



Armour Energy

Energy Mines and Money Conference

21 June 2018



Disclaimer and Competent Person's Statement



This presentation is not a prospectus, disclosure document or offering document under Australian law or under any other law. It is for informational purposes only. This document does not constitute, and should not be construed as, an offer to issue or sell or a solicitation of an offer or invitation to subscribe for, buy or sell securities in Armour Energy Limited ACN 141 198 414 (Armour).

Any material used in this presentation is only an overview and summary of certain data selected by the management of Armour. The presentation does not purport to contain all the information that a prospective investor may require in evaluating a possible investment in Armour nor does it contain all the information which would be required in a disclosure document prepared in accordance with the requirements of the Corporations Act and should not be used in isolation as a basis to invest in Armour. Recipients of this presentation must make their own independent investigations, consideration and evaluation of Armour. Armour recommends that potential investors consult their professional advisor/s as an investment in Armour is considered to be speculative in nature.

Statements in this presentation are made only as of the date of this presentation unless otherwise stated and the information in this presentation remains subject to change without notice. Reliance should not be placed on information or opinions contained in this presentation.

To the maximum extent permitted by law, Armour disclaims any responsibility to inform any recipient of this presentation on any matter that subsequently comes to its notice which may affect any of the information contained in this document and presentation and undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in or derived from this presentation or any omission from this presentation or of any other written or oral information or opinions provided now or in the future to any person.

To the maximum extent permitted by law, neither Armour nor, any affiliates, related bodies corporate and their respective officers, directors, employees, advisors and agents (Relevant Parties), nor any other person, accepts any liability as to or in relation to the accuracy or completeness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or any omission from this presentation or of any other written or oral information or opinions provided now or in the future to any person.

This presentation contains "forward looking statements" concerning the financial condition, results of operations and business of Armour Energy Limited (Armour). All statements other than statements of fact or aspirational statements, are or may be deemed to be "forward looking statements". Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", "outlook", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, future or anticipated production or construction commencement dates and expected costs, resources or reserves, exploration results or production outputs. Forward looking statements are statements of future expectations that are based on management's current expectations and assumptions and known and unknown risks and uncertainties that could cause the actual results, performance or events to differ materially from those expressed or implied in these statements. These risks include, but are not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, commercialisation reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

Statements in this presentation as to gas and mineral resources has been compiled from data provided by Armour's Chief Geologist, Mr Luke Titus. 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. Mr Titus' has over 20 years of relevant experience in both conventional and unconventional petroleum exploration in various international hydrocarbon basins. Mr Titus has sufficient experience that is relevant to Armour's reserves and resources to qualify as a Reserves and Resources Evaluator as defined in the ASX Listing Rules 5.11. Mr Titus consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Armour Energy - Australian Onshore Projects Summary

Premier Assets and Proven Operational Execution

- Multiple areas of inventory
- Industry-leading well design & well performance
- Integrated upstream and midstream development
- Commitment to safety and environmental stewards

Kincora Project

- *tight gas production and development*
- *large production and exploration position*
- *cashflow*
- *significant upside*

North QLD & Northern Territory Shale Project

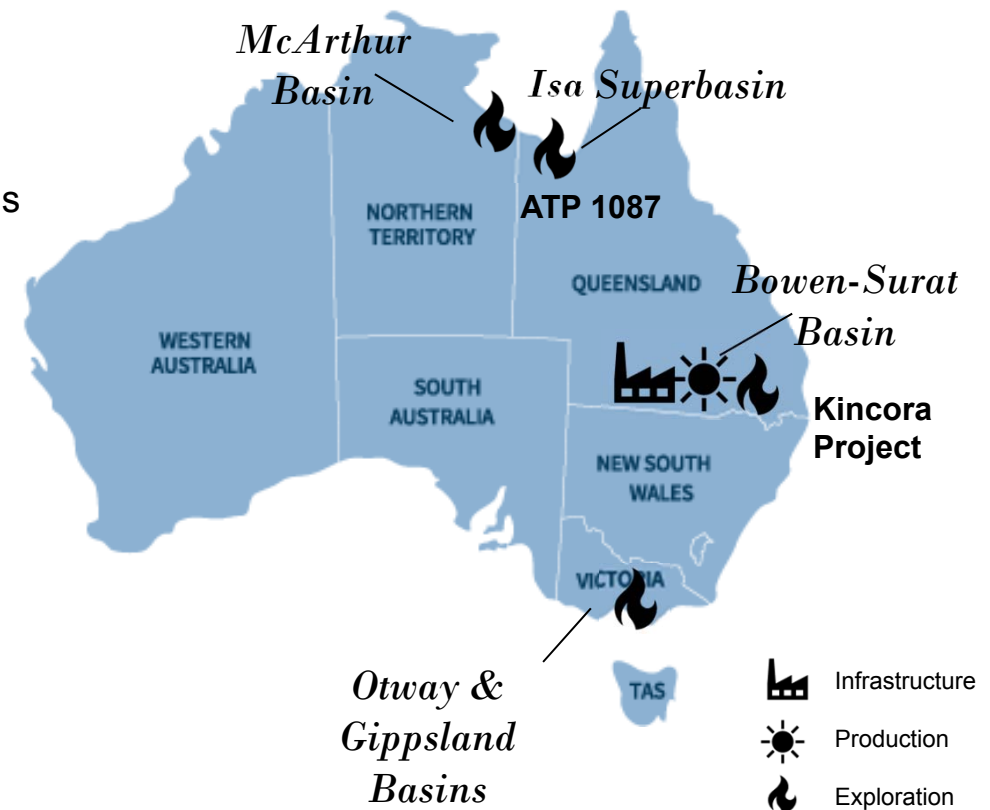
- *exploration and future production*
- *significant upside*

Victoria Onshore Conventional

- *exploration & Appraisal*
- *significant upside*

Uganda – Albertine Graben

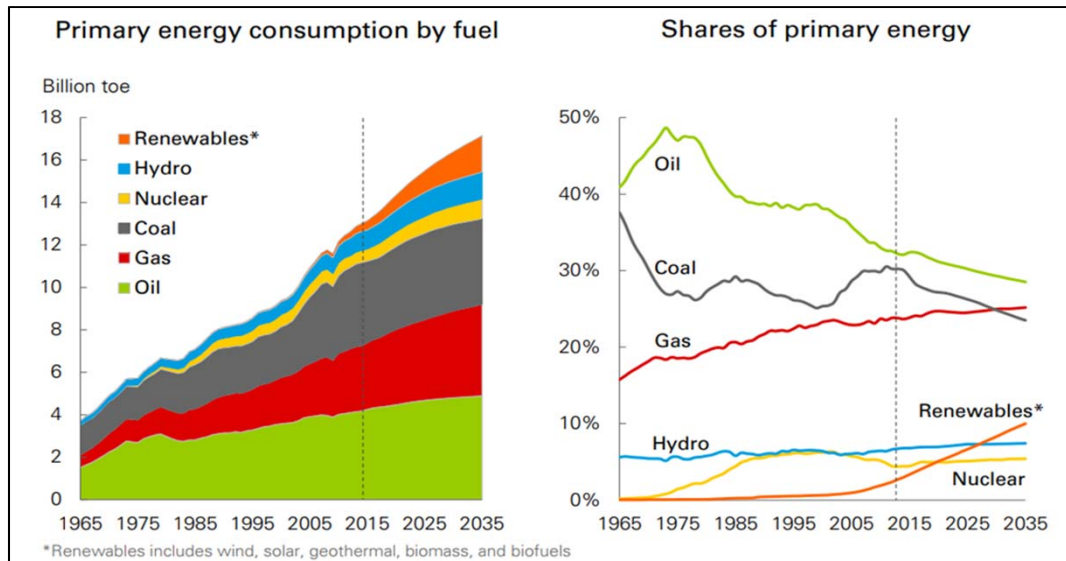
- *oil exploration*
- *significant upside*



Forecast Demand for Gas Remains Strong = Armour's Opportunity

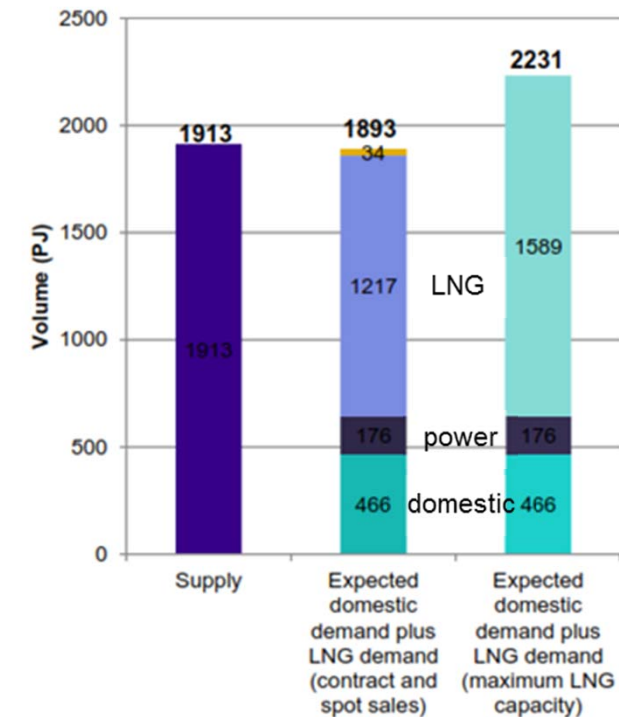


- Growing shortfall in gas supply
- Opportunities for new onshore gas production restricted by regulation, activism
- LNG exporters seeking additional supply
- LNG net back pricing driving domestic market prices
- Armour is one of only a few independent gas producers able to take advantage of this opportunity



Source: BP Energy Outlook Report 2017

2018 Forecast Supply Demand Balance East Coast Gas Market (excl NT)

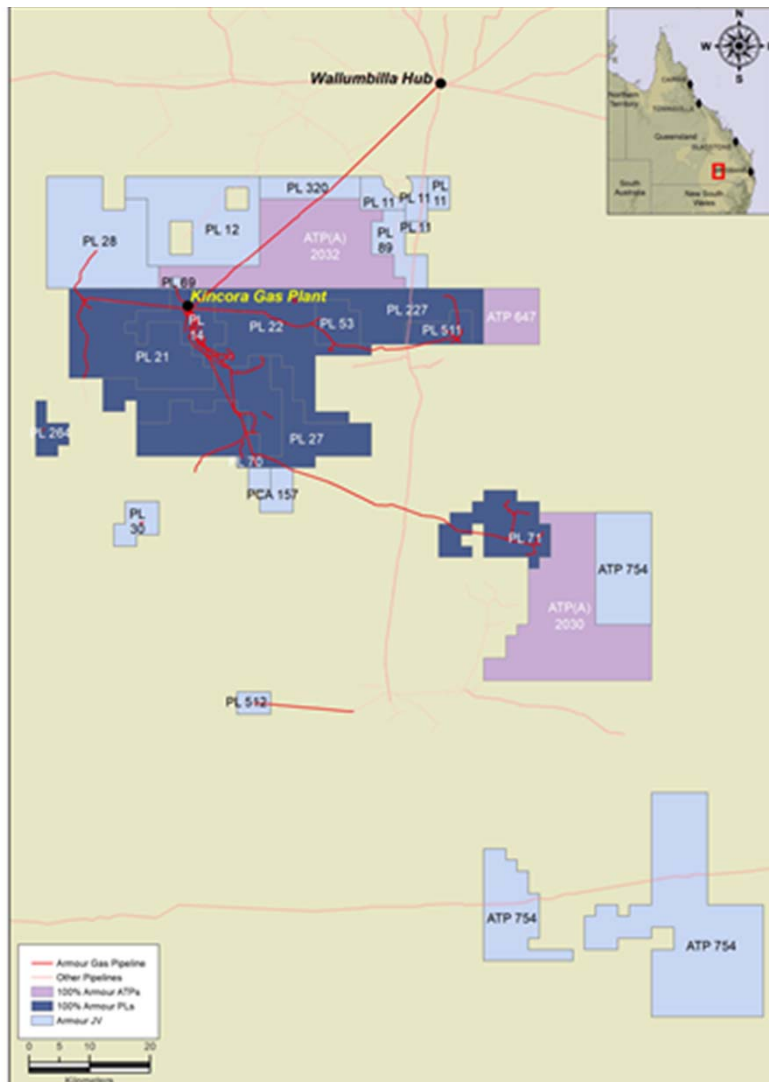


Source: ACCC and AEMO data.

Armour's Kincora Gas Project Overview

- Located south of Roma
- Close proximity to Wallumbilla Gas Hub; connected to the Roma Brisbane Pipeline (RBP)
- Over 3000km² of highly prospective petroleum acreage
- Kincora Gas Plant producing Gas, LPG and condensate
- Significant surface infrastructure
- Newstead Gas Storage facility has a capacity of 7.5 PJ

Right Infrastructure, Right Location



Kincora Project - Certified Reserves

Armour has a 5 year development plan to maintain production profile and reserve replacement ratio

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

Notes:

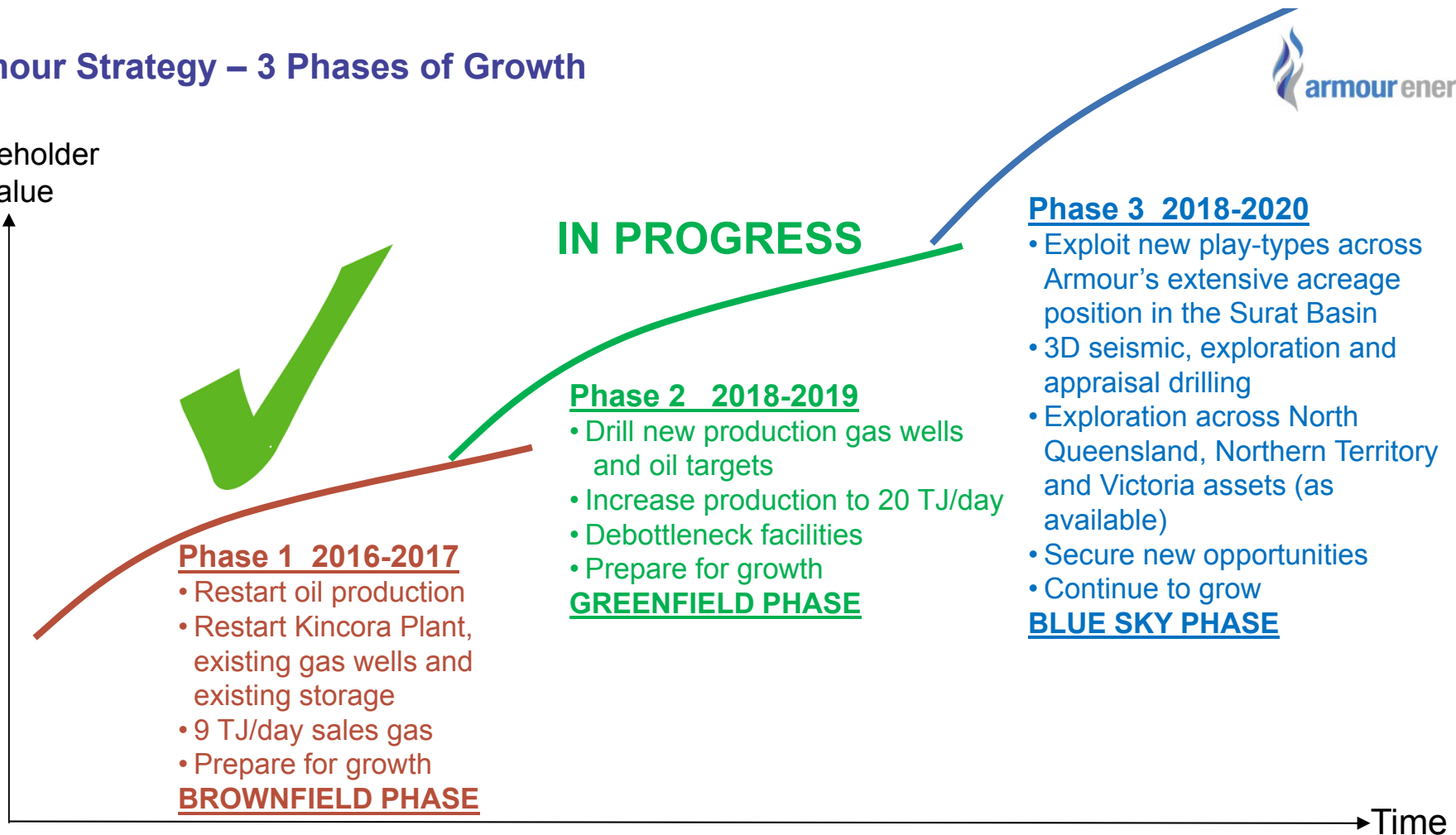
- Petroleum reserves are classified according to SPE-PRMS.
- Petroleum reserves are stated on a risked net basis with historical production removed.
- Petroleum reserves are stated inclusive of previous reported estimates.
- Petroleum Reserves have no deduction applied for gas used to run the process plant estimated at 7%.
- BCF = billion cubic feet, LPG = liquefied petroleum gas, PJ = petajoules, kbbl = thousand barrels, kTonne = thousand tonnes; Conversion 1.055 PJ/BCF.
- 1P = Total Proved; 2P = Total Proved + Probable; 3P = Total Proved + Probable + Possible.
- LPG Yield 2065 tonnes/petajoules, Condensate Yield 9938 barrels/petajoules.

⁽¹⁾ Source: Armour Energy ASX Announcement on 21 May 2018

Armour Strategy – 3 Phases of Growth



Shareholder
Value



Kincora Project

Shareholder Value Creation



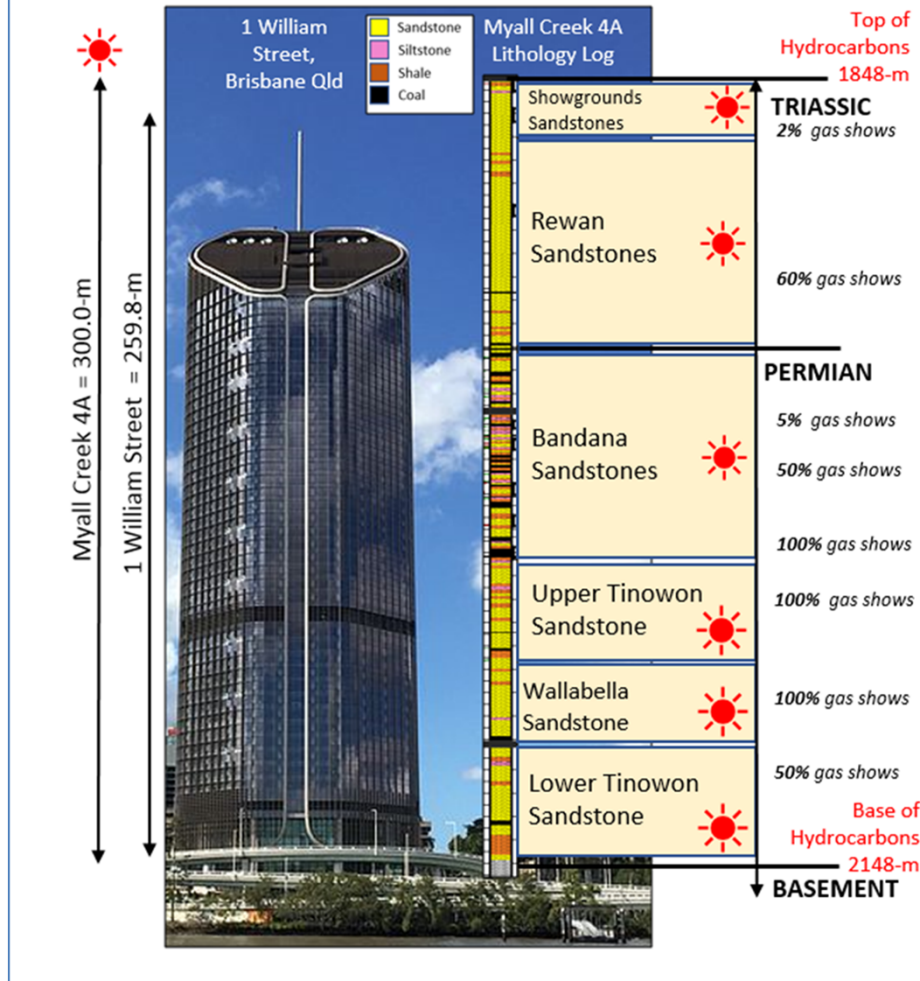
2018-2019 PHASE 2

- 2018 Drilling campaign commenced on 31 May with Myall Creek 4A
- Innovative well design to maximise production
- Well is strategically located near to Armour's Myall Creek compressor station and infrastructure for easy access to market
- Transformational growth profile on track
- Increasing production from 9TJ/day to 20 TJ/day by Q2 2019
- Infrastructure upgrades in-sync with scheduled upstream development wells
- Gas Acceleration Program funding (\$6 million) to assist drilling of new wells



Ensign drilling rig 964 on location of the Armour Energy Myall Creek 4A well.

Image 1 - 1 William Street, at 259.8 meters is the tallest building in Brisbane, QLD from antenna spire to ground-level. The Myall Creek 4A well production zone that will be targeted for completion, is 300-meters thick with multiple high gas chromatograph shows.



Myall Creek 4A Well



As announced on 14 June 2018:

- Myall Creek 4A spudded on 30 May has been drilled to a total depth of 2395 metres measured depth
- 300 metre Triassic and Permian gas charged window
- Significant quantities of hydrocarbons were recorded
- The regionally productive Triassic Sandstones, Showgrounds Sandstone and Rewan Formation had shows of 4% to 60% gas, and the targeted Permian Tinowon and Wallabella sandstones had shows of 100% on the gas chromatograph
- Gas chromatograph readings recorded a liquid (condensate and LPG) rich gas composition
- This very positive drilling result and associated data will be added to the electric logs
- A multi-stage hydraulic stimulation design is in progress and will be finalised soon
- The well design provides for the gas charged sandstones from multiple reservoirs within the gross Triassic and Permian hydrocarbon section, historically produced on an individual stand-alone basis, to be simultaneously produced in Myall Creek 4A in a single wellbore

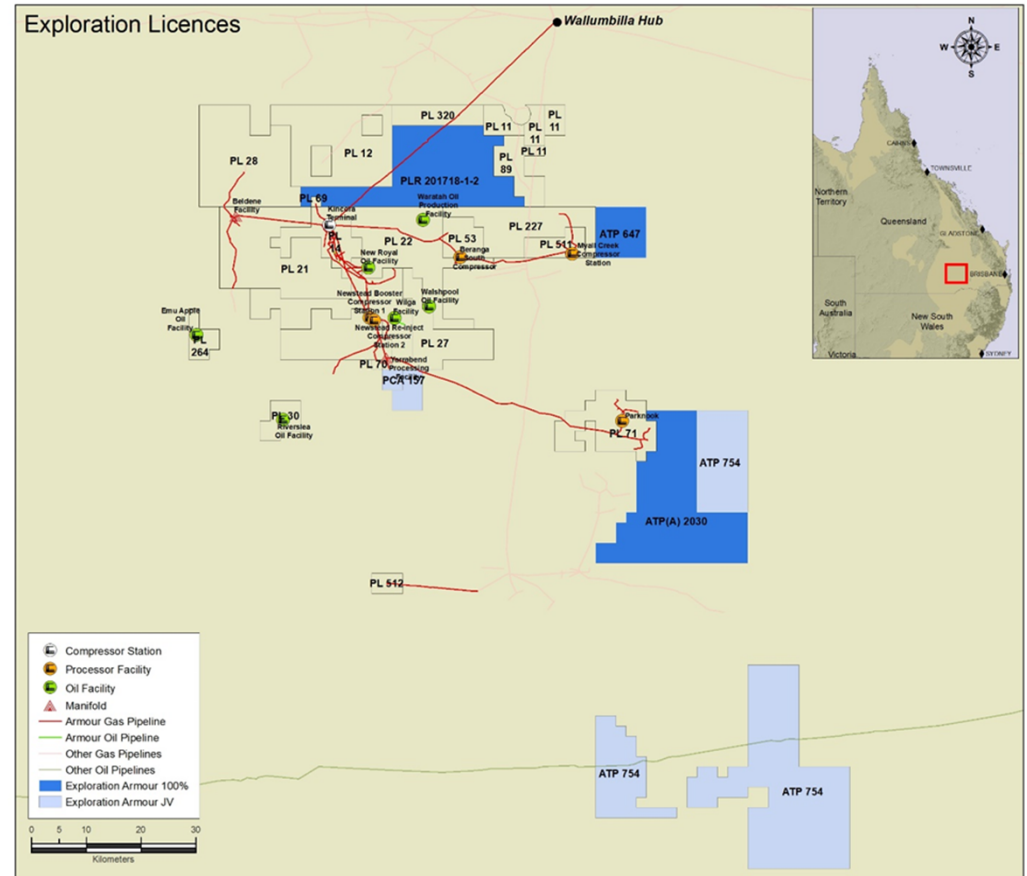
Kincora Project

Shareholder Value Creation Strategy



2018-2020 PHASE 3

- Aiming at strong free cash flow by first half of 2019¹
- Maintain balanced approach to capital allocation
- Internally funded scalable E&P work programs planned and budgeted
- Secure additional sales / GSA's
- Debottleneck and upgrade existing infrastructure to maximise production
- 3D seismic and exploration wells on Kincora exploration acreage
- Targeting more resources, longer and stronger production



¹ Calculated using: Gas at \$6.00/GJ, Oil at \$65/bbl, LPG at \$450/tonne

Northern Territory Shale Gas Play: Deep Oil and Gas Plays (100% AJQ)

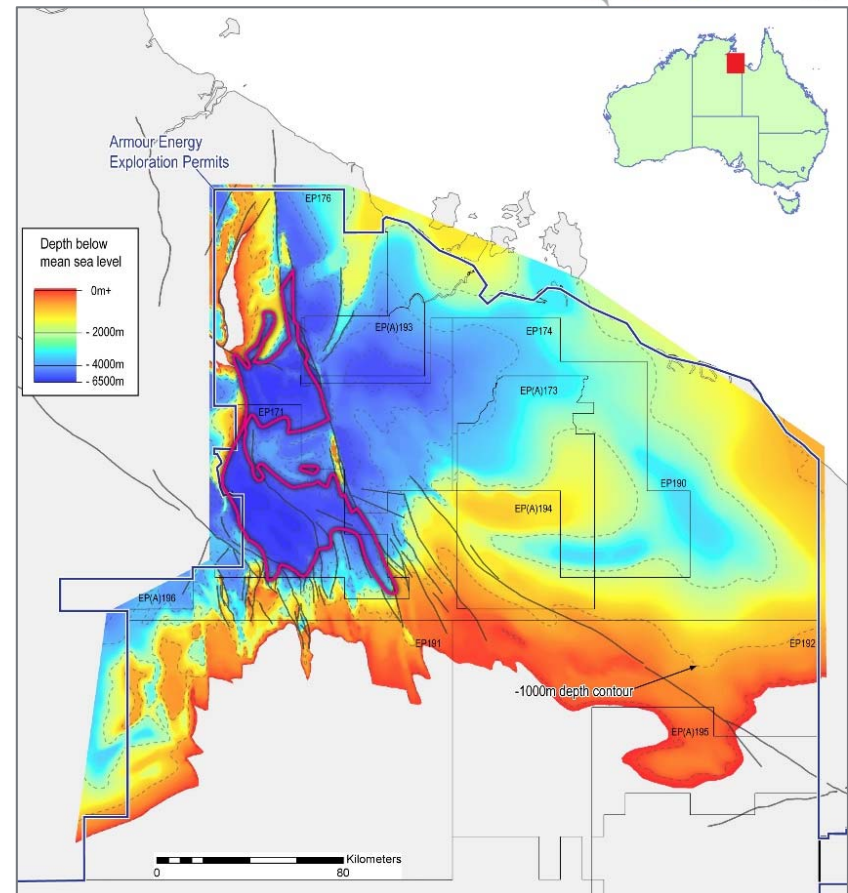


2018-2020 PHASE 3

McArthur Basin

- Resume exploration post-moratorium
- **McArthur Group**
 - Barney Creek Formation
 - 1.2 MMbbl, 13 TCF Prospective Resource ⁽¹⁾
- **Tawallah Group**
 - Underlying and beyond McArthur Group
 - Large, thick formations with up to 7% TOC
 - Wollogorang Formation and McDermott Formation
 - Prospective Resource under assessment

⁽¹⁾ Best estimate prospective resource: 13.0 TCF in EP171/EP176, MBA 2012



Cautionary statement: 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 a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Northern Queensland Shale Gas Play: Isa Super Basin (100% AJQ)



2018-2020 PHASE 3

Results to date

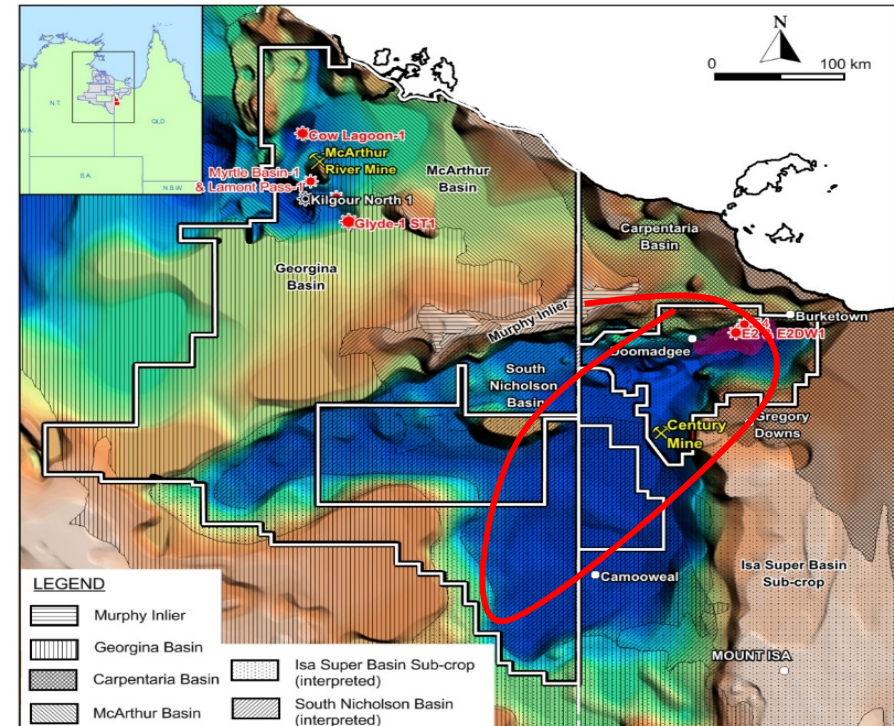
- 6 wells drilled in ATP1087 to date
- Extensive seismic data
- Well understood rock properties; up to 11% TOC
- Highly prospective shale formations
- Egilabria-2 well; an Australian first; flows from a hydraulically stimulated lateral in shale
- 18.7 TCF Prospective Resource⁽¹⁾
- 365 BCF Contingent Gas Resources (3C)⁽²⁾

Opportunity

- Stacked play opportunities; drill ready targets
- Large scale production

What's next?

- Appraisal to establish commercial flow rates
- Seismic plus well in deeper part of basin



(1) Best estimate prospective resource: 18.7TCF in ATP1087, MBA 2012 (excludes Riversleigh Shale)

(2) SRK Report, Egilabria 2 Hydraulically Stimulated DW 1, Lawn Hill Formation, Contingent Resource Estimation, ATP 1087, QLD, July 2014

Cautionary statement: 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 a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Victoria: Onshore Otway and Gippsland Basins (JV with Lakes Oil)

PHASE 3

Results to date

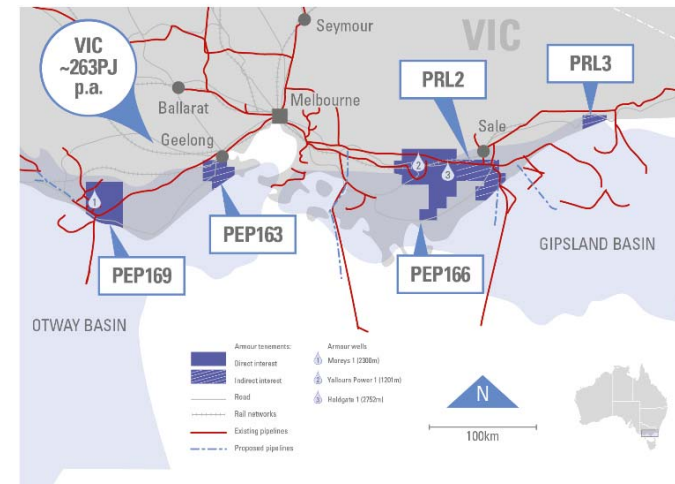
- Otway and Gippsland Basins highly prospective
- AJQ : 51% in PEP169 and 25% in PEP166 (Otway)
- Farmin rights and acquisition to PRL2 (Gippsland)
- Substantial shareholder in Lakes Oil

Opportunity

- Conventional and unconventional plays
- Stacked play opportunities
- Near existing infrastructure and major gas users

Future plans

- Continue work programs upon lifting of moratorium
- Pursue commercial monetisation opportunities



Wombat-2 well

(1) Source: Armour Energy ASX Announcement on 17 November 2015.

Uganda oil project

2018-2020 PHASE 3

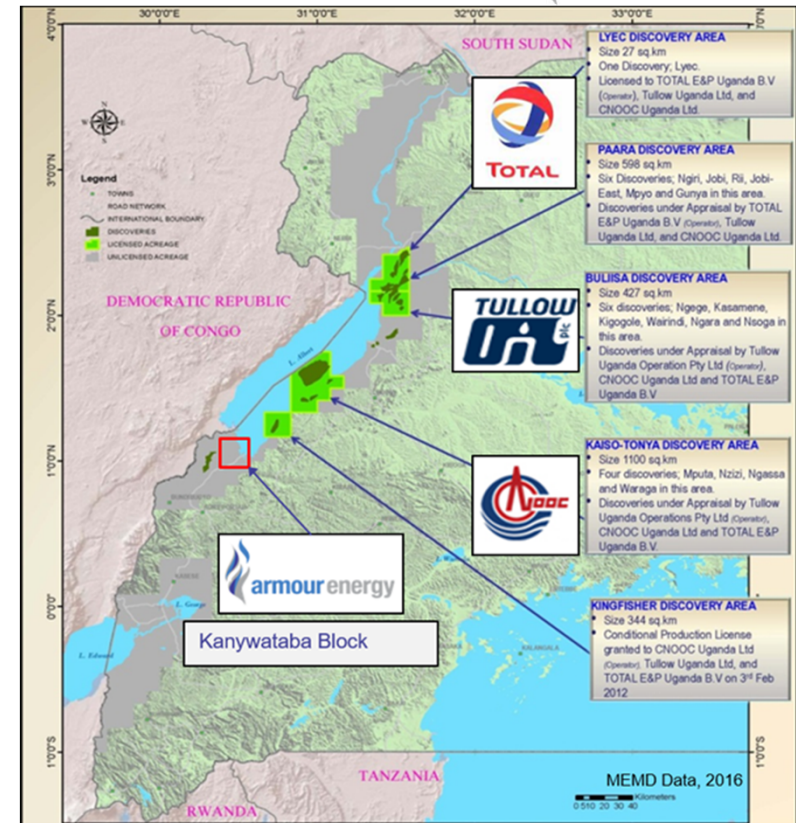


Albertine Graben

- Drilling success rate of 85% from 121 wells
- 28 wells have been flow tested
- Crude blend between 23°-33° API, low sulphur
- Locally 6.8 billion bbls oil reserves
- Planned and underway infrastructure
- Pro-resource development Government
- CNOOC, Total, Tullow projects in development

Kanywataba Block

- Granted to Armour Energy in September, 2017; 83% DGR Global beneficial interest and Armour Energy 17%.
- US\$1.3m expenditure to date. Forward programme - Year 1, US\$350,000 (studies & geochemical) and Year 2, US\$1.65m (2D seismic)
- Multiple developed but untested on-trend structural traps remain (3-way and 4-way dip closures) and multiple untested stratigraphic traps
- Kingfisher oil discovery (40km NE of Kanywantaba); oil seeps confirm local working petroleum system. 3000-5000BBL per day producers
- Kanywataba Oil Resource Best Estimate⁽¹⁾ - Targets 2 and 3 Risked 57-193 MMBLS Recoverable (Internal Armour Estimate)



(1) Cautionary Statement - 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 a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Investment highlights

- Independent oil and gas exploration & production company with significant growth potential
- Large and low risk tenures dominating the Roma Shelf – a province position with a 35% historic success rate
- Positive East Coast Australia gas market setting with strong demand and price growth
- Production increase targeted from existing wells and planned new wells to 20 TJ/day plus liquids and LPG
- Exploration strategy to target over 1 TCF gas and liquids in the Surat Basin
- Portfolio of quality exploration and appraisal projects in the Northern Territory and north Queensland provide additional long term value drivers
- Recently awarded two new tenements by Qld Government adjacent to Armour's existing production infrastructure
- Recently awarded Gas Acceleration Program grant funds towards drilling program (\$6 million) to accelerate gas to the domestic market
- Experienced board and management with previous track record of significant shareholder value creation in the energy sector

A decorative graphic on the left side of the slide, consisting of several overlapping, curved, leaf-like shapes in shades of blue, purple, and grey.

Armour Energy

Energy Mines and Money Conference

June 2018

For further information contact:

- **Nick Mather – Executive Chairman**
- **Roger Cressey – CEO**