

29 August 2019

ASX Release

SM58 Update: Porosity Logging Confirms Substantial Hydrocarbon Column

- **Electric Logs Indicate 302 feet gross 271 feet Net TVT Pay**
- **Mud gas Isotope analysis shows a liquids rich gas with high quality oil**
- **The O Sand exhibits extremely good reservoir characteristics and a high rate completion is expected**
- **Byron has commenced construction work on a recently acquired production platform**

Byron Energy Limited (“Byron” or the “Company”) (ASX: BYE) is very pleased to announce that porosity logs and mud gas isotope samples have been acquired and analysed across the O Sand in the SM58 011 well. As previously announced on 26 August 2019, the Byron Energy operated SM58 011 well has been drilled to a depth of 10,885 feet Measured Depth (“MD”) equivalent to 9,832 feet True Vertical Depth (“TVD”) to test the Cutthroat prospect.

A Quad-combo suite of Electric, Porosity, and Sonic logs were obtained in the well bore by running Measurement After Drilling logs (MADPASS) in the past 24 hours. Third party petrophysical calculations indicate 302 feet of gross hydrocarbon bearing O Sands with 271 feet of net True Vertical Thickness (“TVT”) were logged in the well bore with the package filled to base. The logs confirm a thick, clean, high quality O Sand with average porosity above 30 percent. The SM58 011 well has logged the thickest O Sand hydrocarbon column within the entire SM73 field in which over 350 wells have been drilled.

Analysis of mud gas Isotope samples indicate the hydrocarbon is a liquids rich gas with high quality oil, typical of O Sand completions on the block. The isotope analysis indicates that the hydrocarbons in the SM58 011 well are from the same source rock as hydrocarbons produced from the Byron operated SM71 F platform where the stratigraphic equivalent D5 Sand has now produced over 1.5 million barrels of high-quality oil and 2.5 billion cubic feet of gas. Final liquids content of the O Sand will not be fully known until the well is completed and placed into production but are expected to range from 30 – 100 bbls of oil per million cubic feet of gas. Based on nearby well control and the fact the SM58 011 well is drilled high on structure, it is likely that there a downdip oil leg and if so, it will be produced in the SM58 011 well later in its life.

The Company expects that third party reserves for the SM58 011 well will be released in mid-September along with the Company’s annual reserve report.

The O Sand has produced 11.6 million barrels of oil and 26.3 billion cubic feet of gas from 10 completions in the adjacent area immediately to the west of the Cutthroat prospect. The stratigraphic equivalent D5 Sand has produced over 22 mmo and 17.5 Bcfg in the SM73 Field to date.

Byron will now move forward with the development of SM58. Initial engineering studies on structural modifications to the jacket and decks have been completed in order to fast track construction on a recently acquired platform as announced by the Company on 17 June 2019. Work has begun to remove existing production equipment from the platform for refurbishment. The facility is being redesigned to accommodate up to 8,000 barrels of oil per day, 80 million cubic feet of gas per day and 8,000 barrels of water per day. Pipeline design and route surveying is also underway.

Current operations at 5 PM 28 August 2019 are preparing to run 7 5 /8” casing to the bottom of the well before drilling ahead to the planned total depth of 11,466 feet MD (10,418 feet TVD). This lower portion of the well bore will test one additional seismic amplitude in the lower O Sand section.

Byron’s Cutthroat Prospect was identified and evaluated using high-tech Reverse Time Migration (RTM), Vector Image Processing (VIP) and Full Waveform Inversion (FWI) 3D seismic processing. Those datasets together revealed an undrilled trap designated the Cutthroat prospect within the central portion of SM58 that lies at the same structural depth as several oil wells immediately to the west. The Cutthroat prospect area was not defined by older seismic processing versions, but was imaged through careful reprocessing by WesternGeco, a Schlumberger company. Byron has identified several other drilling opportunities on the SM58 block using the same dataset.

Byron holds all the operator’s rights, title, and interest in and to the SM58 Lease Block to a depth of 13,639 ft. subsea with 100% Working Interest (“WI”) and 83.33% Net Revenue Interest (“NRI”). To date, all identified drilling opportunities on the SM58 lease are above 13,639 feet subsea. Below 13,639 feet subsea, Byron has a 50% WI (41.67% NRI) under a pre-existing exploration agreement. Additionally, Byron owns a non-operated 53% WI (44.165% NRI) in the associated existing producing assets being the SM69 E Platform and SM58 E1 wellbore.

Byron will continue to issue progress reports on the SM58 011 well as drilling and logging progresses.

Bryon’s CEO, Maynard Smith had this to say about the SM58 011 well:-

“This is obviously a fantastic result for Byron and will lead to substantial growth over the next few years.”

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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.

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