



Armour Energy Limited

A Growing Onshore Exploration
& Production Company

SEAAOC – SEPTEMBER 2019

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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.



About Armour Energy

Australian Producer of Gas, LPG, Condensate and Oil

Long Life Production Assets

Operating Facility in Strong Commercial Environment

Current and Future Drilling Programs

Commanding Acreage Position and Portfolio

Vast Under-explored Opportunities

Armour Energy - Onshore Projects Summary

Premier Assets and Proven Operational Execution



Kincora Project

- Natural gas, LPG, Oil & Condensate production and development

Northern Territory & North Queensland

- Conventional & unconventional exploration and future production

ATP2046 CSG Project (10% JV Interest)

- Gas to be sold exclusively to Domestic Manufacturers

Uganda Project (17% JV interest)

- Oil exploration

Victoria Onshore Conventional

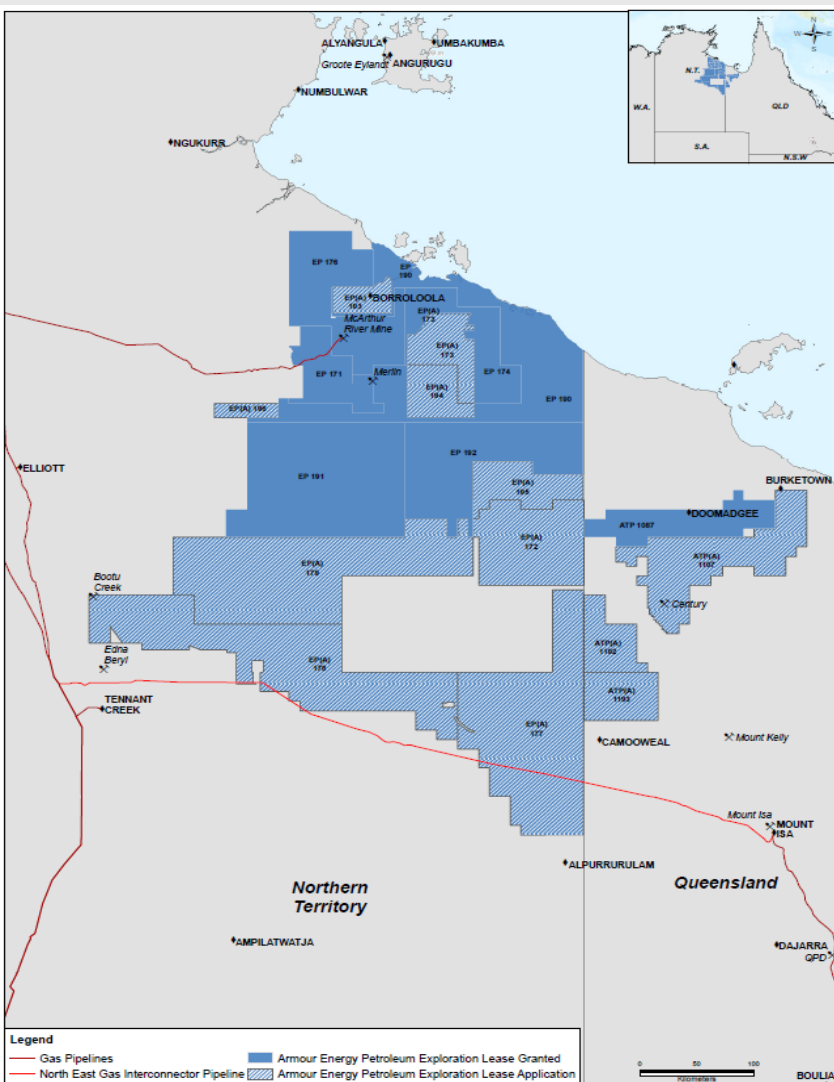
- Possible exploration & appraisal – on hold

Northern Australia Project

Northern Territory and Queensland - Exploration and Development



Armour's Northern Australia Project Area



- 33.6 million contiguous acres (136,210 km²) in Northern Australia (i.e. Northern Territory and north Queensland)
- 7 wells drilled across Queensland and Northern Territory - \$67M expenditure
- Potential Near Term Production - 90% Methane with Helium Upside
- Well Understood Rock Properties - up to 11% Total Organic Carbon content (TOC) ⁽¹⁾
- >700km of reprocessed 2D seismic control
- Prospective Gas Resource of 57 TCF (Best Estimate) ⁽²⁾

Contingent Resources – North Queensland ⁽ⁱ⁾	1C	2C	3C
Net Gas Resource (BCF) (Less Fuel and Flare 5%)	33.1	154.4	364.0
Net Gas Resource (PJ) (Less Fuel and Flare 5%)	31.8	148.5	350.1

(1) Source: Armour ASX Announcement 16 July 2014 – located in the Queensland Project Area

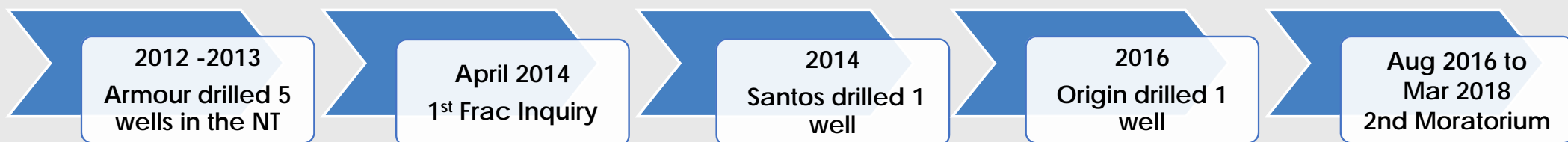
(2) Source: Armour ASX Announcement 21 September 2015

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.

Overview of the Northern Australia Project

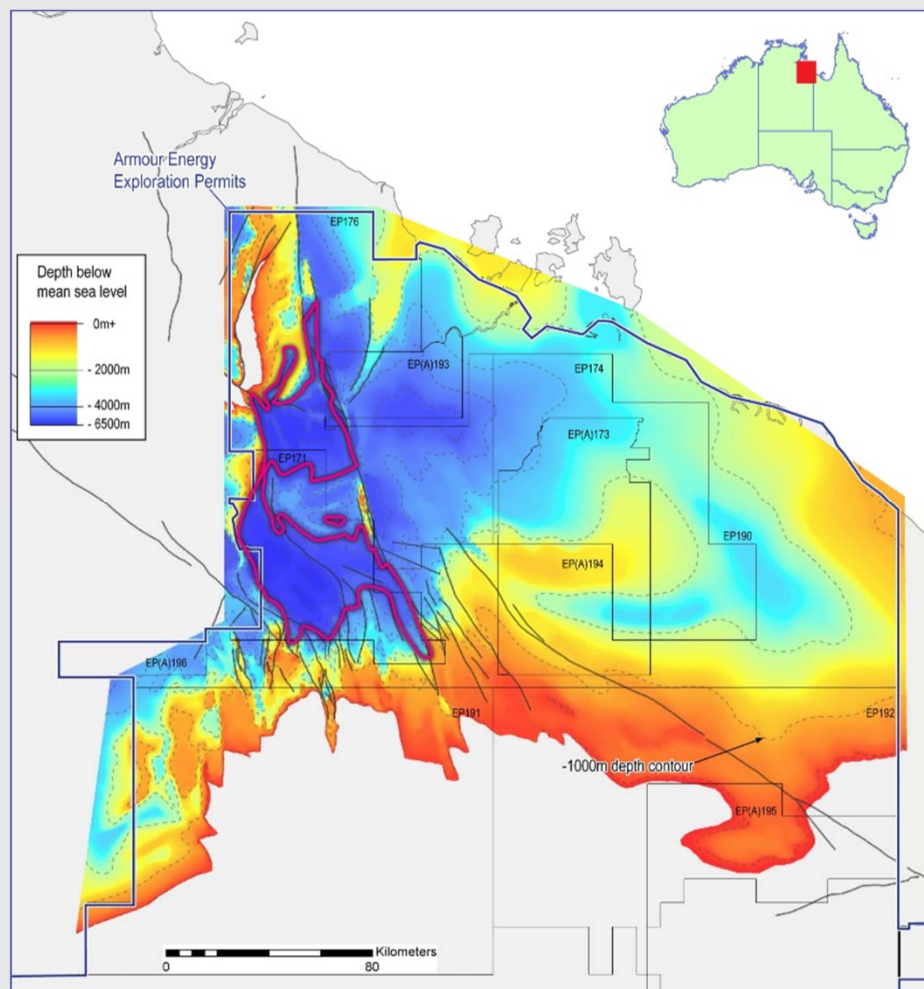
- Armour first applied for and was granted Exploration Permits in 2010, and now has over 136,000km² of granted and application tenements across the NT & QLD
- Armour led the charge of all recent exploration into new conventional and unconventional shale exploration in the Northern Territory
- First company in Australia to flow gas to surface from a multi-stage stimulated lateral well in a shale exploration target

Northern Territory Timeline of Exploration



- Armour's NT and north QLD tenements include multiple basin gas and oil plays, providing conventional and unconventional opportunities
- Shale Plays (oil and gas) – World Class exploration results - 80% exploration success to date
- Established and good working relationships with relevant stakeholders since 2012
- Close to infrastructure including the Jemena Northern Gas Pipeline
- Working through revised regulatory framework with authorities

Northern Territory Shale Gas Play: Deep Oil and Gas Plays



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

McArthur Basin

- Multiple basins. Proven petroleum systems – oil & gas
- Large unexplored areas with stacked play opportunities
- 5 wells drilled, low cost wells
- Approximately \$33m expenditure to date

McArthur Group

- Barney Creek Formation
- 1.2 MMbbl, 13 TCF Prospective Resource ⁽¹⁾

Tawallah Group

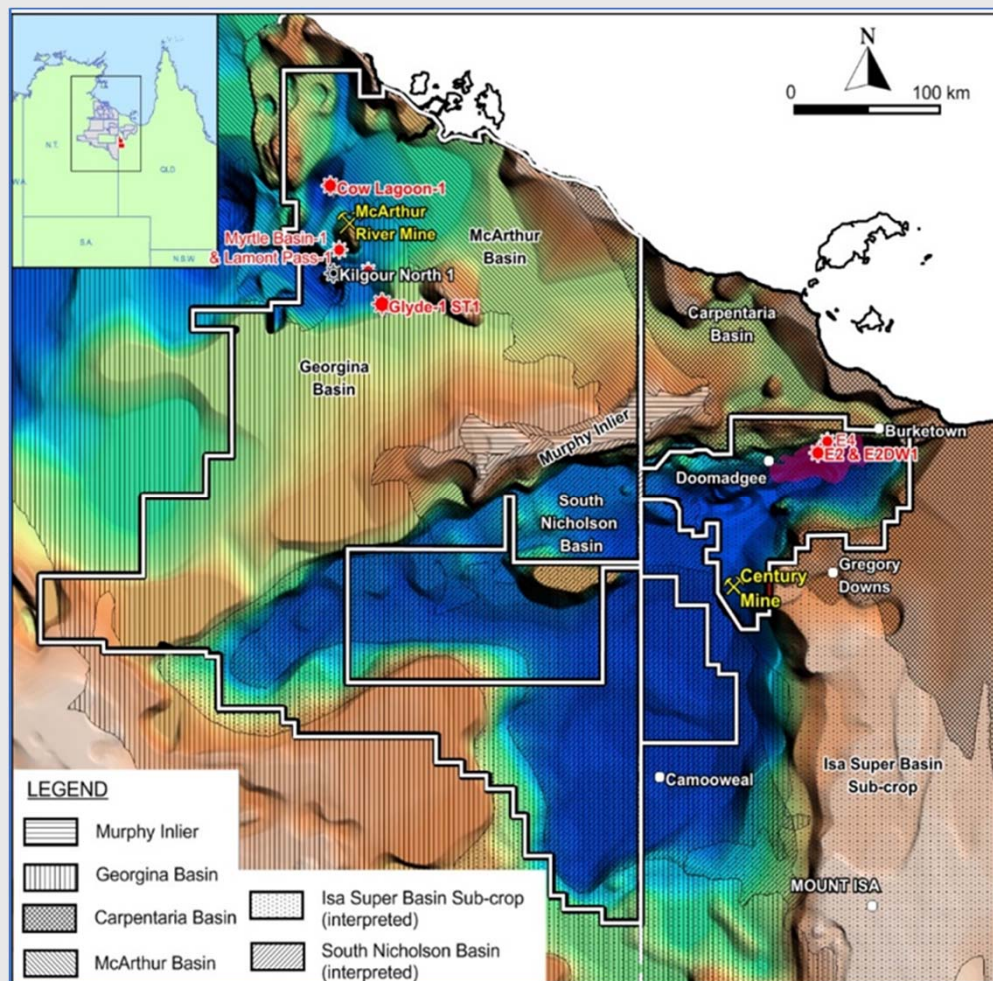
- Underlying and beyond McArthur Group
- Large, thick formations with up to 7% TOC
- Wollogorang Formation and McDermott Formation

Next steps for shale play exploration:

- Regional seismic programme
- Drill and appraise deep stratigraphic well(s)

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Northern Territory: Shallow Conventional Oil and Gas Plays



Glyde-1 (2012): 3.33 Mmscf/day, 600m depth⁽¹⁾

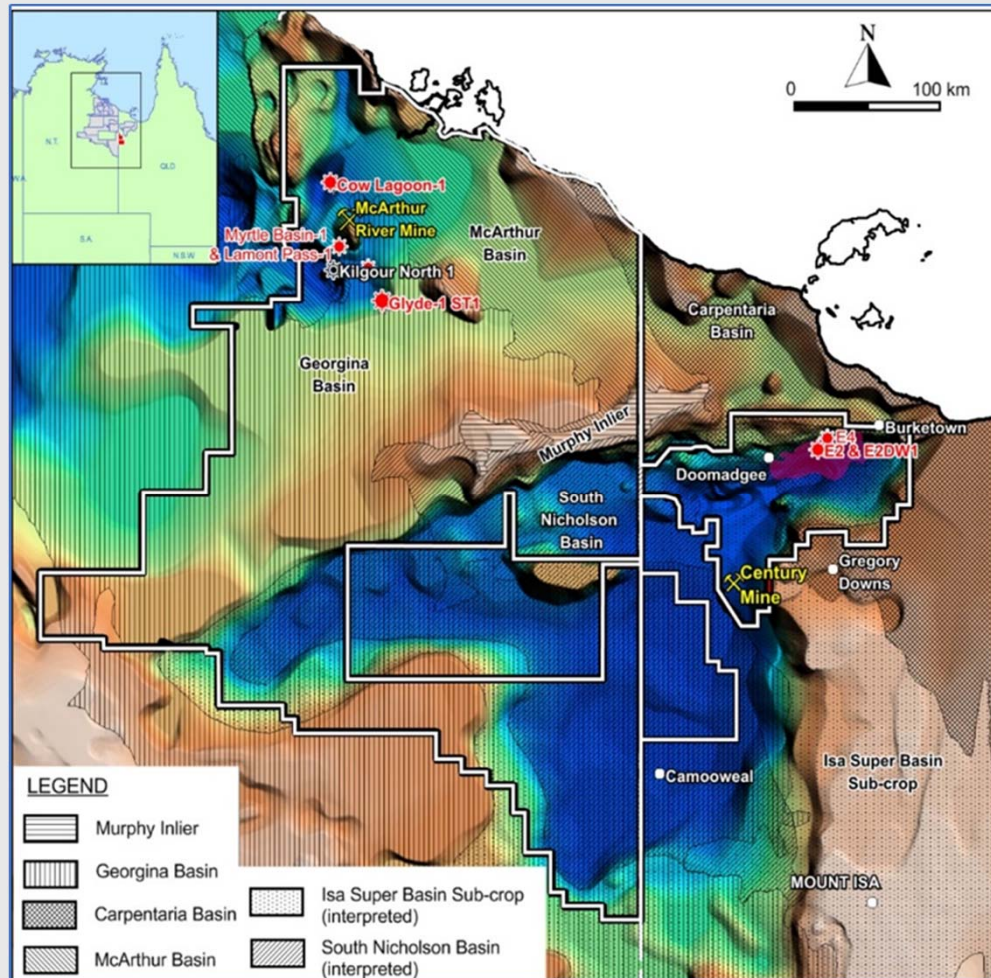
Conventional Gas Well

- >80% exploration success
- 18 drill ready prospects along Batten Trough
- Targeting Coxco Dolomite
- Close to market
- **100% Armour**



(1) Source: Armour ASX Announcement 13 August 2012

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



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



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(1) SRK Report, Lawn Hill and Riversleigh Formation Prospective Resources ATP 1087, QLD, September 2015

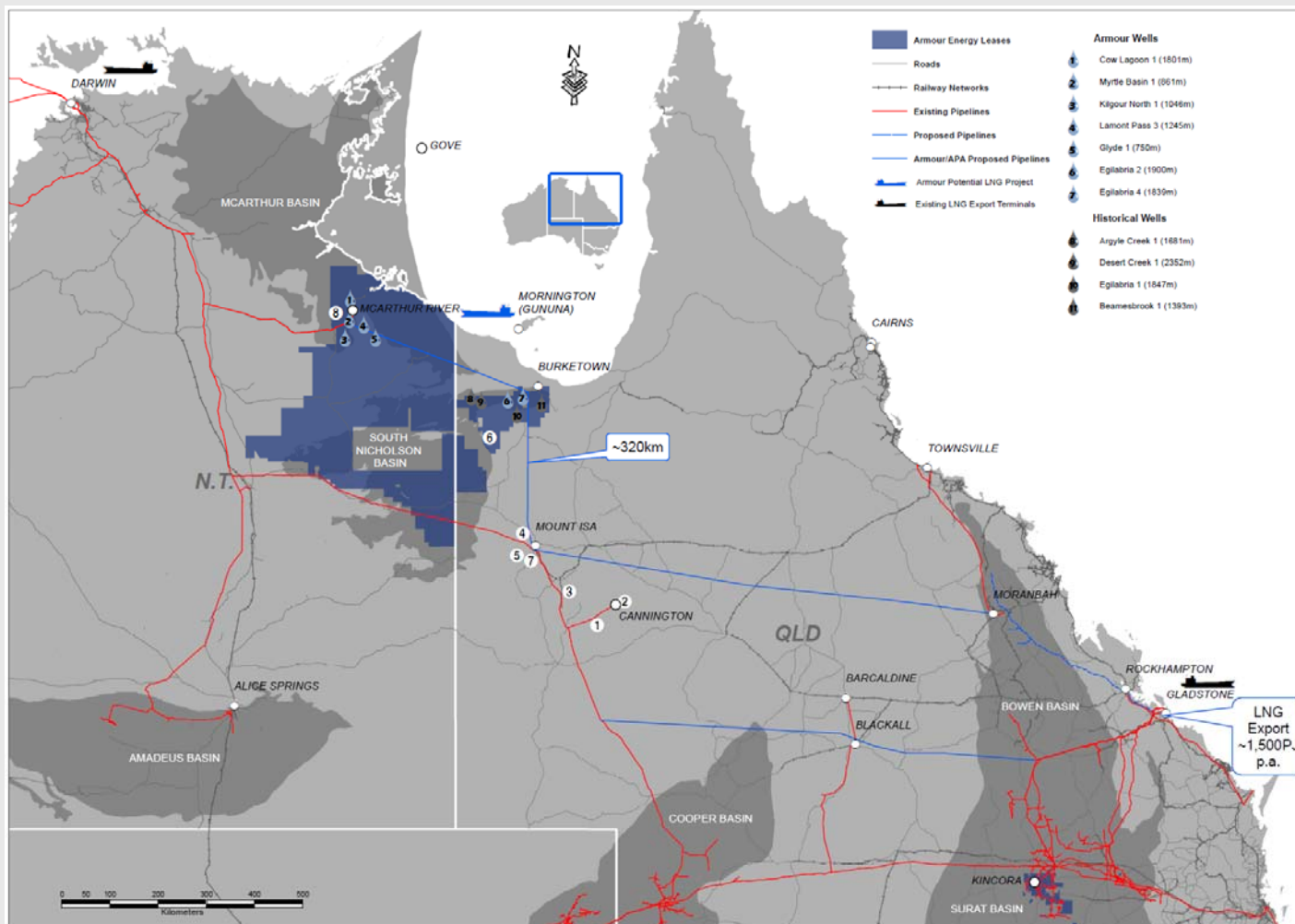
(2) SRK Report, Egilabria 2 Hydraulically Stimulated DW 1, Lawn Hill Formation, Contingent Resource Estimation, ATP 1087, QLD, July 2014

Northern Australia Project - Markets

- Key local markets in Northern Australia
- Currently supplied by Cooper Basin and Amadeus Basin
- Transportation costs in excess of \$1.20/GJ to deliver Gas to Mt Isa from Cooper Basin
- Potential for production close to major markets⁽¹⁾

ID	Customer	PJ/a
1	Osborne	1.1
2	Cannington Mine	2.8
3	Phosphate Hill	15.4
4	Diamantina Power Station	24.5
5	Mica Creek Power Station	38.2
6	Century Mine	14.6
7	Mt Isa Mines	9.5
8	McArthur River Mines	5.0
Total		106.1

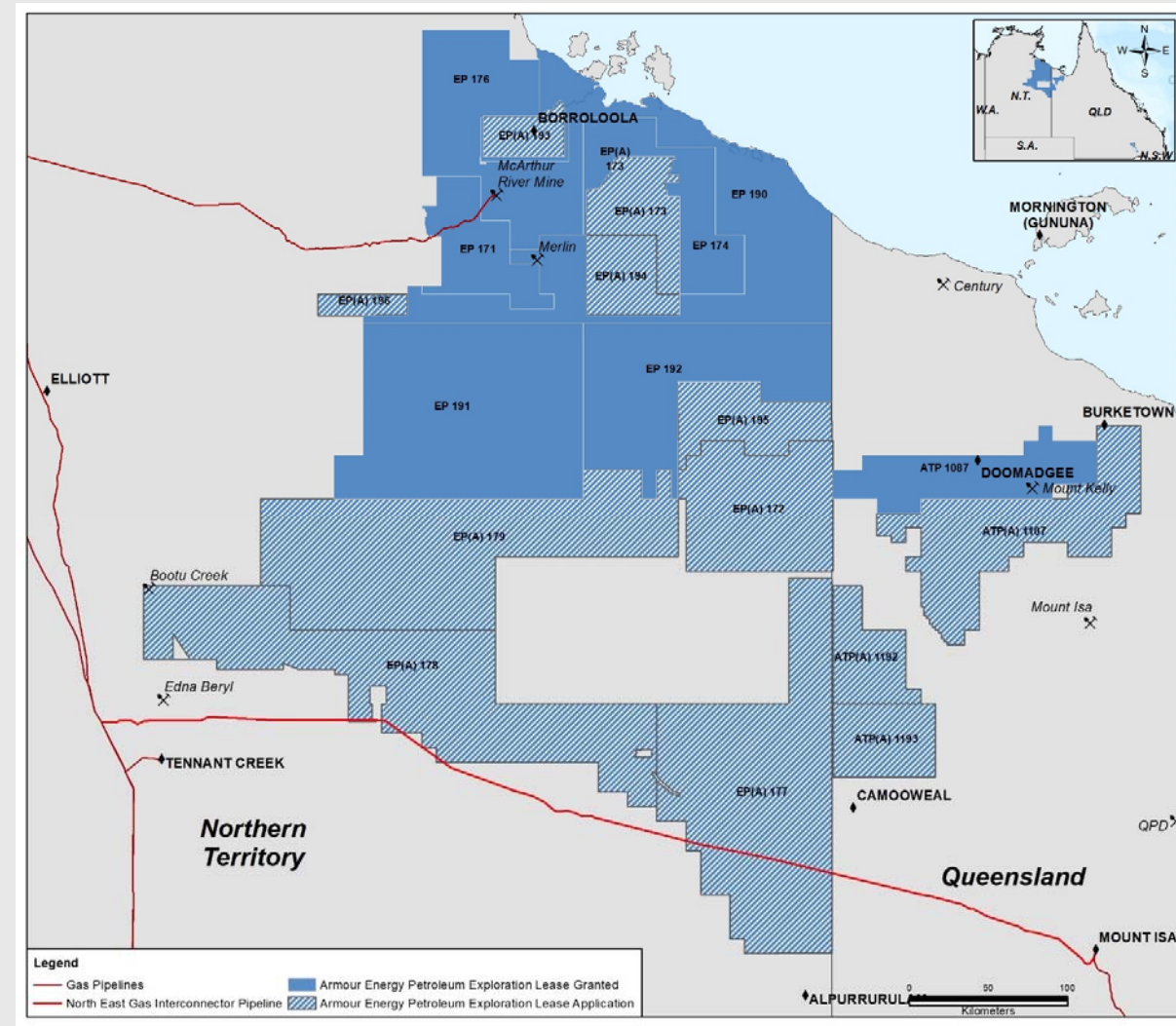
- Potential to supply into LNG projects in Gladstone or Darwin or new stand-alone projects



(1) Source : Market data based on Maximum Daily Quantity of Gas Deliverable <https://www.apa.com.au/globalassets/documents/info/schematic/cgp-schematic.pdf>

Northern Australia Project - Next Steps

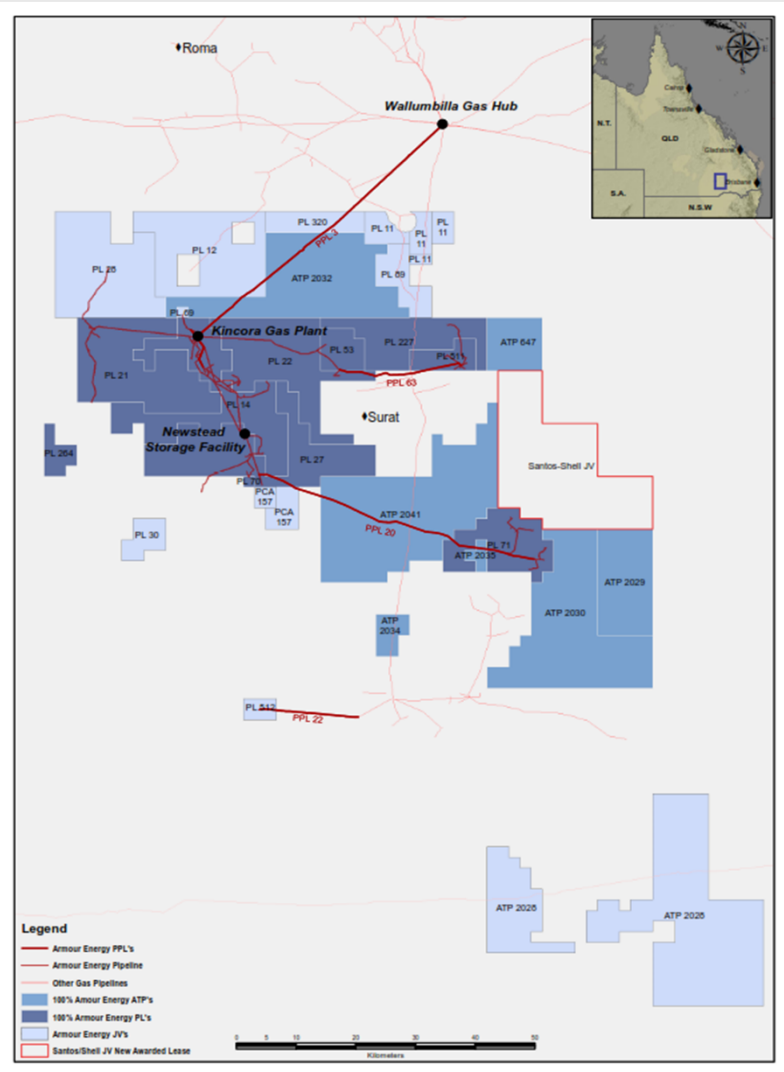
- Engagement with stakeholders is Armour Energy's number 1 priority
- Finalise the exploration program in conjunction and in consultation with relevant stakeholders in line with the new exploration requirements post the moratorium – focus on conventional gas
- Working towards a PL for the conventional Glyde Project
- Looking to provide energy for local communities and businesses via transition from diesel to gas and renewables, early monetisation opportunities on path to larger project development
- Continue working with Investors including working with NT Trade & Investment to secure a Farmin partner that can assist in fast tracking development. Previous AEGP Farmin (\$130 mill) demonstrates world class shale project potential – did not proceed due to death of AEGP Principal
- Progress exploration plans for the southern area



Kincora Gas Project – Roma Shelf Surat Basin



Armour's Kincora Project & Roma Shelf Surat Acreage



Exploration & Production with exciting prospects

Armour's Kincora Project includes:

- 100% Owned and Operated Petroleum Licences (PL) and Pipelines
- 100% Owned and Operated ATPs (Authority to Prospect)
- Acquired from Origin in 2015 / 2016
- Plant had been in care and maintenance since 2012
- Armour restarted production of oil (2016) and gas (2017)
- Assets include gas gathering pipelines, field compression and Kincora Gas Plant, and sales gas pipeline
- Connected to east coast market at Wallumbilla

Armour's Kincora Project - Production



- Armour Energy acquired the historic "Kincora Gas Project" from Origin Energy in 2015
- To date this project has produced over 190PJ of gas
- Production from Kincora commenced in 1977 via the construction of the Kincora to Wallumbilla Pipeline – PPL3
- Armour delivers gas to the Eastern Australian Market via PPL3 which has a capacity of 30TJ/d; plant capacity current status is 20TJ/d with potential to deliver 30TJ/d following performance and reliability checks
- Producing on average 9TJ/d with up to 12TJ/d, 2019 to date
- GSA with APLNG for up to 10TJ/d over 5 years to 2023; sales over 10TJ/d go to spot market
- Work program now in place to increase production
- Oil & Condensate sales – 170bbl/day
- LPG Sales – 14 tonnes per day

Kincora Project - Development

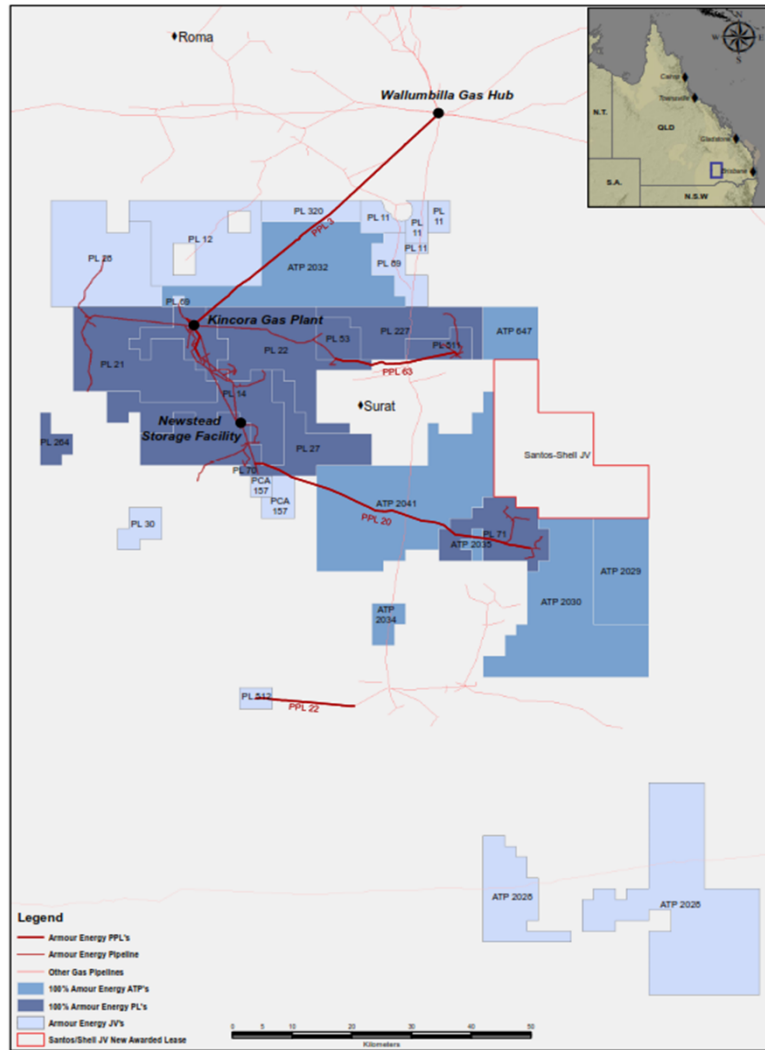


Ensign drilling rig 964 on location of the Armour Energy Myall Creek 4A well
June 2018

- 2 well development program Q3 / Q4 2019; rig planned to mobilisation later this month
- Wells strategically located near to Armour's existing infrastructure for easy connection to market
- Workovers planned on several existing gas and oil wells seeking to increase production rates in 2019
- 2020 work program being developed
- 5 year development plan to maintain production profile and reserve replacement ratio
- 3rd party certified 2P reserves of 123.6 PJ ⁽¹⁾
- New 3D seismic over production leases (and exploration leases)

(1) Source: Armour Energy ASX Announcement on 18 February 2019

Kincora Project - Exploration



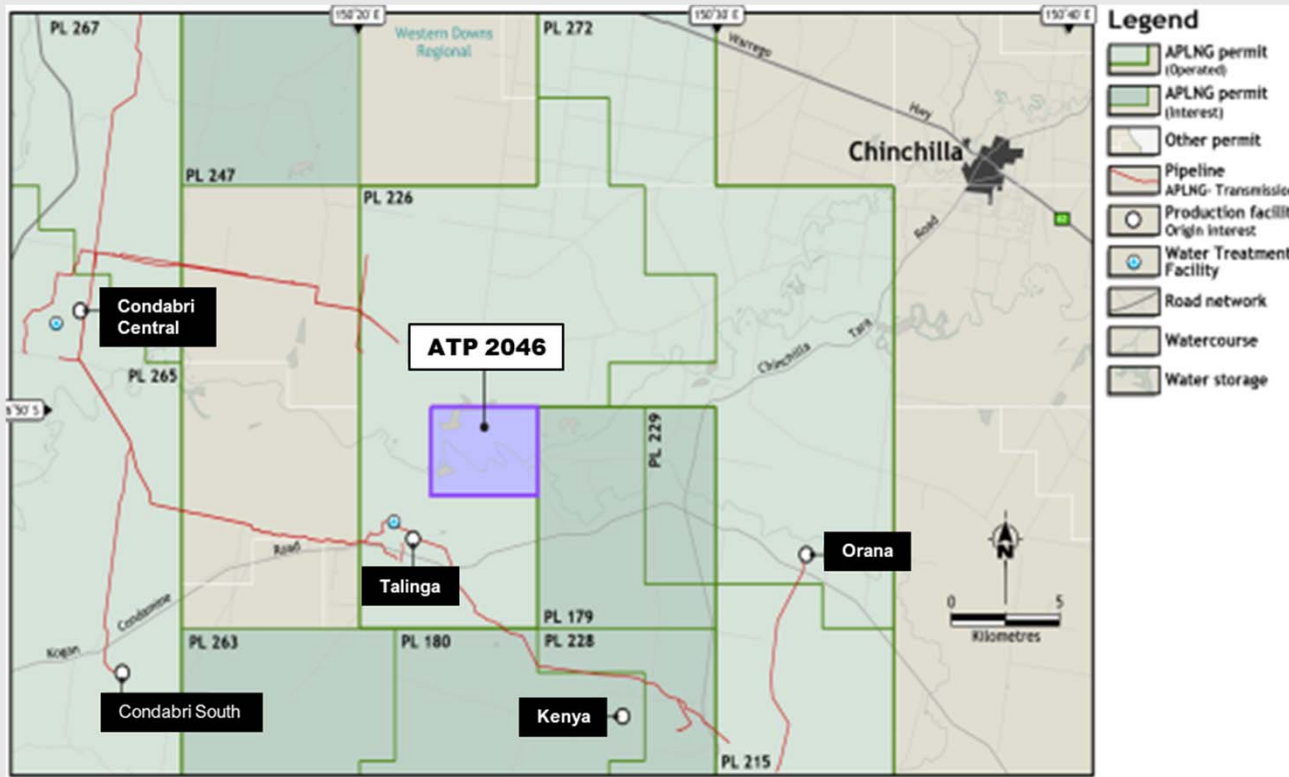
Exploration is in Armour's DNA

Armour's Kincora Project includes:

- 100% Owned and Operated ATPs (Authority to Prospect)
- Over 2000km² of Exploration acreage (ATP's)
- Significant number of prospects and leads inventory
- Exploration acreage located near existing infrastructure with access to market
- Working up new 3D seismic program; preliminary works underway including biodiversity studies and land access
- ATP 2032 and ATP 2041 – specifically allocated to Domestic Gas Customers
- ATP 2041 adjacent to recently granted Santos & Shell (50:50 JV) block
- Multi-TCF play being worked up across ATPs and PLs

ATP2046 CSG Project

Australia's first "Manufacturing Business Gas Supply Block"

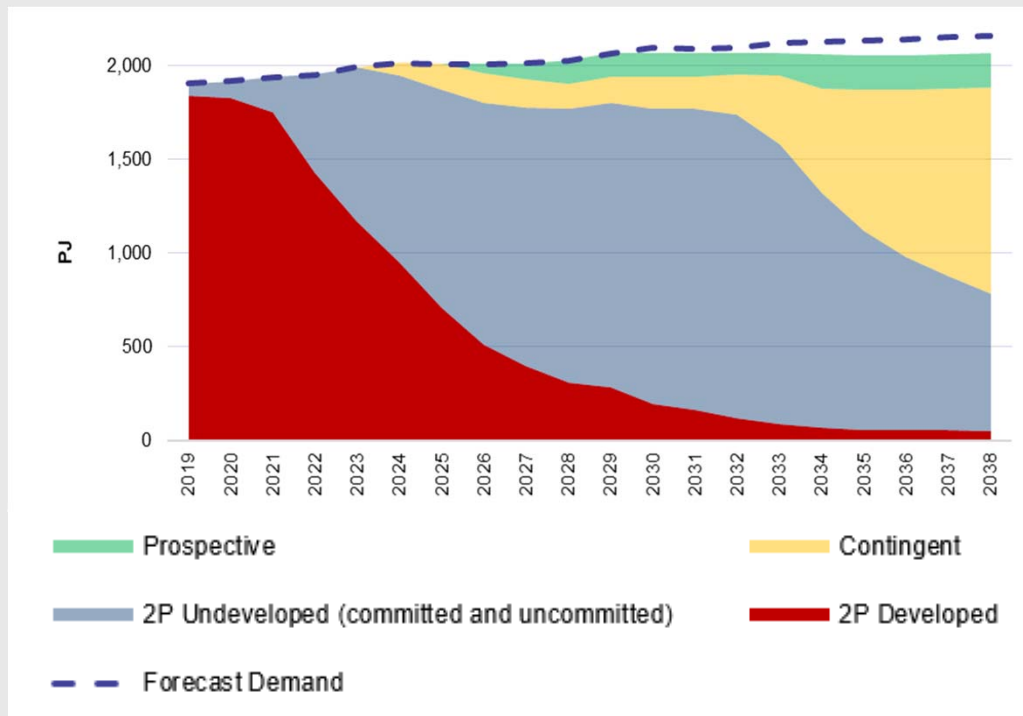


- In 2019 an Australia Pacific LNG (APLNG) – Armour Energy Limited Joint Venture was awarded Australia's first tenure to be allocated to the supply of gas exclusively to Australian Manufacturers
- Armour Energy holds a 10% JV interest in the tenure, with APLNG as Operator of the block
- Block is strategically positioned 22km south of the town of Chinchilla and adjacent to the APLNG's Talinga Gas and Water Processing Facilities
- It is expected that production from the tenure will likely commence in mid-2021

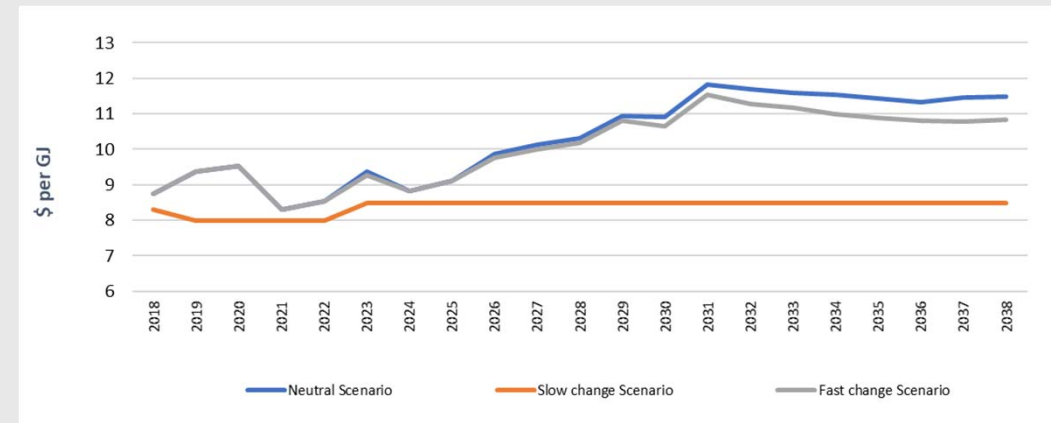
Eastern Australia Gas Demand

New gas discoveries and developments are required to address looming shortfall

Projected eastern and south-eastern Australia gas production (export LNG and domestic), 2019-38; supply from all available resources (including uncertain undeveloped projects)⁽¹⁾



Forecast wholesale eastern Australian gas prices averaged across eastern states, 2018-2038⁽²⁾



Gas prices at Wallumbilla forecast to remain at around \$8/GJ or more

Source:

1. Australian Energy Market Operator (AEMO) – *Gas Statement of Opportunities 2019*
2. Australian Energy Market Operator (AEMO) *Gas Statement of Opportunities, March 2019*

Northern Australia Project - Connected to the East Coast Market



- Armour's Projects are strategically located – adjacent to existing gas pipeline infrastructure
- Field Development Planning is underway to support a multi-TCF project associated with the Roma Shelf Assets and potential in the Northern Australian Projects
- Armour's gas is available to the East Coast via existing pipeline infrastructure.
- Access to long term gas contracts and spot gas market
- Farm-in opportunities are available in Northern Australia

Right Infrastructure ✓

Right Location ✓

Highlights



- Independent Australian oil & gas exploration & production company
- Delivering gas to the East Coast Domestic Gas Market
- Positive operational cashflow and significant growth potential
- Portfolio of quality exploration and appraisal projects provide additional long term value drivers
- Positive East Coast Australia gas market with strong demand and gas prices
- Experienced board and management with previous track record of significant shareholder value creation

Armour's Project Targets

- Kincora Growth Strategy - increase gas production and sales, plus liquids and LPG in 2019 - ongoing
- Execute farm-in partner agreements for ongoing exploration and development of Northern Australian Assets
- Continue exploration strategy to target over 1 TCF gas and liquids in the Surat Basin

ARMOUR ENERGY CONTACT POINTS

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