



Armour Energy Limited

1 November 2018

Myall Creek 5A Well Spudded

The Directors of Armour Energy Ltd (ASX: AJQ) wish to advise that the 2018 Kincora Gas Project drilling campaign continues with the spudding of the Myall Creek 5A well (permitted as well Myall Creek 2655 TSE) in Armour's 100% owned PL511 in Queensland.

Easternwell drill rig 101 has now completed drilling the 12-1/4" surface section of the hole to 486 metres. The Myall Creek 5A well is planned to be drilled to a total vertical depth of 2,355 metres.

The Myall Creek 5A well is expected to be part funded from a grant under the Federal Government's Gas Acceleration Program (GAP). As previously announced, Armour was successful in obtaining a cost contribution grant of up to \$6 million to assist with the drilling of 4 wells on the Roma Shelf in order to support the provision of domestic gas supply for East Australian gas markets.

Armour has designed the Myall Creek 5A wellbore to enable a multi-stage hydraulic stimulation of the prognosed 300 metre gross hydrocarbon charged section below the regional Triassic Snake Creek Shale seal. The design will enable commingling all three historically stand-alone stimulated hydrocarbon reservoirs in one single wellbore to maximize production rates and to recover an estimated 4.4 PJ of gas and yield approximately 44,000 barrels condensate and 9,000 tonnes LPG¹.

Commenting on the spudding of the Myall Creek 5A well, Armour CEO Roger Cressey said: *"Armour recently drilled and connected Myall Creek 4A well and as a result we recently announced a 40% increase of independently verified 2P Petroleum Reserves from 44.4 PJ to 63.1 PJ of gas in our Myall Creek Field. The successful drilling and completion of this new well will add further reserves and new production for this field. The Myall Creek 5A well is close to our existing infrastructure and can be delivered to market quickly after the well has been completed and connected."*

This well is the second of Armour's drilling program as part of its Phase 3 growth strategy which includes drilling of new wells and investigations into the workover and stimulation of existing wells. This, together with any necessary further work on the Kincora Gas Plant, will target gas production to be increased to 20 TJ/day over the next 12 months.

A handwritten signature in blue ink, appearing to read "K. Schlobohm".

On behalf of the Board
Karl Schlobohm
Company Secretary

¹ Refer ASX release of 3 April 2017.

For further information contact:

Roger Cressey – CEO
07 – 3303 0620

Karl Schlobohm – Company Secretary
07-3303 0661

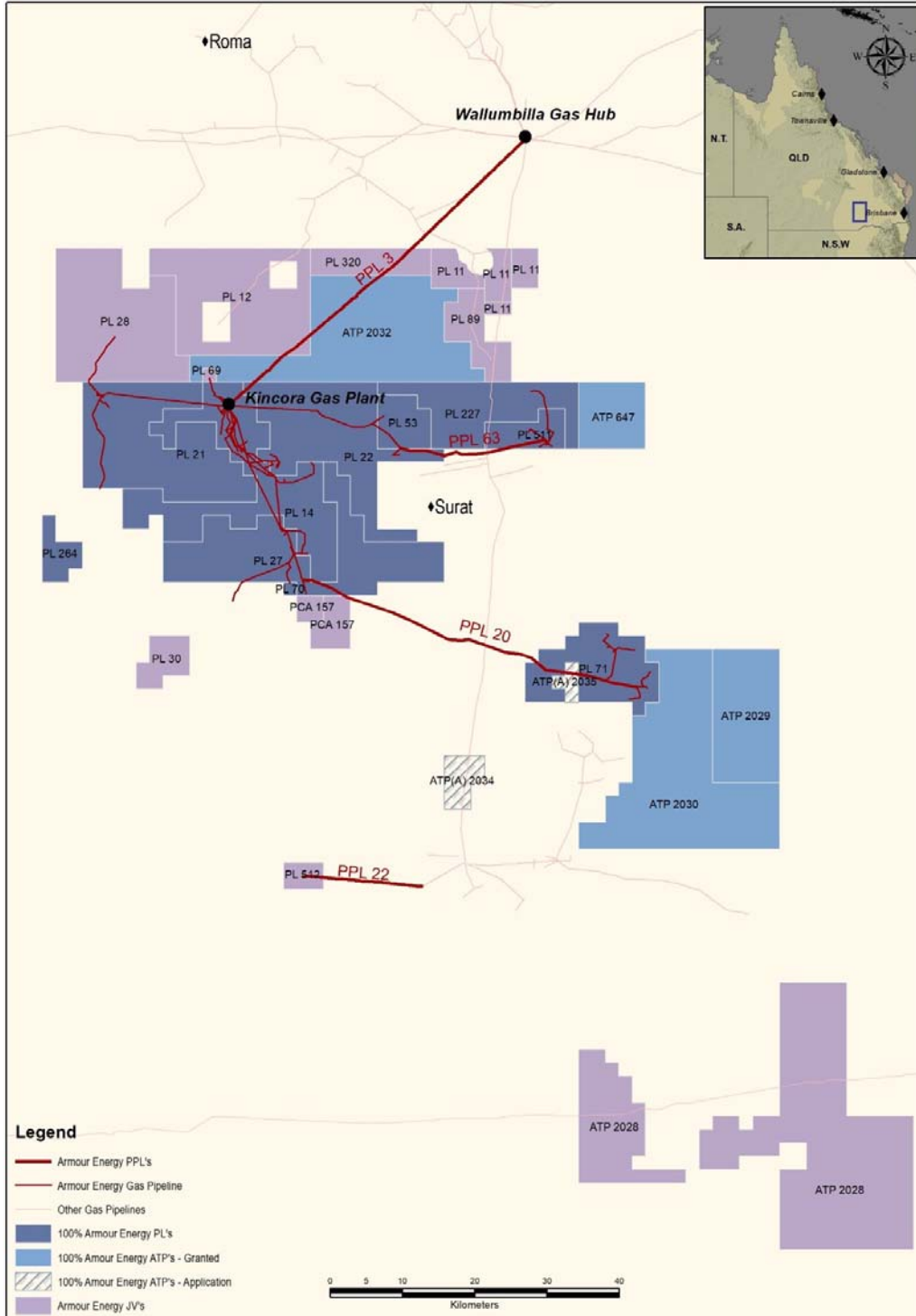


Figure 1: Armour Energy Permits, Bowen-Surat Basins, Queensland. Drilling has commenced in 100% working interest petroleum license 511 in the productive Myall Creek Field.



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

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.