energy Limited</b>
<b>ASX code:</b>	<b>BYE</b>
<b>Shares on issue at 31 Mar 2022:</b>	<b>1,081.4 million</b>
<b>Quoted shares:</b>	<b>1,081.4 million</b>
<b>Options on issue (unquoted):</b>	<b>2.0 million</b>
<b>Cash at Bank 31 Mar 2022:</b>	<b>US\$0.9 million</b>
<b>Borrowings 31 Mar 2022:</b>	<b>US\$11.2 million</b>
<b>Market Capitalisation at 31 Mar 2022:</b>	<b>A\$165 million (@A\$0.1525 / share)</b>

## Corporate

### Issued Capital

As at 31 March 2022, Byron's issued capital comprised:-

Securities	Total issued	Quoted	Unquoted
Shares (ASX:BYE)	1,081,395,102	1,081,395,102	Nil
Options (Expiring on 31 December 2024 with an exercise price of A\$0.16)	2,000,000	Nil	2,000,000

### Directors

Doug Battersby (Non-Executive Chairman)  
 Maynard Smith (Chief Executive Officer)  
 Prent Kallenberger (Chief Operating Officer)  
 Charles Sands (Non-Executive Director)

### Directors (continued)

Paul Young (Non-Executive Director)  
 William Sack (Executive Director)  
**Company Secretary and Chief Financial Officer**  
 Nick Filipovic

## Corporate (cont.)

### Borrowings and Oil Revenue Prepayment

As at 31 March 2022, Byron's outstanding loans comprised:-

Lender	US\$ M	A\$ M	Mar 31 2022 US\$ equivalent (@A\$1=US\$0.7482)	Dec 31 2021 US\$ equivalent (@A\$1=US\$0.7256)
Directors	2.00	1.75	3.31	3.27
Shareholder	-	0.35	0.26	0.25
Crescent Midstream	7.65	-	7.65	10.30
<b>Total</b>	<b>9.65</b>	<b>2.10</b>	<b>11.22*</b>	<b>13.82</b>

\*as at 31 March 2022, Byron also had US\$ 0.5 million in insurance premium financing outstanding

### Crescent (formerly Crimson) Midstream Promissory Note

As of 31 March 2022, the outstanding principal balance of the Crescent Promissory Note has been reduced to US\$ 7.65 million from US\$ 10.3 million as of 31 December 2021. The balance of the Crescent Promissory Note is repayable over the period 1 April 2022 to 30 November 2022.

For further details of the Promissory Note refer to the Company's ASX release dated 4 December 2019.

### Directors' and Shareholder Loans

Byron's outstanding loans of approximately US\$ 3.57 million as of 31 March 2022, from entities associated with Doug Battersby, Maynard Smith, Charles Sands, Paul Young, all directors of the Company, and a longstanding shareholder are due to be repaid on 31 March 2023.

### Oil Revenue Prepayment

During the December 2021 quarter, Byron received an oil revenue prepayment of US\$ 4.0 million from the buyer of Byron's oil production and hedging counterparty under the existing forward sale agreement referred to below. Repayments of US\$ 3.0 million were made during the March 2022 quarter with a final repayment of US\$ 1.0 million due in April 2022.

In March 2022, the Company's oil purchaser provided access to a further funding of US\$ 11.0 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. In addition, in March 2022 Byron executed a 3-year extension of its existing oil offtake agreement with the Company's oil purchaser, an oil industry supermajor that has been the sole purchaser of Byron's GOM oil production and hedge counterparty since inception of Byron's production.

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.

## Corporate (cont.)

### Cashflow

Byron generated approximately US\$ 8.8 million from operating activities during the March 2022 quarter, less repayment of US\$ 3.0 million of oil revenue prepayments, resulting in a net operating cash inflow of US\$ 5.8 million and ended the quarter with a cash balance of US\$ 0.9 million, compared to a cash balance of US\$ 1.6 million as at 31 December 2021.

Net receipts from production were US\$ 11.2 million for the March 2022 quarter compared to US\$ 10.1 million for the December 2021 quarter.

US\$ 5.8 million of net cash from operating activities was applied to US\$ 3.9 million of payments for SM69 E-2 well (drilling, completion and hook up) and Crescent loan repayments of US\$ 2.6 million during the March 2022 quarter. The E2 well costs have now been fully paid as at 31 March 2022.

Consolidated statement of cash flows (US\$ million)	Mar 22 quarter	Dec 21 quarter
<b>Cashflow from operating activities</b>		
Receipts from customers	12.8	11.6
Payments for production	-1.6	-1.5
<b>Net receipts from production</b>	<b>11.2</b>	<b>10.1</b>
Other cash outflow from operating activities	-2.4	-1.4
Oil Revenue Pre-payment (receipts from customers)	-3.0	4.0
<b>Net cash from / (used in) operating activities</b>	<b>5.8</b>	<b>12.7</b>
<b>Cash flows from investing activities</b>		
Exploration and evaluation	-3.9	-12.1
<b>Net cash from / (used in) investing activities</b>	<b>-3.9</b>	<b>-12.1</b>
<b>Cash flows from financing activities</b>		
<b>Net cash from / (used in) financing activities</b>	<b>-2.6</b>	<b>-3.1</b>
<b>Net increase / (decrease) in cash and cash equivalents for the period</b>	<b>-0.7</b>	<b>-2.5</b>
<b>Cash and cash equivalents at end of quarter</b>	<b>0.9</b>	<b>1.6</b>

For further details on the March 2022 quarter cashflows refer to Appendix 5B.

### Oil price hedging

Byron's realised prices for oil are a combination of hedged and unhedged volumes. As at 31 March 2022, the Company's oil hedging position is governed by a forward physical sale agreement ("Forward Sale Agreement"), which specifies a price per barrel in advance for each delivery period during the term of the contract.

The hedging counterparty for the Forward Sale Agreement is one of the global oil industry's "supermajors" and is also the purchaser of Byron's oil production under a mutually agreed long term purchase arrangement, which provides Byron with a stable, aligned counterparty.

## Corporate (cont.)

### Oil price hedging (cont)

Byron's hedged oil production as at 31 March 2022 is as follows:-

Period (Forward Sale Agreements)	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
Apr-Dec 2022	400	110,000	US\$52.70	unhedged	unhedged	To be determined
Jan-Mar 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.

Byron's total hedge position at the end of March 2022 is less than 25% of current net daily oil production with no hedging beyond March 2023.

## Oil and Gas Production/Sales

Byron's share of oil and gas production and sales for the March 2022 quarter is summarised in the table below.

Production (sales)	Mar 2022 quarter	Dec 2021 quarter	Year to date 31 Mar 2022	Year to date 31 Mar 2021
<b>Net production (Byron share (NRI basis) SM71)</b>				
Oil (bbls)	81,749	87,638	243,765	273,559
Gas (mmbtu)	67,736	80,668	215,418	312,750
<b>Net production (Byron share (NRI basis) SM58)</b>				
Oil (bbls)	58,015	52,572	119,659	60,464
Gas (mmbtu)	441,660	585,284	1,693,136	3,266,742
<b>Net production (Byron share (NRI basis) SM58 E1 well)</b>				
Oil (bbls)	4,072	5,605	14,788	9,395
Gas (mmbtu)	481	2,058	3,091	1,705
<b>Total Net production (NRI basis)</b>				
Oil (bbls)	143,836	145,815	378,212	343,417
Gas (mmbtu)	509,877	668,010	1,911,645	3,581,197

Aggregate oil and gas production and sales, net to Byron, of 143,836 bbls of oil and 509,877 mmbtu of gas for the March 2022 quarter compared to 145,815 bbls of oil and 668,010 mmbtu of gas for the December 2021 quarter. Oil production for the March 2022 quarter was relatively steady compared to the previous quarter, bearing in mind the March quarter had 90 available production days versus 92 days for the December 2021. The reduction in gas production for the March quarter compared to the previous quarter was mainly due to lower gas production from the SM58 G1 well.

## Oil and Gas Production/Sales (cont.)

The quarterly and financial year to date net sales revenue is summarised below.

Sale revenue (accrual basis) US\$ million	Mar 2022 quarter	Dec 2021 quarter	Year to date 31 Mar 2022	Year to date 31 Mar 2021
Net sales revenue (Byron share on NRI basis)	14.7	13.4	36.8	26.1

Net sales revenue for the March 2022 quarter of approximately US\$ 14.7 million, after quality adjustments, oil transportation charges and royalties, was a quarterly record compared to US\$ 13.4 million for the prior quarter. Net sales revenue was higher for the March quarter 2022, compared to the prior quarter, mainly due to higher realised oil prices.

For the March 2022 quarter, Byron realised an average oil price after adjustment for LLS price differentials and deductions for transportation, oil shrinkage and other applicable adjustments of US\$ 84.04 per bbl (US\$ 88.61 excluding transportation) compared to US\$ 68.24 per bbl and US\$ 72.81 per bbl respectively for the December 2021 quarter.

Byron realised an average gas price after transportation deductions of approximately US\$ 4.67 per mmbtu for the March 2022 quarter (US\$ 5.04 excluding transportation) compared to US\$ 4.85 per mmbtu and US\$ 5.22 per mmbtu respectively for the December 2021 quarter.

## Project Updates

### Salt Dome Projects

#### South Marsh Island 73 Salt Dome

The SM73 field encompasses nine OCS lease blocks (81 square miles) which overlie a large piercement salt dome. The salt dome is responsible for providing the trapping mechanism for production in all portions of the SM73 field. The SM73 field is productive from discrete hydrocarbon-bearing sandstone reservoirs which are primarily trapped in three-way structural closures bound either by salt or stratigraphic thinning, on their updip edge. These reservoirs are Pleistocene to Pliocene age sands ranging in depth from 5,000 feet to 8,800 feet Total Vertical Depth. The majority of the field production has come from depths less than 7,500 feet in high quality sandstone reservoirs.

#### (a) South Marsh Island 71

Byron owns the South Marsh Island block 71 ("SM71") a lease in the South Marsh Island Block 73 ("SM73") field. Byron is the designated operator of SM71 and owns a 50% Working Interest ("WI") and a 40.625% Net Revenue Interest ("NRI") in the block, with Otto Energy Limited ("Otto") group holding an equivalent WI and NRI in the block. As Otto did not participate in the drilling of the SM71 F4 well Byron is entitled to 100% WI/81.25% NRI in SM 71 F4 well, until payout.

Water depth in the area is approximately 137 feet.

Oil and gas production from the Byron operated SM71 F platform began on 23 March 2018 from three wells, F1, F2 and F3. Production from the F4 well, successfully drilled and completed in March 2020, commenced production in in mid-March 2020 until it was shut in September 2020. F4 resumed production in November 2021.

## Oil and Gas Production/Sales (cont)

The F1 and F3 wells are producing in the primary D5 Sand reservoir, the F2 well is producing from the B55 Sand and F4 is producing from the Upper J1 sand.

As of 31 March 2022, the SM71 F facility has produced approximately 3.9 million barrels of oil ("Mmbo") (gross) since initial production began. The facility has also produced approximately 4.9 billion cubic feet of gas ("Bcfg") (gross).

During the March 2022 quarter, Byron submitted an Authority For Expenditure ("AFE") to its 50% working interest partner, Otto Energy, to recompletable the SM71 F2 well from the existing B55 Sand to the up-hole J1 Sand reservoir. The AFE was approved, and Byron 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 re-perforate 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/early May 2022, pending necessary final permit approvals.

Total March 2022 quarter gross sales volumes for all wells on the SM71 F Platform totalled approximately 200,295 barrels of oil and 164,809 mmbtu of gas (December 2021 quarter, 215,343 barrels and 197,468 mmbtu), with only minor amounts of water produced by the SM71 F2. The F1 and F3 continue to produce water-free from the D5 Sand.

Based on a 90 day quarter gross oil and gas production at SM71 for the March 2022 quarter equated to gross daily rates of approximately 2,226 barrels of oil and 1,831 mmbtu of gas (2,341 barrels of oil and 2,146 mmbtu of gas for the December 2021 quarter).

### **(b) South Marsh Island 58**

Byron holds all the operator's rights, title, and interest in and to the South Marsh Island block 58 ("SM58") lease to a depth of 13,639 feet subsea with 100% WI and 83.33% NRI. Below 13,639 feet subsea, Byron has a 50% WI (41.67% NRI) under a pre-existing exploration agreement. To date, all identified drilling opportunities on the SM58 lease are above 13,639 feet subsea.

Byron has also earned a 100% WI in the SM69 E2 well ("E2") under the Joint Exploration Agreement ("JEA") with ANKOR group ("ANKOR"), acquired by W&T Offshore, Inc. ("W&T Offshore") during the March quarter which provided for the drilling of the E2 exploration well operated by Byron. By funding 100% of the E2 well Byron earned 100% WI and 80.33% NRI until E2 Project Payout, at which time and at the leaseholder's election, Byron's NRI will either adjust to 77.33% or the leaseholders can convert to a 30% WI and Byron's interest in the project would adjust to 70% WI with an unburdened 58.33% NRI.

Water depth in the area is approximately 132 feet.

As of 31 March 2022, the SM58 G facility has produced approximately 6.4 Bcfg and 0.2 million barrels of oil and condensate (gross) on a cumulative basis from three wells (G1, commenced production in September 2020, G2, commenced production in October 2020 and E2, commenced production on 21 October 2021).

The SM58 G1 well produces from the Upper O Sand and producing 56.5-degree gravity condensate and no formation water. Gas and oil production from the G1 well has continued to follow a natural and predictable pressure decline.

## Project Updates (cont)

### South Marsh Island 73 Salt Dome (cont)

The SM58 G2ST produces from the O Sand producing oil, gas and with associated formation water.

Production from the Company's E2 well began on 21 October 2021 as previously announced. The well has been in continuous production since then despite the normal challenges associated with commissioning a new production separator and associated production equipment on the host SM58 G platform. Production of oil, gas and any other liquids from the E2, located on the SM69 E platform, flows to the Byron operated SM58 G platform where separation occurs before oil and gas are sent to sales pipelines. Unlike the E1 well production, E2 production is not subject to any third-party processing fees.

Total quarterly gross sales volumes for all wells on the SM58 G Platform, totalled 530,900 mmbtu of gas and 71,798 barrels of oil (December 2021 quarter 703,139 mmbtu of gas and 65,033 barrels of oil). Based on a 90 day quarter, oil and gas production at SM58 for the March 2022 quarter equated to gross daily rates of approximately 5,899 mmbtu of gas and 798 barrels of oil (December 2021 quarter, 7,643 mmbtu of gas and 707 barrels of oil after adjusting for including the SM69 E2 well starting in late October 2021).

### Current Drilling Program - SM58 G3 and G5 Wells

As announced on 19 April 2022, the Enterprise Offshore Drilling (EOD) 264 jack-up rig arrived at Byron Energy's 100% owned South Marsh Island 58 G Platform at 0830 hours on 18 April 2022 (USCDT) to begin drilling operations. The project consists of two wells, the SM58 G3 well will drill the Rainbow Trout prospect and the SM58 G5 well will drill the Smoked Trout prospect. To increase operational efficiency and reduce cost, the wells will be batch drilled by driving conductor pipe for each well, then drilling and cementing surface casing in each well before drilling the target sections in each well.

### (c) South Marsh Island SM58 E1 well, SM 69 E Platform

Byron holds a non-operated 53% WI (44.167% NRI) in the South Marsh Island 69 E platform with one active producing well, the SM58 E1 well. The SM58 E1 was drilled from a surface location in SM69 to a bottom hole location in SM58 in 2011 and was initially completed in the K4 Sand (B65 Sand) which produced a total of 632,000 barrels of oil, 0.19 Bcfg of gas and 836,000 barrels of formation water before the well was recompleted in the K Sand in the March 2021 quarter.

Total March 2022 quarterly gross sales volumes for the SM58 E1 well totalled 9,219 barrels of oil and 1,089 mmbtu (December 2021 quarter 12,689 barrels of oil and 4,660 mmbtu).

W&T Offshore, as successor to ANKOR, is the designated operator of this portion of the block to facilitate the surface operatorship of the jointly owned SM58 E1 well which surfaces from the SM69 E platform which is located in the NE corner of the SM69 block.

### OCS Lease Sale 257 Results

Byron Energy Inc, a wholly owned subsidiary of the Company, was the apparent high bidder on the South Marsh Island 61 lease ("SM61"), the only bid placed by the Company at the Gulf of Mexico, Outer Continental Shelf ("OCS") Lease Sale 257 held in New Orleans, Louisiana on Wednesday, 17 November 2021. An apparent high bid is subject to OCS bid adequacy review and under Bureau of Ocean Energy Management ("BOEM") rules may be rejected if deemed inadequate. The BOEM review process can take up to 90 days.

The Company was sole bidder on the block with a bid of approximately US\$ 130k on SM61. SM61, WI 100/NRI 87.50%, lies within the area of Byron's RTM reprocessing project which was used to evaluate the prospect potential on the block.

## ***Project Updates (cont)***

### ***OCS Lease Sale 257 Results (cont)***

Lease Sale 257 generated US\$ 191,688,984 in high bids for 308 blocks in federal waters of the Gulf of Mexico, according to the BOEM. Thirty-three companies submitted 317 bids totalling US\$ 198,511,834.

As at 31 March 2022 or subsequently, Byron had not yet been awarded the SM61 block by the BOEM. On January 27, 2022, the U.S. District Court for the District of Columbia ("D.C. District Court") vacated the results of Lease Sale 257, effectively cancelling the sale of oil and natural gas leases under Lease Sale 257.

Currently, BOEM is reviewing the decision but has not yet decided whether the agency will appeal the ruling or conduct a new environmental review with the intent to hold another lease sale. The American Petroleum Institute (API) has filed a notice of appeal with the US Court of Appeals for the decision by the D.C. District Court invalidating the results of the Lease Sale 257.

### ***Future Drilling Program***

As reported on 19 April 2022, Byron and EOD have now executed a drilling contract to utilize the EOD 264 for the drilling of two wells beginning in late 2022 or early 2023 depending on rig timing. The contract also gives Byron the option to drill a third well. The EOD 264 will work for two other operators before returning to Byron for this future program. Byron currently plans to drill the Golden Trout prospect, an open water location on SM70, and at least one well from the SM58 G platform. The best prospect for the optional well is under geologic review.



## Properties

As at 31 March 2022, Byron's portfolio of properties, all in the shallow waters of the Gulf of Mexico, USA comprised: -

Properties	Operator	Interest WI/NRI* (%)	Lease Expiry Date	Area (Km <sup>2</sup> )
South Marsh Island Block 71	Byron	50.00/40.625	Production	12.16
South Marsh Island Block 59	Byron	100.00/81.25	June 2022	20.23
South Marsh Island Block 60	Byron	100.00/87.50	June 2024	20.23
South Marsh Island Block 58 (Excl. E1 well)	Byron	100.00/83.33**	Production	20.23
South Marsh Island Block 58 (E1 well in S ½ of SE ¼ of SE ¼ and associated production infrastructure in NE ¼ of NE ¼ of SM69)	W&T Offshore (as successor to ANKOR)	53.00/44.167		
South Marsh Island Block 69 (NE ¼ of NE ¼)	Byron	100.00/77.33-80.33	Production	1.3
South Marsh Island Block 66	Byron	100.00/87.50	December 2025	20.23
South Marsh Island Block 70	Byron	100.00/87.50	July 2023	22.13
Eugene Island Block 62	Byron	100.00/87.50	June 2023	20.23
Eugene Island Block 63	Byron	100.00/87.50	June 2023	20.23
Eugene Island Block 76	Byron	100.00/87.50	June 2023	20.23
Eugene Island Block 77	Byron	100.00/87.50	June 2023	20.23
Main Pass Block 293	Byron	100.00/87.50	October 2023	18.46
Main Pass Block 305	Byron	100.00/87.50	October 2023	20.23
Main Pass Block 306	Byron	100.00/87.50	October 2023	20.23

\* Working Interest ("WI") and Net Revenue Interest ("NRI").

\*\* 100.00% WI to a depth of 13,639 feet TVD and 50% WI below 13,639 feet TVD

## **Glossary**

1P = Proved Reserves  
2P = Proved and Probable Reserves  
3P = Proved, Probable and Possible Reserves  
Bbl = barrels  
bcf = billion cubic feet  
Bcfg = billion cubic feet of gas  
Bopd = barrels of oil per day  
Bcpd = barrels of condensate per day  
btu = British Thermal Units  
mcf = thousand cubic feet  
mcfpgd = thousand cubic feet of gas per day  
Mmcfpgd = million cubic feet of gas per day  
mcf = thousand cubic feet  
mmcf = million cubic feet  
mmbtu = million British Thermal Units  
Mbo = thousand barrels of oil  
Mmbo = million barrels of oil  
NGL = Natural gas Liquids, such as ethane, propane and butane  
Psi = pounds per square inch  
Tcf = trillion cubic feet

## **Conversions**

6:1 BOE conversion ratio for gas to oil; 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency.

1 mcf equals approximately 1.10 btu's currently for SM71 / SM58 production; the heat content of SM71 / SM58 gas may vary over time.

## Appendix 5B

### ***Mining exploration entity or oil and gas exploration entity quarterly cash flow report***

Name of entity

Byron Energy Limited

ABN

88 113 436 141

Quarter ended ("current quarter")

31 March 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter US\$'000</b>	<b>Year to date (9 months) US\$'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	12,789	33,374
1.2 Payments for		
(a) exploration & evaluation (*net of proceeds of drilling supplies)	*13	(79)
(b) development	(592)	(664)
(c) production	(1,613)	(4,473)
(d) staff costs	(859)	(2,221)
(e) administration and corporate costs	(387)	(1,338)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	49
1.5 Interest and other costs of finance paid	(440)	(1,648)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
- Oil price cash hedge settlements	(77)	(539)
- Refundable security deposits	-	467
- Cash Contributions from JV partners	10	35
- Repayment of oil revenue prepayments	(3,000)	(750)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>5,844</b>	<b>22,213</b>

**2. Cash flows from investing activities**

2.1 Payments to acquire or for:

- (a) entities
- (b) tenements
- (c) property, plant and equipment

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<b>Consolidated statement of cash flows</b>		<b>Current quarter US\$'000</b>	<b>Year to date (9 months) US\$'000</b>
	(d) exploration & evaluation	(3,947)	(18,056)
	(e) investments		
	(f) other non-current assets		
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(3,947)</b>	<b>(18,056)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(2,640)	(7,428)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(2,640)</b>	<b>(7,428)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,597	4,143
4.2	Net cash from / (used in) operating activities (item 1.9 above)	5,844	22,213
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,947)	(18,056)

<b>Consolidated statement of cash flows</b>		<b>Current quarter US\$'000</b>	<b>Year to date (9 months) US\$'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2,640)	(7,428)
4.5	Effect of movement in exchange rates on cash held	2	(16)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>856</b>	<b>856</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> <i>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts</i>	<b>Current quarter US\$'000</b>	<b>Previous quarter US\$'000</b>
5.1	Bank balances	856	1,597
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>856</b>	<b>1,597</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter US\$'000</b>
6.1	*Aggregate amount of payments to related parties and their associates included in item 1	475
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</p> <p>*Payments to directors comprise: (i) Non-executive directors' fees of A\$ 41, (ii) Executive directors' salaries and service fees of US\$ 239k and A\$ 174k, and (iii) quarterly interest payments of US\$ 47k and A\$ 44k to certain directors on the loan facilities listed in 7.1a.</p>		

7. <b>Financing facilities</b>	<b>Total facility amount at quarter end \$'000</b>	<b>Amount drawn at quarter end \$'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1a Loan facilities (unsecured and repayable by 31 March 2023, bearing 10% interest p.a.)	US\$ 2,000 & A\$ 2,100	US\$ 2,000 & A\$ 2,100
7.1b Loan facilities (secured over the SM71 & SM58 assets, bearing interest at 15% p.a. fully repayable by the end of November 2022.)	US\$ 7,655	US\$ 7,655
7.2 Credit standby arrangements	-	-
7.3 Other (please specify) Oil revenue prepayment facility*	US\$ 11,000	-
7.4 <b>Total financing facilities</b>	US\$ 20,655 & A\$ 2,100	US\$ 9,655 & A\$ 2,100
7.5 <b>Unused financing facilities available at quarter end</b>		*US\$ 11,000
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
*Oil prepaid revenue fee of approximately US\$1.00 a barrel of oil from drawdown date to last repayment. Repayments of US\$ 1.375 million per month beginning in August 2022 with the final repayment will be made in March 2023.		

8. <b>Estimated cash available for future operating activities</b>	<b>US\$'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	5,844
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(3,947)
8.3 <b>Total relevant outgoings (item 8.1 + item 8.2)</b>	<b>1,897</b>
8.4 Cash and cash equivalents at quarter end (item 4.6)	856
8.5 Unused finance facilities available at quarter end (item 7.5)	11,000
8.6 <b>Total available funding (item 8.4 + item 8.5)</b>	<b>11,856</b>
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>N/A</b>
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

N/A

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 April 2022

Authorised by: Board of Directors  
(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.