

13 February 2020

South Marsh Island 71 F4 Well Results

- **The SM71 F4 well has reached total depth of 8,130 MD**
- **LWD logs show 91 net feet of measured depth hydrocarbon in the D5 Upper Sand**
- **Casing will be run, and the well will be completed in the next two weeks**
- **SM71 F4 well drilled with substantial cost savings - 25% under budget**

Byron Energy Limited (“Byron or the Company”) (**ASX: BYE**) is pleased to provide an update on its operated South Marsh Island Block 71 F4 (“SM71 F4”) well in the Gulf of Mexico, USA.

The Byron operated SM71 F4 well resumed drilling operations at 2200 hours on Sunday, 9 February 2020 US Central Time (“USCT”) after testing the surface casing shoe at a depth of 3,464 Measured Depth (“MD”). The well reached final, total depth of 8,130 feet MD (7,570 feet True Vertical Depth at 0300 hours on 12 February after drilling 4,553 feet in 51 hours of rotating time, an average rate of penetration of 90 feet per hour.

The primary target D5 Upper Sand was penetrated exactly on predicted depth and Log While Drilling (“LWD”) Triple Combo (Gamma Ray, Resistivity and Neutron-Density) tools have logged a total of 91 feet MD of net hydrocarbon pay (87 feet true vertical thickness net hydrocarbon pay) which is at the upper end of predrill expectations. The D5 Upper Sand was penetrated high on structure, exhibits high quality reservoir characteristics with an average porosity of 30%, a low water saturation and no water contacts were observed on the LWD logs. The LWD logs indicate the D5 Upper Sand is most likely a high gas content oil and additional isotube analysis is in progress but final hydrocarbon type will not be determined for a period of time after the well is placed into production.

Additionally, 11 feet MD (10’ true vertical thickness) of hydrocarbons were logged in the SM71 F4 well in the J1 Sand. This result was entirely consistent with the current understanding of the J1 Sand as encountered in the SM71 F2 well where it is a behind pipe opportunity when the current B55 Sand completion is fully produced in that wellbore. The SM71 F4 well will be cemented in a manner that would allow the J1 Sand to be produced should it be deemed necessary to efficiently produce the reserves attributed it.

The success of the SM71 F4 at the D5 Upper sand level further demonstrates the accuracy and utility of Byron’s proprietary Reverse Time Migrated (“RTM”) seismic data. The presence of hydrocarbons in the D5 Upper Sand also validates the Company’s geologic model for the entire D5 Sand package as a complex series of amalgamated and stacked sand channels. The SM71 F4 well tested and confirmed an accumulation of hydrocarbon that is stratigraphically separated from the main D5 Sand oil production

where the SM71 F1 and F3 wells have combined to produce over 2 million barrels with no formation water from the D5 Sand since production began on 23 March 2018.

Utilising some different drilling techniques and technology in the SM71 F4 well, the D5 Upper Sand was drilled and evaluated 25% below budget, a substantial cost saving. This result was made possible through several changes in Byron's drilling program including adjusting casing sizes and casing setting depths along with the use of a "speed head" well head system which meant the Blow Out Preventer sack was only set up and tested once during drilling operations. The use of synthetic oil base muds increased the rate of penetration and reduced the need for short trips. The combination of these practices resulted in greatly reducing the number of days to drill the well. The drilling of the SM71 F4 well was overseen and coordinated by a new team of highly experienced Gulf of Mexico drilling engineers and offshore company men working through Lafayette, Louisiana based Completion Specialists who achieved the results in a safe, time effective manner.

Currently, the rig is preparing to run 7" casing to bottom and once landed, completion operations will begin. The D5 Upper Sand completion will consist of frac-pack sand control measures to minimize pressure draw down across the perforations and allowing optimized production rates. Completion operations are expected to take 16 days, after which minor work will be needed to the SM71 F Platform before the well can be placed into production.

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

Otto elected not to participate in the SM71 F4 well, giving Byron a 100% working interest with an 81.25% net revenue interest in the SM71 F4 well.

CEO Comment

Byron's CEO, Maynard Smith, had this to say about the upcoming work program for the Company:

"The SM71 F4 well has more than met our pre-drill expectations. Once again, Byron's RTM seismic data has proven to be an extremely accurate tool for finding oil and gas in the South Marsh Island 71 area. The short cycle time to first production will be of great value to us in our SM58 development program.

It's also very gratifying to drill this well under time and under budget. Our team has made huge strides in finding ways to drill better wells and reduce our risk dollars. The lessons learned here will be of great value to us not only in future SM71 wells, but also in our upcoming program this summer at SM58.

Let me express my thanks and appreciation to the talented team of professionals who made this well a success."

For further information, please contact:
Maynard Smith
CEO
61 3 8610 6583
Peter Love
Investor Relations
61 7 3121 5674

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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.