

20 February 2020

South Marsh Island F5 Well to Be Drilled

- **Byron operated SM71 F5 well will be drilled to develop the D5 Sand**
- **Drilling will begin following the final completion of the SM71 F4 well**
- **SM71 F4 well expected to commence production in 4-6 weeks**

Byron Energy Limited (“Byron or the Company”) (ASX: BYE) is pleased to provide an update on the planned drilling of the SM71 F5 well.

Upon the successful drilling of Byron’s SM71 F4 well which logged hydrocarbons in the D5 Upper Sand, Byron proposed the drilling of the SM71 development well to its partner, Otto Energy Ltd (“Otto”) (ASX: OEL). The proposed well is designed to test and evaluate the D5 Sand in the same location presented to Otto in August 2019. Byron and Otto will each hold a 50% working interest (“WI”) and a 40.625 % net revenue interest (“NRI”) in the SM71 F5 well.

Otto has elected to participate in the SM71 F5 well.

Due to spatial constraints on the SM71 F Platform, several concerns were addressed in order to finalize the positioning of the Enterprise 264 drilling rig in order to make a final drill decision. Those concerns have now been resolved and the project will move forward. The well will be drilled in direct continuation of the completion operations on the SM71 F4 and is expected to commence around 1 March 2020.

The SM 71 F4 well is expected to commence production in 4-6 weeks.

The SM71 F5, will test a portion of the D5 Sand reservoir that may be poorly drained, if at all, by the SM71 F3 well. The primary D5 Sand has now produced over 2 million barrels of oil, water free, from the Byron operated SM71 F1 and F3 wells since March of 2018. The SM71 F5 has a planned total depth of 8,788 feet measured depth (7,768 feet true vertical depth) and is expected to take 25 days to drill and evaluate. If the well is successful, completion operations would follow immediately and take another 14 days.

Further progress reports will be provided after drilling operations commence.

Byron, through its wholly owned subsidiary Byron Energy Inc., is the operator of SM71 and currently has a 50% WI) and a 40.625% NRI in SM71. The Otto group holds the remaining interest in SM71.

Otto elected not to participate in the SM71 F4 well, giving Byron a 100% WI with an 81.25% NRI in the SM71 F4 well.

CEO Comment

Byron's CEO, Maynard Smith said:-

"Drilling the F5 at this time is a good business decision. With the rig in place and its crews working efficiently, this well can be drilled cheaper now than any time in the foreseeable future. We are pleased that Otto has elected to participate and) look forward to a successful outcome in a few weeks' time."

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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.