

Quarterly Report for the Period Ended 30 June 2022

Summary

- Generated record quarterly net sales revenue for the June 2022 quarter of approximately US\$ 16.4 million, up 12% on the March 2022 quarter;
- Byron's share of oil and gas production (net sales volume) for the June 2022 quarter was 138,521 barrels of oil and 388,262 mmbtu of gas compared to the previous quarter of 143,836 barrels of oil and 509,877 mmbtu of gas;
- Net revenue recorded for the June 2022 quarter, was approximately US\$ 16.4 million with realised net prices of US\$ 96.13 per barrel of oil and US\$ 7.49 per mmbtu of natural gas net to Byron after quality adjustments, oil and gas transportation charges and royalties (March 2022 quarter: net revenue approximately US\$ 14.7 million with realised net prices of US\$ 84.04 per barrel of oil and US\$ 4.67 per mmbtu of natural gas);
- Successfully drilled the SM58 G3 and G5 wells during the June 2022 quarter with both wells completed for production, subsequent to 30 June 2022.

Name:	Byron Energy Limited
ASX code:	BYE
Shares on issue at 30 Jun 2022:	1,081.4 million
Quoted shares:	1,081.4 million
Options on issue (unquoted):	2.0 million
Cash at Bank 30 Jun 2022:	US\$14.1 million
Borrowings 30 Jun 2022:	US\$8.28 million
Market Capitalisation at 30 Jun 2022:	A\$184 million (@A\$0.17 / share)

Corporate

Issued Capital

As at 30 June 2022, Byron's issued capital comprised:-

Securities	Total issued	Quoted	Unquoted
Shares (ASX:BYE)	1,081,395,102	1,081,395,102	Nil
Options (Expiring on 31 December 2024 with an exercise price of A\$0.16)	2,000,000	Nil	2,000,000

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

Corporate (cont.)

Borrowings and oil revenue prepayment

As at 30 June 2022, Byron's outstanding loans comprised:-

Lender	US\$ M	A\$ M	Jun 30 2022 US\$ equivalent (@A\$1=US\$0.6889)	Mar 31 2022 US\$ equivalent (@A\$1=US\$0.7482)
Directors	2.00	1.75	3.21	3.31
Shareholder	-	0.35	0.24	0.26
Crescent Midstream	4.83	-	4.83	7.65
Total	6.83	2.10	8.28*	11.22

*as at 30 June 2022, Byron also had US\$ 1.7 million in insurance premium financing outstanding

Crescent (formerly Crimson) Midstream Promissory Note

As of 30 June 2022, the outstanding principal balance of the Crescent Promissory Note has been reduced to US\$ 4.83 million from US\$ 7.65 million as of 31 March 2022. The balance of the Crescent Promissory Note is repayable over the period 1 July 2022 to 30 November 2022.

Directors' and Shareholder Loans

Byron's outstanding loans of approximately US\$ 3.45 million as of 30 June 2022, from entities associated with Doug Battersby, Maynard Smith, Charles Sands, Paul Young, all directors of the Company, and a longstanding shareholder are 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 final repayment of US\$ 1.0 million was made during April 2022.

In March 2022, the Company's oil purchaser provided access to further funding of US\$ 11.0 million through the prepayment of future oil revenue, beginning after April 2022. The prepayment has a 12-month repayment term, including a 4-month non-repayment grace period, followed by eight equal monthly instalments of US\$ 1.375 million commencing in August 2022. The prepayment is largely secured by Byron's existing forward sale agreement of 400 bopd through to December 2022 plus an additional 200 bopd beginning in January 2023 and ending in March 2023. The fee for this prepayment is approximately US\$ 1 per produced barrel of oil during the one-year term, or until such time as the loan is repaid. The prepayment agreement also includes the provision for an early repayment at the Company's discretion. Byron received the US\$ 11.0 million in May 2022.

Cashflow

Byron generated receipts from customers of approximately US\$ 15.6 million during the June 2022 quarter, compared to US\$ 12.8 million for the March 2022 quarter. After deducting payments for production, development and other operating activities and adding net receipts from oil revenue prepayments, the net cash received from operating activities was US\$ 15.6 million during the June 2022 quarter. Byron ended the June quarter with a cash balance of US\$ 14.1 million, compared to a cash balance of US\$ 0.9 million as at 31 March 2022.

Corporate (cont.)

Consolidated statement of cash flows (US\$ million)	Jun 22 quarter	Mar 22 quarter
Cashflow from operating activities		
Receipts from customers	15.6	12.8
Payments for production	-1.8	-1.6
Net receipts from production	13.8	11.2
Payment for development (G3 & G5 wells)	-6.6	-
Payments for other operating activities (net)	-1.6	-2.4
Receipts/(Repayments) of oil revenue pre-payment (net)	10.0	-3.0
Net cash from / (used in) operating activities	15.6	5.8
Cash flows from investing activities		
Exploration and evaluation	-	-3.9
Net cash from / (used in) investing activities	-	-3.9
Cash flows from financing activities		
Net cash from / (used in) financing activities	-2.4	-2.6
Net increase / (decrease) in cash and cash equivalents for the period	13.2	-0.7
Cash and cash equivalents at end of quarter	14.1	0.9

For further details on the June 2022 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 30 June 2022, the Company's oil hedging position is governed by a forward physical sale agreements (Forward Sale Agreement), which specifies a price per barrel in advance for each delivery period during the term of the contract.

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 30 June 2022 is as follows:-

Period Forward Sale Agreements	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
Jul-Dec 2022	400	73,600	US\$52.70	unhedged	unhedged	To be determined
Jan-Mar 2023	200	18,000	US\$80.95	unhedged	unhedged	To be determined

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

Byron's total hedge position at the end of June 2022 is approximately 25% of net daily oil production with all existing hedges due to expire April 1, 2023.

Oil and Gas Production/Sales

Byron's share of oil and gas production and sales for the June 2022 quarter is summarised in the table below.

Production (sales)	Jun 2022 quarter	Mar 2022 quarter	Year to date 30 Jun 2022	Year to date 30 Jun 2021
Net production (Byron share (NRI basis) SM71)				
Oil (bbls)	75,338	81,749	319,103	364,748
Gas (mmbtu)	56,476	67,736	271,894	398,834
Net production (Byron share (NRI basis) SM58)				
Oil (bbls)	58,524	58,015	178,183	71,558
Gas (mmbtu)	331,368	441,660	2,024,505	4,202,475
Net production (Byron share (NRI basis) SM58 E1 well)				
Oil (bbls)	4,659	4,072	19,448	16,791
Gas (mmbtu)	418	481	3,508	2,588
Total Net production (NRI basis)				
Oil (bbls)	138,521	143,836	516,734	453,098
Gas (mmbtu)	388,262	509,877	2,299,907	4,603,897

Aggregate oil and gas production and sales, net to Byron, were 138,521 bbls of oil and 388,262 mmbtu of gas for the June 2022 quarter compared to 143,836 bbls of oil and 509,877 mmbtu of gas for the March 2022 quarter. Oil and gas production for the June 2022 quarter was adversely affected by production shut ins on the SM58 platform due to drilling of G3 and G5 wells (7 days) and a third-party oil pipeline shut in due to a leak (5 days). Year-on-year, oil production was up approximately 14% with the addition of oil production from the E2 well while natural gas production was down mainly due to the natural decline of production from the G1 well consistent with forecast expectations.

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

Sale revenue (accrual basis) US\$ million	Jun 2022 quarter	Mar 2022 quarter	Year to date 30 Jun 2022	Year to date 30 Jun 2021
Net sales revenue (Byron share on NRI basis)	16.4	14.7	53.2	35.8

Net sales revenue for the June 2022 quarter of approximately US\$ 16.4 million, after quality adjustments, oil transportation charges and royalties, was a quarterly record and up 12% compared to US\$ 14.7 million for the prior quarter. Net sales revenue was higher for the June 2022 quarter mainly due to higher realised oil and gas prices, partly offset by lower oil and gas production.

For the June 2022 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\$ 96.13 per bbl (US\$ 100.70 excluding transportation) compared to US\$ 84.04 per bbl and US\$ 88.61 per bbl respectively for the March 2022 quarter.

Oil and Gas Production/Sales (cont.)

Byron realised an average gas price after transportation deductions of approximately US\$ 7.49 per mmbtu for the June 2022 quarter (US\$ 7.86 excluding transportation) compared to US\$ 4.67 per mmbtu and US\$ 5.04 per mmbtu respectively for the March 2022 quarter.

Project Updates

Salt Dome Projects

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 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 30 June 2022, the SM71 F facility has produced approximately 4.1 million barrels of oil (Mmbo) (gross) since initial production began. The facility has also produced approximately 5.1 billion cubic feet of gas (Bcfg) (gross).

Permits for recompletion of F2 well from the existing B55 Sand to the up-hole J1 Sand reservoir were received during the June 2022 quarter.

In addition, Byron received permits to perform remedial work in the SM71 F4 well to re-perforate the J1 Sand to establish a better oil rate after work on the well was initiated in late 2021. That result was hindered by a poor cement isolation packer that resulted in the plugging of the perforations.

Both jobs will be undertaken with a liftboat which is expected to be available in mid-August 2022.

Total June 2022 quarter gross sales volumes for all wells on the SM71 F Platform totalled approximately 185,023 barrels of oil and 138,495 mmbtu of gas (March 2022 quarter, 200,295 barrels and 164,809 mmbtu). Lower

Oil and Gas Production/Sales (cont)

production from SM71 for the June quarter was mainly due to 5 days of down-time arising from shut-ins as a result of a leak in the third-party oil sales pipeline.

The F1 continues to produce water-free from the D5 Sand. While the F3 well has started to produce trace amounts a very small amount of water (~2%) from the D5 sand, in line with the Company's historical modelling and reserve report forecasts. The F2 well is producing small amounts of oil with minor amounts of water while F4 is producing small amounts of oil with no water.

(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 (ANKOR), acquired by W&T Offshore, Inc. (W&T Offshore) during the March 2022 quarter 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 30 June 2022, the SM58 G facility has produced approximately 6.8 Bcfg and 0.3 million barrels of oil 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.

Total quarterly gross sales volumes for all wells on the SM58 G Platform, totalled 398,610 mmbtu of gas and 72,362 barrels of oil (March 2022 quarter 530,900 mmbtu of gas and 71,798 barrels of oil). Lower production from SM58 for the June quarter was mainly due to higher lost production days in the quarter due to shut ins as a result of an oil sales pipeline leak (5 days) and the drilling of G3 and G5 wells during the quarter (7 days). Based on actual production of 79 days for the June quarter, the actual gross daily rate of oil production averaged just over 900 barrels from G1, G2 and E2 wells.

Development Drilling - SM58 G3 and G5 Wells

During the June 2022 quarter Byron successfully drilled the SM58 G3 (G3) and the SM58 G5 (G5) wells. The G3 well drilled the Rainbow Trout prospect and the G5 well drilled the Smoked Trout prospect. To increase operational

Project Updates (cont)

South Marsh Island 73 Salt Dome (cont)

efficiency and reduce cost, the wells were batch drilled by driving conductor pipe for each well, then drilling and cementing surface casing in each well before drilling the target sections in each well.

The well results are summarised below.

	G3 (Rainbow Trout)	G5 (Smoked Trout)
Total measured depth	8,642 feet Measured Depth (MD)/6,970 feet True Vertical Depth (TVD)	10,228 feet MD/8,244 feet TVD
Net pay logged	J Sand logged 27 feet True Vertical Thickness (TVT) net pay; K4/B65 Sand, logged 31 feet of TVT net pay	The primary target N2 Sand logged 36 feet TVT; 81 feet TVT hydrocarbon pay in three secondary sands – 11 feet TVT pay in I2 sand, 23 feet TVT pay in K4/B65 sand and 47 feet TVT pay in L2 sand
Completion	Primary J Sand completion is gravel packed and the future K4 Sand completion is gravel packed behind a sliding sleeve. No rig required to move to K4 Sand	Primary L2 Sand completion is gravel packed, with future N2 Sand completion as a through tubing gravel pack. No rig is required to perform the through tubing gravel pack on the N2

For further information on and G3 and G5 drilling results, refer to the Company's ASX releases dated 16 May, 26 May and 7 June 2022.

As announced to the ASX on 27 July 2022, the L2 Sand in the G5 has demonstrated that it can produce oil at high rates (daily rates have exceeded 500 bopd) which is consistent with nearby L2 Sand completions. However, the decline in pressure to date indicates a limited area that is disconnected from other down dip mapped L2 Sand opportunities in the vicinity.

In relation to G3, frac pack sand control measures have been pumped across both zones, 2 7/8" tubing has been run, and final topside hook-up operations are underway. Both sand control jobs were completed successfully indicating good permeability and consistency with predrill estimates.

The J Sand will be the first sand produced in the G3 with the K4/B65 Sand placed behind a sliding sleeve for future production. Based on historical J Sand production data from the area, daily oil production rates of between 500 to 1,000 barrels of oil per day (bopd) are expected from the G3.

For further information on the G3 and G5 completions refer to the Company's ASX release dated 27 July 2022.

(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 June 2022 quarterly net sales volumes for the SM58 E1 well totalled 4,659 barrels of oil and 418 mmbtu (March 2022 quarter 4,072 barrels of oil and 481 mmbtu).

Project Updates (cont)

South Marsh Island 73 Salt Dome (cont)

W&T Offshore, as successor to 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.

Main Pass 306

Byron currently holds 100% WI and an 87.50% NRI in Main Pass blocks 293, 305 and 306 comprising the Main Pass 306 Field (MP306) which has produced approximately 96 MMBO and 108 Bcf of gas. MP306 is a structurally and stratigraphically complex salt dome which should lend itself to advance RTM interpretation techniques as employed at our SM58 salt dome project. These leases were acquired at the Gulf of Mexico, OCS Lease Sale 251 held in New Orleans, Louisiana on 15 August 2018.

Byron recently licensed 3D RTM seismic data that was reprocessed by the contractor (TGS) in 2022 and has begun interpretation. MP306 was discovered in 1969 and lies in approximately 200 feet of water. Byron's licensed data area allows the integration of all producing wells on the MP 306 salt dome and also ties recent discoveries in the area which may serve as analogues for any generated prospects. Byron's technical team has begun the interpretation project and the work is ongoing.

Eugene Island 77

As previously announced to the ASX on 6 July 2022, Byron has elected to relinquish all four leases, Eugene Island blocks 62, 63, 76 and 77, comprising the Eugene Island 77 field (EI77) prior to the full lease term.

For the expected impact on Byron's 30 June 2022 financial statements and reserves, refer to the Company's ASX announcement dated 6 July 2022.

OCS Lease Sale 257

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. WI 100/NRI 87.50%, lies within the area of Byron's RTM reprocessing project which was used to evaluate the prospect potential on the block.

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.

On January 27, 2022, the U.S. District Court for the District of Columbia (D.C. District Court) vacated the results of Lease Sale 257, effectively cancelling the sale of oil and natural gas leases under Lease Sale 257 because the judge concluded that the BOEM acted arbitrarily in its environmental review of the lease sale required under the National Environmental Policy Act. The American Petroleum Institute has filed a notice of appeal with the US Court of Appeals for the decision by the D.C. District Court.

As at 30 June 2022 or subsequently, Byron has not been awarded the SM61 block by the BOEM, even though it is the high bidder and necessary deposits having been made and remain held by BOEM. The status of Lease Sale 257 high bids, including Byron's high bid for SM61, remains unclear at this stage.

Project Updates (cont)

Future Drilling Program and permitting

Byron has received approval from BOEM on Development Operations Coordination Documents (DOCD) filed on South Marsh Island blocks 60 and 70. DOCD's are the initial environmental permits required prior to drilling new wells, setting new platforms, and laying new pipelines. The Company is also in the process of filing a revised DOCD for an additional well from the SM69 E Platform. These permits were prepared and filed in anticipation of the four well program set for late 2022 or early 2023 as announced to the ASX on 7 June 2022 and give the Company some flexibility in determining what prospects are drilled under that program. Required well permits for the upcoming program will be filed over the next two to three months to ensure there are no delays to the program.

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Properties

As at 30 June 2022, Byron's portfolio of properties, all in the shallow waters of the Gulf of Mexico, 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 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)	W&T Offshore (as successor to ANKOR)	53.00/44.167		
South Marsh Island Block 69 (NE ¼ of NE ¼) (E-2 well)	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
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
Bcfg = billion cubic feet gas
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")

30 June 2022

Consolidated statement of cash flows	Current quarter US\$'000	Year to date (12 months) US\$'000
1. Cash flows from operating activities		
1.1 Receipts from customers	15,648	49,022
1.2 Payments for		
(a) exploration & evaluation	(87)	(166)
(b) development	(6,615)	(7,279)
(c) production	(1,768)	(6,241)
(d) staff costs	(858)	(3,079)
(e) administration and corporate costs	(327)	(1,664)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	49
1.5 Interest and other costs of finance paid	(355)	(2,003)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
- Oil price cash hedge settlements	-	(540)
- Refundable security deposits	-	467
- Cash Contributions from JV partners	-	35
- Oil revenue prepayments (net)	10,000	9,250
1.9 Net cash from / (used in) operating activities	15,638	37,851

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 (12 months) US\$'000
	(d) exploration & evaluation	(25)	(18,081)
	(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	(25)	(18,081)

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 / interest free loan repayments	24	24
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(2,396)	(9,825)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)	(2)	(2)
3.10	Net cash from / (used in) financing activities	(2,374)	(9,803)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	856	4,143
4.2	Net cash from / (used in) operating activities (item 1.9 above)	15,638	37,851

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (12 months) US\$'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(25)	(18,081)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2,374)	(9,803)
4.5	Effect of movement in exchange rates on cash held	(8)	(23)
4.6	Cash and cash equivalents at end of period	14,087	14,087

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	14,087	856
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)	14,087	856

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	471
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\$ 239k and A\$ 174k, and (iii) quarterly interest payments of US\$ 48k 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\$ 4,830
7.2	Credit standby arrangements	-
7.3	Other (please specify) Oil revenue prepayment facility*	*US\$ 11,000
7.4	Total financing facilities	US\$ 17,830 & A\$ 2,100
7.5	Unused financing facilities available at quarter end	-
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.	
	*Oil prepaid revenue fee of approximately US\$ 1.00 a barrel of oil from drawdown date to last repayment. Repayments of US\$ 1.375 million per month beginning in August 2022 with the final repayment will be made in March 2023.	

8. Estimated cash available for future operating activities	US\$'000
8.1	Net cash from / (used in) operating activities (item 1.9)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))
8.3	Total relevant outgoings (item 8.1 + item 8.2)
8.4	Cash and cash equivalents at quarter end (item 4.6)
8.5	Unused finance facilities available at quarter end (item 7.5)
8.6	Total available funding (item 8.4 + item 8.5)
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)
	<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: 29 July 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.