

10 July 2019

ASX Release

South Marsh Island 71 Project Update

- **As of 4 July 2019, the South Marsh Island Block 71 F Platform has produced in excess of 1.5 million barrels of oil**
- **Production to date has been characterized by low LOE and premium pricing**
- **Daily oil Production from SM69 E1 well is now at 210 bopd (gross) after gas lift optimizations**

Byron Energy Limited (“Byron or the Company”) (ASX: **BYE**) is pleased to provide the following production update at the Company operated South Marsh Island Block 71 (“SM71”) F Platform.

As of 6:00 AM July 4th Central Daylight Time, the SM71 facility has produced over 1.5 million barrels of oil (gross) since initial production began on March 23, 2018. The most recent month of June was the highest month of production since August 2018. During June, production averaged 3,250 barrels of oil per day (“bopd”) and 4.4 million standard cubic feet of gas per day (“MMscfgpd”). The primary D-5 reservoir has yet to produce any water. Reservoir performance matches previous assumptions from downhole pressure analysis and the D5 reservoir is showing significant aquifer support. The facility has also produced over 2.3 Billion cubic feet of gas which, on a revenue basis, is approximately equivalent to an additional 123,000 barrels of oil.

Lease Operating Expense (“LOE”), inclusive of all insurance, has averaged approximately US\$4.00 per barrel of oil equivalent since production began. Over the same time period, Byron has realised an average oil price of approximately US\$62 per barrel after adjustments for oil quality, transportation, shrinkage and other miscellaneous costs making this an exceptionally profitable project. The high quality oil produced at SM71 commands a Louisiana Light Sweet (“LLS”) crude pricing premium that has averaged approximately \$5.60 per barrel over WTI pricing during the same time period

As previously announced by the Company on 15 January 2019, full project payout was achieved in less than 12 months. Except for pipeline related downtime, the facility has experienced less than 1% downtime since commencement of production and there have been no recordable accidents or environmental incidents.

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Byron, through its wholly owned subsidiary Byron Energy Inc. is the operator of SM71 and has a 50% working interest and a 40.625% net revenue interest in SM71. Otto Energy Limited group (ASX: OEL) holds the remaining interest in SM71.

SM58 E1 Production Update

Since last reported on 30 April 2019, the SM58 E1 well gross daily production has been increased to 210 bopd (111 bopd net to Byron). After joint discussions with the operator, ANKOR Energy LLC, optimisations were made to the gas lift system in early June which resulted in a gross increase from 60 bopd to 210 bopd.

Byron holds a non-operated 53% WI (44.165% NRI) in the SM69 E Platform, the SM58 E1 wellbore, and the E platform to B platform pipelines located within SM69. ANKOR Energy LLC is the operator of the SM69 E Platform

CEO Comment:

Maynard V. Smith, Byron CEO, had this say about the SM71 Project:

“Our team offshore on the SM71 F Platform and in Lafayette have done an outstanding job working diligently to keep operating and handling costs to a minimum and production to a maximum. There are few other oil and gas regions in the world where a small company, such as Byron, can compete and achieve such a profitable project in this short period of time. Byron will continue to focus solely on the shallow waters of the Gulf of Mexico using cutting edge geophysical and geological data for the foreseeable future.”

“It is also pleasing to see the results of improved gas lift operations on the SM58 E1 well. Although the primary reason for the purchase of SM58 was for the exploration opportunities on the block, the improved production from the E1 well provides a steady cash flow from the SM69 E platform.”

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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.
