

10 August 2022

ASX RELEASE

SM58 G3 & G5 Wells Online, Increasing Byron's Total Net Production to greater than 3,000 boepd

- Total current net daily production sales to Byron is 2,240 boepd and 4,960 mcfgpd
- Oil and gas production from the SM58 G3 well has initially commenced at a managed rate of 500 boepd and 1,100 mcfgpd (gross)
- Oil and gas production from the SM58 G5 well is currently flowing at a managed rate of 280 boepd and 215 mcfgpd (gross)
- Byron's net daily production from the SM58 G platform of 1,290 boepd and 4,376 mcfgpd now exceeds that of SM71 F platform net of 890 boepd and 584 mcfgpd
- The Enterprise 264 drilling rig was released on 3 August 2022
- Recompletion operations on the SM71 F2 and F4 wells are underway

Byron Energy Limited (Byron or the Company) (ASX: BYE) is pleased to provide the following updates on the status of the Company's South Marsh Island 58 G3 and G5 (G3 and G5) drilling and completion program.

G3/G5 Production Rates

The SM58 G3 (G3) was completed in the J Sand and brought into production on 1 August 2022 after clearing an obstruction in the production tubing and the Enterprise 264 drilling rig was released on 3 August 2022. Since then, the G3 has continued to unload completion fluids and is not yet fully stabilized. As of 9 August 2022, the G3 is producing 37.5-degree API oil at a managed rate of 500 boepd, 1,100 mcfgpd and unloading completion fluids at 5 bwepd with a flowing tubing pressure of 1,713 psi. The G3 was shut-in after 3 days of production for a 12-hour period due to scheduled oil sales pipeline maintenance. Shut in pressure data from that period will be used to tune the oil rate to match pressure support from the downdip aquifer. Once production stabilizes, the G3 rate will be evaluated and may be adjusted further based on all available data and performance.

The SM58 G5 (G5) was completed in the L2 Sand and production began on 13 July 2022. Concerns about the connectivity of the L2 Sand to down-dip wells with unproduced oil in the L2 Sand were outlined in a release to the ASX on 27 July 2022. The pipeline maintenance period was also used to observe the shut-in pressures in the G5 which indicated at least partial connection to, and support from a larger down-dip reservoir. As of 9 August 2022, the G5 is being held at a managed rate of 280 boepd (38-degree API), 215 mcfgpd with no water in order to match estimated oil feed in from pressure support. Flowing tubing pressure is 294 psi.

Both wells are being constantly monitored, and ongoing adjustments will be made to optimize rate. As with all of the Company's wells Byron will continue to optimize production rates so as to maximize the long term recovery from every completion. The G3 and G5 wells will be managed accordingly.

SM58 Drilling Program Capital Expense Review

Total combined CAPEX for the expanded SM58 G3/G5 program stands at approximately US\$35.1 million for drilling and multiple completion operations in both wells. The actual capital program has expanded from original pre-drill estimates with the addition of two completion operations to eliminate the necessity for future rig work, one full frac pack in the G3 and one through tubing set up in the G5.

Initial expectations for the SM58 G3 and G5 program were US\$21.6 mm for drilling and completion of the two wells with a single sand control completion for each well. Prior to the April 2022 rig mobilization, all AFE's were reviewed for expected increased costs of fuel and services in response to worldwide increases in oil prices and associated effect on operational costs. That review resulted in an adjustment to US\$24.6 mm for both wells. A breakout of the other issues contributing to the increased costs during the program follows:-

SM58 G3

- Actual drilling operation costs were slightly under the adjusted AFE of US\$5.1 million.
- Actual completion operation costs for the G3 were US\$4.6 million over the adjusted completion AFE of US\$6.4 mm. These overruns consisted of;
 - i) adding a sand control completion for the K4 Sand, (allowing a change to the K4 Sand without the use of a rig in the future),
 - ii) unplanned expense to clear an obstruction in the tubing just prior to rig release,
 - iii) minor non-productive rig time.

SM58 G5

- Actual drilling operation costs exceeded the adjusted of US\$5.5 million by a total of US\$2.9 million. Of that, US\$2.6 million was the direct result of the failure of the rig's top drive system as reported to ASX on 26 May 2022. That failure resulted in several complex unplanned operations to preserve the bore hole and the hydrocarbons already logged in the K4 and L2 Sands. Non-productive time related to minor equipment and operational problems accounted for the remainder of the G5 overrun.
- Actual completion operation costs in the G5 exceeded the adjusted AFE of US\$6.8 million by US\$3.8 million. These overruns consisted of;
 - i) adding a sand control completion for the L2 Sand,
 - ii) operational issues associated with the setup of the N2 Sand as a future through tubing completion related to the top drive failure,
 - iii) minor non-productive rig time.

SM71 F2 and F4 Recompletion Update

After numerous delays due to lift boat availability, the lift boat arrived on location at SM71 F Platform on 7 August 22 to begin recompletion operations on the SM71 F2 well (refer to Appendix 1 for ownership interests). Both wells will be recompleted to the J1 Sand using through tubing sand control techniques utilizing coiled tubing equipment. Overall, the work is expected to take 25 days without any delays for weather.

South Marsh Island Project Production Update

Production levels from the Byron operated SM71 F and SM58 G platforms remain steady with SM58 increases related to the addition of both the G3 & G5. At the SM58 G Platform combined gross production as of 9 August 2022, stands at 1,577 bopd, 5,273 mcfcpd and 335 bwpd. This production results in net sales to Byron of 1,290 bopd and 4,376 mcfcpd.

As of 9 August 2022, combined gross production from the SM71 F platform (excluding the F2 and F4 wells) stands at 2,190 bopd, 1,438 mcfcpd and 45 barrels of water per day (bwpd). This production results in net sales to Byron of 890 bopd and 584 mcfcpd.

Total company wide net sales to Byron as of 9 August 2022, excluding the F2 and F4, were 2,240 bopd and 4,960 mcfcpd.

Maynard Smith, Byron Energy LTD. CEO, had this to say:

“While the early production from the G3 and G5 wells is encouraging, particularly with regards to the L2 Sand, it’s still too early to make a meaningful assessment of the long term rates. Just as importantly though, it is worth keeping in mind that the G3 and G5 wells have added to our understanding of the SM58 project and will ultimately be reflected in our upcoming reserves report. No doubt this has been a huge effort by our small and dedicated Lafayette team and my thanks goes out to them, and our vendors, for executing a safe campaign often under very trying circumstances.

Regarding the cost overruns, a large portion was related to adding extra sand-controlled completions in both wells. We felt it was important to be able to change zones in the future without the use of a drilling rig in the time of a tight rig market. It is also important to note the overrun amounts equate to roughly two months of current projected revenue and this program will be fully paid for before the end of the year.

Finally, it is extremely gratifying to see that our net daily production from SM58 G has now exceeded our net daily production from SM71 F. Our primary goal with the SM58 project was to augment the very successful SM71 program and diversify our operated production portfolio which we have now accomplished. We look forward to drilling 3 or 4 more wells in this area in early in 2023 and our planning efforts are well underway.”

Refer to Appendix 1 for ownership interests in various properties.

Authorised by: The Board of Directors

For Further Information Contact:

Maynard Smith
Chief Executive Officer
+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.

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 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.

Glossary

Bbl = barrels

bcf = billion cubic feet

Bcfg = billion cubic feet gas

Bopd = barrels of oil per day

Boepd = barrels of oil equivalent per day*

Bcpd = barrels of condensate per day

Bwpd = barrels of water per day

mcfg = thousand cubic of gas

mcfgpd = thousand cubic feet of gas per day

Mmcfpgpd = million cubic feet of gas per day

Mmbo = million barrels of oi

***Conversion to BOE** – using a ratio of 6,000 cubic feet of natural gas to one barrel of oil - 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency

Appendix 1 – Ownership Interests

South Marsh Island 58 Ownership	Comments	Working Interest	Net revenue Interest
Byron Energy Inc (Operator)	Surface to -13,639 ft subsea TVD*	100.00%	83.33%
Byron Energy Inc	Below -13,639ft	50.00%	41.67%
Byron Energy Inc	All production from the SM58 E1 wellbore in the S1/2 SE ¼ of the SE1/4 to a depth of 7,490 ft TVD**	53.00%	44.16%
South Marsh Island 69 Ownership			
Byron Energy Inc (Operator)	All production from the SM69 E2 wellbore in the NE1/4 of the NE1/4 ***	100.00%	77.33%

*SM58 G2, G2, G3, G5 and Future G Platform Wells

**SM58 E1 well

***Byron has earned a 100% WI and 80.33% NRI until E2 Project Payout, at which time, and at the leaseholder's election, Byron's NRI would either adjust to 77.33% or W&T Offshore (successor to ANKOR) 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 going forward.

South Marsh Island 71 Ownership	Comments	Working Interest	Net revenue Interest
Byron Energy Inc (Operator)	All production from SM71 Lease (SM71F Platform)	50.00%*	40.625%*

*Otto Energy Limited group (Otto) holds 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.