

27 July 2022

ASX RELEASE
Company Activity Update

- The K4/B65 and J Sands in the G3 well have been successfully completed with sand control
- The G3 well will commence production from the J Sand near the end of this week
- The L2 sand in the G5 well production at 500 bopd is showing signs of pressure depletion confirming the Company's concerns of connectivity and limited extent
- The G5 is being prepared for a zone change to the primary N2 Sand utilizing coil tubing
- SM71 F and SM58 G platform oil and gas production levels remain stable
- The SM71 F3 well, after producing 2.8 mmbo in 4 years, trace amounts of water have been observed, which is consistent with Byron's expectations
- Liftboat secured for SM71 F2 and F4 J Sand completion work in August

Byron Energy Limited (Byron or the Company) (ASX: BYE) is pleased to provide the following updates on the status of the Company's South Marsh Island 58 G3 and G5 (G3 and G5) drilling and completion program, and oil and gas production from its South Marsh Island 71 F and 58 G (SM71 F and SM58 G) platforms.

South Marsh Island 58 G3/G5 Completion Progress

Completion operations on the SM58 G3 well are nearly finished. As announced on 16 May 22, the G3 logged 27 feet True Vertical Thickness (TVT) oil pay in the primary J Sand and 31 feet TVT oil pay in the secondary K4/B65 Sand targets. Frac pack sand control measures have been pumped across both zones, 2 7/8" tubing has been run, and final topside hook-up operations are underway. Both sand control jobs were completed successfully indicating good permeability and consistency with predrill estimates.

The J Sand will be the first sand produced in the G3 with the K4/B65 Sand placed behind a sliding sleeve for future production. Based on historical J Sand production data from the area, daily oil production rates of between 500 to 1,000 barrels of oil per day (bopd) are expected from the G3.

The Company expects the drilling rig to finish operations on the G3 and be off location by the end of the week with production expected to begin shortly thereafter. Byron will provide an update on the G3 J Sand production once the well has stabilized.

The SM58 G5 well was completed in the L2 Sand and production began on 13 July 22. Despite good production rates, the L2 Sand is showing signs of a strong depletion drive mechanism with declining flowing tubing pressure. As discussed in Byron's ASX release on 7 July 22, the L2 Sand indicated either poor permeability or a limited areal extent when frac pack sand control measures were pumped. It should be noted that the L2 Sand was not a pre-drill target in the G5 well as the L2 at the G5 well

intersection location is below the seismic resolution of the data. However, given the sand quality displayed on the logs and the historically high rate L2 Sand zone, it was decided to complete the L2 Sand for production to test the extent of the reservoir. The L2 Sand in the G5 has demonstrated that it can produce oil at high rates. The G5 daily oil rate, currently at 500 bopd, initially exceeded 800 bopd which is consistent with nearby L2 Sand completions. However, the decline in pressure to date indicates a limited area that is apparently disconnected from other down dip mapped L2 Sand opportunities in the vicinity.

The primary target of the G5 well was the N2 Sand which logged 36 feet of TVT oil pay as announced on 7 June 22. The G5 was drilled in an attic position to a 3.2 mmbo pool of N2 Sand production. The G5 will be recompleted in the N2 Sand with through tubing gravel pack techniques once the L2 Sand is fully produced. This work can be achieved without the use of a rig, utilizing more cost-effective coil tubing equipment placed on the SM58 G platform. Byron's engineering team is currently finalizing the completion design and procedure which will allow for a quick change to the N2 Sand once the L2 Sand is fully depleted. Byron will update the market when this work takes place. Given the current hole conditions across the N2 Sand, the completion methods available and associated mechanical constraints, future production rates are expected to be limited to less than 350 bopd with a corresponding gas rate of 3 to 5 million cubic feet of gas per day (mmcfcpd). If the well successfully produces at these lower rates for a period of time the Company will explore other options to accelerate production from the N2.

South Marsh Island Project Production Update

Production levels from the Byron operated SM71 F and SM58 G platforms have remained steady. As of 25 July 22, combined well test data from the SM71 F platform stands at 2,240 bopd, 1.4 mmcfcpd and 27 barrels of water per day (bwpd). At the SM58 G Platform combined well test data as of 25 July 22 stands at 1,353 bopd, 5.6 mmcfcpd and 271 bwpd. At SM58, 527 bopd is coming from the SM58 G5 well which was discussed in detail above.

Since production from the Byron operated SM71 F Platform began in March of 2018, a total of 4.1 mmbo and 5.1 bcf of gas has been produced, making SM71 the number two ranked producing block on the Gulf of Mexico Shelf over that period. The SM71 F3 (F3) well ranks number one and the SM71 F1 (F1) well ranks number three among active producing oil wells on the Shelf since March 2018. Both wells produce from the D5 Sand which has now produced over 4 mmbo.

In late June 2022, traces of water were detected in daily test shake outs from the F3. The traces of water have remained on the order of 2% daily and have not increased since they were first noted. Importantly, the F3 continues to produce at about the same daily oil rate. This occurrence is entirely consistent with Byron's historical mapping, reservoir modelling, and reserve reporting forecasts for the D5 Sand reservoir. The F1, updip to the F3, continues to produce water free. Both wells are monitored daily and if changes are observed the market will be informed.

The SM69 E2 well, drilled in 2021, has now produced 190,000 barrels of oil from the K4/B65 Sand since first production on 21 October 2021. The E2 is exhibiting strong pressure support from the downdip aquifer as expected. Oil rates have been in the order of 750 bopd for several months. The E2 is expected to fully recover the cost of drilling and completion in October 2022, 12 months after first production due to stable rates and current commodity pricing.

SM71 F2/F4 Recompletion Update

Due to continued delays of the liftboat to be used for these operations, a replacement liftboat has been secured and will be available in mid-August. Byron will mobilize crews and equipment to the SM71 F platform once the liftboat is available and undertake the through tubing recompletions to the J1 Sand in both wells as outlined in the Company's' March quarterly Activities and Cashflow Report, released to the ASX on 28 April 2022.

Refer to Appendix 1 for ownership interests in various properties.

Byron's CEO Maynard Smith said:

"While I'm very pleased that we have completed the program and confirmed the predrill mapping, I am disappointed that the job took six weeks longer than planned due to a variety of drilling and completion issues. Many of these issues were beyond our control and others were within our control and I want to assure every shareholder that we will implement every operational procedure possible to minimise these issues in the future.

I'd like to make the point that our seismic data has proven to be very valuable and incredibly accurate in identifying both hydrocarbon accumulations and the associated risks in this project area. Although we found 40' of high quality pay in the G5 L2 sand, the seismic indicated that there was risk of connectivity or limited extent at this G5 location. That said, in this case we made the business decision that the potential reward from this high-rate zone, potentially connected to a large adjacent pool, was well worth attempting a completion at this time of high oil prices.

Finally, on the production side, it is very pleasing that our two platforms continue to perform at stable rates with limited downtime, allowing us to take full advantage of the current strong oil and gas prices and to more than make up for the drilling and completion issues we encountered. I believe the Company's financial outlook continues to look very strong."

Authorised by: The Board of Directors

For Further Information Contact:

Maynard Smith
Chief Executive Officer
+61 3 8610 6583

Peter Love
Investor Relations
+61 7 3121 5674

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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.

Disclaimers

Forward looking statements

Statements in this document which reflect management's expectations relating to, among other things, production estimates, target dates, Byron's expected drilling program and the ability to fund exploration and development are forward-looking statements and can generally be identified by words such as "will", "expects", "intends", "believes", "estimates", "anticipates" or similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements and may contain forward-looking information and financial outlook information. Statements relating to "reserves" are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions that some or all of the reserves described can be profitably produced in the future. These statements are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

All the forward-looking information in this document is expressly qualified by these cautionary statements. Forward-looking information contained herein is made as of the date of this document and Byron disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by law. In relation to details of the forward-looking drilling program, management advises that this is subject to change as conditions warrant, and we can provide no assurances that drilling rigs will be available.

Glossary

Bbl = barrels

bcf = billion cubic feet

Bcfg = billion cubic feet gas

Bopd = barrels of oil per day

Bcpd = barrels of condensate per day

Bwpd = barrels of water per day

mcfg = thousand cubic of gas

mcfgpd = thousand cubic feet of gas per day

Mmcfgpd = million cubic feet of gas per day

Mmbo = million barrels of oi

Appendix 1 – Ownership Interests

South Marsh Island 58 Ownership	Comments	Working Interest	Net revenue Interest
Byron Energy Inc (Operator)	Surface to -13,639 subsea TVD*	100.00%	83.33%
Byron Energy Inc	Below -13,639	50.00%	41.67%
Byron Energy Inc	All production from the SM58 E1 wellbore in the S1/2 SE ¼ of the SE1/4 to a depth of 7,490 TVD**	53.00%	44.16%
South Marsh Island 69 Ownership			
Byron Energy Inc (Operator)	All production from the SM69 E2 wellbore in the NE1/4 of the NE1/4 ***	100.00%	77.33%

*SM58 G2, G2, G3, G5 and Future G Platform Wells

**SM58 E1 well

***Byron has earned a 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 W&T Offshore (successor to ANKOR) 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 going forward.

South Marsh Island 71 Ownership	Comments	Working Interest	Net revenue Interest
Byron Energy Inc (Operator)	All production from SM71 Lease (SM71F Platform)	50.00%*	40.625%*

*Otto Energy Limited (Otto) group holds 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 in SM 71 F4 well, until payout.