

21 September 2020

ASX Release

SM58 G2 Well Results

- **The SM58 G2 well has been drilled to a final total depth of 11,237 feet measured depth (10,233 feet true vertical depth) and has been deemed non-commercial**
- **LWD logs indicate 310 feet of low hydrocarbon saturated sands**
- **The drilling results are consistent with a failed geologic seal for the Lower O Sand fault trap.**
- **Preparations are underway to sidetrack the SM58 G2 well to test the Upper O Sand in the Brown Trout Prospect**

Byron Energy Limited (“Byron” or the “Company”), (ASX: BYE) would like to provide the following update on its 100% owned and operated South Marsh Island Block 58 G2 (“SM58 G2”) well in the US Gulf of Mexico.

Crews returned to the Enterprise Offshore Drilling 264 jack-up rig on Wednesday, 16 September 2020 (USCDT) after a short evacuation for Hurricane Sally and drilling operations on the SM58 G2 (“G2”) well resumed on Friday, 18 September 2020 (USCDT). On Saturday, 19 September 2020 (USCDT), the G2 well reached a final total depth of 11,237 feet Measured Depth (“MD”)/ 10,233 feet True Vertical Depth (“TVD”).

The G2 well drilled through the primary target section of the Lower O Sand, however, no commercial hydrocarbons were logged with Log While Drilling (LWD) tools. LWD logs across the Lower O Sand section indicated the presence of two sand bodies totalling a gross 310 feet of true vertical thickness. Like the Lower O Sands observed on mudlogs from the SM58 G1 well drilled in 2019, the Lower O Sands in the G2 well had strong gas shows consisting of both light and heavy gasses while drilling. Non-commercial low saturation residual hydrocarbon-bearing sands and several wet sands were observed across the Lower O Sand section based on LWD logs.

The low-level residual hydrocarbon saturation of the Lower O Sand section is responsible for the bright seismic amplitude observed across the Lower O Sand trap and is indistinguishable from higher hydrocarbon saturations on seismic data. The results of the G2 are indicative of a failed geologic seal for the fault trap at the depth of the Lower O Sands. There were no Proved, Probable or Possible Reserves attributed to the Lower O Sand in the G2 well, in the Company’s 30 June 2020 Net Reserves and Resources Report released to the ASX on 10 September 2020, which was a Prospective Resource play driven by shows in the 2019 SM58 Byron G1 BP1 well that Byron was unable to log at the time due to hole conditions. The Company will reassess its Prospective Resources in this portion of the SM58 project in due course.

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Current operations are plugging and abandoning the Lower O Sand section of the wellbore per government regulations. Subject to weather after plugging the well, a section of 9 5/8" casing will be cut and pulled from the wellbore, and after a cement kick off plug is set, the well will be sidetracked to Byron's SM58 Brown Trout prospect. The SM58 G2 ST will be drilled to a depth of 8,152 feet MD (7,506 feet TVD) and will target the Upper O Sand in an attic position, updip from two wells that produced over 2 million barrels of oil from the Upper O Sand with a water drive mechanism. The SM58 G2 ST well will gain approximately 150 feet of structure to those wells.

Byron's 30 June 2020 Net Reserves and Resources Report, as assessed by Collarini Associates, released on 10 September 2020, contains the following reserves for the Brown Trout Prospect:

| Reservoir | Well | Reserve Category | Gross Reserves Remaining 7/1/20 | | Net Reserves Remaining 7/1/20 | |
|---------------------------------|-----------|------------------|---------------------------------|--------------|-------------------------------|--------------|
| | | | MBO | MMCF | MBO | MMCF |
| Upper O Sand Lobe 2 Brown Trout | SM58 G2ST | PUD | 851 | 663 | 709 | 552 |
| Upper O Sand Lobe 2 Brown Trout | SM58 G2ST | ProbUD | 296 | 867 | 247 | 722 |
| Upper O Sand Lobe 2 Brown Trout | SM58 G2ST | Poss | 467 | 623 | 389 | 519 |
| Total | | | 1,614 | 2,153 | 1,345 | 1,794 |

Collarini and Associates report dated 30th June 2020; refer to ASX release 10 September 2020

| South Marsh Island 58 - Ownership | | Working Interest | Net Revenue Interest |
|-----------------------------------|---|------------------|----------------------|
| Byron Energy Inc. (Operator) | * Surface to -13,639 subsea TVD | 100.00% | 83.33% |
| Byron Energy Inc. | Below -13,639 subsea TVD | 50.00% | 41.67% |
| Byron Energy Inc. | ** All production from the SM58 E1 wellbore in the S1/2 SE 1/4 of the SE1/4 to a depth of 7,490 TVD | 53.00% | 44.16% |

* SM58 G1, G2 and Future G Platform Wells

** SM58 E1 Well

CEO Comment-

Maynard Smith, Byron's CEO had this to say about the SM58 G2 result:-

"The G2 well tested a high-quality seismic amplitude that had been tied to strong mudlog shows in the G1 well drilled last year, but we were unable to acquire electric logs at the time due to adverse hole condition. Now, a year later, we have fully tested the play and unfortunately found it to be a low hydrocarbon saturated sand. While we are disappointed by this setback, we are in the fortunate position to be able to sidetrack the G2 well to our Brown Trout Prospect which has a Collarini assigned 3P reserve of 1.6 mmbos. The Byron team has documented over a dozen remaining opportunities on SM58 and adjacent leases, and despite this disappointment, we all remain determined to continue to execute our drilling program to realise our previously stated goals.

Byron would like to thank the Enterprise Offshore Drilling personnel, the many vendors, and our professional engineers who worked very hard in not only drilling the G2 well but also in overcoming the difficult logistics associated with two evacuations for named storms during

the drilling of the well. There is no doubt we have assembled a cohesive team of competent and highly experienced professionals and their dedication to the downhole success and safety of our drilling program is most appreciated."

Authorised by:
The Board of Directors

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