



ASX Announcement

21 May 2018

Kincora Oil & Gas Project

Updated Resource Statement Shows 8% Increase in 2P Reserves, New 2C Contingent Resources of 29.3 PJs and New Best Estimate Prospective Resources of 129 PJs

Highlights:

- **Independently verified 2P Petroleum Reserves (net to Armour): 61.7 PJ of gas, 609 kbbbls of condensate and 126 kTonnes of LPG; 8% Increase Net to Armour.**
- **Independently verified 2C Petroleum Contingent Resources (net to Armour): 29.3 PJ of gas, 307 kbbbls of condensate and 64 kTonnes of LPG in the Rewan Formation in the Myall Creek Fields and PL71; 100% Increase Net to Armour.**
- **Independently verified Best Estimate Prospective Resources (net to Armour): 129 PJ of gas, 1,281 kbbbls of condensate and 266 kTonnes of LPG in 92 prospects and 167 leads around the Myall Creek Field and other locations in the Kincora Gas Project.**

The Directors of Armour Energy ('Armour' or the 'Company') are pleased to provide a Reserves update on its operated Roma Shelf Assets, Queensland as part the Company's Kincora project ("Kincora Project") refer **Map 1**. The commercialisation of Armour's Kincora Project has been reviewed and evaluated in accordance with the Society of Petroleum Engineers – Petroleum Resource Management System (SPE-PMRS) guidelines, resulting in Reserves as follows:

Total Reserves Myall Creek and Other Fields ⁽¹⁾	1P	2P (1P+2P)	3P (1P+2P+3P)
Estimated Net Total Gas (BCF)	33.4	58.5	160.3
Estimated Net Total Gas (PJ)	35.2	61.7	169.1
LPG Yield (Tonne)	72,721	127,447	349,182
Condensate Yield (BBL)	349,976	613,349	1,680,470

Table 1 – Armour Energy Kincora Project estimated aggregated quantities of Petroleum Reserves and increase of 4.9 PJs 2P Reserves

Table 1 Notes:

1. Petroleum Reserves are classified according to SPE-PRMS.
2. Petroleum Reserves are stated on risked net basis with historical production removed.
3. Exclude Waldegrave JV Area
4. Petroleum Reserves are stated inclusive of previous reported estimates.
5. Petroleum Reserves are net to Armour with no shrinkage applied, but estimated to be 5%
6. BCF = billion cubic feet, LPG = liquefied petroleum gas, PJ = petajoules, kbbbl = thousand barrels, kTonne = thousand tonnes; Conversion 1.055 PJ/BCF.
7. 1P = Total Proved; 2P = Total Proved + Probable; 3P = Total Proved + Probable + Possible.
8. LPG Yield 2065 tonnes/petajoules, Condensate Yield 9938 barrels/petajoules.



Armour Energy is scheduled to drill 4 new wells during the 2018-2019 financial year at its Kincora Project. The first well is slated in the existing Myall Creek Field where the company currently holds 46 PJs of 2P reserves attributed to the Permian Upper and Lower Sandstones.

Additionally, the Company's independent expert, SRK Consulting (Australasia) Pty Ltd, has estimated 5.1 PJs 2C, 18.6 PJs 3C and Best Estimate 40 PJs Prospective Resources in the overlying Triassic Rewan Formation in the Myall Creek Field. As part of the Myall Creek drilling campaign, new wells will be completed for production from both the Permian Tinowon and overlying Triassic Rewan Formation, as these formations appear to represent one continuous 300 metre saturated hydrocarbon interval beneath the regional Snake Creek Shale seal. The Rewan Formation 2C and 3C Contingent and Best Estimate Prospective Resources are categorized primarily due to a lack of connected wells to compression in the field, historical poor well design and historical production techniques. Currently, the Rewan Formation is completed open-hole in the Company's Horseshoe-3 and connected to sales in the Myall Creek Field.

The recommended well program in the Myall Creek Field may include the Triassic Rewan in the hydraulic completion strategy with the Permian Upper and Lower Tinowon. Any testing, completions and flows of hydrocarbons would move the current Rewan Contingent Resources to a 1P-2P-3P Reserves, Prospective Resources to a Contingent status and sustainably update the Reserves and Resources in the Myall Creek Field.

The Company's independent resource auditor SRK supports the proposed stimulation and completion programs over the Rewan and Tinowon Formation sandstones and believes Armour's operations are aligned to achieve good individual well production rates over the longer-term life of the field. SRK recommended completion over the Rewan Formation to progress the Resources to Reserves subject to economic production being achieved. Upon success of flowing hydrocarbons from the Rewan Formation, SRK will consider this reservoir more generally aligned with similar locations within the Myall Creek 3D area and that using the current well design the Rewan Formation should be added into the Myall Creek Field Development Plan.

Technical Statement – Petroleum Reserves

Armour's previously reported Bowen-Surat Basin Reserves Report in March 2017 documents total petroleum net Reserves classified in accordance with SPE-PRMS guidelines of 53.9 2P BCF. An update to this report released 14 May 2018 by SRK Consulting (Australasia) Pty Ltd, to which this announcement refers, documents the Reserves Update based upon Armour's successful acquisition of Santos Limited's (Santos) working interests in various petroleum licences and QGC Pty Ltd's (QGC) 50% interest in ATP 647 in the Surat-Bowen Basin (**Table 1**). The Reserves upgrade in PLs 21, 22, 27, 30, 71, 264, 512 and ATP 647 are from acquisition working interest, as previously reported by Armour, which now owns 100% working interest in these license areas and excludes the non-operated Waldegrave JV Area (**Table 2**). The estimated aggregated quantities of petroleum reserves to be recovered from existing wells and through future capital are listed in Table 1 above and exclude 5% production processing fuel and provisional flaring.



The independently verified Reserves Update Report compiled by SRK Consulting (Australasia) Pty Ltd details a high degree of confidence in the commercial producibility of Permian, Triassic and Jurassic aged reservoirs previously discovered and produced in operated granted petroleum licenses using 2D-3D seismic, historic and modern well data, reservoir pressure data, electric logs and rock properties from chip & core samples, gas composition analysis, hydraulic stimulation results, analysis of historical well production, decline curve analysis, offset field production data and prior production data from wells before the Kincora Gas Plant was shut-in by the previous operator, Origin Energy. The reported Reserves are used in connection with estimates of commercially recoverable quantities of petroleum only and in the most specific category that reflects an objective degree of uncertainty in the estimated quantities of recoverable petroleum. The petroleum reserves are reported net of fuel and net to Armour to the APA Group metered sales connection to the Roma to Brisbane Pipeline (Run 2) at Wallumbilla and the report discloses the portion of petroleum Reserves that will be consumed as fuel in production and lease plant operations. Armour will be using calibrated metering and gas chromatographs at the Kincora Gas Plant as a reference point for the purpose of measuring and assessing the estimated petroleum Reserves from the produced gas.

The economic assumptions used to calculate the estimates of petroleum Reserves are commercially sensitive to the Armour operated Kincora Project. The methodology used to determine the economic assumptions are based upon strategic objectives that include, but not limited to, new drills, workovers, recompletes and surface facility modifications to ramp up to and maintain a 20 TJ/day production profile for 15 years. The ramp up from current production at 9 TJ/day to 20 TJ/day is planned to be achieved by first half of 2019. The sanctioned development model includes a starting and ending monthly schedule of working/net interest capital expenditure to develop and maintain the petroleum Reserves, operational expenditure to develop and produce the petroleum Reserves, fixed petroleum Reserve prices under-contract and escalated petroleum Reserve futures based upon Wallumbilla Hub prices, tax/royalty sensitivities, revenue from gross and net petroleum production yields and cash flow from petroleum production yields and summation of discounted cash flows.

The petroleum Reserves are located on granted petroleum licences with approved environmental authorities and financial assurances. Armour has a social licence to operate and relevant surface access agreements are in-place. Armour is the owner and operator of the Kincora Project and PPL3 sales gas pipeline which connects the Kincora Gas Plant to the Wallumbilla gas hub via the connection agreement with APA. Armour holds granted Petroleum Licenses over the reported estimates of petroleum Reserves, associated gathering and field compressors. The basis for confirming the commercial producibility and booking of the estimated petroleum Reserves is supported by actual historic production & sales and/or formation tests. The analytical procedures used to estimate the petroleum reserves were decline-curve analysis to 50 thousand cubic-foot-day, historic production data and relevant subsurface data including, formation tests, 2D-3D seismic surveys, well logs and core analysis that indicate significant extractable petroleum.

The proposed extraction method of the estimated petroleum Reserves will be through approved conventional drilling and, where applicable, hydraulic stimulation techniques to accelerate production, commingle the productive zones and extract volumes from tight gas zones. Wellbores will be cased and cemented with a high pressure wellhead completion. Petroleum will be recovered through 2-3/8" production tubing and gathered to field compression sites for delivery to the Kincora Gas Plant.

Wellbores will be designed to protect aquifers and deviated drilling may be used to lessen the overall impact to surface owners, environmental receptors, strategic cropping and to consolidate surface infrastructure. Processing at the Kincora Gas Plant will be required to separate the extracted hydrocarbons into dry gas, liquid petroleum gas, oil and condensate and to remove any impurities prior to sales.

Certain reported estimates of the petroleum Reserves relate to developed non-producing and undeveloped petroleum Reserves in known accumulations and are categorized as such by project schedule timeframes. The developed non-producing and undeveloped Reserves are scheduled for development and justified for development based upon the Armour Kincora Project model. The methodology used to determine the economic assumptions are based upon strategic objectives that include, but not limited to, new drills, modern 3D control, workovers, recompletes and surface facility modifications to ramp up to and maintain a 20 TJ/day production profile to May 2031 for this modelled Reserve case.

Petroleum Leases⁽²⁾	Main Fields/Site Name	Armour Working Interest (%)	JV Partner Working Interest (%)
PLs 21, 22, 27	Kincora Project Area	100%	
PL 264	Emu Apple Oil	100%	
ATP 647	Myall Creek East	100%	
PLs 14, 53, 70	Kincora Project Area	100%	
PL 227	Horseshoe	100%	
PL 511	Myall Creek	100%	
PL 71P	Parknook (Production)	100%	
PL 71E	Parknook (Exploration)	80%	Bounty - 20%
ATP 754	ATP 754	50%	Bounty - 50%
PL 30	Riverslea	90%	AGL - 10%
PL 512	Major Field	84%	AGL - 16%
PCA(A) 157	Weribone Pooling Area	50.64%	AGL - 28.71%; Senex - 20.65%
PCA(A) 157	Bainbilla Pooling Area	24.75%	AGL - 75.25%
PLs 10W, 11W, 12W, 28, 69, 89, 320W, 321	Waldegrave	46.25%	Southernpec - 53.75%
PL 11 SC East Exclusion Zone	Snake Creek	25%	Southernpec - 75%

Table 2 – Armour Energy Kincora Project Petroleum Tenures

Technical Statement – Contingent Resources

A. Triassic Rewan Formation Contingent Resources in the Myall Creek Field

Armour engaged the services of SRK Consulting (Australasia) Pty Ltd to provide independent expert reports on the operated Resources and Prospective Resources associated within the Company's 100% WI petroleum licenses PL 227 and PL 511 (Myall Creek 3D area) in the Kincora Project reported on 14 May 2018 (**Table 3**). These Contingent Resources are in addition to the Myall Creek Reserves.

Contingent Gas Resources Rewan Formation, Myall Creek Field ⁽⁴⁾	1C	2C	3C
Estimated Net Total Gas (BCF)	1.3	4.8	17.6
Estimated Net Total Gas (PJ)	1.4	5.1	18.6
LPG Yield (Tonne)	2,832	10,457	38,343
Condensate Yield (BBL)	13,630	50,326	184,529

Table 3 – Armour Energy Bowen-Surat estimated net aggregated quantities of Contingent Resources

Table 3 Notes:

1. Contingent Resources are classified according to SPE-PRMS.
2. Contingent Resources are stated on a risked net basis with historical production removed.
3. Contingent Resources are stated inclusive of previous reported estimates.
4. Petroleum Reserves have no shrinkage applied, estimated to be 5%.
5. BCF = billion cubic feet, LPG = liquefied petroleum gas, PJ = petajoules, kbbbl = thousand barrels, kTonne = thousand tonnes; Conversion 1.055 PJ/BCF.
6. 1C = Total Proved; 2C = Total Proved + Probable; 3C = Total Proved + Probable + Possible.
7. LPG Yield 2065 tonnes/petajoules, Condensate Yield 9938 barrels/petajoules.

The basis for confirming the existence of a significant quantity of potentially moveable hydrocarbons in the Rewan Formation and the determination of a discovery is based upon stand-alone appraisal and appraisal pilot production from existing historic wells in and around the Myall Creek Field. The Myall Creek 5 well flowed 22.5 MMscfd on open choke in an openhole completion in 2005. Upon the commissioning of the Kincora Plant, certain wells and facilities will be brought back into production in the Myall Creek Field that will allow Rewan production to be added. Ongoing analysis of existing 3D lines and well data, historic Rewan production and hydraulic stimulation technology will allow future drill locations to be considered for completion in the Rewan Formation in wellbores in the Myall Creek Field scheduled for 2018-2019 drilling campaign.

At present the detailed petrophysical reservoir parameters, mapping of gross-rock-volume (GRV), historical production, rate-transit-analysis, well tests, core data, 2D and 3D seismic, structure maps and net sand isopachs using probabilistic distributions determined the net recoverable Contingent Resources calculated by SRK. Petroleum license commitments and new wellbores have been budgeted. The new wells are part of a 5 year appraisal and development plan to increase sales production in a staged approach to-up-to 30 TJs/day using the Kincora Plant for processing and the Wallumbilla Hub as a sales point.

B. PL 71 Contingent Resources

In August 2017, Armour Energy (Surat Basin) Pty Ltd and Ausam Resources Pty Ltd (Bounty) entered into a binding Heads-of-Agreement (HOA) and subject to DNRM approval, with terms stating Bounty agrees to transfer its 20% interest in the PL 71 Exploration (PL71E) JOA such that Armour becomes the 100% working interest owner. Armour is currently operator of PL71E with an 80% working interest and a 100% working interest in PL71 Production (PL71P) (**Table 2**).

Armour engaged the services of SRK Consulting (Australasia) Pty Ltd to provide independent expert reports on the 80% working interest operated estimated Contingent Resources associated within the company's petroleum license 71E in the Kincora Project reported on 14 May 2018. Additional updates and material changes on the contingent resources will be released once DNRM has approved the license transfer (**Table 2**).

Contingent Resources PL71 ⁽³⁾	1C	2C (1C+2C)	3C (1C+2C+3C)
Estimated Net Total Gas (BCF)	5.0	24.5	72.3
Estimated Net Total Gas (PJ)	5.2	25.8	76.3
LPG Yield (Tonne)	10,806	53,332	157,555
Condensate Yield (BBL)	52,004	256,663	758,246

Table 4 – Armour Energy Bowen-Surat estimated net aggregated quantities of Contingent Resources

Table 4 Notes:

1. Contingent Resources are classified according to SPE-PRMS.
2. Contingent Resources are stated on a risked net basis with historical production removed.
3. Contingent Resources are stated inclusive of previous reported estimates.
4. Petroleum Reserves have no shrinkage applied, estimated to be 5%.
5. BCF = billion cubic feet, LPG = liquefied petroleum gas, PJ = petajoules, kbbl = thousand barrels, kTonne = thousand tonnes; Conversion 1.055 PJ/BCF.
6. 1C = Total Proved; 2C = Total Proved + Probable; 3C = Total Proved + Probable + Possible.
7. LPG Yield 2065 tonnes/petajoules, Condensate Yield 9938 barrels/petajoules.

The basis for confirming the existence of a significant quantity of potentially moveable hydrocarbons and the determination of a discovery is based upon stand-alone appraisal and appraisal pilot production from the Parknook, Warroon and Namarah wells and fields within PL71 (**Table 4**). These wells and fields will continue to produce from the Showgrounds and Rewan hydrocarbon conventional and tight gas reservoirs. This historic production to-date is estimated to be 13.3 BCF, 269.2k condensate (bbls) and 44.7 LPG (tonnes). Upon recommissioning of the Kincora Plant, certain wells and facilities will be brought back into production in the PL71 fields. Ongoing analysis of existing 2D lines and well data, historic technology that has actively developed the area to-date, does allow for certain future new drill locations to be inventoried and new access negotiations are expected to commence in the next 12 months that would allow for new drilling of both conventional and tight gas reservoirs. A modern 3D seismic survey over PL71 is under consideration as this technique will improve subsurface understanding, control and further mature the petroleum license. Wellbores will be designed to protect aquifers and deviated drilling may be used to lessen the overall impact to surface owners, environmental receptors, strategic cropping and to consolidate surface infrastructure where applicable.

At present the detailed petrophysical reservoir parameters, mapping of gross-rock-volume (GRV), historical production, well tests, 2D seismic, structure maps and net sand isopachs using probabilistic distributions determined the net recoverable Contingent Resources estimated by SRK. Petroleum license commitments and new wellbores have been budgeted. The new wells are part of a 5 year appraisal and development plan to increase sales production in a staged approach to-up-to 30 TJs/day using the Kincora Plant for processing and the Wallumbilla Hub as a sales point.

C. Prospective Resources for 92 Prospects and 167 Leads (Including Myall Creek Rewan Formation and all other Kincora Gas Project locations)

Armour engaged the services of SRK Consulting (Australasia) Pty Ltd to provide independent expert reports on the operated Prospective Oil and Gas Resources associated within the company's petroleum licenses, potential commercial areas and authorities to prospect in the Kincora Project reported on 14 May 2018 (**Table 2**).

As part of the Prospective Resource estimate, some 40 PJs of gas in the area around the Myall Creek wells has been identified in the Rewan Formation. Completion techniques and operational costs versus achievable sales gas production appears favourable when the Rewan Formation completion is undertaken as part of a new well program based on commingled production from multiple hydraulic stimulations in individual offset wells. Armour Energy has an aggressive development program through increased capital investments to arrest production declines in existing wells and to develop and re-classify the Rewan Contingent Resources into Probable (2P) gas Reserves and mature the Prospective Resources in tandem.

This does not include 1-3 TCF for the Permian Tight Gas Play on the flank of the Roma Shelf.

The basis on which the estimated Prospective Resources are estimated was captured from all available well data, petroleum test information and production data to understand reservoir character, both conventional and tight gas, and hydrocarbon distribution within the acreage (**Table 5**). Risking profiles were developed to establish the minimum economic pool size and hydrocarbon potential for various trap styles and geological structural domains using 2D-3D seismic control and well correlations. Mapping of available seismic data to access the structural control defined hydrocarbon migration that related to the Bowen-Surat Basin petroleum system. A dry-hole analysis, by-passed, net-gross pay analysis and producing reservoirs in the established Triassic and Permian petroleum systems provided a good understanding of both reservoir continuity characteristics and additional associated risking. The Triassic and Permian individual reservoirs and domain petrophysical reservoir data was compiled into a comprehensive database and combined with regional and local gridding to understand trap, seal and charge. In addition to the petrophysical data, historical core-cuttings rock data and fingerprinting studies of hydrocarbons supported source rock expulsion data. Further exploration drilling, studies, 2D and 3D seismic acquisition or modern reprocessing to mature the estimated Petroleum Resources will be undertaken in accordance with petroleum license commitments by year, authority to prospect commitments by year, available exploration or acceleration of funds and where applicable, certain JV approvals or farm-outs.

Prospective Gas Resources All other locations in the Kincora Gas Project ⁽⁶⁾	Low	Best	High
Estimated Net Total Gas (BCF)	44.2	122.2	341.8
Estimated Net Total Gas (PJ)	46.6	128.9	360.6
LPG Yield (Tonne)	96,237	266,200	746,633
Condensate Yield (BBL)	463,151	1,281,111	3,583,215

Prospective Oil Resources All other locations in the Kincora Gas Project ⁽⁶⁾	Low	Best	High
Estimated Net Oil (BBL)	1,277,000	3,255,000	8,617,000

Table 5 – Armour Energy Bowen-Surat estimated net aggregated quantities of Prospective Resources

Table 5 Notes:

1. Prospective Resources are classified according to SPE-PRMS.
2. Prospective Resources are stated on a risked net basis with historical production removed.
3. Prospective Resources are stated inclusive of previous reported estimates.
4. Petroleum Reserves have no shrinkage applied, estimated to be 5%.
5. BCF = billion cubic feet, LPG = liquefied petroleum gas, PJ = petajoules, kbbl = thousand barrels, kTonne = thousand tonnes; Conversion 1.055 PJ/BCF.
6. LPG Yield 2065 tonnes/petajoules, Condensate Yield 9938 barrels/petajoules.

The chance of discovery of the estimated Prospective Resources that were risked and assessed against MEPS (minimum economic pool size), probability of the play success, probability of geological and technical success to define 92 total prospects of 167 total leads and prospects in inventory may or may not be discovered or recoverable with a calculated lognormal distribution. Recovery factors were then applied following the MEPS risking. The chance of development is based on current and future available infrastructure, cost, transport and sales agreements. In addition, step-out drilling, 2D seismic reprocessing and particularly 3D seismic control will improve the chance of discovery and development of the prospects. Wellbores that will appraise the prospects will be designed to protect aquifers and deviated drilling may be used to lessen the overall impact to surface owners, environmental receptors, strategic cropping and to consolidate surface infrastructure.

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. The estimated Prospective Resources are categorized and reported in the most specific category that reflects the degree of uncertainty in the estimated quantities of potentially recoverable petroleum in a low, best and high estimate.



On behalf of the board
Karl Schlobohm
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Competent Persons Statement

Consents

The resources information in this ASX release is based on, and fairly represents, data and supporting documentation prepared by, or under the supervision, of Dr Bruce McConachie. Dr McConachie is an Associate Principal Consultant of SRK Consulting (Australasia) Pty Ltd and has a PhD (Geology) from QUT and is a member of AusIMM, AAPG, PESA and SPE. The Resources information in this ASX announcement was issued with the prior written consent of Dr McConachie in the form and context in which it appears.

The resource review was carried out in accordance with the SPE Reserves Auditing Standards and the SPE-PRMS guidelines under the supervision of Mr. Luke Titus, Chief Geologist, Armour Energy Limited. Mr. Titus qualifications include a Bachelor of Science from Fort Lewis College, Durango, Colorado, USA and he is an active member of AAPG and SPE. He has over 20 years of relevant experience in both conventional and unconventional hydrocarbon exploration & production in the US and multiple international basins. Mr. Titus meets the requirements of qualified petroleum reserve and resource evaluator as defined in Chapter 19 of the ASX Listing Rules and consents to the inclusion of this information in this release.

SPE-PRMS

Society of Petroleum Engineer's Petroleum Resource Management System - Petroleum resources are the estimated quantities of hydrocarbons naturally occurring on or within the Earth's crust. Resource assessments estimate total quantities in known and yet-to-be discovered accumulations, resources evaluations are focused on those quantities that can potentially be recovered and marketed by commercial projects. A petroleum resources management system provides a consistent approach to estimating petroleum quantities, evaluating development projects, and presenting results within a comprehensive classification framework.

PRMS provides guidelines for the evaluation and reporting of petroleum reserves and resources.

Under PRMS

"Reserves" are those quantities of petroleum which are anticipated to be commercially recovered from known accumulations from a given date forward. All reserve estimates involve some degree of uncertainty. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability.

"Contingent Resources" are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.



“Prospective Resources” are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both a chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

The estimated quantities of petroleum that may potentially be recovered by the application of future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Reports:

AEPO21_Armour Surat Basin Reserves Update_Rev1, May 14, 2018

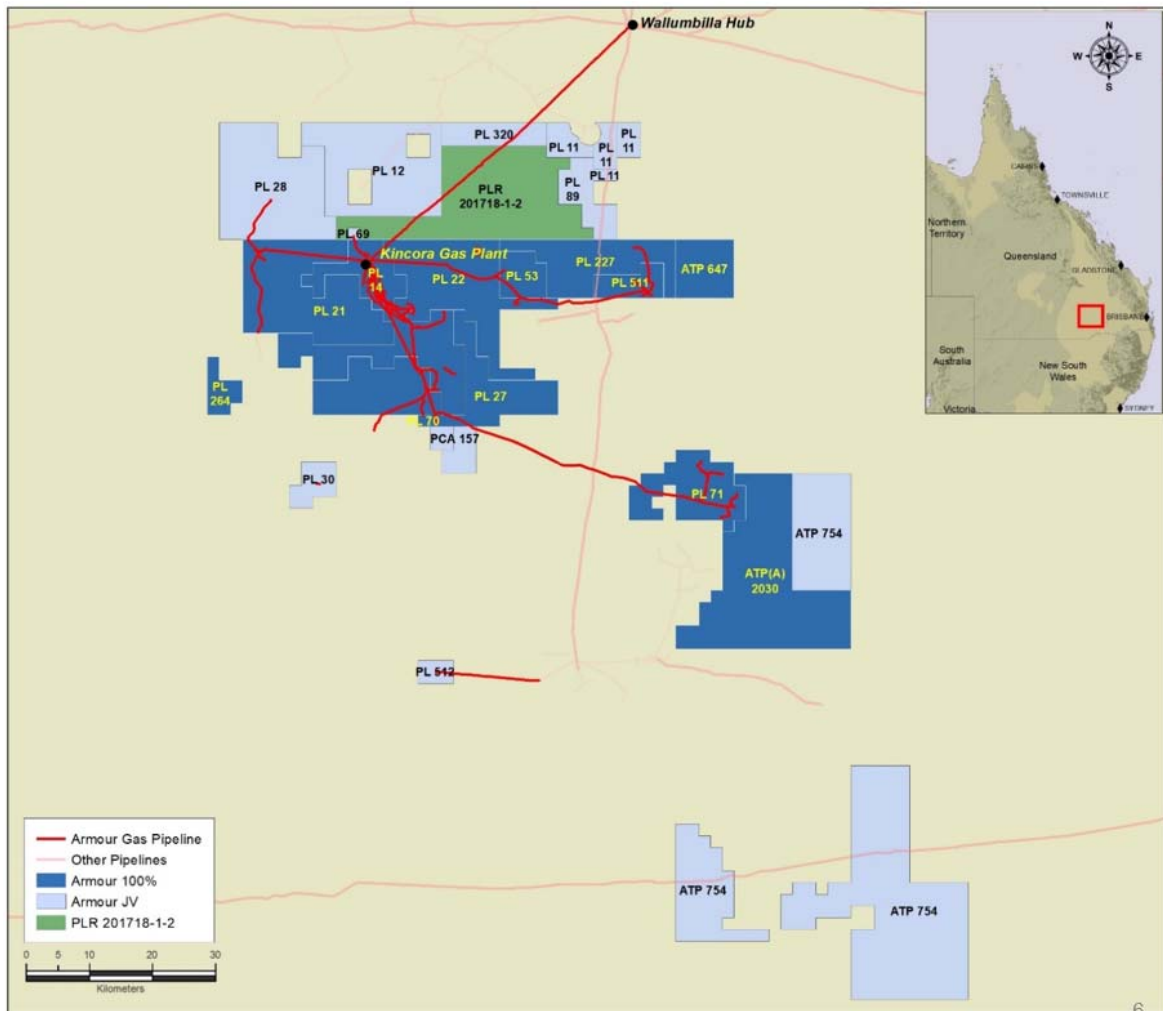
AEPO22_Armour Basal Rewan Contingent Resource Estimation_Rev2, May 14, 2018

AEPO22_Surat Prospects and Leads Resources_Main_Rev1, May 14, 2018

AEPO22_Surat Prospects and Leads Resources_ATP754_Rev1, May 14, 2018

AEPO22_Surat Prospects and Leads Resources_ATP1190_Rev1, May 14, 2018

AEPO22_Surat Prospects and Leads Resources_PL71 Exploration_Rev1, May 14, 2018



Map 1- Location Map & Kincora Gas Project Tenements, May 2018