

15 September 2020

ASX Release

SM58 and SM71 Operations Update: Hurricane Sally

- **SM58 G2 drilling operations have been curtailed out of caution for Hurricane Sally**
- **Hurricane Sally is not expected to directly impact the SM58 G Platform, but conditions are unfavourable for drilling operations**
- **Intermediate casing has been set and cemented across the Upper O Sand in the SM58 G2 well**
- **SM58 G1 well has been flowing at test rate of 20 Mmcfpd, 375 bocpd, no formation water with a stable FTP of 1350 psi and is not shut in due to the storm**
- **SM71 wells have been shut in for the storm due to pipeline closures**

Byron Energy Limited ("Byron" or the "Company"), (ASX: BYE) would like to provide the following operational update on its 100% owned and operated South Marsh Island Block 58 ("SM58") project and 50% owned and operated South Marsh Island Block 71 ("SM71") project in the US Gulf of Mexico.

SM58 Project

Due to the presence of Hurricane Sally in the Eastern Gulf of Mexico, drilling operations on the Byron operated SM58 G2 well have been suspended until the storm makes landfall. At the present time, the storm is not forecast to pass over the SM58 block, but because of the uncertain forecast of the track it was decided to evacuate personnel from the Enterprise Offshore Drilling ("EOD 264") jack up rig. The drilling rig was not jacked down for the storm and operations can resume promptly once conditions improve.

Prior to the evacuation, 9 5/8" casing had been run and cemented in place at a depth of 10,612 feet measured depth across the Upper O Sand. When crews return to the EOD 264, the well will be drilled to its final total depth and test the Lower O Sand as planned.

The SM58 G1 well has not been shut in and will continue to produce unless oil and gas sales lines are shut in for reasons due to the storm. After being shut in for drilling operations, the SM58 G1 well was returned to production and test rates have stabilised at a flowing tubing pressure ("FTP") of 1,350 psi and gas and condensate rates of 20 million cubic feet per day ("Mmcfpd") and 375 barrels of condensate per day ("bocpd") with no formation water from the Upper O Sand.

South Marsh Island 58 - Ownership		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 subsea TVD	50.00%	41.67%
Byron Energy Inc.	** All production from the SM58 E1 wellbore in the S1/2 SE 1/4 of the SE1/4 to a depth of 7,490 TVD	53.00%	44.16%

* SM58 G1, G2 and Future G Platform Wells

** SM58 E1 Well

SM71 Project

All four producing wells on the Byron operated SM71 F platform were shut in on 13 September 2020 (USCDT) due to the closure of the oil sales line downstream of SM71 for reasons due to Hurricane Sally. Production will resume as soon as the pipeline reopens.

Byron, through its wholly owned subsidiary Byron Energy Inc., is the operator of SM71 and 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. As Otto did not participate in the drilling of the F4 well Byron is entitled to 100% WI/81.25% NRI in SM 71 F4 well until payout.

CEO Comment-

Maynard Smith, Byron's CEO had this to say about Hurricane Sally:-

"It has been an active hurricane season in the Gulf of Mexico and once again we have to shut down our drilling operations at SM58. But having just set our intermediate casing across the Upper O Sand, we are at a safe point in the well for this to occur. We do not anticipate the storm to directly pass over the SM58 or 71 platforms, but due to the uncertainty of forecast track and out of an abundance of caution we chose to stop work. Because the rig was not jacked down, we can resume work efficiently and drill the target section of the G2 well."

Authorised by:

The Board of Directors

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