



17 March 2020

South Marsh Island 71 F4 Well

- **The SM71 F4 well is now in production**
- **Currently, the well is flowing at a rate of 8.3 mmcfgpd**

Byron Energy Limited ("Byron or the Company") (**ASX: BYE**) would like to provide an update on the initial performance of the Company's SM71 F4 well.

The SM71 F4 well has now been turned over to production and the initial flow rates from D5 Upper Sand are consistent with the Company's expectations based on a comprehensive analysis of the electric logs from the well. The well is currently producing at a rate of 8.3 million cubic of gas per day ("mmcfgpd") with a very low liquid yield and a flowing tubing pressure of 2,530 psi on a restricted 25/64 inch choke. The well has been in production now for about 5 days.

Because of the geometry of the trap, the F4 well was drilled very high on structure and intersected a small gas volume above an oil leg. Electric logs indicate the upper most portion of the D5 Upper sand is gas bearing and has the highest porosity and permeability in the reservoir. Electric logs also indicate the lower portion of the D5 Upper Sand is oil bearing and has slightly less porosity than the upper portion of the reservoir. The entire D5 Upper Sand section was perforated and at the current gas rate, the Company expects it will take several months before potentially bringing the oil leg up into the cleaner high permeability sands.

At this stage, the behaviour of the SM71 F4 well is normal for a well with a gas-oil contact. Because the trap for the D5 Upper Sand is open to down dip water support, oil should continue to be pushed up to the SM71 F4 at the top of the structure. There are several nearby production analogues in SM72 and SM73 that support this scenario. Additionally, oil stained sand was found on the lower portions of the perforating guns when they were pulled out of the hole, which provides direct evidence of the presence of an oil leg.

Byron, through its wholly owned subsidiary Byron Energy Inc., is the operator of SM71 and currently has a 50% working interest ("WI") and a 40.625% net revenue interest ("NRI") in SM71. Otto Energy Limited group ("Otto") (**ASX: OEL**) holds the remaining interest in SM71.

Otto elected not to participate in the SM71 F4 well, giving Byron a 100% working interest with an 81.25% net revenue interest in the well.

CEO Comment

Byron's CEO, Maynard Smith, commented:

"Having carefully reviewed the performance of similar wells in the area, we are comfortable that the initial flow rates of the SM71 F4 are consistent with other wells that logged both gas and oil in this section. It's interesting to note that the F4 gas production, at today's oil and gas prices, is economically equivalent to about 500 bopd. Because this well is important to Byron we will continue to update the market regularly on the production performance of this well"

Authorised by:
Maynard Smith
Chief Executive Officer

For further information, please contact:

Maynard Smith
CEO
61 3 8610 6583

Peter Love
Investor Relations
61 7 3121 5674

About Byron:

Byron Energy Limited ("Byron or the Company") (**ASX: BYE**) is an independent oil and natural gas exploration and production company, headquartered in Australia, with operations in the shallow water offshore Louisiana in the Gulf of Mexico. The Company has grown through exploration and development and currently has working interests in a portfolio of leases in federal and state waters. Byron's experienced management team has a proven record of accomplishment of advancing high quality oil and gas projects from exploration to production in the shallow water in the Gulf of Mexico. For more information on Byron please visit the Company's website at www.byronenergy.com.au.

Current F4 Production Profile

The diagram illustrates the current production profile for the SM71 F4 well. It shows a cross-section of the reservoir with a gas zone (red) and an oil zone (green). The Gas/Oil Contact is indicated by a horizontal line. The wellbore is shown with perforations (Perfs) in the gas zone. A red arrow points to the 'Future Unswept Gas' area above the Gas/Oil Contact. A red box labeled 'Producible Gas Volume' points to the gas zone. A green box contains text explaining that little to no oil contribution is expected from perforations below the Gas/Oil contact due to the gas column in the better quality sand section above. As gas is produced, the aquifer pressure will push oil up into the better quality sand above, and oil production should increase and gas production should decrease. Blue arrows at the bottom indicate 'Presumed Aquifer Support'.

SM71 F4

Producible Gas Volume

Gas/Oil Contact

Gas

Oil

Perfs

Future Unswept Gas

Currently all production derived from perforations in the gas column above Gas/Oil Contact.

Little to no oil contribution from perforations below the Gas/Oil contact due to gas column in better quality sand section above. As gas is produced, the aquifer pressure will push oil up into the better quality sand above and oil production should increase and gas production should decrease.

Presumed Aquifer Support

Note: Diagram is for illustration purposes only and not to scale.

Note: Diagram is for illustration purposes only and not to scale.