

1 August 2023

ASX RELEASE

Byron Closes Multi Draw Facility for up to US\$22 Million

- Byron has closed a forward sale loan facility for up to US\$22 million with a supermajor, Byron's sole purchaser of oil and primary hedge counterparty, to fund the upcoming SM58 development program expected to commence in mid-August 2023 pending rig release by the current operator.
- The US\$31 million development program is to be funded by a combination of internally generated funds and the US\$22 million loan facility provided by the lender.
- The multi-draw facility includes a US\$10 million initial draw prior to September 30th followed by an optional second draw of up to US\$12 million within 90 days intended to fund completion activities contingent upon success.

Byron Energy Limited (Byron or the Company) (ASX: BYE) is pleased to provide the following update on the Company's funding activities and the pending commencement of its 2023 drilling activity in August 2023.

Extension of the Oil Offtake Agreement

Byron is pleased to have agreed to terms on the extension of its existing oil offtake agreement through December 2026 with a supermajor, the sole purchaser of Byron's GOM oil production and its hedge counterparty since inception. In exchange, Byron has secured access to funding of up to US\$22 million through a multi-draw facility structured through the prepayment of future oil revenue and secured by a mortgage over Byron's producing assets. As of July 31, 2023 (US time), Byron and the lender have finalized all dedication and loan documentation and have closed the transaction.

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US\$ 22 Million Multi-draw Prepayment Facility

This prepayment loan facility has been purposefully negotiated and structured to coincide as close as possible with the expected start of the 2023 drilling program.

Terms include a 24-month total term starting upon the initial draw of US\$10 million to be taken no later than September 30, 2023, a second draw of up to US\$12 million within 90 days of the first and includes a 6-month interest only grace period followed by eighteen equal monthly repayment instalments.

The fee for this initial prepayment will be charged at US\$1.27 per produced barrel of oil (bo) delivered to the counterparty on a fixed volume of oil of 1.606 million bo delivered during the term of the offtake agreement. A hedge swap of approximately 500 barrels of oil per day (bopd) over the term of the loan will be placed by Byron prior to the initial draw. Thus far Byron has hedged 250 bopd over 12 months starting September 1 at an average WTI price of US\$ 75.60 per bo.

The second draw of up to US \$12 million is optional, contingent on success, and if drawn has an associated fee of up to US\$1.39 bo. An additional hedge component of 200 bopd for a period of 6 months will be placed prior to the second draw.

The loan facility will be secured by an industry standard mortgage and security agreement over Byron's assets and will be guaranteed by Byron and its subsidiaries. The fee arrangements equate approximately to a 15% pa interest rate over the facility period.

At the requirement of the lender, the outstanding directors' and shareholder loans of approximately US\$3.4 million, has been extended to December 2025.

Byron will update the market with further details on the volume and price hedge outcomes after all hedges are placed and the initial draw made.

The expected development program drilling costs, of approximately \$12 million, for the upcoming 2 well program will be sourced internally via cash on hand and forecasted free cash flow through the remainder of 2023 with the completion and hook-up costs of approximately US\$19 million to be funded through a combination of cash flow and the prepayment facility. Other upcoming capital projects included in the near-term use of funds from the loan facility include the future compressor upgrades at SM58 and SM71 to accommodate new wells and other future activity.

Through this arrangement Byron has once again leveraged its operated production, existing agreements and established industry relationships to unlock cost effective access to accelerated cash flow while the counterparty has secured the future oil purchasing rights from Byron though December 2026. The ongoing access to capital and the intentional streamlined structure of the deal speaks to the value of the long-established and trusted relationship between the parties, sets the

stage for potential future borrowing with minimal effort and eliminates the need for a time consuming and costly investment banking process.

Byron's CEO Maynard Smith said:

Byron's executive team has continued to leverage the Company's established production profile and operational control in order to access funding on an as needed basis as development drilling and completion programs are executed. The timing of putting such financing in place at the start of a capital program was a delicate balance between rig availability, optimizing internal cash flow, and minimizing the cost of accessing external funds. This new facility not only provides additional funds to execute the completion phase of the program but also establishes a securitised basis for potential future funding through our lender, with whom Byron has a long and trusted relationship.

Management's repeated ability to deliver prudent and timely funding of our development drilling programs, in the current industry environment, should give our shareholders confidence in our team's resourcefulness and ability to deliver both development opportunities and efficient capital access. I look forward to the successful execution of the upcoming drilling program and further development of our SM58 asset.

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 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