

## Armour Energy Limited

6 August 2018

### Operational Update - Myall Creek 4A Well

#### Multi-stage Hydraulic Stimulation Program Completed

The Directors of Armour Energy Ltd (ASX: AJQ) are pleased to provide this update on the Company's operations at the Myall Creek 4A well located in 100% owned PL511. Following on from the successful drilling and casing of the well, the multi-stage hydraulic stimulation has now also been successfully completed, and the well is currently flowing back under its own pressure.

On Friday 3<sup>rd</sup> August, Armour successfully completed the 5-stage stimulation program on the well within the highly prospective sandstone intervals of the Permian and Triassic formations. Each of the 5 stimulation stages were successfully completed as follows:

Stage	Formation	Volume of proppant actually injected, lbs	Volume of proppant planned / modelled to be injected, lbs
1	Lower Tinowon Sandstones	67,639	66,750
2	Tinowon B Sandstones	68,254	66,750
3	Upper Tinowon Sandstones	56,584	60,500
4	Bandana & Black Alley Sandstones	75,501	74,250
5	Rewan Sandstones	156,700	138,500
<b>Totals</b>		<b>424,678</b>	<b>406,750</b>

The aim of this stimulation program is to enable commingled production from stacked hydrocarbon saturated Triassic and Permian sandstones, which provide a prospective 300-metre gross production section.

Over the weekend, the bridge plugs installed above each stimulation stage were milled out and the well cleaned out. (A photo of surface equipment set up for the milling operation is shown below.) Flow back operations commenced yesterday. Following flow back, the well will go onto flow test and results of this are expected by mid-August. If successful, Armour intends to tie Myall Creek 4A's production into the existing Myall Creek compressor station which connects to the Kincora Gas Plant facility and Armour's sales gas pipeline to Wallumbilla.

The Myall Creek 4A, drilled in June 2018, penetrated through the regional Triassic aged Snake Creek Shale seal into the prognosed 300 metre gross Triassic and Permian gas charged window at 1848 metres depth. Significant quantities of hydrocarbons were subsequently recorded between 1848 metres and the top of the Basement at 2148 metres.



The regionally productive Triassic Sandstones, Showgrounds Sandstone and Rewan Formation, had gas shows of 4% to 60%, and the targeted Permian Tinowon and Wallabella sandstones had gas shows of 100%. Gas chromatograph readings recorded a liquid (condensate and LPG) rich gas composition.

The 300m gross hydrocarbon saturated section has been selectively targeted with hydraulic stimulation techniques. Armour will be performing further electric logging runs in the coming days to understand actual versus modelled stimulated rock volume within the 300m gross section. Following the logging, a three dimensional model of the combined 5 stages will be compiled based upon the data to-date. This data will be used to further define the blueprint for drilling and completion strategies for the next series of wells and further resource evaluation in the tight gas play areas held by Armour.

A handwritten signature in blue ink, appearing to read "K. Schlobohm", is positioned above the typed name.

On behalf of the Board  
Karl Schlobohm  
Company Secretary

**For further information contact:**

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**Coil unit set up while milling out plugs after hydraulic stimulation**



### **Competent Persons Statement**

Reported reserves and 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 the ASX Listing Rules and consents to the inclusion of this information in this release.

### **Forward Looking Statement**

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