

13 September 2021

ASX Release

**Oil Pay Logged in South Marsh Island 69 E2 Well
And Post Hurricane Ida Production Update**

- **The Byron operated SM 69 E2 well reached total depth of 8,157 feet Measured Depth/7,648 feet True Vertical Depth**
- **The three primary target sands have been encountered and high-quality oil sands have been logged across all three intervals**
- **Production casing will be run before completion operations commence with short cycle to first production**
- **Byron's SM71 F and SM58 G Platforms are now back in production after Hurricane Ida**

Byron Energy Limited (Byron or the Company) (ASX: **BYE**) is pleased to provide the following update regarding the drilling of the Byron operated, 100% working interest, South Marsh Island 69 E2 well (SM69 E2).

The Byron operated South Marsh Island 69 E2 well (SM69 E2) reached total depth of 8,157 feet Measured Depth (MD/7,648 feet True Vertical Depth (TVD) on 9 September 2021 (USCDT). The SM69 E2 well logged three productive oil sands, including the primary target K, K4 and L2 Sands. A fourth target, the M6 Sand, was found to have an oil water contact which may set up a future well from the SM69 E platform.

The SM69 E2 was identified as a low risk, step out opportunity using the Company's proprietary RTM processed seismic 3D and was designed to test an undrilled fault block adjacent to production from the SM58 E1 well. Unlike the adjacent SM58 E1 fault block, the RTM data identified multiple target sands in this fault block. The SM69 E2 well was originally designed to test five sands, but prior to spud the well plan was revised to simplify the directional drilling work. This revision resulted in the smallest, lowest chance of success target, the J Sand, being penetrated in a wet, down dip position.

The revised well plan was also further structurally optimized for the three primary zones and the well encountered high-quality oil-bearing sands across all three of those sands. The K (B55) Sand, K4 (B65) Sand and L2 (C10) Sands are all high-quality sands that are full to the base of sand with oil as identified by logs and mudlog shows. Final net oil pay counts and a

third-party reserve assessment will be provided once all post drill technical work is completed in October.

The deepest target, the M6 (D5) Sand was also encountered, but logged an oil water contact near the top of a thick sand. As planned, the penetration point of the M6 (D5) Sand was near a flat spot observed on the seismic data which often represents a water contact. Byron’s RTM seismic data indicates an attractive area updip to the M6 Sand penetration that could be the target of a future well from the SM69 E platform.

Net Pay Counts – SM69 E2 Well

Sand	Measured depth (ft)	Net oil measured depth thickness (ft)	Net oil true vertical thickness (ft)
K Sand (B55)	6,734 – 6,778	24	14
K4 Sand (B65)	6,878 – 6,986	66	38
L2 Sand (C10)	7,582– 7,624	23	16
M6 Sand	8,050 – 8,112	16	13

Attachment 1 shows the location of the SM69 E2 in respect to the SM58 E1 well at the K4 (B65) Sand level. Byron laid pipelines from the SM69 E platform to the SM58 G platform last year in anticipation of this result, therefore cycle time to first production is expected to be short as only completion and well hook-up is required to initiate production. Produced oil, gas and water will be transported by pipeline to the SM58 G platform for processing and sales allowing Byron to fully control the production of the well.

After finishing the drill-pipe conveyed logging run with triple combo tools (Gamma Ray, Resistivity and Neutron-Density logs) on 11 September and while beginning to pull out of the hole to run casing, circulation was suddenly lost and the tools became stuck in the hole. It has now been determined that the drilling assembly is stuck approximately 250’ below the base of the L2 (C10) Sand. The rig is making preparations to back off the drill-pipe below the L2 (C10) Sand before proceeding with recovery operations. It is expected that the wellbore can be preserved and casing will be run in the next two to three days before completion can begin.

Production Update – Post Hurricane Ida

On 9 September 2021 (USCDT), oil sales lines were reopened, and Byron restarted oil and gas production and sales from all wells on the Byron operated SM71 F and SM58 G platforms after disruptions caused by Hurricane Ida on 29 August 2021. Until 9 September, Byron was only able to sell gas from the SM58 G1 well as announced on 3 September.

CEO Comment:

Maynard Smith, Byron’s CEO had this say about the results of the SM69 E2 well:

“Overall, our SM69 E2 well met or exceeded pre-drill expectations and is a technical success. The well was on depth and our logged pay sand thicknesses are very close to or slightly thicker than mapped. The complexities of the structure and stratigraphy in the SM 69 and 58 areas

make it difficult to line up multiple targets up in a wellbore. By using this data, we are able to better identify, risk, and drill the opportunities in our portfolio. The E2 is a good example of our strategy, and we expect it to provide stable, low cost, high margin cash flow for many years to come

The downhole problems after logging are certainly frustrating and disappointing, but in the end though, this is simply a delay of a few days and the extra cost has no material effect on the positive lifetime economics of the SM69 E2 well.”

Authorised by:
The Board of Directors

Byron Energy Ownership: SM 69 E Platform and proposed SM69 E2 well

Byron holds a non-operated 53% WI (44.167% NRI) in the South Marsh Island 69 E platform with one active producing well, the SM58 E1 well.

Byron also holds a farm-in right under a Joint Exploration Agreement (“JEA”) with the ANKOR group which provides for the Byron operated drilling of a SM 69 E2 exploration well in the NE portion of SM69. Pursuant to the JEA Byron will operate the drilling of the E2 well off the jointly owned SM69 E platform and if productive, Ankor as the operator of record of SM69 will operate the subsequent production under the direction of Byron. Production will flow through the SM69-to-SM58 flowline and be processed by Byron through the SM58 facility.

By funding 100% of the SM69 E2 well, Byron can earn 100% WI and 80.33% NRI until E2 Project Payout, at which time and at the leaseholder’s election, Byron’s NRI would either adjust to 77.33% or the Ankor group can convert up to a 30% WI and, if fully converted, Byron’s interest in the project would then adjust to 70% WI with an unburdened 58.33% NRI (equivalent to 83.33% 8/8ths) going forward.

For Further Information Contact:-

Maynard Smith
Chief Executive Officer
+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 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.

SM69 E2 Well– K4 (B65) Sand Primary Target

