



# QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDED 30 JUNE 2018

## HIGHLIGHTS

- **Kincora Project** – Quarterly revenue increased to \$6.52m, an increase of \$1.45m (or 29%), from March quarter of \$5.07m.
- **Kincora Project** – Independently verified increases in both 2P Petroleum Reserves and 2C Contingent Resources (net to Armour) of 8% and 100% respectively
- **The Myall Creek Well 4A** – significant quantities of hydrocarbons recorded in a 300 metre Triassic and Permian gas charged window from 1848 metres to 2148 metres depth. A multi-stage stimulation program has begun.
- **Northern Territory Hydraulic Fracking Moratorium Lifted** – the NT Government has announced it will adopt recommendations made by the Independent Scientific Inquiry and its implementation plan was released in July.
- **Corporate:**
  - Positive cashflow from Operating Activities for the quarter whilst increasing production.
  - Execution of Australian Government Gas Acceleration Program (GAP) funding agreement, with first instalment of \$2.3m received.
  - Execution after the quarter of a \$6.8 million funding facility with Tribeca.

**ASX CODE:** AJQ

**CAPITAL STRUCTURE – 30 July  
2018**

**SHARES ON ISSUE**

405,175,941

**CONVERTIBLE NOTES ON ISSUE**

375,200,950

**MARKET CAPITALISATION<sup>1</sup>**

\$40.5m (at 10.0 cents per share)

(1. undiluted for options and convertible notes)

**DIRECTORS**

Nicholas Mather (Chairman)

Stephen Bizzell

Roland Sleeman

William Stubbs

Eytan Uliel

**CHIEF EXECUTIVE**

Roger Cressey

**COMPANY SECRETARY**

Karl Schlobohm

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## Overview

The June Quarter has again been a busy period for Armour Energy and has seen the business achieve planned milestones as it continues its path to become the Surat Basin's pre-eminent Oil and Gas producer.

Given Armour's extensive surface and sub-surface assets, Armour is well positioned to bring significant new gas volumes to help address east coast gas markets supply shortfall issues. The Company considers this view to be shared at the Federal and State Government levels, as demonstrated through the recent Gas Acceleration Program grant award and the recent granting to Armour of further exploration acreage in the Surat Basin.

Achievements for the quarter include:

- ✓ Averaging 8.7 TJ/day of gas production for over the quarter, delivering increased cashflows;
- ✓ Drilling of the Myall Creek 4A Well and intersection of ~ 300 metres of significant quantities of hydrocarbons;
- ✓ Multi phased hydraulic stimulation program has commenced on Myall Creek 4A Well;
- ✓ Another quarter of positive cashflows from operating activities (see quarterly cashflow report for further details)
- ✓ Engineering studies regarding plant reliability and performance capacity

Armour expects to continue to achieve more milestones next quarter as the Company continues to mature phase 3 of the 4-phase growth strategy. During the next quarter, Armour intends to conclude initial engineering studies on the Kincora Gas Plant and complete Myall 4A Well for production. Both of these activities are critical path items to progressing to the phase 3 target of 20 TJ/day.

## Kincora Project – Sales Update

The June 2018 Quarter has seen continued growth in sales of Gas, LPG and Condensate.

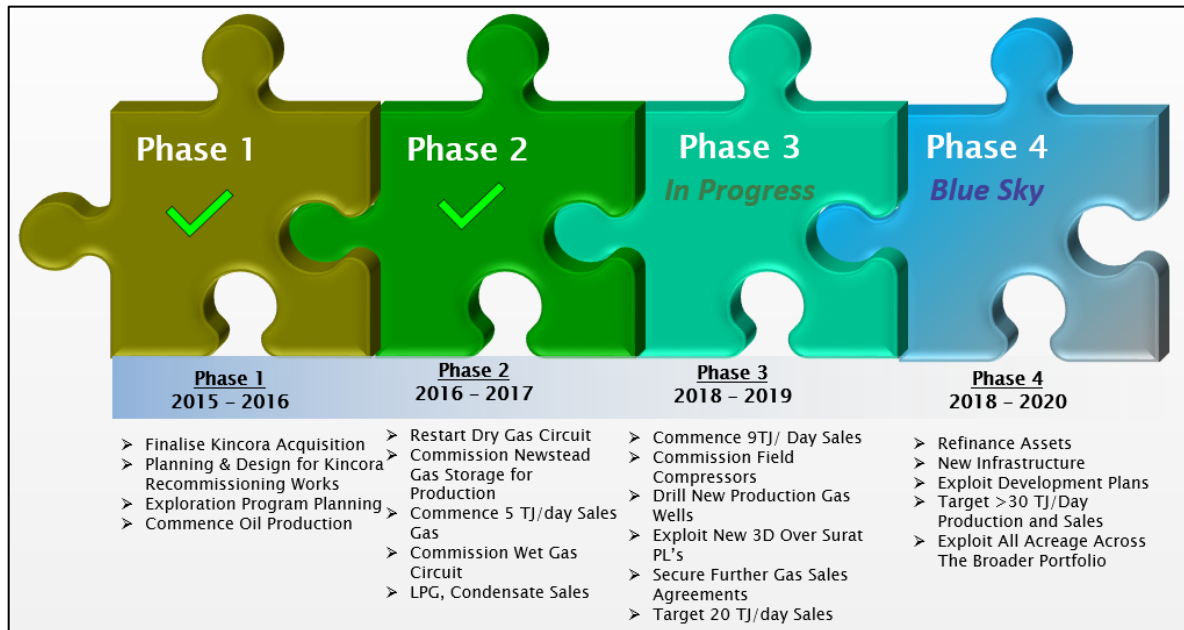
Gas sales for the quarter averaged ~ 9 TJ/day predominantly from existing wells with liquid rich gas, therefore providing LPG and condensate by-products which contributed strongly to sales revenue.

The performance of the existing wells that have been brought back into production has been stronger than expected, with the wells having recharged during the period they were shut-in since the previous operator ceased production in 2012 and Amour recommencing production in 2018.

Sales	June Quarter, Q4 FY18	March Quarter, Q3 FY18	Quarter on Quarter Movement
Sales revenue (\$ million)	\$6.52	\$5.07	\$1.45
Average Gas Sales per Day per Quarter (TJ/day)	8.7	7.8	1.9

## Kincora Project – Phase 3 Continues

During the June Quarter, Armour continued with its phase 3 activities.



**Figure 1:** Armour's 4 Phases of Growth plan.

Phase 3 focuses on increasing production up to and ensuring Armour can safely and reliably deliver 20 TJ/day of gas to Australian east coast gas market. Key elements to delivering the 20 TJ/day include the subsurface development plan, bringing on new production wells and performing engineering studies on the Kincora Gas Plant, to obtain a deep understanding of its performance and potential production bottlenecks.

The subsurface team has developed the subsurface plan, and a significant number of wells across multiple fields are now in the inventory catalogue. During the June quarter, the Company drilled the first of its scheduled production wells, Myall Creek 4A.

### Myall Creek Well 4A

On 31 May 2018, Armour announced that it had spudded Myall Creek Well 4A within its 100% owned PL 511 at its Kincora Project (<https://www.asx.com.au/asxpdf/20180531/pdf/43vfwxjwvy58fbr.pdf>)\*.

Armour has designed the Myall Creek 4A wellbore for a multi-stage hydraulic stimulation of the prognosed 300 metre gross hydrocarbon charged section below the regional Triassic Snake Creek Shale seal. As previously reported, the current design (subject to amendment) will commingle all three historically stand-alone stimulated hydrocarbon reservoirs into one single wellbore to maximise production rates and to recover an estimated 4.4 PJ of gas plus approximately 44,000 barrels of condensate and 9,000 tonnes of LPG.

Previous production wells and completion strategies in the Myall Creek Gas Field have focused on single stage production completions of either the Permian aged Upper and Lower Tinowon or the associated Rewan Formation. In all cases, where well design allowed, these various reservoirs have required a stimulation to enhance connectivity with the reservoir, to increase gas flow rates and to maximise hydrocarbon recovery.

The Myall Creek 4A well has been located and designed on the basis of proximity to existing productive wells using state of the art seismic interpretation, and stimulation and completion techniques.

On 14 June 2018, Armour announced that the well had penetrated through the regional Triassic aged Snake Creek Shale seal into the prognosed 300 metre Triassic and Permian gas charged window at 1848 metres depth (<https://www.asx.com.au/asxpdf/20180614/pdf/43vrly2q815178.pdf>)\*. Significant quantities of hydrocarbons were subsequently recorded from there to the top of the Basement at 2148 metres. 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%. Gas chromatograph readings recorded a liquid (condensate and LPG) rich gas composition.

The 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.

\* Armour is not aware of any new information or data that materially affects the information included in the relevant market announcement and notes that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

**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.

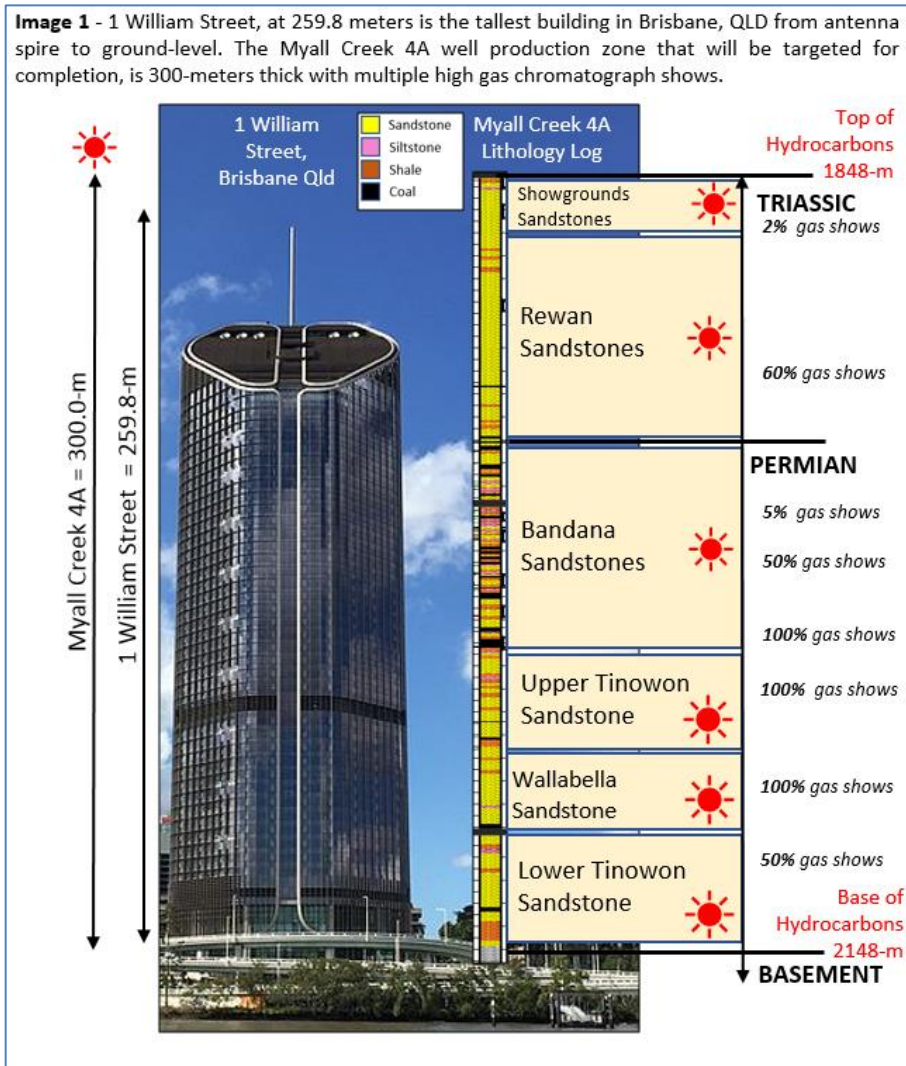






Image 2: Myall Creek Well 4A – During Drilling at the Company’s Kincora Project

## Kincora Reserves and Resources Upgrade

On 21<sup>st</sup> May 2018\* the Company made an announcement regarding a Reserves and Resources update on its operated Roma Shelf Assets, Queensland as part the Company’s Kincora project (**Kincora Project**) refer **Map 1** (<https://www.armouenergy.com.au/asx-announcements/>)\* .

\* Armour is not aware of any new information or data that materially affects the information included in the relevant market announcement and notes that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

### Kincora Reserves

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 <sup>(1)</sup>	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.

**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)** (see the reference to this announcement earlier in this Quarterly Activities Report). These Contingent Resources are in addition to the Myall Creek Reserves.

Contingent Gas Resources Rewan Formation, Myall Creek Field <sup>(4)</sup>	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.

**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**).

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 (see the reference to this announcement earlier in this Quarterly Activities Report). Additional updates and material changes on the contingent resources will be released once DNRM has approved the license transfer.

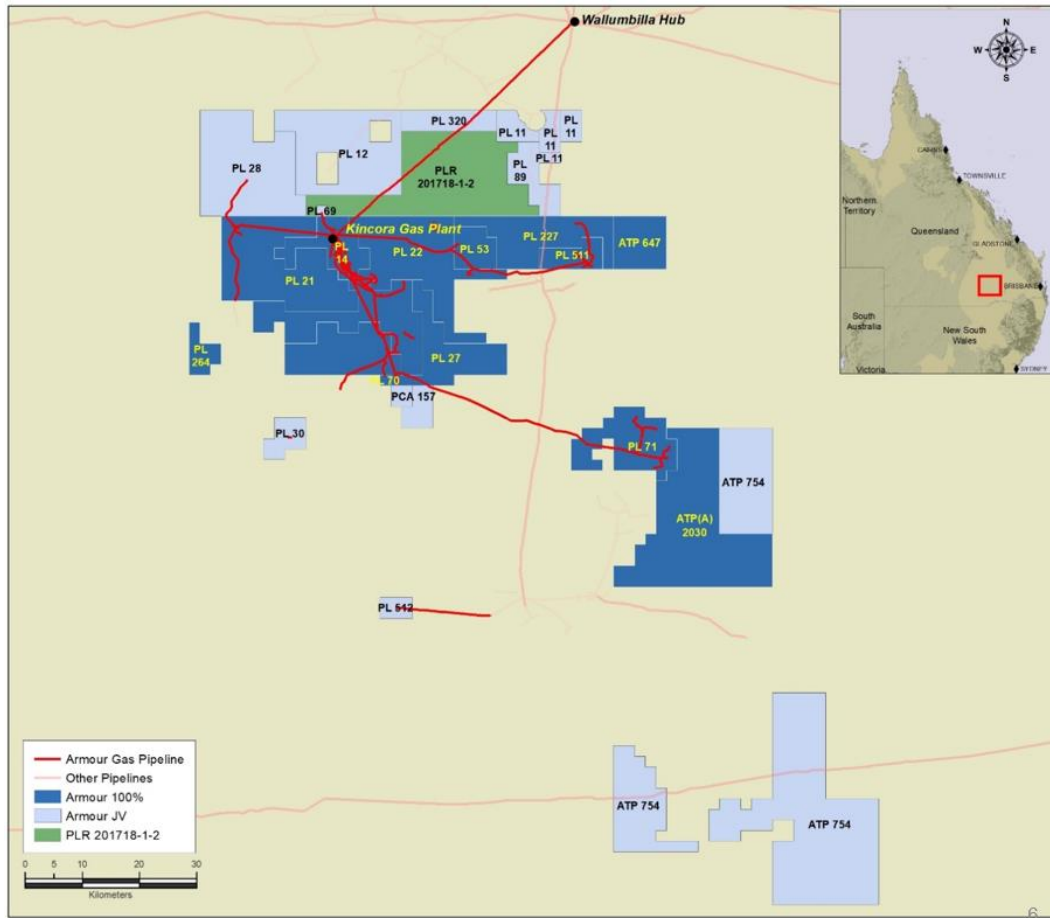
Contingent Resources PL71 <sup>(3)</sup>	1C	2C (1C+2C)	3C (1C+2C+3C)
Estimated Net Total Gas (BCF)	5.0	24.5	72.3
Estimated Net Total Gas (PJ)	5.2	25.8	76.3
LPG Yield (Tonne)	10,806	53,332	157,555
Condensate Yield (BBL)	52,004	256,663	758,246

**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.





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

### Engineering Studies – Kincora Gas Plant

Armour continues to advance its plan for a performance assessment of the Kincora Gas Plant, and is working with WorleyParsons to carry out the performance assessment, including gathering data, analysing and reporting. The assessment is planned for the coming months and is being designed to provide information on the performance and reliability of the gas plant. From this information, further engineering studies will be performed as required, and maintenance scheduling will be updated to ensure the plant operates in a safe and reliable manner as the Company increases production to 20 TJ/day.

### PPL63

As advised on 2 January 2018, a section of the pipeline from the Myall Creek compressor station to Kincora (PPL63) was being operated at flow rates lower than historically achieved (at a reduced operating pressure of 3 MPa) until further testing was to be completed. Armour performed an intelligent pig inspection on this pipeline, and from that inspection several defects were identified and initial dig ups and rectification work performed and Armour’s pipeline engineers were able to re-rate the pipeline up to 7 MPa.

Since then further repairs have been carried on the PPL63 pipeline and the pipeline has now been re-rated to the original operating pressure of 10.2 MPA with capacity of 14 TJs per day of gas. Currently, the pipeline is carrying approximately 3 TJs per day of gas from existing producing wells, and the repairs enable future production capacity of an additional 11 TJs per day in success cases for additional wells at Myall Creek Gas Field.

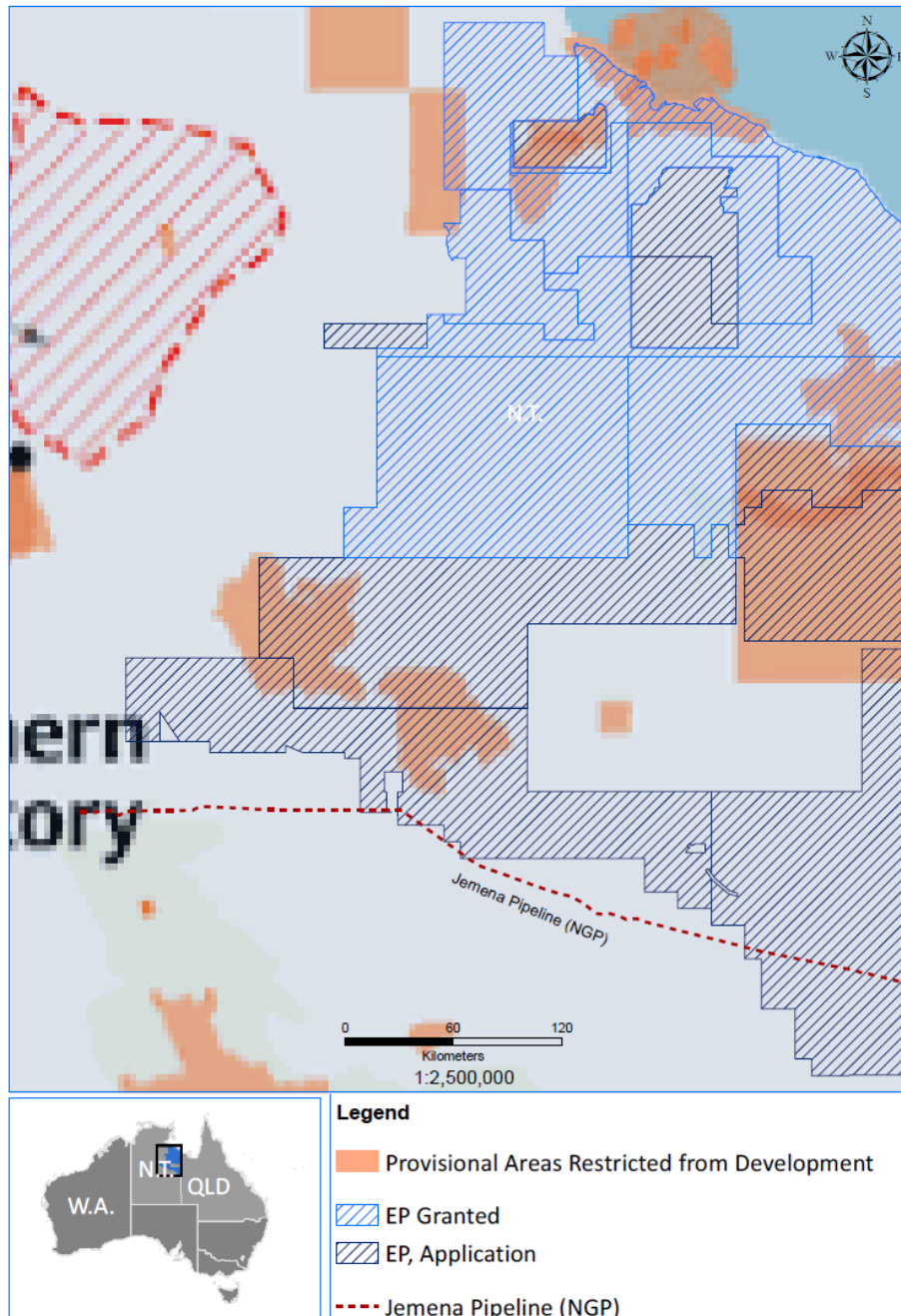
## Northern Territory Update

In a media release on the 17 April 2018, the Chief Minister of the Northern Territory announced that all 135 recommendations made in the final report of the independent Scientific Inquiry into Hydraulic Fracturing of Onshore Unconventional Reservoirs in the Northern Territory will be adopted. In a further media release on 17 July 2018, the Northern Territory Government released its plan to implement those recommendations.

Armour's 100% owned Northern Territory acreage best estimate prospective gas resource within shale formations is 34.8 TCF (refer ASX release of 21 September 2015 for full details) \*. Armour notes that the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) related 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.

Armour's McArthur Basin project area represents the largest and most important part of the Northern, Central and Southern McArthur Basin where the thickest and most oil and gas prone sections of the McArthur and Tawallah groups are present. **Figure 2** over, shows a map of Armour's tenements and the NT Government's provisionally declared protection areas.

\*Armour is not aware of any new information or data that materially affects the information included in the relevant market announcement and notes that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.



**Figure 2:** Map showing Armour's Northern Territory tenements and provisional areas restricted from development. The NT Government has indicated it will be reviewing this preliminary map and revising it.

## CORPORATE ACTIVITIES

### Positive Cashflow from Operating Activities

For the June 2018 quarter, Armour reported a positive cashflow from operating activities of \$2.6m, (\$1.8m considering Production Sales less production costs, admin and staff costs), (refer the June 2018 Quarterly Cashflow Report). This is a significant result and reflects the first full quarter of re-starting the Kincora Gas Plant at the initial phase 2 target production rates.

Armour expects to increase the positive operating cashflow position as it progressively brings on new production wells over the next 12 months.

### Gas Acceleration Program

On 29 June 2018 Armour announced that the agreement with the Australian Government under the Gas Acceleration Program (**GAP**) had been executed and that it had received the initial GAP grant payment of \$2.3 million (net of GST) with subsequent payments to be received over the next 12 months at the completion of project milestones

<https://www.asx.com.au/asxpdf/20180629/pdf/43w4ht80k2ppb0.pdf>.

In total, Armour expects to receive up to \$6 million of funding under the program, enabling it to accelerate the drilling, completion and connection of 4 production wells by June 2019. The 4 well program is designed to facilitate the delivery of an estimated 6.9 PJ of gas to market within the GAP program horizon (to 30 June 2020), with a total of 14 PJ of gas production expected over the life of the wells. This production is planned to come from the Company's existing Kincora reserves as published in detail on 3 April 2017

<https://www.asx.com.au/asxpdf/20170403/pdf/43h7bzmtnwh4xh.pdf>.

GAP provides grants to businesses to accelerate direct investment in onshore natural gas projects and provides funding on a cost-contribution basis of up to 50% of a participant's eligible drilling costs, capped at \$6 million. Armour Energy was awarded a GAP grant of \$6m which it expects to provide approximately 40% of its costs for the drilling, completion (including stimulation) and connection costs for its 4 well program scheduled to be completed by June 2019.

### Tribeca Facility

Subsequent to the quarter the Company announced that the Company and an Armour subsidiary, Armour Energy (Surat Basin) Pty Ltd (**Armour Surat**) have entered into a credit facility agreement (**Tribeca Facility Agreement**) with Equity Trustees Limited (in its capacity as the trustee of the Tribeca Global Natural Resources Credit Fund) and Tribeca Global Natural Resources Credit Master Fund (together **Tribeca**) for the provision by Tribeca of an environmental bonding finance facility to Armour Surat (the **Tribeca Facility**).

Pursuant to the terms of the Tribeca Facility, Tribeca will lend up to A\$6,800,000. The Tribeca Facility is secured by a guarantee from the Company, a second ranking specific security over two (2) bank

accounts controlled by Westpac Banking Corporation (the **Credit Accounts**) in the name of Armour Surat, and a second ranking featherweight security interest over all of the present and after-acquired property of Armour Surat.

The Credit Accounts contain the funds against which Westpac Banking Corporation has issued unconditional bankers' undertakings in favour of the State of Queensland, to guarantee the environmental obligations of Armour Surat to the Department of Natural Resources and Mines (**DNRM**). The Tribeca Facility may be paid down through monies in the Credit Accounts as and when the banker's undertakings expire or are returned by the State of Queensland.

The Armour Surat's ability to draw down funds under the Tribeca Facility is subject to a number of conditions precedent which are customary for a facility of this nature which should be satisfied in the coming week.

The Tribeca Facility will provide Armour Surat with a source of further working capital to facilitate its continued development of its Kincora Gas Project.

The Tribeca Facility has a 9% per annum coupon rate payable by the Company quarterly in arrears on amounts drawn and in addition, the Company has agreed to grant to Tribeca 41,000,000 unlisted options to subscribe for ordinary shares (**Options**) with an exercise price of A\$0.166. The Options will expire on the third anniversary of the first drawdown date under the Tribeca Facility.

## Amendments to the Convertible Note Trust Deed

The Company is a party to the convertible redeemable notes trust deed (**Note Trust Deed**) with Perpetual Trustee Corporate Trust Limited dated 9 December 2016, which was subsequently varied by an amending deed dated 26 May 2017. In this regard the Company makes reference to its announcement to the ASX on 16 December 2016.

MHC Fund Services 2A Pty Ltd (**MHC Fund**) is a major Noteholder under the Note Deed, and an entity associated with M.H. Carnegie & Co Pty Limited (**MHC**).

A dispute arose between the Company and MHC and MHC Fund in respect of certain provisions in the Note Deed providing MHC with an early redemption right in certain specific circumstances. The Company, MHC and MHC Fund have resolved the dispute and entered into a settlement deed. Pursuant to the terms of the settlement deed, the Company sought and obtained the approval of Noteholders to vary the Note Trust Deed so as to extend the time which MHC Fund has to determine whether or not to exercise the relevant early redemption right, from 30 June 2018 to 31 December 2018. In consideration of the Company agreeing to seek approval for this extension MHC Fund and MHC agreed to support the Company in seeking to obtain approval under the Note Trust Deed to enter into the Tribeca Facility. Approval is required from Noteholders holding 75 % of the principal amount of all outstanding Notes.

The Company sought and obtained the requisite approval of Noteholders:



- a) to amend the Note Trust Deed to:
- enter into the Tribeca Facility;
  - provide the Company with future flexibility in respect of debt capital raisings, if required, to repay the Tribeca Facility; and
  - to extend the time which MHC Fund has to determine whether or not to exercise its early redemption right, from 30 June 2018 to 31 December 2018; and
- b) to facilitate the raising of further equity from shareholders in the future.

## Investor Relations

In July 2018, Armour presented at the Noosa Mining Conference. The conference brought together some of Australia's most promising ASX listed resource companies to showcase their investment credentials to a large audience of investors and industry attendees.

A copy of the presentation can be found at <https://www.armouenergy.com.au/presentations/>

## Staff Update

With moving into phase 3 and increased focus on production and reserves growth, the Board has performed a review the business structure to ensure Armour is positioned to maximise this opportunity. From this review Armour has identified several key roles and has commenced the recruitment process for a COO and looking to increase the company's capabilities in-house around engineering, EHS and land management. Recent appointments key appointments are:

- Richard Fenton commenced on 16 July as GM Land Access, Planning and Infrastructure
- Richard Aden commenced on July 23 as Chief Financial Officer

The Board welcomes both Richards to the Armour team, and wishes to thank Priy Jayasuriya, DGR's CFO, who has provided interim support prior to Richard Aden's commencement.



On behalf of the Board  
Karl Schlobohm  
Company Secretary

## COMPETENT PERSONS STATEMENT

### Consents

Reported resources are in accordance with the SPE Reserves Auditing Standards and the SPE-PRMS guidelines and 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 oil and gas 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

"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.

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.

Previous reported information on the Contingent Resources in this release related to Armour Energy's Surat Basin PLs and ATPs is based on an independent review conducted by RISC Operations Pty Ltd (RISC) 2015 Independent Technical Specialist Report Roma Shelf dated 30 September 2015 and SRK Consulting (Australasia) Pty Ltd Myall Creek Contingent Resources Report PLs 227 and 511 (19 July 2016) and SRK Consulting (Australasia) Pty Ltd PL 71 Contingent Resources Report- Parknook, Namarah and Warroon area (19 July 2016) and Armour Energy Target Statement dated 7 October 2015 related to Armour Energy's Surat Basin PLs and ATPs is based on the Annexure A - Independent Expert Report review conducted by BDO Corporate Finance (QLD) Ltd and fairly represents the information and supporting documentation reviewed. All the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

### **Forward Looking Statement**

This announcement may contain certain statements and projections provided by or on behalf of Armour Energy Limited (Armour) with respect to the anticipated future undertakings. These forward-looking statements reflect various assumptions by or on behalf of Armour. Accordingly, these statements are subject to significant business, economic and competitive uncertainties and contingencies associated with exploration and/or production which may be beyond the control of Armour which could cause actual results or trends to differ materially, including but not limited to price fluctuations, exploration results, resource estimation, environmental risks, physical risks, legislative and regulatory changes, political risks, project delay or advancement, ability to meet funding requirements, factors relating to property title, native title and aboriginal heritage issues, dependence on key personnel, share price volatility, approvals and cost estimates. Accordingly, there can be no assurance that such statements and projections will be realised.

Armour makes no representations as to the accuracy or completeness of any such statement of projections or that any forecasts will be achieved.

Additionally, Armour makes no representation or warranty, express or implied, in relation to, and no responsibility or liability (whether for negligence, under statute or otherwise) is or will be accepted by Armour or by any of their respective officers, directors, shareholders, partners, employees, or advisers 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 interested party or its advisers. In furnishing this information, Armour undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in Armour Energy Limited.

## APPENDIX A

### INTERESTS IN TENEMENTS FOR THIS QUARTER

TYPE	LOCATION	NAME	OWNER	INTEREST
ATP 2030	Queensland		AE(SB) P/L	100%
<b>Held Throughout Quarter</b>				
PL14	Queensland		AE (SB) P/L	100%
PL 53	Queensland		AE (SB) P/L	100%
PL 70	Queensland		AE (SB) P/L	100%
PL 511	Queensland		AE (SB) P/L	100%
PL 227	Queensland		AE (SB) P/L	100%
PPL 3	Queensland		AE (SB) P/L	100%
PPL 20	Queensland		AE (SB) P/L	100%
PPL 63	Queensland		AE (SB) P/L	100%
PL 28	Queensland		AE (SB) P/L	46.25%
PL 69	Queensland		AE (SB) P/L	46.25%
PL 89	Queensland		AE (SB) P/L	46.25%
PL 320	Queensland		AE (SB) P/L	46.25%
PL 11W	Queensland		AE (SB) P/L	46.25%
PL 12W	Queensland		AE (SB) P/L	46.25%
PL 11(SCEE)	Queensland		AE (SB) P/L	25%
PL 21	Queensland		AE (SB) P/L	100%
PL 22	Queensland		AE (SB) P/L	100%
PL 27	Queensland		AE (SB) P/L	100%
PL 71(P)	Queensland		AE (SB) P/L	100%
PL 71(E)	Queensland		AE (SB) P/L	80%
PL 264	Queensland		AE (SB) P/L	100%
PL 30	Queensland		AE (SB) P/L	90%
PL 512	Queensland		AE (SB) P/L	84%
PPL 22	Queensland		AE (SB) P/L	69%
ATP 647	Queensland		AE (SB) P/L	100%
ATP 754	Queensland		AE (SB) P/L	50%
PCA 157 (A)	Queensland	Weribone	AE (SB) P/L	50.64%
PCA 157 (A)	Queensland	Bainbilla	AE (SB) P/L	24.748%
EPP 171	Northern Territory	Abner Range	Armour Energy Ltd	100%
EPP 174	Northern Territory	Robinson River 2	Armour Energy Ltd	100%
EPP 176	Northern Territory	Ryans Bend	Armour Energy Ltd	100%
ATP 1087	Queensland	South Nicholson	Armour Energy Ltd	100%
EPP 190	Northern Territory	Calvert	Armour Energy Ltd	100%
EPP 191	Northern Territory	Wallhollow	Armour Energy Ltd	100%

TYPE	LOCATION	NAME	OWNER	INTEREST
<b>Held Throughout Quarter</b>				
EPP 192	Northern Territory	Wollogorang	Armour Energy Ltd	100%
PEP 169	Victoria	Moreys	Lakes Oil NL	51%
PEP 166	Victoria	Holdgate	Lakes Oil NL	25%
PRL2	Victoria		Lakes Oil NL	15%
EL 30817	Northern Territory	Birrindudu	Ripple Resources P/L	100%
EL 30818	Northern Territory	VRD	Ripple Resources P/L	100%
EL 30494	Northern Territory	Statler & Waldorf	Ripple Resources P/L	100%
EPM 19833	Queensland	Bowthorn	Ripple Resources P/L	100%
EPM 19835	Queensland	Shadforth East	Ripple Resources P/L	100%
EPM 19836	Queensland	Shadforth	Ripple Resources P/L	100%
EPM 25504	Queensland	Argyle Creek	Ripple Resources P/L	100%
EPM 25505	Queensland	Border	Ripple Resources P/L	100%
EPM 26018	Queensland	Kola South	Ripple Resources P/L	100%
EPM 26020	Queensland	Inca Creek	Ripple Resources P/L	100%
EPM 26022	Queensland	Yelvertoft	Ripple Resources P/L	100%
EPM 25802	Queensland	Walford East	Ripple Resources P/L	100%
EL 30810	Northern Territory	Sweetums	Ripple Resources P/L	100%
EL 31012	Northern Territory	Carpentaria	Ripple Resources P/L	100%

**AE (SB) P/L = Armour Energy (Surat Basin) Pty Ltd**

<b>EPM</b>	<b>Exploration Permit - Minerals</b>
<b>EL</b>	<b>Exploration Licence</b>
<b>EPP</b>	<b>Exploration Permit - Petroleum</b>
<b>ATP</b>	<b>Authority to Prospect</b>
<b>PEP</b>	<b>Petroleum Exploration Permit</b>
<b>PL</b>	<b>Petroleum Lease</b>
<b>PPL</b>	<b>Petroleum Pipeline Licence</b>
<b>PRL</b>	<b>Petroleum Retention Lease</b>