BYRONENERGY

Focused on the future

Half Year Financial Report
For Half Year Ended
31 December 2020

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Directors' Report

Your directors submit herewith their report together with the interim Financial Report of Byron Energy Limited ("the consolidated entity" or "Group"), being Byron Energy Limited ("Byron" or the "Company") and its subsidiaries for the half year ended 31 December 2020.

Directors

The names of the Company's directors in office at any time during or since the end of the half year ended 31 December 2020 are:

Douglas G. Battersby

Maynard V. Smith

Prent H. Kallenberger

Charles J. Sands

Paul A. Young

William R. Sack

The above named directors held office during and since the end of the financial period unless otherwise stated.

Principal activities

The principal activities of the consolidated entity during the half financial year were oil and gas exploration, development and production in the shallow waters in the Gulf of Mexico ("GOM"), USA.

Consolidated results

The profit for the consolidated entity after income tax was US$736,787 (31 December 2019: US$505,416).

Dividends

No dividends in respect of the current half financial year have been paid, declared or recommended for payment (2019: nil).

Auditor independence declaration

A copy of the auditor's independence declaration under s.307C of the *Corporation Act 2001* in relation to the review of the half year is included in this report.

Review of Operations

Financial Review

The Group recorded a net profit after income tax of US$736,787 for the half year ended 31 December 2020, compared to a net profit of US$505,416 for the half year ended 31 December 2019.

For the half year ended 31 December 2020 Byron's share of net revenue was US$14,296,170, compared to US$12,998,648 in the half year to 31 December 2019. The increase in net revenue was primarily due to higher natural gas sales as a result of commencement of production from the SM58 G1 and G2 wells, largely offset by lower realised oil prices.

Cost of sales were US$9,264,892 for the half year ended 31 December 2020 compared to US$3,621,888 for the comparable period in 2019. The increase is due to higher lease operating expenses, amortisation and gas transportation charges as a result of commencement of the SM58 G platform production during the six months ended 31 December 2020.

Impairment charges of US$25,729 for the half year ended 31 December 2020 were significantly lower in comparison to the half year ended 31 December 2019 of US$5,138,613. The impairment charge for 2019 half year largely reflected the write off of the drilling cost of the SM74 D14 well dry hole.

There were no share based payment expenses in the half year to 31 December 2020, compared to a 31 December 2019 half year ended share based payment expense of US$959,165.

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At 31 December 2020, the consolidated entity had total assets of US$117,895,723 (30 June 2020: US$105,107,449) and total liabilities of US$41,356,702 (30 June 2020: US$31,056,428) resulting in net assets of US$76,539,021 (30 June 2020: US$74,051,021). The increase was due to the completion of the SM58 G1 well and the drilling and completion of the G2ST well, as well as the completion and commissioning of the SM58 G platform and associated pipelines, which was funded by higher payables and increased borrowings as at 31 December 2020.

At 31 December 2020, the consolidated entity held cash and cash equivalents of US$1,497,676 (30 June 2020: US$16,644,701).

Corporate Review

Cash equity raisings

During the half year ended 31 December 2020 and following approval at an Extraordinary General Meeting held in July 2020, the Company issued 16,745,771 ordinary shares at $A 0.13 cents per share raising A$ 2,176,950 before costs, through a placement of shares to the directors and/or their associates, as part of a share placement announced in May 2020.

No share options were converted during the half year ended 31 December 2020.

Issued capital

As at 31 December 2020, Byron's issued capital comprised:

Securities	Total issued	Quoted	Unquoted
Shares (ASX:BYE)	1,040,295,102	1,040,295,102	Nil
Options	41,100,000	Nil	41,100,000

Borrowings

Crimson Midstream Promissory Note

In the December 2019 quarter, Byron signed a binding Secured Promissory Note ("Promissory Note") with Crimson Midstream Operating, LLC ("Crimson Midstream"), a portfolio company of The Carlyle Group, to borrow an initial amount of US$15.0 million, (fully drawn down by Byron during the 2020 financial year), bearing interest at a rate of 15% p.a., over a 3-year term and being interest only until December 2020. Byron secured an additional US$3.5 million under the Crimson Midstream Promissory Note facility in June 2020, drawndown in August 2020, on the same terms and conditions as the initial US$15.0 million, being interest only until December 2020. The Promissory Note is secured over Byron's SM71 and SM58 assets and guaranteed by the Company.

Loans from directors and shareholders

Byron's outstanding loans of approximately US$3.6 million, as at 31 December 2020, from entities associated with Doug Battersby, Maynard Smith, Charles Sands, Paul Young, (all directors of the Company), and a long standing shareholder are due to be repaid on 31 March 2022.

As at 31 December 2020, Byron's borrowings comprised:

Lender	US$	A$	US$ equivalent (@A$1=US$0.7702)
Directors	2,000,000	1,750,000	3,347,850
Shareholders	-	350,000	269,570
Crimson Midstream	18,148,512	-	18,148,512
Insurance premiums financed	513,471	-	513,471
Total	**20,661,983**	**2,100,000**	**22,279,403**

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Hedging

Byron's realised prices for oil are a combination of hedged and unhedged volumes. The Company's current oil hedging position is governed by a forward sale agreement ("Forward Sale Agreement"), which specifies a price per barrel in advance for each delivery period during the term of the contract. The derivative hedge in the form of put options ("Put Options") which provided Byron as the buyer of the Put Options with a hedge against potentially declining prices expired on 31 December 2020.

The hedging counterparty for the Forward Sale Agreement and the Put Options, 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 2020 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 2021 (Forward Sale Agreement)	450	164,250	US$52.86	unhedged	unhedged	To be determined
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.

COVID-19

The World Health Organisation declared the COVID-19 coronavirus outbreak a pandemic on 11 March 2020. COVID-19 was first identified in China, where it caused an economic slowdown for the world's largest energy consumer. The decrease in demand led to fears of over-supply for fuel and oil products, and a resulting fall in prices.

The decline in demand for oil across the world and the resulting price decline had a material adverse effect on the industry as well as Byron's oil revenues and cashflows.

West Texas Intermediate ("WTI"), the US marker price, finished the December 31 2020 half year at US$48.35 having crashed to an unprecedented minus US$36.98 on 20 April 2020. Following large cuts in production by OPEC and Non-OPEC producers, prices gradually improved over time reaching US$39.27 on 30 June 2020 and US$48.35 on 31 December 2020 for WTI spot.

The Henry Hub natural gas mmbtu spot price reached a low of US$1.75 on 30 June 2020 and then improved substantially during the half year ended 31 December 2020 finishing at US$2.54 on 31 December 2020.

Byron's ability to maintain operations, at the SM71 F and SM58 G platforms in the Gulf of Mexico, was not significantly impacted by COVID-19 during the half year ended 31 December 2020.

Byron's office in Lafayette, Louisiana worked in line with recommendations of Louisiana State, which included a stay-at-home period. Byron's Australian based team worked as advised by the Australian government(s), to comply with COVID-19 regulations. Both offices begun the process of allowing employees to return to the office during the half year ended 31 December 2020.

Byron's offshore contractors have continued to work during the half year ended 31 December 2020 within the Louisiana State's and the Bureau of Safety and Environmental Enforcement guidelines.

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Producing oil and gas properties

Oil and gas production and sales

Byron's share of oil and gas production and sales for the December 2020 half year is summarised in the table below.

Production (sales)	YTD 31 December 2020	YTD 31 December 2019
Net production Byron share (NRI basis 40.625%) SM71		
Oil (bbls)	181,282	210,688
Gas (mmbtu)	234,810	247,522
Net production Byron share (NRI basis 83.333%) SM58		
Oil (bbls)	25,957	N/A
Gas (mmbtu)	2,035,606	N/A
Net production Byron share (NRI basis 44.167%) SM58 E1 well		
Oil (bbls)	3,557	9,016
Gas (mmbtu)	1,268	1,990
Total Net production (NRI basis)		
Oil (bbls)	210,796	219,704
Gas (mmbtu)	2,271,684	249,512

Byron's share of net oil production was marginally lower for the six months ended 31 December 2020 in comparison to the corresponding period last year due to lower production from SM71 reflecting natural decline and production shut-ins due to hurricanes largely offset by oil production from SM58 G platform which commenced in September 2020 from the SM58 G1 well and the SM58 G2ST well which commenced in November 2020.

Byron's share of net gas production was much higher for the six months ended 31 December 2020 in comparison to the corresponding period last year due to gas production from SM58 G platform commencing in September 2020 from the SM58 G1 well followed by the SM58 G2ST well in November 2020, both significant gas producing wells for the December 2020 half year.

Sale revenue and realised prices (accrual basis) US$ million	YTD 31 December 2020	YTD 31 December 2019
Net sales revenue (Byron share on NRI basis)	14.3	13.0

Net sales revenue for the December 2020 half year was US$14.3 million compared to US$13.0 million for the December 2019 half year. Net sales revenue was boosted by a full quarter of production from SM58 G1 well, oil and gas sales from the SM58 G2ST well (commenced on 1 November 2020), largely offset by lower realised oil prices during the December 2020 half year.

During the December 2020 half year, Byron realised an average oil price after adjustment for LLS price differentials and deductions for transportation, oil shrinkage and other applicable adjustments of US$ 41.80 per bbl (US$ 46.34 excluding transportation) compared to US$ 56.56 per bbl and US$ 60.90 per bbl respectively for the December 2019 half year.

Byron realised an average gas price after transportation deductions of approximately US$ 2.06 per mmbtu during the December 2020 half year (US$ 2.41 excluding transportation) compared to US$ 2.03 per mmbtu and US$ 2.41 per mmbtu respectively for the December 2019 half year.

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South Marsh Island 71

The South Marsh Island block 71 ("SM71"), is a lease in the South Marsh Island 73 field ("SM73"). 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.

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.

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

As at 31 December 2020, the SM71 F facility has produced approximately 2.9 million barrels of oil (gross) since initial production began. The facility has also produced approximately 3.8 billion cubic feet ("bcf") of gas (gross).

As at 31 December 2020, the gross production rate was approximately 2,690 barrels of oil per day ("bopd") and 2.2 million cubic feet of gas per day ("mmcfd") and no water from the F1 and F3 wells. F2 well was producing small amounts of water whilst the F4 well was shut in. The F4 has been shut-in since late September but is building pressure at very slow rate each day, indicating weak support from down-dip sands. The well will be opened to production in the future before an up-hole recompletion is performed.

South Marsh Island 58

Byron holds all the operator's rights, title, and interest in and to the SM58 lease block 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.

Gas and oil production from the Byron Energy SM58 G platform was initiated on 7 September 2020 (USCDT) when the SM58 G1 ("G1") well commenced production.

The SM58 G1 well produces from the Upper O Sand and as of 31 December 2020 has produced a gross total of approximately 1.8 Bcf of gas, 26,000 barrels of consistent 56.5-degree gravity condensate and no formation water. The SM58 G1 saw an early drop in flowing tubing pressure and rate but recently has shown shows signs of pressure support from the expected water drive mechanism of the Upper O Sands in this portion of the SM58 block. As at 31 December 2020 the SM58 G1 well test data indicated the well was producing at 15.7 mmcfd of gas and 200 bopd.

The SM58 G2ST well is also completed in the Upper O Sand but was drilled into a different fault block than the SM58 G1 well. Since production began, the SM58 G2ST has produced a total of 0.3 Bcf, 1,370 barrels of condensate (and oil), and no formation water as of 31 December 2020. The SM58 G2ST was drilled in an attic position to two previous wells that combined to produce over 2 million barrels of 34-degree oil from the Upper O Sand. The production history of the previous wells indicates that oil production from the Upper O Sand in this area was primarily the result of a water drive mechanism, but the upper portion of one well indicated that production from one Upper O Sand lobe behaved as pressure depletion.

Cased hole logs from the SM58 G2ST indicate that it is a combination of both the older wells in that the uppermost portion of the Upper O Sand interval showed signs of being a lower pressure, more gas prone Upper O Sand lobe compared to the more oil prone lower lobes of the Upper O Sand. Because of the mix of pressure regimes within the Upper O Sand package, sand control measures pumped across the Upper O Sand were biased towards treatment of just the lower pressured shallower lobes of the Upper O Sand while the higher pressured, oily lower lobes of the Upper O Sand were not treated as effectively.

After three weeks of production, Byron ran a series of production logs (combination spinner, temperature and pressure surveys) to confirm the complex flow regime in the wellbore. Through these logs it was determined that over 90% of the hydrocarbons entering the wellbore were from the lower pressure upper most, gassy lobe of the Upper O Sand with very little contribution from the lower, more oil prone lobes. This information confirmed a complex flow regime exists between the various lobes in the whole Upper O Sand section in the well.

The SM58 G2ST well was placed into continuous compression in the first half of December 2020 to create more pressure drawdown across the perforations with a goal of moving more oil into the wellbore from the lower oil prone lobes. At that time, the oil rate had climbed from 20 bopd to 303 bopd as of 31 December 2020 and was still increasing daily as of 31 December 2020. Just as importantly, oil gravity dropped from its initial 60-degrees API of clear condensate to its 31 December 2020 gravity of 38.8-degrees API dark oil, a clear indication of feed-in from the lower lobes of the oily, water drive portion of the Upper O Sand.

The SM58 G2ST is being watched carefully and will be evaluated to see if any remedial work will be needed to increase flow from the oil prone lobes of the Upper O Sand. The well is continuing to increase its daily oil rate which is consistent with the Company's expectations.

South Marsh Island 58 E1 Well bore and SM69 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 well was drilled from a surface location in SM69 to a bottom hole location in SM58 in 2011 and is completed in the K4 Sand (B65 Sand) and has produced a total of 630,000 barrels of oil, 0.185 bcf of gas and 800,000 barrels of formation water.

For the six months ended 31 December 2020, Byron share of net revenue from SM58 E1 well was US$ 0.14 million and Byron's net production was approximately 3,557 barrels of oil and 1.3 million cubic feet of gas.

As at 31 December 2020, the SM58 E1 well was making less than 50 bopd and was recompleted, subsequent to half year end, by sliding a sleeve covering existing perforations with sand control across the K Sand (B55 Sand). Because the wellbore completion work was already in place, the cost of recompletion was less than US$100,000 net to Byron.

Ankor Energy, LLC ("ANKOR") is the designated operator of this portion of the block to facilitate the surface operatorship of the jointly owned SM 58 E1 well and SM 69 E platform which is located in the NE corner of the SM 69 block. Byron also holds a farm-in right under the Joint Exploration Agreement ("JEA") with ANKOR group which provides for the drilling of a SM 69 E2 exploration well with Byron owning a 100% WI less a 3.0% overriding royalty interest ("ORRI"), converting to a 6% ORRI after payout.

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Exploration and Evaluation Leases

In addition to the SM71, SM58 and SM58 E1 / SM69 E platform producing properties, Byron is the operator and 100% working interest holder in twelve other blocks as shown in the table below.

Properties

As at 31 December 2020, Byron's portfolio of properties in the shallow waters of the Gulf of Mexico, USA comprised:

Properties	Operator	Interest WI/NRI (%)*	Lease expiry date	Lease area (Km²)
South Marsh Island				
Block 71	Byron	50.00/40.625	Production	12.16
Block 57	Byron	100.00/81.25	June 2022	21.98
Block 59	Byron	100.00/81.25	June 2022	20.23
Block 60	Byron	100.00/87.50	June 2024	20.23
Block 58 (excluding E1 well)	Byron	100.00/83.33**	Production	20.23
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	53.00/44.17		
Block 69 (NE ¼ of NE ¼)	Byron	100.00/77.33-80.33	Production	1.30
Block 66	Byron	100.00/87.50	December 2025	20.23
Block 70	Byron	100.00/87.50	June 2023	22.13
Eugene Island				
Block 62	Byron	100.00/87.50	June 2023	20.23
Block 63	Byron	100.00/87.50	June 2023	20.23
Block 76	Byron	100.00/87.50	June 2023	20.23
Block 77	Byron	100.00/87.50	June 2023	20.23
Main Pass				
Block 293	Byron	100.00/87.50	October 2023	18.46
Block 305	Byron	100.00/87.50	October 2023	20.23
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 ft TVD and 50% WI below 13,639 ft TVD.

South Marsh Island Area Leases

The SM57/59/60/66/70 blocks, as part of the larger SM71 project area, are the focus areas of the seismic processing project, which Byron undertook with Schlumberger's subsidiary WesternGeco to help evaluate potential future exploration drill sites.

To minimise the risk associated with the potential change in the regulatory environment post the 2020 election in the USA, Byron has accelerated its permitting efforts. Byron has submitted a revised Development Operations Co-ordination Document ("DOCD") to allow an additional 5 wells to be drilled from the SM58 G platform, a two well DOCD for SM60, a one well DOCD for SM57 and a one well DOCD for SM70. Byron has also submitted Applications for Permit to Drill ("APD") for the SM58 G3 and G4 wells and has an approved APD for the SM69 E2 well.

Eugene Island Area Leases

Byron owns and operates the Eugene Island blocks 62, 63, 76 and 77 ("EI62/63/76/77"), in water depth of approximately 20 feet. Byron currently holds a 100% WI and an 87.5% NRI in EI62/63/76/77.

EI62/63/76/77 were designated as the Eugene Island 77 Field in the 1960's and have produced 362 billion cubic feet of gas and 6.5 million barrels of oil from sands trapped by the Eugene Island 77 salt dome. Initial production from the field began in 1957. There is no production on these blocks currently.

On the basis of proprietary Reverse Time Migrated seismic data ("RTM"), undertaken by WesternGeco (a Schlumberger group company) in 2014 of 3D seismic data over the entire four block Eugene Island 77 Field, Byron acquired EI62/63/76/77 at the OCS Lease Sale 250. As a result of this detailed work Byron significantly upgraded the reserve potential of EI62/63/76/77.

In the September 2018 quarter, Byron began a reprocessing effort similar that undertaken on the SM71 Project Area with WesternGeco over all four Eugene Island blocks leased by the Company. Analysis of the reprocessed data is continuing while preliminary well planning has also started.

Main Pass Area Leases

Byron also currently holds a 100% WI and an 87.50% NRI in Main Pass 293, 305 & 306 ("MP 306 Field") acquired at the Gulf of Mexico. The three leases comprise the MP306 field as formerly designated by the Bureau of Ocean Energy Management ("BOEM"). The MP 306 Field was discovered in 1969 and lies in approximately 200 feet of water. Total produced hydrocarbons from the field are 96 million barrels of oil and 107 bcf of gas from 172 of the 249 total wells drilled. The field ceased production in late 2009 and the last well drilled on any of these blocks was in 2004. The production was from a number of sands ranging from a depth of 4,000 to 9,000 feet.

The structural complexity of the salt dome combined with the stratigraphic variation of the trapping sands and possible deeper stratigraphic targets makes this salt dome an ideal candidate for RTM seismic imaging, similar to Byron's operated SM71 salt dome project.

While no material activity was undertaken during the half year to 31 December 2020, the Company expects to shortly start scoping an RTM seismic imaging project over the MP306 field.

Portfolio Optimisation

Byron further optimised its portfolio of properties by acquiring a 100% WI in South Marsh Island 66 lease ("SM66") and relinquishing South Marsh Island 74 lease ("SM74") during the period.

In the December 2020 quarter Byron was awarded the SM66 lease, having been the successful bidder at the Gulf of Mexico OCS Lease Sale 256 held on Wednesday 18 November 2020.

Byron bid $US143,000 as a bonus bid. Byron has a 100% WI and an 87.50% NRI in the block.

SM66 was evaluated using the same reprocessed RTM seismic data used to make the discoveries on SM71 and SM58. Historical production from SM66 has totalled 1.4 million barrels of oil and 238 billion cubic feet of gas from 1969 to 2018.

The SM66 lease enhances the Company's prospect inventory and is a block expected to move up in Byron's drilling program as it is considered to have significant hydrocarbon potential.

Byron relinquished SM74 during the December 2020 quarter, prior to the June 2021 lease renewal, having completed all evaluation work and consulted Metgasco Limited, which had a residual right to a 30% WI.

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Directors' Report continued

This report is signed in accordance with a resolution of directors made pursuant to section 306(3) of the *Corporations Act 2001*.

On behalf of the directors

D. G. Battersby
Chairman

10th March 2021

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Auditor's Independence Declaration

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10 March 2021

The Board of Directors
Byron Energy Limited
Level 4, 480 Collins Street
MELBOURNE VIC 3000

Dear Board Members

Byron Energy Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Byron Energy Limited.

As lead audit partner for the review of the financial statements of Byron Energy Limited for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Craig Bryan
Partner
Chartered Accountants

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 31 December 2020

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	Note	Consolidated 31 December 2020 US$	Consolidated 31 December 2019 US$
Continuing operations			
Revenues from sale of oil and gas		**17,238,891**	15,965,089
Royalty expense		**(2,942,721)**	(2,966,441)
Cost of sales	2	**(9,264,892)**	(3,621,888)
Gross profit		**5,031,278**	9,376,760
Recoupment of operator overheads and government grants		**175,914**	61,306
Realised profit and loss on forward commodity price contracts	11	**(338,560)**	-
Corporate and administration costs		**(1,254,958)**	(1,111,137)
Impairment expense and dry hole expense	(7a)	**(25,729)**	(5,138,613)
Share based payments		**-**	(959,165)
Depreciation/amortisation of property, plant & equipment		**(259,554)**	(177,351)
Other expenses		**(814,494)**	(1,063,564)
Financial income		**1,413**	6,288
Financial expense		**(1,778,523)**	(489,108)
Profit before tax		**736,787**	505,416
Income tax expense		**-**	-
Profit for the year from continuing operations		**736,787**	505,416
Other comprehensive income, net of income tax			
Items that may subsequently be reclassified to profit and loss			
Cumulative loss on oil price cashflow hedges reclassified to profit & loss	11	**123,570**	-
Exchange differences on translating the parent entity group		**95,070**	(79,209)
Total comprehensive profit for the half year		**955,427**	426,207
Earnings per share			
Basic (cents per share)		**0.071**	0.070
Diluted (cents per share)		**0.070**	0.068

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Financial Position

As at 31 December 2020

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	Note	Consolidated 31 December 2020 US$	Consolidated 30 June 2020 US$
Assets			
Current assets			
Cash and cash equivalents		**1,497,676**	16,644,701
Trade and other receivables		**4,641,558**	1,851,462
Derivative financial instruments	11	**-**	214,990
Other		**941,150**	3,137,974
Total current assets		**7,080,384**	21,849,127
Non-current assets			
Exploration and evaluation assets	7(a)	**5,491,847**	4,695,861
Oil and gas properties	7(b)	**101,370,906**	75,191,591
Other (refundable bonds)		**1,925,000**	1,925,000
Right-of-use assets	8	**1,680,270**	988,700
Trade and other receivables		**215,882**	251,365
Property, plant and equipment		**36,304**	40,476
Other intangible assets		**95,130**	165,329
Total non-current assets		**110,815,339**	83,258,322
Total assets		**117,895,723**	105,107,449
Liabilities			
Current liabilities			
Trade and other payables		**11,116,630**	4,545,285
Provisions		**169,369**	144,462
Lease liabilities	9	**483,179**	309,440
Borrowings	10	**8,327,604**	5,868,817
Total current liabilities		**20,096,782**	10,868,004

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Financial Position

continued

As at 31 December 2020

	Note	Consolidated 31 December 2020 US$	Consolidated 30 June 2020 US$
Non-current liabilities			
Provisions		**5,756,508**	5,080,192
Lease liabilities	9	**1,551,613**	1,042,002
Borrowings	10	**13,951,799**	14,066,230
Total non-current liabilities		**21,259,920**	20,188,424
Total liabilities		**41,356,702**	31,056,428
Net assets		**76,539,021**	74,051,021
Equity			
Issued capital	12	**139,093,311**	137,560,738
Foreign currency translation reserve		**(51,570)**	(146,640)
Cash flow hedge reserve		**-**	(123,570)
Share option reserve		**6,305,069**	6,305,069
Accumulated losses		**(68,807,789)**	(69,544,576)
Total equity		**76,539,021**	74,051,021

The accompanying notes form part of these financial statements.

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Condensed Consolidated Statement of Changes in Equity

For the Half Year Ended 31 December 2020

Consolidated entity	Ordinary share capital US$	Share option reserve US$	Other reserves US$	Accumulated losses US$	Total US$
Balance at 1 July 2019	101,091,750	5,364,398	(131,466)	(69,612,924)	36,711,758
Profit for the half year	-	-	-	505,416	505,416
Exchange differences arising on translation of the parent entity	-	-	(79,209)	-	(79,209)
Total comprehensive profit for the half year	-	-	(79,209)	505,416	426,207
The issue of 10,000,000 shares at A$0.25 per share upon conversion of 10,000,000 share options	1,742,000	-	-	-	1,742,000
The placement of 51,961,055 shares at a subscription price of A$0.27 cents per share	9,483,932	-	-	-	9,483,932
42,075,806 shares were issued at A$0.27 cents per share under an Entitlement offer	7,838,723	-	-	-	7,838,723
Equity raising costs	(1,043,351)	-	-	-	(1,043,351)
Share based payments	-	959,165	-	-	959,165
Balance at 31 December 2019	119,113,054	6,323,563	(210,675)	(69,107,508)	56,118,434
Balance at 1 July 2020	**137,560,738**	**6,305,069**	**(270,210)**	**(69,544,576)**	**74,051,021**
Profit for the year	**-**	**-**	**-**	**736,787**	**736,787**
Change in value of cashflow hedges	**-**	**-**	**123,570**	**-**	**123,570**
Exchange differences arising on translation of the parent entity group	**-**	**-**	**95,070**	**-**	**95,070**
Total comprehensive profit for the year	**-**	**-**	**218,640**	**736,787**	**955,427**
The placement of 16,745,771 shares to directors at a subscription price of A$0.13 cents per share following approval at an EGM	**1,532,573**	**-**	**-**	**-**	**1,532,573**
Balance at 31 December 2020	**139,093,311**	**6,305,069**	**(51,570)**	**(68,807,789)**	**76,539,021**

The accompanying notes form part of these financial statements.

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Condensed Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2020

	Note	Consolidated 31 December 2020 US$	Consolidated 31 December 2019 US$
Cash flows from operating activities			
Receipts from customers		**14,559,185**	16,801,987
Payments to suppliers and employees		**(6,867,261)**	(6,642,603)
Interest paid		**(1,537,975)**	(472,581)
Interest received		**1,413**	6,288
Net cash flows from operating activities		**6,155,362**	9,693,091
Cash flows from investing activities			
Payments for development of oil and gas properties		**(25,331,791)**	(365,993)
Payments for exploration and evaluation assets		**(501,039)**	(23,278,314)
Payments for property, plant and equipment		**-**	(840)
Net cash flows used in investing activities		**(25,832,830)**	(23,645,147)
Cash flows from financing activities			
Proceeds from issues of ordinary shares		**1,532,573**	19,064,654
Payment of equity raising costs		**(35,919)**	(852,261)
Repayment of lease liabilities		**(220,389)**	(123,508)
Repayment of borrowings		**(351,488)**	(3,190,500)
Proceeds from borrowings		**3,500,000**	12,990,210
Net cash flows from financing activities		**4,424,777**	27,888,595
Net (decrease)/increase in cash and cash equivalents held		**(15,252,691)**	13,936,539
Cash and cash equivalents at the beginning of the period		**16,644,701**	6,783,320
Effect of exchange rate changes on the balance of cash held in foreign currencies		**105,666**	7,290
Cash and cash equivalents at the end of the period		**1,497,676**	20,727,149

The accompanying notes form part of these financial statements.

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Notes to the Condensed Financial Statements

For the Half Year Ended 31 December 2020

1. Significant accounting policies
2. Cost of sales
3. Foreign currency translation
4. Segment information
5. Financial instruments
6. Expenditure commitments
7. (a). Exploration and evaluation assets
   (b). Oil and gas properties
   (i) producing and
   (ii) non producing
8. Right of use assets
9. Lease liabilities
10. Borrowings
11. Derivative financial assets
12. Issued capital
13. Related party transactions
14. Subsequent events

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1. Summary of significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in United States of America dollars (US$), unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2020 annual financial report for the financial year ended 30 June 2020, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Adoption of new and revised Accounting Standards

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half year that are relevant to the Group are:

- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework
- AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia

The adoption of the above amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Standards and Interpretations issued not yet effective – IASB and IFRIC Interpretations

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations (for which Australian equivalent Standards and Interpretations have not yet been issued) were in issue but not yet effective:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2	1 January 2021	30 June 2022
AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	1 January 2022	30 June 2023
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date	1 January 2023	30 June 2024

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Critical accounting judgments and key sources of estimation uncertainty

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods effected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are the amounts recognised in the financial statements are described in Note 7 Exploration and evaluation assets/Oil and gas properties.

Another area of estimation uncertainty relates to the future cost to remove oil and gas production facilities, abandonment of wells and restoring the affected areas. The provision for future restoration is the best estimate of the present value of the expenditure required to settle the obligation at the reporting date, based on current legal requirements and technology.

Working capital management

As at 31 December 2020 the consolidated entity has reported a net current asset deficiency of US$13,016,398. This deficiency is principally the result of outstanding creditor invoices related to the SM58 drilling activities that concluded in the December 2020 quarter as well as the presentation (in part) of the Crimson promissory loan note as a current liability reflecting the future loan repayments owing for the next twelve months. Subsequent to year end this deficiency has reduced due to the positive cashflows generated from operating activities.

The consolidated entity has prepared a Board approved forecast for the 12 months ending 31 March 2022, which highlights that the consolidated entity has sufficient cash reserves to continue normal business operations including continued repayment of debts as scheduled. Furthermore, the Group has appointed Seaport Global as a debt finance advisor, with a view to refinance existing facilities and to provide additional development capital for the planned expansion of the SM58 field.

2. Cost of sales

		Consolidated	
	Note	31 December 2020 US$	31 December 2019 US$
Cost of sales			
Lease operating costs		**2,812,819**	1,488,880
Amortisation of oil and gas properties		**5,669,277**	2,032,101
Gas transportation costs		**782,796**	100,907
		9,264,892	3,621,888

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3. Foreign currency translation

The exchange rate utilised in the translation of the parent entity group Australia Dollar figures to United States of America Dollars are as follows:

	31 Dec 2020 (half year)	30 June 2020 (full year)	31 Dec 2019 (half year)
Spot rate	0.7702	0.6863	0.7006
Average rate for the period	0.7227	0.6714	0.6846

4. Segment information

The Group determines operating segments based on the information that is internally provided to the executive management team. Using this 'management approach' segment information is on the same basis as information used for internal reporting purposes. As such, there are no significant classes of business, either singularly or in aggregate. The Group therefore operates within one business segment of oil and gas exploration, development and production and one geographical segment, The United States of America.

5. Financial instruments

The directors consider the carrying amounts of financial assets and liabilities recognised in the consolidated financial statements to approximate their fair values.

6. Expenditure commitments

Except for as disclosed in Note 9, there has been no material change to the leasing or financing commitments disclosed in the financial statements for the half year ended 31 December 2020.

The Group has no exploration lease commitments at the end of the half-year ended 31 December 2020 as the leasing arrangements for the Gulf of Mexico blocks do not require firm work programme commitments.

7. (a) Exploration and evaluation assets

	Consolidated	
	31 December 2020 US$	30 June 2020 US$
Costs carried forward in respect of areas in the exploration and/or evaluation phase at cost:	**5,491,847**	4,695,861
Reconciliation of movements:		
Carrying amount at the beginning of the financial year	**4,695,861**	6,587,670
Additions at cost	**821,715**	24,238,915
Transfers of exploration and evaluations assets to oil and gas properties	**-**	(20,732,749)
Impairment expense	**(25,729)**	(5,397,975)
Carrying amount at the end of the financial year	**5,491,847**	4,695,861

Ultimate recovery of deferred exploration and evaluation costs is dependent upon success in exploration and evaluation or the full or partial sale (including farm-out) of the exploration interests.

For the half year ended 31 December 2020, impairment charges were US$25,729 covering (i) residual costs related to the relinquishment of the SM74 lease.

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7. (b)(i). Oil and gas properties – Producing

	Consolidated	
	31 December 2020 US$	**30 June 2020 US$**
Costs carried forward in respect of areas in the oil and gas properties:	**101,370,906**	37,224,157
Reconciliation of movements:		
Carrying amount at the beginning of the financial year	**37,224,157**	27,192,032
Additions at cost	**31,184,914**	14,753,450
Additions for site restoration	**663,678**	788,057
Transfers from non-producing properties see note 7(b)(ii)	**37,967,434**	-
Amortisation of oil and gas properties included in cost of sales	**(5,669,277)**	(5,509,382)
Carrying amount at the end of the half financial year	**101,370,906**	37,224,157

Recoverable amount

The estimated recoverable amount of all cash generating units in the development or production phase is determined by discounting the estimated future cash flows to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. The consolidated entity utilises future cash flows as estimated by independent petroleum engineers for this assessment. The key assumptions used include: (i) estimated future production based on proved and probable reserves (2P reserves), (ii) hydrocarbon prices that the consolidated entity estimates to be reasonable, taking into account historical prices, current prices, and prices used in making its exploration and development decisions, and (iii) future operating and development costs as estimated by the Company and reviewed for reasonableness by the independent petroleum engineers. The estimated recoverable amount of Byron's oil and gas properties is sensitive to a change in estimated recoverable reserves, oil and gas prices, discount rates and cost estimates.

At half year end, the Company's oil and gas properties were assessed for impairment indicators in accordance with AASB 136. Following this assessment, no impairment was required or recognised on the oil and gas properties during the 31 December 2020 half financial year.

7. (b)(ii). Oil and gas properties – non-producing

Costs carried forward in respect of areas in the oil and gas properties:	**-**	37,967,434
Reconciliation of movements:		
Carrying amount at the beginning of the financial year	**37,967,434**	-
Additions at cost		14,976,251
Additions for site restoration	**-**	2,258,434
Transfers from exploration and evaluation see note 7(a)	**-**	20,732,749
Transfers to producing oil and gas properties see note 7(b)(i)	**(37,967,434)**	-
Carrying amount at the end of the financial year	**-**	37,967,434

During the half year, SM58 was reclassified from Non-producing to Producing oil and gas properties reflecting the commencement of oil and gas production on the SM58 platform from the SM58 G1 and G2ST wells.

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8. Right-of-use assets

	Consolidated	
	31 December 2020 US$	**30 June 2020 US$**
Office lease		
Opening balance	**673,878**	631,765
Additions	**-**	200,877
Amortisation	**(94,029)**	(158,764)
Carrying amount at the end of the financial period	**579,849**	673,878
Compressor lease		
Opening balance	**314,822**	361,711
Additions	**871,666**	-
Amortisation	**(86,067)**	(46,889)
Carrying amount at the end of the financial period	**1,100,421**	314,822
Total right-of-use assets	**1,680,270**	988,700

9. Lease liabilities

Not later than one year	**662,334**	432,573
Later than one year and not later than 5 years	**1,786,394**	1,208,620
Minimum lease payments	**2,448,728**	1,641,193
Less: Future finance charges	**(413,936)**	(289,751)
Provided for in the financial statements	**2,034,792**	1,351,442
Representing lease liabilities:		
Current	**483,179**	309,440
Non-current	**1,551,613**	1,042,002
	2,034,792	1,351,442

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

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10. Borrowings

	Consolidated	
	31 December 2020 US$	30 June 2020 US$
Current unsecured		
Insurance premium financing (interest bearing)	**513,471**	1,493,817
Current secured		
Promissory note – debt liability**	**7,814,133**	4,375,000
Total current borrowings	**8,327,604**	5,868,817
Non-current unsecured		
Loans from directors and shareholder*	**3,617,420**	3,441,230
Non-current secured		
Promissory note – debt liability**	**10,334,379**	10,625,000
Total non-current borrowings	**13,951,799**	14,066,230

* During the March 2019 quarter, Byron established a short-term loan facility for US$ 2.0 million and A$ 3.1 million, equivalent to approximately US$ 4.2 million, with US$ 3.2 million sourced from four of the Company's directors (for additional details refer to the Related party transactions note). The loan facility, was fully drawn during the March 2019 quarter, is unsecured, repayable by 31 March 2022 (as agreed and amended) and will bear interest, from time of drawdown, at a rate of 10% per annum payable every quarter and A$1.0 million was repaid on 31 December 2019 to a non-director. The increase in the loans for the period is solely due to the strength in the Australia dollar relative to the USA dollar.

** Crimson Promissory Note: key terms of the Promissory note include: (i) facility amount US$ 18.5 million; and (ii) senior secured debt over the Company's SM71 and SM58 assets and guaranteed by the Company

11. Derivative financial assets

Oil price cash flow hedges at fair value	**-**	**214,990**
Total cash flow hedges	**-**	214,990

In June 2020, Byron hedged 400 barrels of oil per day for the period July to December 2020 in the form of put options with a strike price of US$39 per barrel on the West Texas Intimidate (WTI) base price.

Oil price cash flow hedges

Cash premium paid	**214,990**	338,560
Realised loss on oil price cashflow hedge	**(338,560)**	-
Reverse write down of oil price cashflow hedges to fair value through other comprehensive income	**123,570**	(123,570)
Net amount	**-**	214,990

12. Issued capital

(a) Movement for period

	31 December 2020		30 June 2020	
	Number	US$	Number	US$
Fully paid ordinary shares	**1,040,295,102**	**139,093,311**	1,023,549,331	137,560,738
Movements in ordinary share capital for the period:				
Balance as at 1 July 2020	**1,023,549,331**	**137,560,738**		
The placement of 16,745,771 shares to directors at a subscription price of A$0.13 cents per share following approval at an EGM	**16,745,771**	**1,532,573**		
Equity raising costs	**-**	**-**		
Balance at end of financial year	**1,040,295,102**	**139,093,311**	1,023,549,331	137,560,738

(b) Terms and conditions of contributed equity

Ordinary shares

Ordinary shares have the right to receive dividends as declared and in the event of winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

The issued capital of the Company as at 31 December 2020 comprises 1,040,295,102 ordinary shares and all of the shares are quoted on the ASX.

(c) Share options

Options over ordinary shares

As at 31 December 2020, there were 41,100,000 unlisted hare options over unissued ordinary shares comprising:

Expiry date	Number	Securities	Exercise price
31 December 2021	**28,350,000**	**Unlisted options**	**A$0.12**
31 December 2021	**2,000,000**	**Unlisted options**	**A$0.16**
31 December 2021	**9,500,000**	**Unlisted options**	**A$0.40**
31 December 2021	**1,250,000**	**Unlisted options**	**A$0.40**
Total	**41,100,000**		

During the half-year ended 31 December 2020, no share options were issued, nor were any share options exercised and no share options expired.

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13. Related party transactions

The following related party transactions were entered into during the half financial year ended 31 December 2020:

In March 2019, the Company entered into unsecured loan agreements, bearing interest at 10% per annum, with four of the Company's directors, for a total drawdown of US$2,000,000 and A$1,750,000. The loans were due for repayment in November 2019, however the directors agreed to extend the loan repayment date to March 2022 and interest payments have been made on a quarterly basis. The individual directors' transactions and balances for these loans were:

- Veruse Pty Ltd, a company controlled by Mr Douglas Battersby, a director of the Company, provided an unsecured loan of A$1,400,000 to the Company and interest paid for the half financial year to 31 December 2020 was A$70,192, plus A$11,890 has been accrued as at 31 December;
- Clapsy Pty Ltd, a company controlled by Mr Paul Young, a director of the Company, provided an unsecured loan of A$175,000 to the Company and interest paid for the half financial year to 31 December was A$8,774, plus A$1,486 has been accrued as at 31 December;
- Poal Pty Ltd, a company controlled by Mr Paul Young, a director of the Company, provided an unsecured loan of A$175,000 to the Company and interest paid for the half financial year to 31 December was A$8,774, plus A$1,486 has been accrued as at 31 December;
- Geogeny Pty Ltd, a company controlled by Mr Maynard Smith, a director of the Company, provided an unsecured loan of US$1,000,000 to the Company and interest paid for the half financial year to 31 December was US$50,137, plus US$8,493 has been accrued as at 31 December; and
- Mr Charles Sands, a director of the Company, provided an unsecured loan of US$1,000,000 to the Company and interest paid for the half financial year to 31 December was US$45,159 (net of withholding taxes), plus US$7,644 (net of withholding taxes) has been accrued as at 31 December.

14. Subsequent events

Subsequent to the half year ended 31 December 2020, the following events occurred:

(i) on 27 January 2021, Byron announced to the ASX the appointment of financial advisors, Seaport Global Securities LLC to secure debt funding to refinance existing facilities and to fund development capital for Byron's wholly owned SM58 project; and

(ii) on 23 February 2021, Byron announced to the ASX its interim 31 December 2020 Independent Reserves and Resources report and an update on permitting, production and debt refinancing.

Except for the above, there have not been any other matters or circumstances occurring subsequent to the end of the half-financial year that have significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the company in future financial periods.

Directors' Declaration

The directors of Byron Energy Limited declare that in the opinion of the directors:

(a) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(b) the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with Accounting Standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors of Byron Energy Limited made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the directors

D Battersby
Chairman

10th March 2021

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Independent Auditor's Report

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Independent Auditor's Review Report to the Members of Byron Energy Limited

Conclusion

We have reviewed the half-year financial report of Byron Energy Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2020 and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 12 to 26.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001.*

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a *Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants *(including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

DELOITTE TOUCHE TOHMATSU

Craig Bryan
Partner
Chartered Accountants
Melbourne, 10 March 2021

Corporate Directory

Directors

Doug Battersby (Non-Executive Chairman)

Maynard Smith (Executive Director and CEO)

Prent Kallenberger (Executive Director)

William Sack (Executive Director)

Charles Sands (Non-Executive)

Paul Young (Non-Executive)

Chief Executive Officer

Maynard Smith

Chief Financial Officer and Company Secretary

Nick Filipovic

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Legal adviser

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Auditors

Deloitte Touche Tohmatsu

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Website

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