

Quarterly Report for the Period Ended 31 December 2019

Summary

- SM58 G1 well drilling the Cutthroat Prospect at SM58 completed having encountered a true vertical thickness net pay of 301 feet in the upper O Sands; Mud log data indicates a total hydrocarbon bearing interval thickness in the Lower O section of between 180 and 250 feet;
- Work on SM58 G Platform progressed as planned, with completion expected in July 2020;
- Installation of a new, upgraded compressor at SM71 F Platform completed in mid-December 2019;
- Drilling of SM71 F4 well, on a 100% basis, committed to in the December quarter, with drilling having commenced 29 January 2020;
- Byron's share of oil and gas production (net sales volume) for the December 2019 quarter, from SM71 and SM58 E1 well, was 108,066 barrels of oil and 112,595 mmbtu of gas;
- Net revenue recorded for the December quarter, from SM71 and SM58, was approximately US\$6.3 million (net to Byron after quality adjustments, transportation charges and royalties) with realised net price being US\$55.90 per barrel of oil and US\$2.03 per million British thermal units of natural gas during the period; and
- Successfully completed an equity raising of A\$25.4 million (before costs) at A\$0.27 per share and signed a binding Secured Promissory Note with Crimson Midstream Operating, LLC to borrow an initial amount of US\$15.0 million.

Name:	Byron Energy Limited
ASX code:	BYE
Shares on issue at 31 Dec 2019:	799.4 million*
Quoted shares:	799.4 million*
Options on issue (unquoted):	50.6 million*
Cash at Bank 31 Dec 2019:	US\$20.7 million
Borrowings 31 Dec 2019:	US\$14.0 million
Market Capitalisation at 31 Dec 2019:	A\$240 million (@A\$0.30 per share)
<small>*9,500,000 options exercised on or before 31 December 2019 and 9,500,000 shares issued on 7 January 2020 taking the number of issued shares up to 808,910,278 and issues (unlisted) options down to 41,100,000</small>	

Directors

Doug Battersby (Non-Executive Chairman)
 Maynard Smith (Chief Executive Officer)
 Prent Kallenberger (Chief Operating Officer)
 Charles Sands (Non-Executive Director)
 Paul Young (Non-Executive Director)
 William Sack (Executive Director)

Company Secretary and Chief Financial Officer

Nick Filipovic

Contact Details

Level 4, 480 Collins Street
 Melbourne Vic 3000
 Telephone: +61 3 8610 6583
 Email: info@byronenergy.com.au
 Web: www.byronenergy.com.au

Corporate

Equity Raising

In December 2019 Byron successfully completed an equity raising of A\$25.4 million (before costs) at A\$0.27 per share, comprising:- (i) a placement to institutional and sophisticated investors of A\$14.0 million, and (ii) a fully underwritten 1 for 18 pro-rata non-renounceable entitlement offer of A\$11.4 million.

A general meeting of shareholders was held on 20 January 2020 to seek approval for the issue of 2,000,000 ordinary shares to related parties being interests associated with directors Doug Battersby and Paul Young at A\$0.27 per share, raising A\$0.54 million. The shareholders approved the share issue which was completed on 28 January 2020.

Issued Capital

As at 31 December 2019, Byron's issued capital comprised:-

Securities	Total issued	Quoted	Unquoted
Shares (ASX:BYE)	799,410,278*	799,410,278*	Nil
Options	50,600,000*	Nil	50,600,000*

*9,500,000 options exercised on or before 31 December 2019 and 9,500,000 shares issued on 7 January 2020 taking the number of issued shares up to 808,910,278 and issues (unlisted) options down to 41,100,000

Early in January 2020, all of the optionholders (executive directors, senior staff and contractors) were issued with 9.5 million fully paid shares, at A\$0.25 each, having exercised 9.5 million options expiring on 31 December 2019. The Company made available to each of the optionholders an interest free loan for the sole purpose of funding the exercise of the options. These loans were approved by shareholders at the Company's AGM on 29 November 2019. For additional information, see the Notice of Meeting released to the ASX on 29 October 2019.

Metgasco Limited ("Metgasco") (ASX:MEL) currently holds approximately 43.4 million shares in the Company. Metgasco has advised that the planned in-specie distribution to its shareholders of Byron shares has been confirmed at 20 million shares (refer to Metgasco's ASX announcements dated 20 December 2019 and 1 October 2019).

Borrowings

In the December quarter 2019 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. The first tranche of US\$10.0 million under Promissory Note facility was drawn by the Byron group in December 2019. The Promissory Note is secured over the SM71 & SM58 assets and guaranteed by the Company, bearing interest at a rate of 15% p.a., over a 3-year term, with the first-year being interest-only. For further details of the Promissory Note refer to the Company's ASX release dated 4 December 2019.

In December 2019 Byron repaid loans of US\$1.5 million and A\$2.45 million to directors and shareholders.

As at 31 December 2019, Byron's loans comprised:-

Lender	US\$ M	A\$ M	US\$ Equivalent (@A\$1=US\$0.70)
Directors (unsecured)	2.5	1.8	3.7
Shareholders (unsecured)	-	0.3	0.3
Crimson Midstream (secured)	10.0	-	10.0
Total	12.5	2.1	14.0

Corporate (cont.)

Borrowings (Cont.)

In early January 2020, Byron repaid US\$ 0.5 million to a director. In January 2019 Byron drew down the remaining US\$ 5.0 million under the Promissory Note.

Hedging

As part of the Promissory Note issued to Crimson Midstream, Byron agreed to an oil hedging program on approximately 50% of the Company's net SM71 proved producing forecast production, as of December 2019. This was implemented during December through a hedging counterparty, at a preferred customer rate.

As of 31 December 2019, Byron has hedge the following daily production volumes through a forward sale agreement:-

Daily Volume (bopd)	Period	Fixed Base Price*
400	Jan-Mar 2020	US\$52.70
670	Apr-Dec 2020	US\$54.78
450	Jan-Dec 2021	US\$52.86
400	Jan-Dec 2022	US\$52.70

* realised prices will be adjusted upwards for Louisiana Light Sweet price differentials and downwards for deductions for transportation.

Project Updates

Salt Dome Projects

1. South Marsh Island 73 Salt Dome

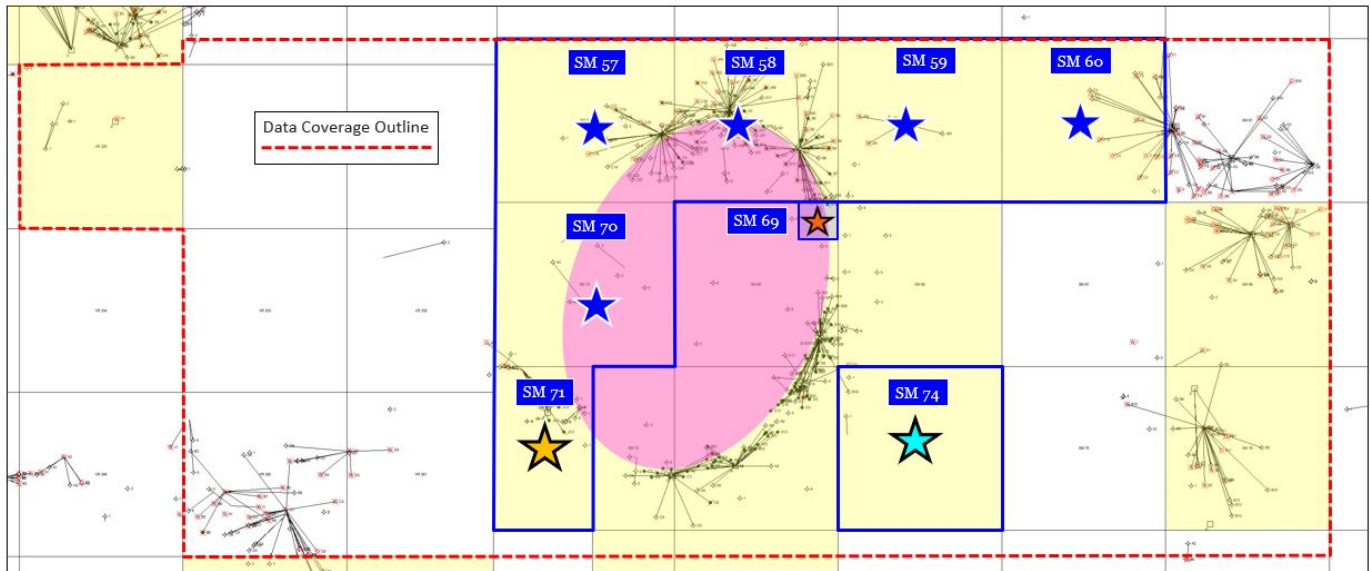
The SM73 field encompasses nine OCS lease blocks (81 square miles) which overlie a large piercement salt dome. The salt dome is responsible for providing the trapping mechanism for production in all portions of the SM73 field. The SM73 field is productive from discrete hydrocarbon-bearing sandstone reservoirs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

Byron is the operator and 100% working interest holder in 5 areas of interest around the SM73 field, comprising SM57/58/59/60/70 and north east portion of SM69, as shown below. Byron is also the operator of SM71 and SM74, where it has less than a 100% working interest.

Salt Dome Projects (cont)

South Marsh Island 73 Salt Dome (cont)

Byron Energy GOM South Marsh Island Leases and RTM Data Coverage Area



(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. 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.

(i) SM 71 Production

The F1 and F3 wells are producing in the primary D5 Sand reservoir and the F2 well is producing from the B55 Sand, a secondary exploration target.

As of 23 January 2020, the SM71 F facility has produced over 2.0 million barrels of oil (gross) since initial production began. The facility has also produced over 2.8 billion cubic feet of gas (gross) which, on a revenue basis, is approximately equivalent to an additional 100,000 barrels of oil.

(ii) Current Production

As of 31 December 2019, the SM71 platform gross production rate was approximately 3,000 barrels of oil per day and 3.0 million cubic feet of gas per day and no water from any of the wells.

(iii) SM 71 Production Statistics

Byron's share of SM 71 production for the quarter ended 31 December 2019 is shown in the table below.

Salt Dome Projects (cont)

South Marsh Island 73 Salt Dome (cont)

SM71 Production (sales)	Dec 2019 Quarter	Sep 2019 Quarter	YTD 31 Dec 2019	YTD 31 Dec 2018
Gross production				
Oil (bbls)	254,490	264,126	518,167	595,503
Gas (mmbtu)	274,910	334,376	609,286	1,030,634
Byron share of Gross Production (50% WI)				
Oil (bbls)	127,245	132,063	259,308	297,751
Gas (mmbtu)	137,455	167,188	304,643	515,317
Net production (Byron share 40.625% (after royalty))				
Oil (bbls)	103,387	107,301	210,688	241,923
Gas (mmbtu)	111,682	135,840	247,522	418,695

Oil production for the December 2019 quarter was below the volumes achieved for the September quarter due to partial shut-in of SM71 wells to facilitate the SM71F platform compressor upgrade.

The planned compressor upgrade and installation at the South Marsh Island 71 F Platform was successfully completed and all wells on the platform returned to normal production levels in mid-December 2019.

The compressor upgrade will allow the Company to manage the producing wells in a more consistent, stable manner as the wells will no longer be affected by normal fluctuations in sales line pressure caused by monthly pipeline maintenance operations. There are many benefits to stable production rates including more accurate monthly sales nominations, more predictable operating costs and, with the increased ability to control production rates there will be overall better reservoir management which results in improved oil recovery.

Platform production was shut-in on 7 December for construction work. The SM71 F3 was returned to production in less than three days producing through the high-pressure production system. Both the SM71 F1 and F2 wells were shut-in a total of seven days. The installation work was carried out on budget and crews were demobilised on 12 December.

During December 2019 quarter, gross oil production averaged 2,766 barrels of oil per day ("bopd").

SM71 Sale revenue (accrual basis) US\$ million	Dec 2019 quarter	Sep 2019 quarter	YTD 31 Dec 2019	YTD 31 Dec 2018
Net sales revenue (Byron share 40.625% after royalty)	6.0	6.5	12.5	17.3

Salt Dome Projects (cont)

South Marsh Island 73 Salt Dome (cont)

For the quarter ended 31 December 2019, Byron's share of net revenue was approximately US\$ 6.0 million compared to US\$ 6.5 million in September 2019 quarter, mainly due to lower production as a result of compressor upgrade requiring a partial shut in of the wells.

During the December 2019 quarter, Byron realised an average oil price after uplift for LLS price differentials and deductions for transportation, oil shrinkage and other applicable adjustments of US\$ 55.90 per bbl (US\$ 60.25 excluding transportation) compared to US\$ 57.18 per bbl and US\$ 61.53 per bbl respectively for the September quarter.

Byron realised an average price after transportation deductions of approximately US\$ 2.03 per mmbtu during the December quarter (US\$ 2.40 excluding transportation) compared to US\$ 2.03 per mmbtu and US\$ 2.41 per mmbtu respectively for the September quarter.

Gas was not processed for NGLs as direct gas sales delivered higher proceeds due to suppressed NGL commodity pricing during the quarter.

(iv) SM 71 F4 Well

As reported on 25 November 2019, Otto declined to participate in the SM71 F4 well after being offered participation a second time. After re-evaluating the SM71 F4 well for geological and drilling risks versus potential rewards, Byron decided to drill the F4 well on a 100% basis.

The SM71 Offshore Operating Agreement ("OOA") provides for participation in proposed operations by fewer than all parties, including the right for the non-participating party to revert to their working interest after the participating party has recouped, out of 100% of production, an amount of six hundred percent (600%) of all costs associated with drilling and completion, as outlined in Byron's ASX release of 2 October 2019.

The SM71 F4 well is designed to test the highly productive D5 Sand outboard of the main D5 field area on SM71 where the F1 and F3 wells have combined to produce more than 2.0 million barrels of oil and 2.8 billion cubic feet of gas since production began in March 2018. If successful, the F4 well would extend and prove up additional reserves in the D5 Sand, in particular the D5 Upper reservoir. Being a separate reservoir target, if unsuccessful the F4 result has no impact on the existing booked reserves associated with the D5 Sand producing reservoir. If the SM71 F4 is not successful, the upper portion of the wellbore can be used for the SM71 F5 or another well; costs of which would be partially recouped from participating parties in the future well.

On Saturday, 25 January 2020, the Enterprise Offshore Drilling 264 ("EOD 264") arrived on location to drill the SM71 F4 well from Byron's SM71 F Platform.

The SM71 F4 well will be drilled to a depth of 8,180 ft Measured Depth (7,615 ft True Vertical Depth) and is expected to take 25 days to drill.

The SM71 F5 well has not yet been officially proposed by Byron (as operator) due to the structure of the OOA. For clarity timing of the SM71 F5 well, which would also target the D5 Sand, is yet to be determined.

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 holds the remaining interest in SM71.

Salt Dome Projects (cont)

South Marsh Island 73 Salt Dome (cont)

(b) South Marsh Island 58

As previously reported, in early October 2019 Byron completed the drilling of SM58 G1 well (formerly SM58 011 BP01 well) which successfully tested Byron's Cutthroat Prospect, identified and evaluated using high-tech Reverse Time Migration (RTM), Vector Image Processing (VIP) and Full Waveform Inversion (FWI) 3D seismic processing.

The SM58 G1 well encountered a true vertical thickness net pay of 301 feet in the upper O Sands. Mud log data indicated a total hydrocarbon bearing interval thickness in the Lower O section of between 180 and 250 feet.

The SM58 G1 well was mudline suspended so that it ultimately can be completed and placed on production when the G platform is set later this year.

As reported on 17 October 2019, the Company's third-party reserve engineers, Collarini Associates ("Collarini") provided an estimate of the Prospective Resource for the Lower O Sand penetrated by the SM58 G1 well utilizing all available mud log and mud gas isotube data. The Lower O Sand over the Cutthroat prospect was assigned 8.074 Mbbls of oil and 10.2 Bcf of gas net to Byron.

An additional Lower O Sand prospect is now included in the resource update as the North Cutthroat Prospect. The North Cutthroat Lower O Sand prospect is based on a high-quality seismic amplitude that lies upthrown to the main Lower O Sand prospect at Cutthroat. This prospect will be further evaluated with information gained from the drilling of the G2 well. The North Cutthroat Lower O Sand prospect has a Prospective Resource (net to Byron) of 2,624 Mbo of oil and 3.2 Bcf of gas.

Collarini's overall Prospective Resources for the Lower O Sand on SM58 are 10,698 Mbbl and 14.0 Bcf of gas (net to Byron). With the inclusion of the Lower O Sand from the Cutthroat area discussed above, Byron's Prospective Resources for the SM58 have increased 2,065%.

For further information on SM58 reserves and prospective resources refer to the Company's ASX announcements on 19 September 2019 and 17 October 2019.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements of 19 September 2019 and 17 October 2019 and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

SM58 G Production Platform and Development Drilling

As reported on 9 May 2019 Byron purchased a production platform consisting of two decks, a jacket and production equipment from a private company for a total price of US\$ 1.0 million.

Construction work on the future SM58 G platform is ongoing in Abbeville, Louisiana and remains on schedule for installation in June 2020. Structural work to the jacket portion of the platform is in progress and painting and coating of the deck portion is complete. The next construction phase will focus on interconnect piping. All production equipment is being refurbished and will be reinstalled along with instrumentation and electrical work over the next three months. When completed and installed, the SM58 G platform will be capable of handling 8,000 barrels of oil per day, 80 million cubic feet of natural gas per day and 8,000 barrels of water per day.

Salt Dome Projects (cont)

South Marsh Island 73 Salt Dome (cont)

As previously reported, the SM58 G1 well encountered a true vertical thickness net pay of 301 feet in the Upper O Sands. Mud log data indicated a total hydrocarbon bearing interval thickness in the Lower O section of between 180 and 250 feet. Due to hole conditions, the Lower O Sand interval was not logged in the SM58 G1 well and will be the primary target of a future well. The SM58 G1 well was mudline suspended so that it ultimately can be completed and placed on production when the G platform is set later this year.

As reported on 28 January 2020, the Company has executed a drilling contract with Enterprise Offshore Drilling to utilize the EOD 264 mat jack up rig to drill four new wells and complete all successful wells drilling during the program along with completion of the SM58 G1 well. The contract calls for the EOD 264 to be released to Byron after 15 May 2020, subject to its availability.

The initial well to be drilled under the contract will be the SM69 E2 (refer to South Marsh Island 69 section below).

The focus of the second phase of Byron's 2020 drilling program will be the SM58 lease where three new wells will be drilled from the SM58 G Platform once it is set. Initial operations when the rig is mobilized to SM58 G will be to complete the G1 well as an Upper O Sand producer before beginning to drill new wells. The first new well, the SM58 G2, will be drilled to retest the Lower O Sand where strong oil shows were observed over a 150-250-foot section of the SM58 G1 wellbore in September of 2019 (refer to Byron's ASX release dated 30 September 2019 for details).

Additional new wells will also be drilled from the SM58 G Platform to test the Upper and Lower O Sands defined in Byron's Steelhead Prospect and the Upper O Sand in the Brown Trout Prospect. The exact order of drilling will be determined in the next few months and the rig will also be used to complete all successful wells drilled at SM69 and SM58 under the contract. Byron's contract also provides the opportunity to add an optional well to the program should the Company choose to do so.

SM58 Production Statistics

Byron's share of production for the quarter ended 31 December 2019 is shown in the table below. Byron acquired the SM 58 lease effective 1st January 2019.

SM58 Production (sales)	Dec 2019 quarter	Sep 2019 quarter	YTD 31 Dec 2019	YTD 31 Dec 2018
Gross production				
Oil (bbls)	10,593	9,821	20,414	n/a
Gas (mmbtu)	2,068	2,438	4,506	n/a
Byron share of Gross Production (53% WI)				
Oil (bbls)	5,614	5,205	10,820	n/a
Gas (mmbtu)	1,096	1,292	2,388	n/a
Net production (Byron share 44.167% (after royalty))				
Oil (bbls)	4,679	4,338	9,016	n/a
Gas (mmbtu)	913	1,077	1,990	n/a

Salt Dome Projects (cont)

South Marsh Island 73 Salt Dome (cont)

SM58 Sale revenue (accrual basis) US\$ million	Dec 2019 quarter	Sep 2019 quarter	YTD 31 Dec 2019	YTD 31 Dec 2018
Net sales revenue (Byron share 44.167% after royalty)	0.3	0.2	0.5	n/a

(e) South Marsh Island 57 and 59

Byron currently holds a 100% WI and an 81.25% NRI in SM57/59. Water depth in the area is approximately 125 feet.

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

(f) South Marsh Island 69

As previously reported, Byron entered into a Joint exploration Agreement and a related Production Handling Agreement with SM69 leaseholders to drill a SM69 E2 development well off the recently acquired E Platform to earn interest in the north-east portion of the SM69 lease block. Byron and SM69 leaseholders have finalised a Joint Exploration Agreement for the proposed E2 well in the south 3/4 of the north-east 1/4 of the north east 1/4 of SM69.

By funding 100% of the well Byron will earn 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.

The SM69 E2 well will test six sands in a fault block adjacent to the fault block where the SM58 E1 well is currently producing from the K4 Sand.

If the SM69 E2 well is successful, first production from the E2 well is expected within three to six months.

For additional information of the SM69 E2 development well agreement, refer to the Company's ASX releases dated 1 April 2019.

(g) South Marsh Island 60

Byron Energy Inc, a wholly owned subsidiary of the Company, acquired the South Marsh Island 60 lease ("SM60 at the Gulf of Mexico, Outer Continental Shelf ("OCS") Lease Sale 252 held in New Orleans, Louisiana on 20 March 2019.

From 1978 through 2006, nine wells completed for production on SM60 produced a combined total of 385 billion cubic feet of gas and 787,000 barrels of oil. SM60 lies within the area of Byron's RTM reprocessing project which was used to evaluate the prospect potential on the block.

(h) South Marsh Island 70

Byron has a 100% WI and 87.5% NRI (royalty rate of 12.5%) South Marsh Island 70 ("SM 70") at the Gulf of Mexico OCS Lease Sale 250 held on 21 March 2018 in New Orleans, Louisiana.

Byron has identified several higher risk exploratory leads on SM70. These leads are being evaluated following completion Byron's South Marsh Island project seismic reprocessing work in late 2018.

No material activity was undertaken on SM70 during the December 2019 quarter.

Salt Dome Projects (cont)

2. Eugene Island blocks 62, 63, 76 and 77

Byron acquired Eugene Island blocks 62, 63, 76 and 77 ("EI62/63/76/77"), at Gulf of Mexico OCS Lease Sale 250 held on 21 March 2018 in New Orleans, Louisiana. Water depth in the area is approximately 20 feet.

Byron currently holds a 100% WI and an 87.5% NRI in EI62/63/76/77, reflecting the recently reduced Federal Government Royalty of 12.5% versus pre-2017 rate of 18.75%.

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 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. Final deliverables were received during the June quarter 2019. Analysis of the reprocessed data is continuing.

As previously reported, drilling plans for EI 77 have been paused, with SM58 being brought forward ahead of the EI77 field wells.

3. Main Pass 293, 305 & 306

Byron 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, Outer Continental Shelf ("OCS") Lease Sale 251 ("Lease Sale 251") held in New Orleans, Louisiana on 15 August 2018.

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 December 2019 quarter, the Company will shortly start scoping an RTM seismic imaging project over the MP306 field.

Non-Salt Dome Projects (Byron Operated)

1. Grand Isle Block 95

Grand Isle Block 95 ("GI95") is located in US Federal waters, approximately 100 miles southeast of New Orleans, Louisiana, at a water depth of approximately 201 feet. The Company has a 100% operated WI and an 87.5% NRI, reflecting the recently reduced Federal Government Royalty of 12.5% versus pre-2017 rate of 18.75%. Water depth in the area is approximately 197 feet.

Byron acquired the GI95 lease at Central Gulf of Mexico OCS Lease Sale 249 held on 16 August 2017 in New Orleans, Louisiana.

No material activity was undertaken on GI 95 during December 2019 quarter.

Properties

As at 31 December 2019, Byron's portfolio of properties, all in the shallow waters of the Gulf of Mexico, and coastal marshlands of Louisiana, USA comprised:-

Properties	Operator	Interest WI/NRI* (%)	Lease Expiry Date	Area (Km ²)
South Marsh Island Block 71	Byron	50.00/40.625	Production	12.16
South Marsh Island Block 57	Byron	100.00/81.25	June 2022	21.98
South Marsh Island Block 59	Byron	100.00/81.25	June 2022	20.23
South Marsh Island Block 60	Byron	100.00/87.50	June 2024	20.23
South Marsh Island Block 58 (Excl. E1 well)	Byron	100.00/83.33**	Production	20.23
South Marsh Island Block 58 (E1 well in S ½ of SE ¼ of SE ¼ and associated production infrastructure in NE ¼ of NE ¼ of SM69)	Ankor	53.00/44.167		
South Marsh Island Block 69 (NE ¼ of NE ¼)	Byron	100.00/77.33-80.33	Production	1.3
South Marsh Island Block 74***	Byron	100.00/81.25	June 2022	20.23
South Marsh Island Block 70	Byron	100.00/87.50	June 2023	22.13
Eugene Island Block 62	Byron	100.00/87.50	June 2023	20.23
Eugene Island Block 63	Byron	100.00/87.50	June 2023	20.23
Eugene Island Block 76	Byron	100.00/87.50	June 2023	20.23
Eugene Island Block 77	Byron	100.00/87.50	June 2023	20.23
Main Pass Block 293	Byron	100.00/87.50	October 2023	18.46
Main Pass Block 305	Byron	100.00/87.50	October 2023	20.23
Main Pass Block 306	Byron	100.00/87.50	October 2023	20.23
Grand Isle Block 95	Byron	100.00/87.50	September 2022	18.37

* 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

*** Metgasco Limited ("Metgasco") paid 40% (US\$ 4.5 million, of the initially estimated drilling costs of SM74 D14 to earn a 30% WI in SM74. On 18 July 2019 Byron announced that agreement had been reached with Metgasco to limit Metgasco's financial exposure to the SM74 project. Byron capped Metgasco's additional costs for the drilling of SM74 D14 well at A\$ 1.75m (in addition to US\$ 4.5 million already contributed by Metgasco).

Glossary

Bbl = barrels
Bcf = billion cubic feet
Boe = barrels of oil equivalent
Bopd = barrels of oil per day
Btu = British Thermal Units
mcf = thousand cubic feet of gas
mcfcpd = thousand cubic feet of gas per day
mmcf = million cubic feet
Mbbbl = thousand barrels of oil
MMbbbl = million barrels of oil
Mboe = thousand barrels of oil equivalent
MMboe = million barrels of oil equivalent
Mcf = thousand cubic feet
MMcf = million cubic feet
mmbtu = million British Thermal Units

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 = 1.09 btu's currently for SM 71 production; the heat content of SM 71 gas may vary over time.

Appendix 5B

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

Name of entity

Byron Energy Limited

ABN

88 113 436 141

Quarter ended ("current quarter")

31 December 2019

<i>Consolidated statement of cash flows</i>		Current quarter US\$'000	Year to date (6 months) US\$'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	6,604	13,706
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(865)	(8,313)
	(b) development	(1,819)	(2,294)
	(c) production	(744)	(1,538)
	(d) staff costs	(604)	(1,089)
	(e) administration and corporate costs	(552)	(1,041)
1.3	Dividends received (see note 3)		
1.4	Interest received	3	6
1.5	Interest and other costs of finance paid	(473)	(473)
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
	- Refundable Security Deposits	150	150
	- Cash contributions from farminees / JV partners	91	1,304
1.9	Net cash from / (used in) operating activities	1,791	418
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation (if capitalised)	(9,922)	(14,391)
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (6 months) US\$'000
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	(9,922)	(14,391)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	17,322	17,322
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	-	1,742
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(852)	(852)
3.5	Proceeds from borrowings	10,000	12,990
3.6	Repayment of borrowings	(3,191)	(3,191)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)	-	(27)
3.10	Net cash from / (used in) financing activities	23,279	27,984

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,557	6,783
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,791	418
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9,922)	(14,391)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	23,279	27,984
4.5	Effect of movement in exchange rates on cash held	22	(67)
4.6	Cash and cash equivalents at end of period	20,727	20,727

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	20,727	5,557
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)	20,727	5,557

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current qtr US
\$'000**

311

-

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

7. Financing facilities

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.

- 7.1a Loan facilities (i) (unsecured and repayable by 31 March 2021, bearing interest 10% p.a.)*
(ii) (unsecured and repayable on 31 December 2019, repaid in early Jan; interest 10% p.a.)*

- 7.1b Loan facilities (secured over the SM71 & SM58 assets on a 3-year fixed term, bearing 15% interest p.a. with no loan repayments until 2nd year of loan term.)**

- 7.2 Credit standby arrangements

- 7.3 Other (please specify)

- 7.4 **Total financing facilities**

**Total facility
amount at quarter
end
\$'000**

**Amount drawn at
quarter end
\$'000**

US\$ 2,000 & A\$ 2,100

US\$ 2,000 & A\$ 2,100

US\$ 500

US\$ 500

US\$ 15,000

US\$ 10,000

-

-

-

-

US\$ 17,500 & A\$ 2,100

US\$ 12,500 & A\$ 2,100

- 7.5 **Unused financing facilities available at quarter end**

US\$5,000

- 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.

*Lenders are directors and shareholders

**Lender is Crimson Midstream Operating, LLC

8.	Estimated cash available for future operating activities	US\$'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	1,791
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(9,922)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(8,131)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	20,727
8.5	Unused finance facilities available at quarter end (Item 7.5)	5,000
8.6	Total available funding (Item 8.4 + Item 8.5)	25,727
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	3.2

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

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

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

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

Compliance statement

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

Date: 30 January 2020

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

Notes

- 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.
- 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.