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ASX RELEASE

Byron Draws US\$10 Million on Prepayment Facility for Well Completion Activities

- As released on 1 August 2023 Byron secured access to a prepayment loan of up to US\$22 million to fund the completion phase of the SM58 development program which commenced in mid-August 2023 and is proceeding as planned
- In anticipation of completion activities and in satisfaction of the provision to complete the initial draw prior to 30 September, Byron has taken the first draw of US\$10 million
- As a pre-condition of the first draw, forward sale fixed price hedges of approximately 475 bopd, which is approximately 30% of the Company's share of current gross oil production, have been entered into through the 24-month term of the Prepayment Facility

Byron Energy Limited ("Byron" or the Company) (ASX: BYE) is pleased to provide the following update on the Company's funding activities and further details on the associated oil price hedges.

Access to Completion Funding via Prepayment Facility

As announced to the ASX on 1 August 2023 Byron secured access to completion phase development funding of up to US\$22 million through a multi-draw loan facility ("Prepayment Facility") structured through the prepayment of future oil revenue and secured by a mortgage over Byron's producing assets.

Under the Prepayment Facility the 24-month term will begin upon the initial draw of US\$10 million which is to be taken no later than 30 September, 2023 with an optional second draw of up to US\$12 million available within 90 days of the first and includes a 6-month interest only grace period followed by eighteen equal monthly repayment instalments. Byron has now requested and received the first draw of US\$10 million.

As a pre-condition of the first draw, an oil price hedge of approximately 500 barrels of oil per day (bopd) of the Company's total gross production over the 24-month term of the loan at a minimum composite average price of approximately \$69.00/ barrel of oil (bo) was required by the lender. Byron, taking advantage of the upward movements in the oil price pricing structure since executing the Prepayment Facility, has placed a series of physical swaps priced above the minimum price

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requirement at average composite price of over US\$74.80/bo resulting in a reduction in required hedge volumes to 475 bopd. This equates to approximately 30% of the Company's share of current total gross oil production.

The following hedges have been placed to date:

- Hedge 1 is 250 bopd over a period of 24 months (Sept 2023- Aug 2025) at an average West Texas Intermediate (WTI) Base Price* of approximately US\$74.68, with this average price to be paid each month of the period; and
- Hedge 2 consisting of 225 bopd over a period of 23 months from 31 Oct, 2023 – 31 Aug, 2025 at an average WTI Base Price* of approximately US\$75.00/bopd to be paid at the contracted monthly strip price during the period rather than at the average price (i.e., in the shape of the contracted NYMEX strip).

These hedge transactions are in the form of physical hedges (i.e. forward sales) where the hedge oil volume is delivered at the monthly contracted fixed price under the company's oil offtake agreement.

Byron has also requested, and the lender has agreed, to additionally provide access to financial hedges during the term of the loan at minimal cost to provide Byron, the optionality to further manage oil sales and potentially capture some component of price upside above the existing forward sale swaps or alternatively protect unhedged barrels from downside exposure. This cost-effective access provides Byron the ability to participate in the commodity market on all production, at the company's option, without the need for further counterparty securitization.

A second draw of up to US\$12 million is optional, contingent on success. This draw is also pre-conditioned upon the placement of an additional hedge component prior to such draw, with a value equivalent of approximately 200 bopd for a period of 6 months at a minimum price of not less than US\$69.00.

**The hedge settlement price is the NYMEX WTI CMA prior to adjustment for LLS premium over WTI and quality and transportation adjustments*

Byron's CEO Maynard Smith said:

"Byron's initial draw from the Prepayment Facility will be used to fund completion activities of the current development program and represents the acceleration of Byron's oil production cash flow to meet the capital needs of our growing company. The added flexibility provided by our oil purchaser and counterparty to layer on future financial hedges, in addition to the existing physical forward sales, will allow Byron to capture the upside and realize higher oil prices should the markets continue to improve. This new feature, requested by Byron of the lender, comes at minimal cost to Byron and is one of the benefits of formalising a secured prepayment facility with our oil purchaser."

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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, USA.. 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.

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 of 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.