

Quarterly Report for the Period Ended 31 December 2021

Summary

- Byron's share of oil and gas production (net sales volume) for the December 2021 quarter was 145,815 barrels of oil and 668,010 mmbtu of gas compared to the Hurricane Ida affected September 2021 quarter of 88,563 barrels of oil and 733,757 mmbtu of gas;
- Net revenue recorded for the December 2021 quarter, was approximately US\$ 13.4 million (with realised net prices of US\$ 68.24 per barrel of oil and US\$ 4.85 per mmbtu of natural gas net to Byron after quality adjustments, oil and gas transportation charges and royalties (September 2021 quarter: net revenue approximately US\$ 8.7 million with realised net prices of US\$ 60.62 per barrel of oil and US\$ 4.20 per mmbtu of natural gas);
- The Byron operated SM69 E2 well commenced production in late October 2021 from the K4 Sand;
- Byron was the apparent high bidder on the South Marsh Island 61 lease, at the Gulf of Mexico, Outer Continental Shelf Lease Sale 257 held in New Orleans, Louisiana on Wednesday, 17 November 2021.

Name:	Byron Energy Limited
ASX code:	BYE
Shares on issue at 31 Dec 2021:	1,040.3 million
Quoted shares:	1,040.3 million
Options on issue (unquoted):	41.1 million*
Cash at Bank 31 Dec 2021:	US\$1.6 million
Borrowings 31 Dec 2021:	US\$13.8 million
Market Capitalisation at 31 Dec 2021:	A\$120 million (@A\$0.115 per share)

* 41.1 million shares issued on 7 January 2022 following exercise of options.

Corporate

Issued Capital

As at 31 December 2021, Byron's issued capital comprised:-

Securities	Total issued	Quoted	Unquoted
Shares (ASX:BYE)	1,040,295,102*	1,040,295,102	Nil

* 41,100,000 options were exercised on 31 December 2021 and 41,100,000 shares issued on 7 January 2022 taking the number of issued shares up to 1,081,395,102 and issued (unlisted) options down to zero; on 11 January Byron issued 2.0 million unlisted options expiring on 31 December 2024 with an exercise price of \$0.16, which are the only options on issue at the date of this report.

Directors Doug Battersby (Non-Executive Chairman) Maynard Smith (Chief Executive Officer) Prent Kallenberger (Chief Operating Officer) Charles Sands (Non-Executive Director)	Directors (continued) Paul Young (Non-Executive Director) William Sack (Executive Director) Company Secretary and Chief Financial Officer Nick Filipovic
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Corporate (cont.)

Issued Capital (cont.)

Early in January 2022, all of the option-holders (executive directors, senior staff and contractors) were issued with 41.1 million fully paid shares having exercised 41.1 million options expiring on 31 December 2021, at various exercise prices. The Company made available to each of the option-holders an interest free loan for the sole purpose of funding the exercise of the options. These loans were approved by shareholders at the Company's AGM on 29 November 2021. For additional information, see the Notice of Meeting released to the ASX on 29 October 2021.

Executive Directors Service and Employment Agreements

Maynard Smith, Chief Executive Officer, has extended his service agreement until 15 September 2024, with automatic renewal for a further year unless either party notifies the other in writing at least 90 days before expiration that they do not want the agreement to continue. Executive Directors, Prent Kallenberger and Bill Sack have also extended their employment agreements until 15 September 2024, with automatic renewal for a further year unless either party notifies the other in writing at least 90 days before expiration that they do not want the agreement to continue.

Borrowings and Oil Revenue Prepayment

As at 31 December 2021, Byron's outstanding loans comprised:-

Lender	US\$ M	A\$ M	Dec 31 2021 US\$ equivalent (@A\$1=US\$0.7256)	Sep 30 2021 US\$ equivalent (@A\$1=US\$0.7206)
Directors	2.00	1.75	3.27	3.26
Shareholder	-	0.35	0.25	0.25
Crescent Midstream	10.3	-	10.3	13.35
Total	12.3	2.10	13.82*	16.86

*as at 31 December 2021, Byron also had US\$ 0.4 million in insurance premium financing outstanding

Crescent (formerly Crimson) Midstream Promissory Note

As of 31 December 2021, the outstanding principal balance of the Crescent Promissory Note has been reduced to US\$ 10.3 million from US\$ 13.35 million as of 30 September 2021. The balance of the Crescent Promissory Note is repayable over the period 1 October 2021 to 30 November 2022.

For further details of the Promissory Note refer to the Company's ASX release dated 4 December 2019.

Directors' and Shareholder Loans

During the December 2021 quarter Byron's outstanding loans of approximately US\$ 3.52 million as of 31 December 2021, from entities associated with Doug Battersby, Maynard Smith, Charles Sands, Paul Young, all directors of the Company, and a longstanding shareholder were extended by 12 months and are now due to be repaid on 31 March 2023.

Oil Revenue Prepayment

During the December 2021 quarter, Byron received an oil revenue prepayment of US\$ 4.0 million from the buyer of Byron's oil production and hedging counterparty under the existing forward sale agreement referred to below. The repayment of US\$ 4.0 million will commence in January 2022 in equal instalments over a four month period.

Corporate (cont.)

Oil revenue prepayment (cont.)

As of the date of this report Byron was finalising additional oil revenue prepayments, from the same counterparty, which would be accessible to Byron after the existing US\$4.0 million is repaid at the end of April 2022. When the new prepayment is finalised it will be the subject of a separate ASX release.

Cashflow

Byron generated approximately US\$ 12.7 million from operating activities during the December 2021 quarter, including US\$ 4.0 million oil revenue prepayments, and ended the quarter with a cash balance of US\$ 1.6 million, compared to a cash balance of US\$ 4.1 million as at 30 September 2021.

Net receipts from production were US\$10.1 million for the December 2021 quarter compared to US\$7.6 million for the September quarter.

US\$ 8.7 million of net cash from operating activities together with US\$4.0 million oil revenue prepayment, for a total of US\$ 12.7 million, was mainly applied to US\$ 12.1 million of payments for SM69 E-2 well (drilling, completion and hook up) and Crescent loan repayments during the December 2021 quarter. The balance of the E2 well costs will be paid during the March 2022 quarter.

Consolidated statement of cash flows (US\$ million)	Dec 21 quarter	Sep 21 quarter
Cashflow from operating activities		
Receipts from customers	11.6	9.0
Payments for production	-1.5	-1.4
Net receipts from production	10.1	7.6
Other cash outflow from operating activities	-1.4	-2.1
Oil Revenue Pre-payment (receipts from customers)	4.0	-1.8
Net cash from / (used in) operating activities	12.7	3.7
Cash flows from investing activities		
Exploration and evaluation	-12.1	-2.0
Net cash from / (used in) investing activities	-12.1	-2.0
Cash flows from financing activities		
Net cash from / (used in) financing activities	-3.1	-1.7
Net increase / (decrease) in cash and cash equivalents for the period	-2.5	0.0
Cash and cash equivalents at end of quarter	1.6	4.1

For further details on the December 2021 quarter cashflows refer to Appendix 5B.

Oil price hedging

Byron's realised prices for oil are a combination of hedged and unhedged volumes. As at 31 December 2021, the Company's oil hedging position is governed by a forward physical sale agreement ("Forward Sale Agreement"), which specifies a price per barrel in advance for each delivery period during the term of the contract. The financially settled swaps ("Swaps") which guarantee the price that Byron will receive for the hedged barrels under the Swaps expired in December 2021.

Corporate (cont.)

Oil price hedging (cont)

The hedging counterparty for the Forward Sale Agreement is one of the global oil industry's "supermajors" and is also the purchaser of Byron's oil production under a mutually agreed long term purchase arrangement, which provides Byron with a stable, aligned counterparty.

Byron's hedged oil production as at 31 December 2021 is as follows:-

Period	Daily Hedged Volume (bopd)	Period Hedged Volume (bbl)	NYMEX WTI Fixed Base Price Crude Oil*	NYMEX Roll Adjust	LLS/WTI Price Differential	Realised Price on Hedged Production prior to Transportation Charges
Jan-Dec 2022 (Forward Sale Agreement)	400	146,000	US\$52.70	unhedged	unhedged	To be determined

*WTI CMA base price is adjusted for NYMEX Roll, LLS/WTI price differentials. Transportation (estimated at -US\$4.70/barrel +0.20) to arrive at a realised price.

Oil and Gas Production/Sales

Byron's share of oil and gas production and sales for the December 2021 quarter and financial year to date is summarised in the table below.

Production (sales)	Dec 2021 quarter	Sep 2021 quarter	Year to date 31 Dec 2021	Year to date 31 Dec 2020
Net production (Byron share (NRI basis) SM71)				
Oil (bbls)	87,638	74,379	162,017	181,282
Gas (mmbtu)	80,668	67,014	147,682	234,810
Net production (Byron share (NRI basis) SM58)				
Oil (bbls)	52,572	9,071	61,643	25,957
Gas (mmbtu)	585,284	666,191	1,251,475	2,035,606
Net production (Byron share (NRI basis) SM58 E1 well)				
Oil (bbls)	5,605	5,112	10,717	3,557
Gas (mmbtu)	2,058	552	2,610	1,268
Total Net production (NRI basis)				
Oil (bbls)	145,815	88,563	234,377	210,796
Gas (mmbtu)	668,010	733,757	1,401,767	2,271,684

Aggregate oil and gas production and sales, net to Byron, was 145,815 bbls of oil and 668,010 mmbtu of gas for the December 2021 quarter compared to 88,563 bbls of oil and 733,757 mmbtu of gas for the September 2021 quarter. Higher oil production was mainly due to commencement of production for the SM69 E2 well in late October 2021. The reduction in gas production was mainly due to lower gas production from the SM58 G1 well.

Oil and Gas Production/Sales (cont.)

The quarterly and financial year to date net sales revenue is summarised below.

Sale revenue (accrual basis) US\$ million	Dec 2021 quarter	Sep 2021 quarter	YTD 31 Dec 2021	YTD 31 Dec 2020
Net sales revenue (Byron share on NRI basis)	13.4	8.7	22.1	14.3

Net sales revenue for the December 2021 quarter was US\$ 13.4 million, after quality adjustments, oil transportation charges and royalties, compared to US\$ 8.7 million for the September 2021 quarter. Net sales revenue was higher for the December quarter 2021, compared to the September quarter 2021, mainly due to higher oil production volumes, resulting mainly from commencement of oil production from the SM69 E2 well in late October 2021, and higher realised oil and gas prices. During September quarter 2021, 14 days of downtime was experienced arising from Hurricane Ida shut in.

For the December 2021 quarter, Byron realised an average oil price after adjustment for LLS price differentials and deductions for transportation, oil shrinkage and other applicable adjustments of US\$ 68.24 per bbl (US\$ 72.81 excluding transportation) compared to US\$ 60.62 per bbl and US\$ 65.19 per bbl respectively for the September 2021 quarter.

Byron realised an average gas price after transportation deductions of approximately US\$ 4.85 per mmbtu for the December 2021 quarter (US\$ 5.22 excluding transportation) compared to US\$ 4.20 per mmbtu and US\$ 4.56 per mmbtu respectively for the September 2021 quarter.

Project Updates

Salt Dome Projects

1. South Marsh Island 73 Salt Dome

The SM73 field encompasses nine OCS lease blocks (81 square miles) which overlie a large piercement salt dome. The salt dome is responsible for providing the trapping mechanism for production in all portions of the SM73 field. The SM73 field is productive from discrete hydrocarbon-bearing sandstone reservoirs which are primarily trapped in three-way structural closures bound either by salt or stratigraphic thinning, on their updip edge. These reservoirs are Pleistocene to Pliocene age sands ranging in depth from 5,000 feet to 8,800 feet Total Vertical Depth. The majority of the field production has come from depths less than 7,500 feet in high quality sandstone reservoirs.

(a) South Marsh Island 71

Byron owns the South Marsh Island block 71 ("SM71") a lease in the South Marsh Island Block 73 ("SM73") field. Byron is the designated operator of SM71 and owns a 50% Working Interest ("WI") and a 40.625% Net Revenue Interest ("NRI") in the block, with Otto Energy Limited ("Otto") group holding an equivalent WI and NRI in the block. As Otto did not participate in the drilling of the SM71 F4 well Byron is entitled to 100% WI/81.25% NRI in SM 71 F4 well, until payout.

Water depth in the area is approximately 137 feet.

Oil and gas production from the Byron operated SM71 F platform began on 23 March 2018 from three wells, F1, F2 and F3. Production from the F4 well, successfully drilled and completed in March 2020, commenced production

Oil and Gas Production/Sales (cont)

in mid-March 2020 until it was shut in September 2020. F4 resumed production in November 2021.

The F1 and F3 wells are producing in the primary D5 Sand reservoir, the F2 well is producing from the B55 Sand and F4 is producing from the Upper J1 sand.

As of 31 December 2021, the SM71 F facility has produced approximately 3.7 million barrels of oil ("Mmbo") (gross) since initial production began. The facility has also produced approximately 4.6 billion cubic feet of gas ("Bcfg") (gross).

During the December 2021 quarter Byron carried out a through tubing recompletion from the depleted D5 Upper Sand to the Upper J1 Sand in the SM71 F4 well ("F4").

During the recompletion operation at F4, difficulties were encountered in the setting of the cement packer resulting in the inability to perforate the full 10 feet interval across the multi lobe sand, as planned, and the lower 4 feet remains unperforated. After unloading the well of recompletion fluids and with the help of gas lift, Byron was able to begin oil production at a restricted rate of 10 barrels of oil per day (bopd). Following an injection test operation performed to identify the problem, it is apparent that the downhole screen and/or perforation tunnels are partially blocked or damaged, restricting production. Byron is currently planning remedial work to commence around mid 2022.

During the operation to recomplete the F4, an acid job was performed on the SM71 F2 well ("F2"). The acid job resulted in an immediate twofold increase in daily total fluid production from the B55 Sand to 50 barrels of total fluid per day with an oil cut of 60%. Daily F2 rates increased to 31 bopd, 101 thousand cubic feet of gas per day (mcfpgd), and 21 barrels of water per day (bwpd). Prior to the acid job, production had fallen to 15 bopd with 5 bwpd.

Total December 2021 quarter gross sales volumes for all wells on the SM71 F Platform totalled approximately 215,343 barrels of oil and 197,468 mmbtu of gas (September 2021 quarter, 183,055 barrels and 160,034 mmbtu), with only minor amounts of water produced by the SM71 F2. The F1 and F3 continue to produce water-free from the D5 Sand. Production volumes were affected during the September 2021 quarter by the Hurricane Ida shut in.

Based on a 92 day quarter gross oil and gas production at SM71 for the December quarter 2021 equated to gross daily rates of approximately 2,341 barrels of oil and 2,146 mmbtu of gas (2,347 barrels of oil and 2,050 mmbtu of gas for the September 2021 quarter, adjusted for lost production days due to Hurricane Ida).

(b) South Marsh Island 58

Byron holds all the operator's rights, title, and interest in and to the South Marsh Island block 58 ("SM58") lease to a depth of 13,639 feet subsea with 100% WI and 83.33% NRI. Below 13,639 feet subsea, Byron has a 50% WI (41.67% NRI) under a pre-existing exploration agreement. To date, all identified drilling opportunities on the SM58 lease are above 13,639 feet subsea.

Byron has also earned a 100% WI in the SM69 E2 well (E2) under the Joint Exploration Agreement ("JEA") with ANKOR group which provided for the drilling of the E2 exploration well operated by Byron. By funding 100% of the E2 well Byron earned 100% WI and 80.33% NRI until E2 Project Payout, at which time and at the leaseholder's election, Byron's NRI will either adjust to 77.33% or the leaseholders can convert to a 30% WI and Byron's interest in the project would adjust to 70% WI with an unburdened 58.33% NRI.

Water depth in the area is approximately 132 feet.

As of 31 December 2021, the SM58 G facility has produced approximately 6.0 Bcfg and 0.16 million barrels of oil

Project Updates (cont)

South Marsh Island 73 Salt Dome (cont)

and condensate (gross) on a cumulative basis from three wells (G1, commenced production in September 2020, G2, commenced production in October 2020 and E2, commenced production on 21 October 2021).

The SM58 G1 well produces from the Upper O Sand and producing 56.5-degree gravity condensate and no formation water. Gas and oil production from the G1 well has continued to follow a natural and predictable pressure decline.

The SM58 G2ST produces from the O Sand producing oil, gas and with associated formation water.

Production from the Company's E2 well began on 21 October 2021 as previously announced. The well has been in continuous production since then despite the normal challenges associated with commissioning a new production separator and associated production equipment on the host SM58 G platform. Production of oil, gas and any other liquids from the E2, located on SM69 E platform, flows to the Byron operated SM58 G platform where separation occurs before oil and gas are sent to sales pipelines.

Unlike the E1 well production, E2 production is not subject to any third-party processing fees. Byron's existing per unit FY2021 field level cash OPEX, of less than US\$5.50/boe during the FY2021 period, is expected to be further improved by the increase in production through the SM58 G Facility with minimal corresponding increase in cash operating expenses resulting in increased margins on existing investments.

Total quarterly gross sales volumes for all wells on the SM58 G Platform, including the SM69 E2 well starting in late October 2021, totalled 703,139 mmbtu of gas and 65,033 barrels of oil (September 2021 quarter 799,433 mmbtu of gas and 10,886 barrels of oil). Based on a 92 day quarter, oil and gas production at SM58 for the December quarter 2021 equated to gross daily rates of approximately 7,643 mmbtu of gas and 707 barrels of oil (September 2021 quarter, 10,250 mmbtu of gas and 140 barrels of oil after adjusting for lost production days due to Hurricane Ida).

(c) South Marsh Island SM58 E1 well, SM 69 E Platform

Byron holds a non-operated 53% WI (44.167% NRI) in the South Marsh Island 69 E platform with one active producing well, the SM58 E1 well. The SM58 E1 was drilled from a surface location in SM69 to a bottom hole location in SM58 in 2011 and was initially completed in the K4 Sand (B65 Sand) which produced a total of 632,000 barrels of oil, 0.19 Bcfg of gas and 836,000 barrels of formation water before the well was recompleted in the K Sand in the March 2021 quarter.

Total December 2021 quarterly gross sales volumes for the SM58 E1 well totalled 12,689 barrels of oil and 4,660 mmbtu (September 2021 quarter 11,575 barrels of oil and 1,249 mmbtu).

Ankor Energy, LLC ("ANKOR") is the designated operator of this portion of the block to facilitate the surface operatorship of the jointly owned SM58 E1 well which surfaces from the SM69 E platform which is located in the NE corner of the SM69 block.

OCS Lease Sale 257 Results and Lease Portfolio Optimisation

Byron Energy Inc, a wholly owned subsidiary of the Company, was the apparent high bidder on the South Marsh Island 61 lease ("SM61"), the only bid placed by the Company at the Gulf of Mexico, Outer Continental Shelf ("OCS") Lease Sale 257 held in New Orleans, Louisiana on Wednesday, 17 November 2021. An apparent high bid is subject to OCS bid adequacy review and under Bureau of Ocean Energy Management ("BOEM") rules may be rejected if deemed inadequate. The BOEM review process can take up to 90 days.

The Company was sole bidder on the block with a bid of approximately US\$ 130k on SM61. SM61 lies within the area of Byron's RTM reprocessing project which was used to evaluate the prospect potential on the block.

Project Updates (cont)

OCS Lease Sale 257 Results and Lease Portfolio Optimisation (cont)

Block	Bonus Amount (US\$)	Working Interest ("WI")	Net Revenue Interest ("NRI")
SM61	130,260	100.00%	87.50%

With Byron's SM57 lease due to expire in June 2022, Byron took the opportunity to optimise its portfolio of exploration opportunities and relinquish SM57 in October 2021 and replace it with SM61, assuming it is awarded to Byron. SM57 did not have any 3P reserves attributed to it in Byron's last annual reserves report.

As at 31 December 2021 or subsequently, Byron had not yet been awarded the SM61 block by the BOEM. On 27 January 2021 (US time) the United States District Court of Columbia ruled that the Biden administration did not sufficiently take climate change into account when it auctioned the leases at Lease Sale 257, and declared the results invalid. At this stage it is not clear what steps the US Department of the Interior will take. However, industry groups are expected to appeal the ruling. Byron will provide an update as material developments occur.

Lease Sale 257 generated US\$ 191,688,984 in high bids for 308 blocks in federal waters of the Gulf of Mexico, according to the BOEM. Thirty-three companies submitted 317 bids totalling US\$ 198,511,834.

South Marsh Island Area Permitting Status

Byron has spent considerable time pursuing key regulatory permits in the South Marsh Island Project Area. Executive Order 3395 went into effect on 20 January 2021 and has had no material effect on the process for permits on existing leases. Byron was granted approval for a revised Development Operations Coordination Document ("DOCD") on 10 February 2021 which allows the use of slots G5 through G9 from the South Marsh 58 G Platform. Byron has submitted DOCD permits for wells on several leases and each permit is under review by the Bureau of Ocean Energy Management ("BOEM"). With the recent rise in natural gas prices, Byron is also advancing technical and permitting work on two initial exploration wells, one at SM60 and the other at SM66. Both wells target large high quality gas prospects which will complement the current and future oil production at SM58.

The scheduling of two SM58 G wells is expected to be finalised shortly and will be announced to the ASX at that time.

To drill any well offshore, an operator must also file an Application for Permit to Drill ("APD") with the Bureau of Safety and Environmental Enforcement ("BSEE"). Byron has filed APD's for the next phase of drilling at SM58. The APD's for the proposed SM58 G3 and G4 wells have also been filed and approved.

Properties

As at 31 December 2021, Byron's portfolio of properties, all in the shallow waters of the Gulf of Mexico, and coastal marshlands of Louisiana, USA comprised: -

Properties	Operator	Interest WI/NRI* (%)	Lease Expiry Date	Area (Km ²)
South Marsh Island Block 71	Byron	50.00/40.625	Production	12.16
South Marsh Island Block 59	Byron	100.00/81.25	June 2022	20.23
South Marsh Island Block 60	Byron	100.00/87.50	June 2024	20.23
South Marsh Island Block 58 (Excl. E1 well)	Byron	100.00/83.33**	Production	20.23
South Marsh Island Block 58 (E1 well in S ½ of SE ¼ of SE ¼ and associated production infrastructure in NE ¼ of NE ¼ of SM69)	Ankor	53.00/44.167		
South Marsh Island Block 69 (NE ¼ of NE ¼)	Byron	100.00/77.33-80.33	Production	1.3
South Marsh Island Block 66	Byron	100.00/87.50	December 2025	20.23
South Marsh Island Block 70	Byron	100.00/87.50	July 2023	22.13
Eugene Island Block 62	Byron	100.00/87.50	June 2023	20.23
Eugene Island Block 63	Byron	100.00/87.50	June 2023	20.23
Eugene Island Block 76	Byron	100.00/87.50	June 2023	20.23
Eugene Island Block 77	Byron	100.00/87.50	June 2023	20.23
Main Pass Block 293	Byron	100.00/87.50	October 2023	18.46
Main Pass Block 305	Byron	100.00/87.50	October 2023	20.23
Main Pass Block 306	Byron	100.00/87.50	October 2023	20.23

* Working Interest ("WI") and Net Revenue Interest ("NRI").

** 100.00% WI to a depth of 13,639 feet TVD and 50% WI below 13,639 feet TVD

Glossary

1P = Proved Reserves
2P = Proved and Probable Reserves
3P = Proved, Probable and Possible Reserves
Bbl = barrels
bcf = billion cubic feet
Bopd = barrels of oil per day
Bcpd = barrels of condensate per day
btu = British Thermal Units
mcf = thousand cubic feet of gas
mcfcpd = thousand cubic feet of gas per day
Mmcfcpd = million cubic feet of gas per day
mcf = thousand cubic feet
mmcf = million cubic feet
mmbtu = million British Thermal Units
Mbo = thousand barrels of oil
Mmbo = million barrels of oil
NGL = Natural gas Liquids, such as ethane, propane and butane
Psi = pounds per square inch
Tcf = trillion cubic feet

Conversions

6:1 BOE conversion ratio for gas to oil; 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency.

1 mcf equals approximately 1.10 btu's currently for SM71 / SM58 production; the heat content of SM71 / SM58 gas may vary over time.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Byron Energy Limited

ABN

88 113 436 141

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows	Current quarter US\$'000	Year to date (6 months) US\$'000
1. Cash flows from operating activities		
1.1 Receipts from customers	11,575	20,585
1.2 Payments for		
(a) exploration & evaluation	(44)	(92)
(b) development	(50)	(72)
(c) production	(1,472)	(2,860)
(d) staff costs	(686)	(1,362)
(e) administration and corporate costs	(287)	(951)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	49	49
1.5 Interest and other costs of finance paid	(566)	(1,208)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
- Oil price cash hedge settlements	(305)	(462)
- Refundable security deposits	467	467
- Cash Contributions from JV partners	25	25
- Oil revenue prepayments (Receipts from customers)	4,000	2,250
1.9 Net cash from / (used in) operating activities	12,706	16,369
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (6 months) US\$'000
	(d) exploration & evaluation	(12,135)	(14,109)
	(e) investments		
	(f) other non-current assets		
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(12,135)	(14,109)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(3,051)	(4,788)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	(3,051)	(4,788)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,088	4,143
4.2	Net cash from / (used in) operating activities (item 1.9 above)	12,706	16,369
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(12,135)	(14,109)

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (6 months) US\$'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(3,051)	(4,788)
4.5	Effect of movement in exchange rates on cash held	(11)	(18)
4.6	Cash and cash equivalents at end of period	1,597	1,597

5.	Reconciliation of cash and cash equivalents <i>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts</i>	Current quarter US\$'000	Previous quarter US\$'000
5.1	Bank balances	1,597	4,088
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,597	4,088

6.	Payments to related parties of the entity and their associates	Current quarter US\$'000
6.1	*Aggregate amount of payments to related parties and their associates included in item 1	430
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

*Payments to directors comprise: (i) Non-executive directors' fees of A\$ 41, (ii) Executive directors' salaries and service fees of US\$ 210k and A\$ 151k, and (iii) quarterly interest payments of US\$ 47k and A\$ 44k to certain directors on the loan facilities listed in 7.1a.

7. Financing facilities	Total facility amount at quarter end \$'000	Amount drawn at quarter end \$'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1a	Loan facilities (unsecured and repayable by 31 March 2023, bearing 10% interest p.a.)	US\$ 2,000 & A\$ 2,100
7.1b	Loan facilities (secured over the SM71 & SM58 assets, bearing interest at 15% p.a. fully repayable by the end of November 2022.)	US\$ 10,295
7.2	Credit standby arrangements	-
7.3	Other (please specify)	-
7.4	Total financing facilities	US\$ 12,295 & A\$ 2,100
7.5	Unused financing facilities available at quarter end	Nil
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
8. Estimated cash available for future operating activities	US\$'000	
8.1	Net cash from / (used in) operating activities (item 1.9)	12,706
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(12,135)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	571
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,597
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,597
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	N/A
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A		

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

N/A

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2022

Authorised by: Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.