



## Armour Energy Limited

21 November 2018

### Myall Creek 5A Well Update

The Directors of Armour Energy Ltd (ASX: AJQ) wish to update the market with respect to the Myall Creek 5A Well. The well has successfully drilled the intermediate 8-1/2" diameter section to 1875 metres depth. The well was spudded in Armour's 100% owned PL511 in Queensland.

As previously advised, Easternwell Rig 101 (**Photo 1**) commenced drilling on 1 November 2018. The intermediate 7" casing is currently being run and is planned to be cemented back to surface today. Following this, it is planned that the 6-1/8" production section of the hole will be drilled through the target reservoir formations. The Myall Creek 5A well is planned to be drilled to a measured depth of 2284 metres.

The Myall Creek 5A well is targeting the reservoir beneath the regional Triassic aged Snake Creek Mudstone seal into the prognosed 300 metre Triassic and Permian gas charged window beginning at approximately 1880 metres depth. The target formations are the regionally productive Triassic Sandstones, Showgrounds Sandstone and Rewan Formation and the gas saturated Permian sands in the Bandanna, Tinowon and Wallabella sandstones. These formations are proven gas producing reservoirs with significant liquids (condensate and LPG) content.

Immediately following drilling of the 6-1/8" production section, a suite of open hole wireline logs will be run. The wireline data will provide the basis to finalise the completion design on the Myall Creek 5A well and enable production from gas charged sandstones within the gross Triassic and Permian hydrocarbon reservoir section.

The well is located nearby to Armour's Myall Creek field compressor allowing for rapid connection and production into the Company's gas gathering system. The gas will be processed at the Kincora Gas Plant (100% Armour) and deliver gas to market via Armour's sales gas pipeline to Wallumbilla.

The Myall Creek 5A well is the second well of Armour's current drilling program as part of its Phase 3 growth strategy which includes drilling of new wells. The well is expected to be part funded from a grant from the Federal Government Gas Acceleration Program (GAP) which will provide up to \$6 million to support the provision of domestic gas supply for increasing demand in East Australian gas markets.

Armour has been producing and selling on average, 9 TJ/day since February this year, 170 barrels per day of oil and condensate and 14 tons per day of LPG. The Company's growth strategy includes progressively restarting existing wells not yet on line, compression optimization plus any necessary further work on the Kincora Gas Plant to enable the Company to target increasing gas production 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



**Photo 1 – Easternwell drilling rig 101 on Myall Creek 5A well site**



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