



## Armour Energy Limited

9 October 2019

### Myall Creek North 1 Update

The Directors of Armour Energy Ltd (ASX: AJQ) are pleased to provide this further update on the progress of the Myall Creek North 1 development well (MCN1) in Armour's 100% owned PL511 in Queensland (**Figure 1**).

Currently, Silver City Drilling Rig 20 is drilling the MCN1 production 6-1/8" hole as planned. At 0600 hours this morning, operations were drilling ahead at a measured depth of 1,885 metres. This final production section is planned to be drilled to approximately 2,343 metres total measured depth (TMD) or approximately 2,260 metres total vertical depth (TVD). The target reservoir zones are prognosed to be from approximately 1930 metres to 2100 meters TMD. The drilling operation is expected to enter the target reservoir zones over the coming days.

Since the Company's advice last week, the intermediate section of the well was drilled, cemented and the intermediate casing section installed and successfully pressure tested prior to commencement of drilling the production section of the well.

Following drilling to total depth, open hole logs will be run and then the 4½" production casing will be run and cemented. After this, it is planned to run a special cased hole logging tool to obtain additional data to assist in evaluation of the target formations. All logging data will then be analysed and the completion design for the well will be finalised and installed. A flow test is planned to be carried out on the well immediately after the well completion is installed, and prior to the installation of the wellhead skids and tie-in pipeline.

The MCN1 development well aims to assess both the conventional and tight-gas potential of the demonstrated working hydrocarbon system in the regional Permian and Triassic reservoirs in the prolific Myall Creek Field.

Armour's 2019 work program targets an increase in liquid rich gas production and revenue through the drilling of MCN1, and plans to immediately follow with the drilling of the Horseshoe 4 development well (HS4) which is located in Armour's 100% owned PL227. Additionally, a workover campaign to optimise and increase production from existing wells, including the fracture stimulation of Myall Creek 5A, will be executed concurrently with the drilling campaign. These activities are planned to be completed before the end of this year.

Well MCN1 continues Armour's Phase 3 growth strategy which includes the drilling of new wells and investigations into workovers, stimulation of existing wells and new 3D seismic surveys. This, together with any necessary further work on the Kincora Gas Plant, will assist the Company to target gas production of up to 20TJ/day.

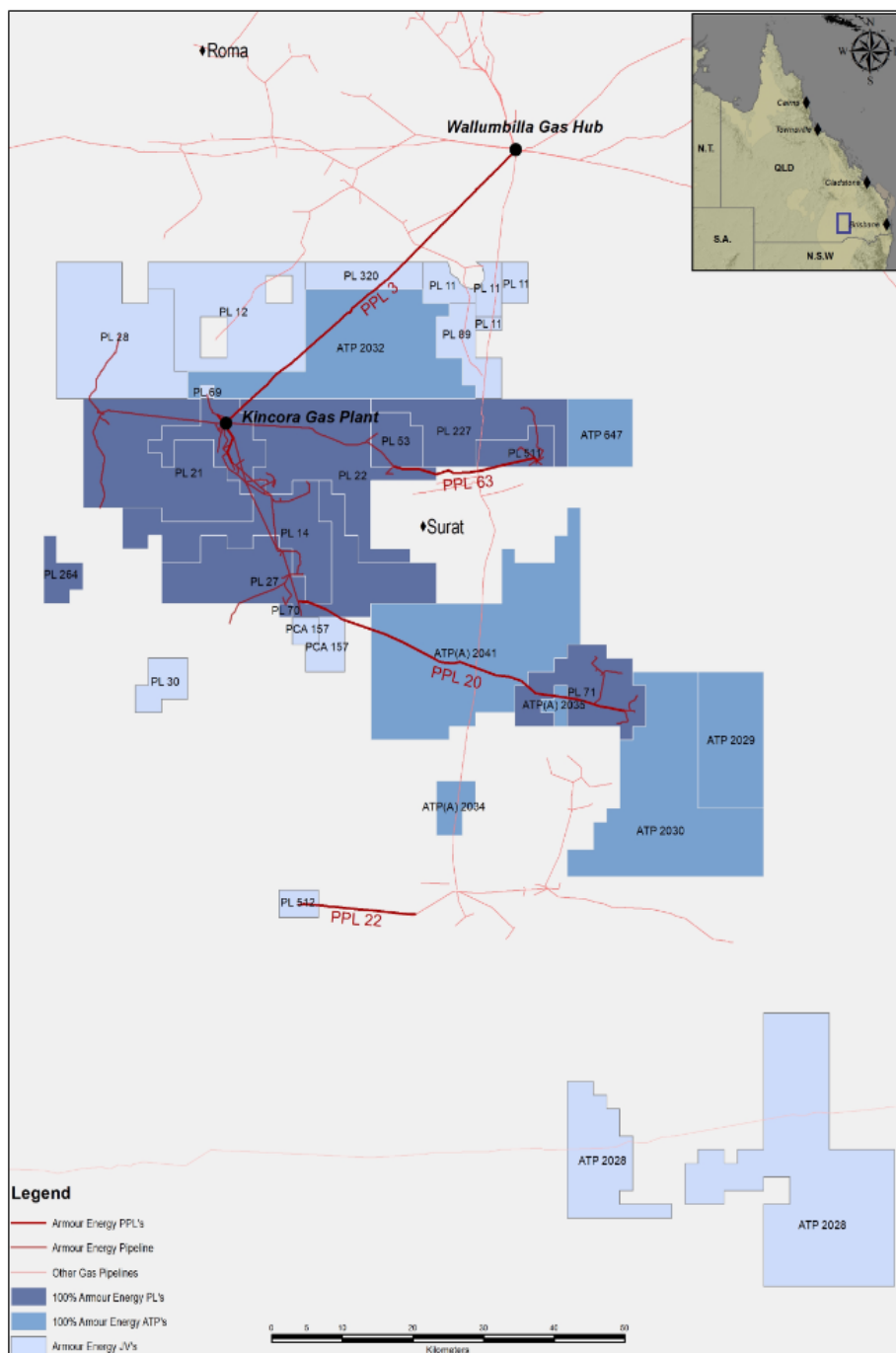
A handwritten signature in blue ink, appearing to read "K. Schlobohm".

On behalf of the Board  
Karl Schlobohm  
Company Secretary

**For further information contact:**

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**Figure 1: Armour Energy Permits, Bowen-Surat Basins, Queensland**