

28 February 2023

**ASX Release****SM69 E2 WELL HAS REACHED US\$22 MILLION PROJECT PAYOUT**

- **Effective 1<sup>st</sup> January 2023 the SM69 E2 (E2) well has reached Project Payout having realised more than US\$22 million (mm) of net revenue against total project expenses.**
- **W&T Offshore has elected to convert its 3% overriding royalty interest in the E2 well into a 30% Working Interest (WI) (25% Net Royalty Interest (NRI)).**
- **Byron will revert to an unburdened 70%WI and 58.33% NRI.**
- **Total Project Payout was achieved in less than 15 months, with 80% of Proved Oil reserves attributable to this well remaining.**
- **The Byron operated SM69 E2 well is currently producing at an average daily rate of 725 bopd and 0.6 mmcfcpd with no water.**
- **Byron's companywide average net daily rate of production as of 25 February, 2023 is approximately 2,300 boepd (1,600 bopd + 4.3 mmcfcpd).**

**Byron Energy Limited (Byron or the Company) (ASX: BYE)** is pleased to provide an update of the SM69 E2 production rates and project payout status for the Company's SM58/69 project area in the shallow waters of the Gulf of Mexico.

**SM 69 E2 Production & Payout:**

As announced on 27 October 2021, the Byron operated E2 well was successfully completed with a high-rate gravel pack with sliding sleeves in the primary K4 Sand and with the L2 zone perforated and isolated as a future low-cost downhole zone change. Oil and gas production from the E2 well was initiated on 21 October 2021 (USCDT). The E2 has produced approximately 302,000 barrels of oil and 166 mmcfcpd and no water from the K4 (B65) Sand through December 31, 2022. Also the high quality K4 Sand was completed with a high-rate water gravel pack allowing for production at a significant rate with necessary sand control over the life of the completion.

The E2 well is currently producing at an average gross daily rate of 725 bopd and 0.60 mmcfcpd (423 bopd and 0.35 mmcfcpd net to Byron's interest). Byron continues to manage well production rates to achieve optimal oil and gas recovery. The well has consistently averaged between 700-740 bopd with minimal rate variation, good indications of a moderately strong water drive mechanism, and no water production since coming online.

The E2 well paid out the total well drilling and completion cost in less than a year, consistent with Byron's expectations as stated in the ASX release dated 27 October, 2021 and reached the Total Project Payout of over US\$22mm in less than 15 months.

Under the Total Project Payout Byron recovered all costs associated with the drilling and completion of approximately US\$17.5mm, production costs of approximately US\$1.6 mm, as

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well as the “SM69 E to SM58 G” flowline installation and well hookup costs of approximately US\$3.0mm.

The E2 reached project payout upon production of approximately 20% of the originally booked gross proved reserves attributable to the well by Collarini & Associates, Byron’s third party reserve assessor. As shown in Table 1, 302,000 gross barrels of oil were produced of the 1,397,000 barrels of gross proved oil reserves. With approximately 1.1 MMBO gross remaining proved reserves, the E2 well production is expected to produce for several years to come.

For comparison, the cornerstone SM71 Project paid out in 18 months, at approximately US\$45mm for the 3 wells drilling and completion (D&C) costs plus platform, pipeline and operating costs with the individual F1 and F3 wells paying out their D&C costs in an impressive 3- and 4-month period respectively. The SM58 G1 well also reached well pay out in February 2022 (28 months), at approximately \$22 mm. Like the E2, all wells mentioned above are currently completed in and producing from their initial zones with significant producing and behind pipe reserves remaining in all

#### Non-operating Partner Election:

As previously reported Byron earned a 100% Working Interest (WI) in the E2 well under the Joint Exploration Agreement (JEA) with the ANKOR group, subsequently acquired by W&T Offshore, Inc. (W&T Offshore). The JEA provided for the drilling of the E2 exploration well operated by Byron. By funding 100% of the E2 well Byron earned a 100% WI and 80.33% Net Revenue Interest (NRI) until E2 Project Payout, at which time and at W&T Offshore’s election, Byron’s NRI would either adjust to 77.33% or W&T Offshore could convert it’s 6% overriding royalty interest (ORRI) to a 30% WI and Byron’s interest in the project would adjust to 70% WI with an unburdened 58.33% NRI.

Having achieved E2 payout in December 2022, WT Offshore has now formally exercised its option to convert its ORRI into a working interest in the E2 effective 1 January, 2023 as detailed above.

#### Production Handling:

Although the surface location is on the SM69 E platform, production from E2 well flows through Byron’s previously laid E-to-G flowline to the Byron operated SM58 G facilities. As a result of the conversion to working interest by W&T Offshore, our non-operating partner, going forward the well will be operated under an existing Joint Exploration Agreement with shared costs and production processed under a mutually agreed Production Handling Agreement with Byron receiving per unit compensation for oil, gas and water processed on behalf of the non-operator.

#### Ongoing/Future SM 69E Area Activity:

Byron is currently seeking approval of a revised Development Operations Coordination Document (DOCD) permit for the SM69 E structure to allow for the drilling of a third well off the SM69 E Platform. A SM69 E3 well that would jointly develop reservoirs shared along the respective SM58 and SM69 lease lines, under consideration by Byron and W& T Offshore.

#### Byron’s Companywide Production

Byron’s companywide production since inception is shown on **Figure 1** with significant well and platform additions noted. The stacked components of the Total Production curve serve to illustrate both the timing of rate and reserve additions as well as the diversification over time of Byron’s assets. During these past 5 years, Byron has sought to manage the drilling and development activity while operating within rig availability, cash flow and funding constraints to provide stable reserve growth, production replacement, and diversification of asset base. The stability of production and confidence in reserve additions during this period has allowed

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Byron to plan and commit to drilling and development activities while efficiently utilizing cash flow and minimizing debt exposure.

Current average daily rates as of 25 February 2023 were approximately 1,600bopd and 4.3 mmcfcpd net to Byron.

**Commenting on the SM69 E2 well payout and ongoing activities, Mr. Maynard Smith, CEO, said:**

*"The successful E2 well was a milestone for Byron at the time it was drilled, and subsequent production has proven to be both high rate, stable and in line with our stated pre-drill expectations. The result is an impressive project payout timeline and currently one of Byron's top 3 performing wells. I am pleased to report that Byron recovered all the E2 drill, completion and development costs within 15 months. The E2 remaining Proved Reserves are significant and should provide a strong performing asset for several years.*

*Byron's ongoing technical evaluation of the joint exploration SM69 E Area has led to the identification of additional potential and a proposal for a future E3 well which is currently under consideration and early stage permitting. We look forward to working with W&T Offshore to advance additional growth opportunities in the SM69 E Area.*

*Byron's production profile reflects the management team's methodical addition of assets and the resulting reduction of risk under the very challenging constraints of limited rig and equipment availability, minimal free cash flow and limited funding access, during 5 years of unique industry and global challenges".*

*Authorised by: 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 waters 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 waters. Byron's experienced management team has a proven record of accomplishment and 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](http://www.byronenergy.com.au)

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**Glossary**

Bbl = barrels

Bcf = billion cubic feet

Bcfg = billion cubic feet of gas

Boe = barrels of oil equivalent

Bopd/bopd = barrels of oil per day

Btu = British Thermal Units

Mcfg/mcfg = thousand cubic of gas

MMCFG/mmcf = million cubic feet of gas

MCFGPD/mcfspd = thousand cubic feet of gas per day

mmcf = million cubic feet

Mbo/Mbbl = thousand barrels of oil

MMbo/MMbbl = million barrels of oil

Mboe = thousand barrels of oil equivalent

MMboe = million barrels of oil equivalent

Mcf = thousand cubic feet

MMcf = million cubic feet

mmbtu = million British Thermal Units

## Table 1 – SM69 E2 Project Summary E2

### Reserves Summary as at 1 January, 2023

Table 1 summarises Byron's booked E2 reserves as of 1 January 2023 *post W&T offshore back-in* reducing Byron's interest to 70% WI & 58.331% NRI. All assumptions remained the same as those used by Collarini in the 30 June 2022 reserves report released to the ASX on 14 September, 2022. The 30 June 2022 reserves report assumed that W&T Offshore would back in for a 30% working interest and 25% net revenue interest after E2 payout had been achieved.

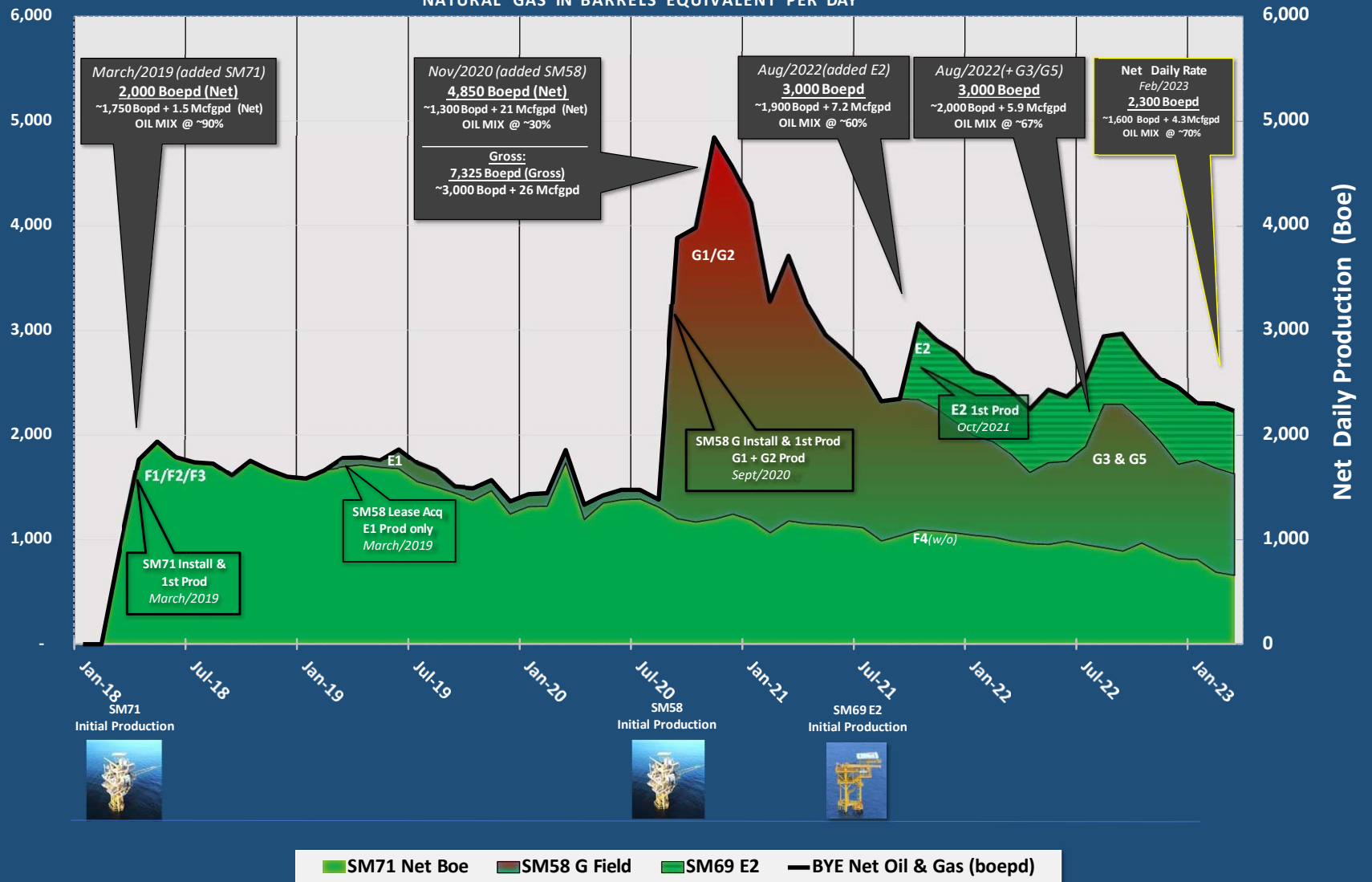
### SM69 E2 Reserve Table (Table 1)

Byron Energy Limited - Reserves					
SM69 E2 Post W&T Offshore Conversion Reserve reconciliation table:					
Reserves as of 31 December, 2022*	Gross		Net to Byron		
	Oil MMBL	Gas MMCF	Oil MMBL	Gas MMCF	MBOE (6:1)
<b>Proved Expected Ultimate Recovery (Collarini 30/6/22 Reserves Report)</b>	<b>1,397</b>	<b>668</b>	<b>878</b>	<b>415</b>	<b>947</b>
<b>Proved Remaining as of 30/6/2022 (Collarini 30/6/22)</b>	<b>1,224</b>	<b>601</b>	<b>739</b>	<b>361</b>	<b>799</b>
<i>Less Production from 1-7-2022 to 12-31-2022</i>	<i>-129</i>	<i>-100</i>	<i>-103</i>	<i>-80</i>	<i>-117</i>
<b>Proved Remaining as of 31/12/22</b>	<b>1,095</b>	<b>501</b>	<b>635</b>	<b>281</b>	<b>682</b>
<b>Proved at 31-12-2022 (post W&amp;T Offshore conversion)</b>	<b>1,095</b>	<b>501</b>	<b>635</b>	<b>281</b>	<b>682</b>
Probable Reserves	-	-	-	-	-
<b>Proved and Probable (2P)</b>	<b>1,095</b>	<b>501</b>	<b>635</b>	<b>281</b>	<b>682</b>
Possible Reserves	-	-	-	-	-
<b>Proved, Probable and Possible (3P)</b>	<b>1,095</b>	<b>501</b>	<b>635</b>	<b>281</b>	<b>682</b>

\* Collarini 30-6-22 Reserves adjusted by Byron for production at 12-31-2022; Byron's interest at 70%WI and 58.33% NRI as of 1-1-2023

Figure 1 Net Daily Production (BOE)

**BYRON ENERGY, INC.**  
**NET COMBINED OIL & GAS PRODUCTION**  
**NET AVE DAILY RATE (BOEPD) BY FIELD**  
 \*NATURAL GAS IN BARRELS EQUIVALENT PER DAY



\*Natural Gas converted from million cubic feet (mmcf) to barrel of oil equivalents (boe) on a 6:1 volumetric ratio

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