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ASX RELEASE

SM71 F4, SM71 F2 Operations Update and SM69 E2 Production Update

- Recompletion work on the SM71 F4 well is completed and the well is producing 10 bopd indicating likely wellbore or reservoir damage, remedial action is being planned
- Acid remediation on the SM71 F2 well resulted in a doubling of oil production to 31 bopd
- To maximize the ultimate reservoir recovery from the SM69 E2 well, several production rate tests between 1, 300 and 700 bopd have been performed to monitor tubing pressure decline/water drive support
- Current production from the SM69 E2 well is at a controlled rate of 870 bopd

Byron Energy Limited ("Byron" or the "Company") (ASX: BYE) is pleased to provide the following update on performance of the Company's SM69 E2, SM71 F4 and SM71 F2 wells.

SM71 F4

Byron mobilized a lift boat to the SM71 F platform on 31 October 2021 to carry out a through tubing recompletion from the depleted D5 Upper Sand to the Upper J1 Sand in the SM71 F4 (F4). The recompletion operations were finished on 14 November 2021 as planned and on budget.

A total of 6 feet of perforations (at 12 shots per foot) were shot across the thin Upper J1 Sand. During the recompletion operation, 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. We are currently planning remedial work to commence in a couple of weeks.

SM71 F2

During the operation to recomplete the F4, an acid job was performed on the SM71 F2 (F2). There were good pressure indications when the acid job was pumped that the acid helped eliminate near well bore skin. The acid job resulted in a 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 are currently 31 bopd, 101 thousand cubic feet of gas per day (mcfcpd), and 21 barrels of water per day (bwpd). Prior to the acid job, production had fallen to 15 bopd with 5 bwpd.

SM69 E2

Production from the Company's SM69 E2 (E2) well began on 21 October 2021 as previously announced. Over the course of the past 30 days the well has been in continuous production 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.

Daily oil production rates have been varied between 1,300 bopd and 700 bopd to help find the right producing conditions and reduce pressure drawdown on the completion to minimize the risk of sanding up the interval and to maximise ultimate oil recovery. Currently, Byron has limited the daily production rate to 870 bopd and 350 mcfcpd with a flowing tubing pressure of 635 psi. As is the case with most water drive reservoirs, the initial oil production tends to outrun water support and when the water support eventually arrives, the well will be adjusted so that the inflow of the water support matches the outtake of the oil as was done on the SM71 F3 well. The final rate could be higher or lower than the current rate.

Byron will continue to monitor the performance of the E2 well and adjust production rates as necessary to maximize both near term cash flow and long-term oil and gas recovery. Maximizing recovery at appropriate production rates has been, and will continue to be, the Company's primary objective.

Byron's CEO Maynard Smith said:

"While we're disappointed with the initial results of the F4 recompletion, there is still a chance to get this well on production in a cost effective manner. On a more positive note, we are very pleased with the performance of the E2 well to date, and we continue our cautious approach as the cashflow from this well is very important to our future business plans."

SM71 ownership

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 Energy Ltd (Otto) (ASX: OEL) holds the remaining interest in SM71. In 2019, prior to drilling the SM71 F4 well, Otto elected not to participate, resulting in Byron holding a 100% Working Interest (WI) with an 81.25% Net Revenue Interest (NRI) in the SM71 F4 well until such time as Byron recovers 600% of all well drilling, completion and operating costs up to such payout. At the 600% payout, Otto will have the option to revert to their 50% WI and 40.625% NRI in the well.

SM69 E2 well ownership

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. Byron also holds a farm-in right under a Joint Exploration Agreement ("JEA") with the ANKOR group which provides for the Byron operated drilling of a SM 69 E2 exploration well in the NE portion of SM69. Pursuant to the JEA Byron operates the E2 well off the jointly owned SM69 E platform. Ankor as the operator of record of SM69 operates the production under the direction of Byron. Production flows through the SM69-to-SM58 flowline and is processed by Byron through the SM58 facility. By funding 100% of the SM69 E2 well, Byron earned a 100% WI and 80.33% NRI until E2 Project Payout, at which time, and at the leaseholder's election, Byron's NRI would either adjust to 77.33% or the Ankor group can convert up to a 30% WI and, if fully converted, Byron's interest in the project would then adjust to 70% WI with an unburdened 58.33% NRI (equivalent to 83.33% 8/8ths) going forward.

Authorised by:

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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.