

South Marsh Island 71 F5 Well Results

- **The SM71 F5 well has reached total depth of 8,505 MD**
- **LWD logs indicated 36 feet TVT net gas pay in the primary D5 Sand target**
- **LWD logs also indicate 12 feet TVT net oil pay in the I3 Sand, and 20 feet TVT net oil pay in the J Sand**

Byron Energy Limited ("Byron or the Company") (**ASX: BYE**) wishes to provide an update on the Byron operated South Marsh Island Block 71 F5 ("SM71 F5") well in the Gulf of Mexico, USA.

The Byron operated SM71 F5 well resumed drilling operations at 0600 hours on Tuesday, 17 March 2020 (USCT) after testing the surface casing shoe at a depth of 3,610 feet Measured Depth ("MD"). The well reached final, total depth of 8,505 feet MD (7,591 feet True Vertical Depth ("TVD")) at 2200 hours on 21 March 2020.

The primary D5 Sand target was penetrated within 50 feet of the predicted depth at 8,225 feet MD (7,330 feet TVD) and Log While Drilling ("LWD") Triple Combo (Gamma Ray, Resistivity and Neutron-Density) tools logged a total of 39 feet MD of net gas pay, equivalent to 36 feet True Vertical Thickness. ("TVT"). While the F5 intersected a high quality D5 sand in this western most trap, it was unfortunately found to be isolated and gas bearing at this location making this zone marginal to uneconomic to complete.

In addition to the D5 Sand gas pay, the F5 well intersected 16 feet MD of oil (12 feet TVT net oil pay) in the I3 Sand and 25 MD feet of oil (20 feet TVT net oil pay) in the J Sand reservoirs. The result in these two sands verifies the extent of the I3 and J Sand reserves as previously mapped by Byron and attributed to the SM71 F1 well. Based on Byron's mapping, a marginally economic acceleration completion could be made in both the I and J sands in the F5 wellbore however, this mapping also indicates it is possible to drill higher on structure in all zones by sidetracking the well bore to the north. Sidetracking the SM71 F5 well would have the added benefit of being able to intersect the D5 Sand at a location 600 feet up-dip to the F3 in the northern extent of the main accumulation and would act as an acceleration well in the D5 Sand reservoir which the F1 and F3 are currently producing from. Byron has contemplated a D5 Sand acceleration well in this part of the D5 Sand reservoir in the Company's development plan and the F5 well makes an excellent side-track candidate.

Byron has recommended to its joint venture partner Otto Energy Limited group ("Otto") (**ASX: OEL**) that the open hole portion of the F5 be temporarily abandoned for use as a future side-track. Because of uncertainty related to the potential impact of the COVID-19 on operations, Byron has chosen to defer a sidetrack operation at this time. The SM71 F5 wellbore will be temporarily abandoned in a manner that

allows it to be efficiently sidetracked in the future when the uncertainty relating to the COVID-19 epidemic has dissipated and also at a time where oil prices are also substantially higher.

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 holds the remaining interest in SM71.

Authorised by:
Maynard Smith, CEO

CEO Comment

Byron’s CEO, Maynard Smith, commented:

“While the F5 resulted in a marginally commercial well, we think we can achieve a significantly more economic result by drilling a relatively inexpensive sidetrack to the north. As was the case with the F4, once again, our new drilling team demonstrated the value they add to our organisation. When we drilled out of surface casing on day 14, our field costs were approximately \$US3.2 million dollars. At total depth on day 19, our field costs are approximately \$US4.2 million dollars. It is safe to say that the F5 will be drilled well under budget after abandonment and demob costs thereby minimising the risk dollars, which is always important and especially in these difficult times. Additionally, when this well is sidetracked in the future, we will be 14 days and \$US3 million dollars ahead, limiting our capital expense needs at that time too.”

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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.