

14 January 2020

ASX Release**Byron Draws Second Tranche of US\$5 Million on \$15 Million Promissory Note**

- Byron has drawn the US\$5 million second tranche available under the Promissory Note of US\$15 million with Crimson Midstream, a Carlyle Group Portfolio company
- Funds will be used to fund the ongoing construction of the SM58 production platform, future development at SM58, and upcoming drilling activity on SM71

Byron Energy Limited (“Byron” or the “Company”) (ASX: BYE) is pleased to announce that it has drawn an additional US\$5 million under the initial US\$15 million Secured Promissory Note (“Promissory Note”) with Crimson Midstream Operating, LLC (“Crimson”), a portfolio company of The Carlyle Group. This second tranche of US\$5 million is in addition to the initial US\$10.0 million draw in November 2019, bringing the total facility drawn to date of US\$15 million.

As announced to the ASX on 4 December 2019, the funds from the Promissory Note will be utilised primarily for the ongoing construction of the production platform and pipelines at Byron’s wholly owned SM 58 field, following the substantial hydrocarbon accumulation discovered by the drilling of SM58 G1 well (formerly SM58 011 well) as outlined in the Company’s recent ASX reports. The funds can also be used for completion of SM58 G1 well and drilling of the SM71 F4 anticipated to spud during the third week of January subject to rig availability and weather.

One of the key terms of the Promissory Note is an oil hedging program for a portion of Byron’s production with a 3 year multi staged hedge put in place in late December 2019 (refer to the Company ASX release dated 4th December 2019) with a volume weighted fixed price per barrel, net of hedge costs, implemented through a hedging counterparty (with costs at a preferred customer rate), for the following oil sales volumes and prices:-

Daily Volume Hedged (barrels of oil per day)	Period	Fixed Base Price (West Texas Intermediate)*
400	Jan-Mar 2020	US\$ 52.70
670	Apr-Dec 2020	US\$ 54.78
450	Jan-Dec 2021	US\$ 52.86
400	Jan –Dec 2022	US\$ 52.70

* final price will be adjusted for Louisiana Light Sweet price differentials and deductions for transportation.

The March quarter 2020 hedge volumes were adjusted to account for potential downtime during SM71 F4 drilling operation.

The balance of Byron's production will continue to be marketed unhedged with Byron's realized commodity prices on all sales, hedged or unhedged, to be further adjusted for the positive West Texas Intermediate/Louisiana Light Sweet differential (currently at approximately \$3.80 per barrel) and applicable quality and transportation adjustments.

Crimson Midstream is a provider of crude oil transportation and storage services in California, Louisiana and offshore Gulf of Mexico. Crimson safely and reliably operates more than 2,000 miles of pipeline transporting approximately 400,000 barrels of crude oil per day to end-users.

Maynard Smith, Byron's CEO, had this to say regarding the Promissory Note:

"We are pleased to have satisfied all conditions and have now drawn the full \$15 million initial balance of the promissory note with Crimson Midstream, a portfolio company of The Carlyle Group which is one of the world's leading investment firms. The funds from the issue of this promissory note combined with our recent equity raising have enabled Byron to progress the construction of our SM58 Platform and will be used to drill the SM71 F4 well with the potential to expand our SM71 Field reservoirs and increase production. The initial borrowing from Crimson can be potentially expanded, based on increased production or performance; and the associated Dedication Agreement with Crimson provides a further reduction in transportation costs upon Byron exceeding certain production volume hurdles. The relationship with Crimson continues to grow and evolve in a very positive manner. "

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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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