

Quarterly Report for the Period Ended 30 September 2022

Summary

- Generated record quarterly net sales revenue for the September 2022 quarter of approximately US\$ 19.2 million, up 17% on the June 2022 quarter;
- Byron's share of oil and gas production (net sales volume) for the September 2022 quarter was 176,160 barrels of oil and 512,351 mmbtu of gas compared to the previous quarter of 138,521 barrels of oil and 388,262 mmbtu of gas, a total increase of approximately 29% on a barrels of oil equivalent basis;
- Net revenue recorded for the September 2022 quarter, was approximately US\$ 19.2 million (with realised net prices of US\$ 84.70 per barrel of oil and US\$ 8.03 per mmbtu of natural gas net to Byron after quality adjustments, oil and gas transportation charges and royalties (June 2022 quarter: net revenue approximately US\$ 16.4 million with realised net prices of US\$ 96.13 per barrel of oil and US\$ 7.49 per mmbtu of natural gas);
- Successfully completed the SM58 G3 and G5 wells during the September 2022 quarter with both wells commencing for production during the quarter;
- Outstanding Crescent Midstream Promissory Note debt reduced by approximately 59% from US\$4.83 million in the June quarter to US\$1.97 million at the end of September 2022 quarter;
- Awarded SM61 lease during the quarter.

Name:	Byron Energy Limited
ASX code:	BYE
Shares on issue at 30 Sep 2022:	1,081.4 million
Quoted shares:	1,081.4 million
Options on issue (unquoted):	2.0 million
Cash at Bank 30 Sep 2022:	US\$5.75 million
Borrowings 30 Sep 2022:	US\$5.34 million (excluding oil revenue prepayment)
Market Capitalisation at 30 Sep 2022:	A\$141 million (@A\$0.13 / share)

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

Corporate

Issued Capital

As at 30 September 2022, Byron's issued capital comprised:-

Securities	Total issued	Quoted	Unquoted
Shares (ASX:BYE)	1,081,395,102*	1,081,395,102*	Nil
Options (Expiring on 31 December 2024 with an exercise price of A\$0.16)	2,000,000	Nil	2,000,000

*Includes 41,100,000 shares subject to voluntary escrow. These shares are already quoted on the ASX and have the same rights as all other ordinary shares issued by Byron, except they are placed in trading lock. The shares in voluntary escrow are held by executive directors, staff and contractors of the Company

Corporate (cont.)

Borrowings and oil revenue prepayment

As at 30 September 2022, Byron's outstanding loans comprised:-

Lender	US\$ M	A\$ M	Sep 30 2022 US\$ equivalent (@A\$1=US\$0.6502)	Jun 30 2022 US\$ equivalent (@A\$1=US\$0.6889)
Directors	2.00	1.75	3.14	3.21
Shareholder	-	0.35	0.23	0.24
Crescent Midstream	1.97	-	1.97	4.83
Total	3.97	2.10	5.34*	8.28

*as at 30 September 2022, Byron also had US\$ 1.1 million in insurance premium financing outstanding

Crescent Midstream Promissory Note

As of 30 September 2022, the outstanding principal balance of the Crescent Promissory Note has been reduced to US\$ 1.97 million from US\$ 4.83 million as of 30 June 2022. The balance of the Crescent Promissory Note is repayable by the end of November 2022.

Directors' and Shareholder Loans

Byron's outstanding loans of approximately US\$ 3.37 million as of 30 September 2022, from entities associated with Doug Battersby, Maynard Smith, Charles Sands, Paul Young, all directors of the Company, and a longstanding shareholder are due to be repaid on 31 March 2023.

Oil revenue prepayment

In May 2022, the Company's oil purchaser provided access to further funding of US\$11.0 million through the prepayment of future oil revenue. The prepayment will be repaid over eight monthly instalments with the first instalment paid in September 2022. The fee for this prepayment is approximately US\$ 1 per produced barrel of oil until such time as the prepayment is repaid. During the September quarter 2022 Byron reduced the amount owing under the prepayment arrangement by US\$1.4 million to a balance of US\$9.6 million at 30 September 2022.

Cashflow

Byron generated receipts from customers of approximately US\$ 18.8 million during the September 2022 quarter, compared to US\$ 15.6 million for the June 2022 quarter. After deducting payments for production, development and other operating activities and deducting repayment of oil revenue prepayments, the net cash outflow from operating activities was US\$ 4.5 million during the September 2022 quarter. Byron ended the September quarter with a cash balance of US\$ 5.8 million, compared to a cash balance of US\$ 14.1 million as at 30 June 2022.

Consolidated statement of cash flows (US\$ million)	Sep 22 quarter	Jun 22 quarter
Cashflow from operating activities		
Receipts from customers	18.8	15.6
Payments for production	-1.3	-1.8
Net receipts from production	17.5	13.8

Corporate (cont.)

Consolidated statement of cash flows (US\$ million) (cont)	Sep 22 quarter	Jun 22 quarter
Cashflow from operating activities (cont)		
Payment for development (G3 & G5 wells)	-19.5	-6.6
Payments for other operating activities (net)	-1.1	-1.6
Receipts/(Repayments) of oil revenue pre-payment (net)	-1.4	10.0
Net cash from / (used in) operating activities	-4.5	15.6
Cash flows from investing activities		
Exploration and evaluation	-0.9	-
Net cash from / (used in) investing activities	-0.9	-
Cash flows from financing activities		
Net cash from / (used in) financing activities	-2.9	-2.4
Net increase / (decrease) in cash and cash equivalents for the period	-8.3	13.2
Cash and cash equivalents at end of quarter	5.8	14.1

For further details on the September 2022 quarter cashflows refer to Appendix 5B.

Oil price hedging

Byron's realised prices for oil are a combination of hedged and unhedged volumes. As at 30 September 2022, the Company's oil hedging position is governed by a forward physical sale agreements (Forward Sale Agreement), which specifies a price per barrel in advance for each delivery period during the term of the contract.

The hedging counterparty for the Forward Sale Agreement is one of the global oil industry's "supermajors" and is also the purchaser of Byron's oil production under a mutually agreed long term purchase arrangement, which provides Byron with a stable, aligned counterparty.

Byron's hedged oil production as at 30 September 2022 is as follows:-

Period <i>Forward Sale Agreements</i>	Daily Hedged Volume (bopd)	Period Hedged Volume (bbl)	NYMEX WTI Fixed Base Price Crude Oil*	NYMEX Roll Adjust	LLS/WTI Price Differential	Realised Price on Hedged Production prior to Transportation Charges
Oct-Dec 2022	400	36,800	US\$52.70	unhedged	unhedged	To be determined
Jan-Mar 2023	200	18,000	US\$80.95	unhedged	unhedged	To be determined

*WTI CMA base price is adjusted for NYMEX Roll, LLS/WTI price differentials and Transportation (estimated at US\$4.99) to arrive at a realised price.

Byron's total hedge position at the end of September is less than 17% of Byron's share of daily oil production with all existing hedges due to expire 31 March, 2023.

Oil and Gas Production/Sales

Byron's share of oil and gas production and sales for the September 2022 quarter is summarised in the table below.

Production (sales)	Sept 2022 quarter	Jun 2022 quarter	Year to date 30 Sep 2022	Year to date 30 Sep 2021
Net production (Byron share (NRI basis) SM71)				
Oil (bbls)	75,572	75,338	75,572	74,379
Gas (mmbtu)	59,499	56,476	59,499	67,014
Net production (Byron share (NRI basis) SM58)				
Oil (bbls)	95,938	58,524	95,938	9,071
Gas (mmbtu)	452,265	331,368	452,265	666,191
Net production (Byron share (NRI basis) SM58 E1 well)				
Oil (bbls)	4,650	4,659	4,650	5,112
Gas (mmbtu)	587	418	587	552
Total Net production (NRI basis)				
Oil (bbls)	176,160	138,521	176,160	88,563
Gas (mmbtu)	512,351	388,262	512,351	733,757

Aggregate oil and gas production and sales, net to Byron, were 176,160 bbls of oil and 512,351 mmbtu of gas for the September 2022 quarter compared to 138,521 bbls of oil and 388,262 mmbtu of gas for the June 2022 quarter. Oil and gas production for the September 2022 quarter was above June quarter mainly due to commencement of production from SM58 G3 (commenced on 1 August 2022) and G5 wells (commenced on 13 July 2022) and fewer production shut-ins compared to the June 2022 quarter.

The quarterly and financial year to date net sales revenue is summarised below.

Sale revenue (accrual basis) US\$ million	Sep 2022 quarter	Jun 2022 quarter	Year to date 30 Sep 2022	Year to date 30 Sep 2021
Net sales revenue (Byron share on NRI basis)	19.2	16.4	19.2	8.7

Net sales revenue for the September 2022 quarter of approximately US\$ 19.2 million, after quality adjustments, oil transportation charges and royalties, was a quarterly record and up 17% compared to US\$ 16.4 million for the prior quarter. Net sales revenue was higher for the September 2022 quarter mainly due to higher oil and gas production partly offset by lower realised oil prices.

For the September 2022 quarter, Byron realised an average oil price after adjustment for LLS price differentials and deductions for transportation, oil shrinkage and other applicable adjustments of US\$ 84.70 per bbl (US\$ 89.69 excluding transportation) compared to US\$ 96.13 per bbl and US\$ 100.70 per bbl respectively for the June 2022 quarter.

Byron realised an average gas price after transportation deductions of approximately US\$ 8.03 per mmbtu for the September 2022 quarter (US\$ 8.39 excluding transportation) compared to US\$ 7.49 per mmbtu and US\$ 7.86 per mmbtu respectively for the June 2022 quarter.

Project Updates

Salt Dome Projects

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.

(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. 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.

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, F1, F2 and F3. Production from the F4 well, commenced in mid-March 2020 until it was shut in September 2020. F4 resumed production in November 2021.

As of 30 September 2022, the SM71 F facility has produced approximately 4.2 million barrels of oil since initial production began. The facility has also produced approximately 5.2 billion cubic feet of gas (Bcfg) (gross).

Production from the J1 Sand recompletion in the SM71 F2 was initiated on 31 August 2022.

The SM71 F4 well was also recompleted to the J1 Sand and brought online. However, flowing tubing pressure data indicates that the well may still have near wellbore damage from the initial J1 Sand recompletion in October 2021.

Total September 2022 quarter gross sales volumes for all wells on the SM71 F Platform totalled approximately 185,087 barrels of oil and 145,391 mmbtu of gas (June 2022 quarter 185,023 barrels and 138,495 mmbtu). Slightly higher production from SM71 for the September quarter was mainly due to recompletion of the F2 well and fewer production shut-ins compared to the June 2022 quarter.

The F1 continues to produce water-free from the D5 Sand. While the F3 well is producing a small amount of water ~10% from the D5 sand, in line with the Company's historical modelling and reserve report forecasts.

(b) South Marsh Island 58

Byron holds all the operator's rights, title, and interest in and to the South Marsh Island block 58 (SM58) lease to a depth of 13,639 feet subsea with 100% WI and 83.33% NRI. Below 13,639 feet subsea, Byron has a 50% WI (41.67% NRI) under a pre-existing exploration agreement. To date, all identified drilling opportunities on the SM58 lease are above 13,639 feet subsea.

Byron has also earned a 100% WI in the SM69 E2 well (E2) under the Joint Exploration Agreement (JEA) with ANKOR group (ANKOR), acquired by W&T Offshore, Inc. (W&T Offshore) during the March 2022 quarter) which

Oil and Gas Production/Sales (cont)

provided for the drilling of the E2 exploration well operated by Byron. By funding 100% of the E2 well Byron earned 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.

Water depth in the area is approximately 132 feet.

As of 30 September 2022, the SM58 G facility has produced approximately 7.3 Bcfg and 0.4 million barrels of oil and condensate (gross) on a cumulative basis from five wells (SM58 G1, G2, G3, G5 and SM69 E2).

The SM58 G1 well produces mostly gas from the Upper O Sand and 56.5-degree gravity condensate and no formation water. Gas and oil production from the G1 well has continued to follow a natural and predictable pressure decline.

The SM58 G2ST produces from the O Sand producing oil, gas and with associated formation water.

The SM58 G3 and G5 produce from the J Sand and L2 Sand respectively.

The SM69 E2 well produces from the K4/B65 Sand.

Production of oil, gas and any other liquids from the E2, located on SM69 E platform, flows to the Byron operated SM58 G platform where separation occurs before oil and gas are sent to sales pipelines. Unlike the E1 well production, E2 production is not subject to any third-party processing fees.

Total quarterly gross sales volumes for all wells on the SM58 G Platform, totalled 544,569 mmbtu of gas and 117,574 barrels of oil (June 2022 quarter 398,610 mmbtu of gas and 72,362 barrels of oil). Higher production from SM58 for the September quarter was mainly due to commencement of production from the G3 and G5 wells during the September quarter.

Completion and Connection - SM58 G3 and G5 Wells

During the September 2022 quarter Byron successfully completed and the SM58 G3 and the SM58 G5 wells.

The well results are summarised below.

	G3 (Rainbow Trout)	G5 (Smoked Trout)
Total measured depth	8,642 feet Measured Depth (MD)/6,970 feet True Vertical Depth (TVD)	10,228 feet MD/8,244 feet TVD
Net pay logged	J Sand logged 27 feet True Vertical Thickness (TVT) net pay; K4/B65 Sand, logged 31 feet of TVT net pay	The primary target N2 Sand logged 36 feet TVT; 81 feet TVT hydrocarbon pay in three secondary sands – 11 feet TVT pay in I2 sand, 23 feet TVT pay in K4/B65 sand and 47 feet TVT pay in L2 sand
Completion	Primary J Sand completion is gravel packed and the future K4 Sand completion is gravel packed behind a sliding sleeve. No rig required to move to K4 Sand	Primary L2 Sand completion is gravel packed, with future N2 Sand completion as a through tubing gravel pack. No rig is required to perform the through tubing gravel pack on the N2

For further information on the G3 and G5 completion and production, refer to the Company's ASX releases dated 27 July 2022 and 7 September 2022.

Project Updates (cont)

South Marsh Island 73 Salt Dome (cont)

(c) South Marsh Island SM58 E1 well, SM 69 E Platform

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. The SM58 E1 was drilled from a surface location in SM69 to a bottom hole location in SM58 in 2011 and was initially completed in the K4 Sand (B65 Sand) which produced a total of 632,000 barrels of oil, 0.19 Bcfg of gas and 836,000 barrels of formation water before the well was recompleted in the K Sand in the March 2021 quarter.

Total September 2022 quarterly net sales volumes for the SM58 E1 well totalled 4,650 barrels of oil and 587 mmbtu (June 2022 quarter 4,659 barrels of oil and 418 mmbtu).

W&T Offshore, Inc is the designated operator of this portion of the block to facilitate the surface operatorship of the jointly owned SM58 E1 well which surfaces from the SM69 E platform which is located in the NE corner of the SM69 block.

Main Pass 306

Byron currently holds 100% Working Interest and an 87.50% Net Revenue Interest leases on Main Pass blocks 293, 305 and 306 comprising the Main Pass 306 Field (MP306) which has produced approximately 96 MMBO and 108 Bcf of gas. MP306 is a structurally and stratigraphically complex salt dome which should lend itself to advance RTM interpretation techniques as employed at our SM58 salt dome project. These leases were acquired at the Gulf of Mexico, OCS Lease Sale 251 held in New Orleans, Louisiana on 15 August 2018.

Byron recently licensed 3D RTM seismic data that was reprocessed by the contractor (TGS) in 2022 and has begun interpretation. MP306 was discovered in 1969 and lies in approximately 200 feet of water. Byron's licensed data area allows the integration of all producing wells on the MP 306 salt dome and also ties recent discoveries in the area which may serve as analogues for any generated prospects. Byron's technical team has begun the interpretation project and the work is ongoing.

OCS Lease Sale 257

Byron Energy Inc, a wholly owned subsidiary of the Company, was the apparent high bidder on the South Marsh Island 61 lease (SM61), the only bid placed by the Company at the Gulf of Mexico, Outer Continental Shelf Lease Sale 257 held in New Orleans, Louisiana on Wednesday, 17 November 2021.

The Company was sole bidder on the block with a bid of approximately US\$ 130k on SM61, WI 100%/NRI 87.50%, which lies within the area of Byron's RTM reprocessing project which was used to evaluate the prospect potential on the block.

Byron was awarded SM61 in September 2022 by the Bureau of Ocean Energy Management (BOEM).

Future Drilling Program and permitting

Byron has received approval from BOEM on Development Operations Coordination Documents (DOCD) filed on South Marsh Island blocks 60 and 70. DOCD's are the initial environmental permits required prior to drilling new wells, setting new platforms, and laying new pipelines. The Company is also in the process of filing a revised DOCD for an additional well from the SM69 E Platform. These permits were prepared and filed in anticipation of the four well program set for the first half of 2023 as announced to the ASX on 7 June 2022 and give the Company some flexibility in determining what prospects are drilled under that program. Required well permits for the upcoming program will be filed over the next two to three months to ensure there are no delays to the program.

Properties

As at 30 September 2022, Byron's portfolio of properties, all in the shallow waters of the Gulf of Mexico, 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 60	Byron	100.00/87.50	June 2024	20.23
South Marsh Island Block 61	Byron	100.00/87.50	September 2027	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)	W&T Offshore (as successor to ANKOR)	53.00/44.167		
South Marsh Island Block 69 (NE ¼ of NE ¼) (E-2 well)	Byron	100.00/77.33-80.33	Production	1.3
South Marsh Island Block 66	Byron	100.00/87.50	December 2025	20.23
South Marsh Island Block 70	Byron	100.00/87.50	July 2023	22.13
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

* 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

Glossary

1P = Proved Reserves
2P = Proved and Probable Reserves
3P = Proved, Probable and Possible Reserves
Bbl = barrels
bcf = billion cubic feet
Bcfg = billion cubic feet gas
Bopd = barrels of oil per day
Bcpd = barrels of condensate per day
btu = British Thermal Units
mcf = thousand cubic feet of gas
mcfcpd = thousand cubic feet of gas per day
Mmcfcpd = million cubic feet of gas per day
mcf = thousand cubic feet
mmcf = million cubic feet
mmbtu = million British Thermal Units
Mbo = thousand barrels of oil
Mmbo = million barrels of oil
NGL = Natural gas Liquids, such as ethane, propane and butane
Psi = pounds per square inch
Tcf = trillion cubic feet

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 equals approximately 1.10 btu's currently for SM71 / SM58 production; the heat content of SM71 / SM58 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")

30 September 2022

<i>Consolidated statement of cash flows</i>	Current quarter US\$'000	Year to date (3 months) US\$'000
1. Cash flows from operating activities		
1.1 Receipts from customers	18,772	18,772
1.2 Payments for		
(a) exploration & evaluation	(26)	(26)
(b) development	(19,463)	(19,463)
(c) production	(1,334)	(1,334)
(d) staff costs	(826)	(826)
(e) administration and corporate costs	(771)	(771)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	(251)	(251)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
- Cash Contributions from JV partners	741	741
- Oil revenue prepayments (net)	(1,375)	(1,375)
1.9 Net cash from / (used in) operating activities	(4,531)	(4,531)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation	(949)	(949)
(e) investments		

Consolidated statement of cash flows	Current quarter US\$'000	Year to date (3 months) US\$'000
(f) other non-current assets		
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	(949)	(949)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options / interest free loan repayments		
3.4 Transaction costs related to issues of equity securities or convertible debt securities		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings	(2,860)	(2,860)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	(2,860)	(2,860)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	14,087	14,087
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(4,531)	(4,531)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(949)	(949)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(2,860)	(2,860)

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (3 months) US\$'000
4.5	Effect of movement in exchange rates on cash held	3	3
4.6	Cash and cash equivalents at end of period	5,750	5,750

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter US\$'000	Previous quarter US\$'000
5.1	Bank balances	5,750	14,087
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)	5,750	14,087

6.	Payments to related parties of the entity and their associates	Current quarter US\$'000
6.1	*Aggregate amount of payments to related parties and their associates included in item 1	466
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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.

*Payments to directors comprise: (i) Non-executive directors' fees of A\$ 41, (ii) Executive directors' salaries and service fees of US\$ 239k and A\$ 174k, and (iii) quarterly interest payments of US\$ 48k and A\$ 44k to certain directors on the loan facilities listed in 7.1a.

Mining exploration entity and oil and gas exploration entity quarterly report

7. Financing facilities	Total facility amount at quarter end \$'000	Amount drawn at quarter end \$'000
<i>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.</i>		
7.1a	Loan facilities (unsecured and repayable by 31 March 2023, bearing 10% interest p.a.)	US\$ 2,000 & A\$ 2,100
7.1b	Loan facilities (secured over the SM71 & SM58 assets, bearing interest at 15% p.a. fully repayable by the end of November 2022.)	US\$ 1,970
7.2	Credit standby arrangements	-
7.3	Other (please specify) Oil revenue prepayment facility*	US\$ 9,625
7.4	Total financing facilities	US\$ 13,595 & A\$ 2,100
7.5	Unused financing facilities available at quarter end	-
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.	
	*Prepaid oil revenue fee of approximately US\$ 1.00 a barrel of oil from drawdown date to last repayment. Cash repayments over eight months starting in September 2022.	

8. Estimated cash available for future operating activities	US\$'000
8.1	Net cash from / (used in) operating activities (item 1.9)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))
8.3	Total relevant outgoings (item 8.1 + item 8.2)
8.4	Cash and cash equivalents at quarter end (item 4.6)
8.5	Unused finance facilities available at quarter end (item 7.5)
8.6	Total available funding (item 8.4 + item 8.5)
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:
8.8.1	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:
	Receipts from customers in the next quarter are expected to be at least equal to the September quarter subject to production levels and oil and gas prices. Payments for development expenditure will be substantially less in the next quarter than the previous quarter.

8.8.2 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:

The Company has received a prepayment of US\$11.0 million in June 2022 quarter from the hedging counterparty under the oil forward sale agreement. The amount of US\$11.0 million will be repaid from oil revenues under the forward sale agreement over eight months commencing in September 2022. The Company has also obtained extended terms of trade with certain key contractors and industry service suppliers.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes, the entity is expected to be able to continue its operations and to meet its business objectives for the reasons outlined in 1 and 2 above.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

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

Date: 26 October 2022

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

Notes

1. 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.
2. 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.