

31 March 2021

ASX Release

Debt Refinancing Process and Drilling Program Update

- **Byron together with the assistance of the Company's exclusive US investment banking financial advisors, Seaport Global, is reviewing several term sheets received from interested lenders**
- **The goal of the ongoing effort is to secure an attractive, flexible debt finance package to accelerate Byron's SM58 multi-well drilling program**
- **Regardless of the outcome of the refinancing initiative, Byron anticipates being able to drill the SM 69 E2 well in June/July 2021, subject to rig availability**

Byron Energy Limited ("Byron" or the "Company") (**ASX: BYE**) is pleased to provide an update on the debt refinancing initiative with assistance of the Company's financial advisors, Seaport Global Securities LLC ("Seaport Global"), initially announced to the ASX on 27 January 2021 with an update on progress lodged with the ASX on 23 February 2021.

Byron is targeting a structured debt facility, with a larger base and longer term than the existing facility, to allow for the acceleration of the SM58 area drilling program (into the 2nd quarter and provide for the continued growth of production and reserves. The term sheets are being evaluated for the additional value they bring to Byron through the acceleration of the multi-well development drilling program. Last week the Company received several non-binding term sheets from potential lenders with the possibility of additional term sheets expected in the near future. The term sheets received last week are currently under review and negotiation.

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The review process is currently on-going with the goal of closing an acceptable transaction, however the Company will only accept a proposal considered by the Board to be in the best interests of the Company and its shareholders. In the event the process does not result in a refinancing transaction acceptable to the Company, Byron plans to fund its next well, SM69 E2, from internally generated cash. Under this scenario the SM69 E2 well, which is fully permitted, could spud in June or July 2021, subject to rig availability.

As an indication of the Company's current cash generating capacity, Byron's share of net cash generated in January and February 2021 (net receipts from oil and gas sales less cash production cost) from SM71 and SM58 was approximately US\$5.4 million. Byron's oil and gas production continues to perform in line with forecasted expectations. The full March quarter production, sales, cash generation and balance will be released in the Company's March 2021 quarterly report to the ASX, in the second half of April 2021.

Byron greatly appreciates its strategic relationship with Crescent Midstream Operating, LLC (Crimson Midstream has been renamed to Crescent Midstream)), the Company's current lender, which remains very strong. Byron continues to operate in full compliance with the terms and conditions of the Crescent Promissory Note. In that regard Crescent and Byron have mutually agreed to fix the Production Handling Agreement ("PHA") Fee, in line with forecast expectations, at US\$20/bbl for the current PHA period, March/April/May 2021, (an increase from US\$15/bbl for December 2020, January 2021 and February 2021). For additional details on the terms of the Crescent Promissory Note, refer to the Company's ASX release dated 4 December 2019.

Byron's CEO Maynard Smith said:

"We are pleased with the first phase of the process. Having received multiple term sheets from potential lenders, we are now in a process of negotiation. With the recent rise in oil prices, the Company is also focused on self-funding the start of drilling operations on the SM69 E2 well early in the northern hemisphere summer.

Although refinancing is certainly not necessary, the existing loan is very serviceable, the only constraint with staying with the Crescent facility is that we will have to go a little slower than originally envisaged. The ability to execute our drilling program out of cash flow will increase with the addition of every new, successful well we drill.

While both parties highly value the relationship, the added benefits of increasing the credit facility, accelerating the multi-well development program and unlocking additional free cash flow is important to consider at this stage of corporate growth.

We are very cognisant of the potential increased risk associated with a larger credit facility and the shareholders can rest assured that we will always endeavour not to take undue risk. We are pleased with the efforts of Seaport Global and the access to high quality financial partners that this global investment firm brings to the table. Byron will continue to update the market as material developments occur.”

Authorised by:
The Board of Directors

For Further Information Contact:-

Maynard Smith
Chief Executive Officer
+61 3 8610 6583

Peter Love
Investor Relations
+61 7 3121 5674

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 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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