



## Armour Energy Limited

16 October 2019

### Myall Creek North 1 Update Thick Gassy Sands Encountered

#### Highlights:

- **Thick gross sandstones intersected with very encouraging gas log response.**
- **Testing indicates the Tinowon packages include gassy sands with potentially sufficient pressure & permeability for conventional production.**
- **Primary conventional sandstones are being targeted for production testing in the coming weeks.**
- **Gas to market is expected before year end.**

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**).

Since the Company's last advice on 14 October, it has carried out open hole wireline logging and modular formation dynamic testing (MDT). This evaluation and testing points to very encouraging results across thick Tinowon sand packages. These findings indicate the Tinowon packages include gassy sands with potentially sufficient pressure & permeability for conventional production.

Overall, the Company is very encouraged by logging and testing, and the 4½" production casing has been run and cemented overnight. Further analysis of the logging and MDT data will enable the well completion design to be finalised and installed. Following this, a flow test of the primary conventional sandstones is planned to be carried out. After that, the installation of the wellhead skid and the tie-in pipeline are planned.

Further, the results from logging and MDT testing has confirmed Armour Energy's understanding of the Tinowon sands development, and provides a line of sight to possible future drilling targets based on geophysical mapping and sandstone property prediction conducted by the Company.

The SCD Rig 20 will move to the Horseshoe 4 well pad to drill the next well in this program after its work on MCN1 is completed. Spud for this well is planned for next week.

The MCN1 and Horseshoe 4 wells continue 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.



On behalf of the Board  
Karl Schlobohm  
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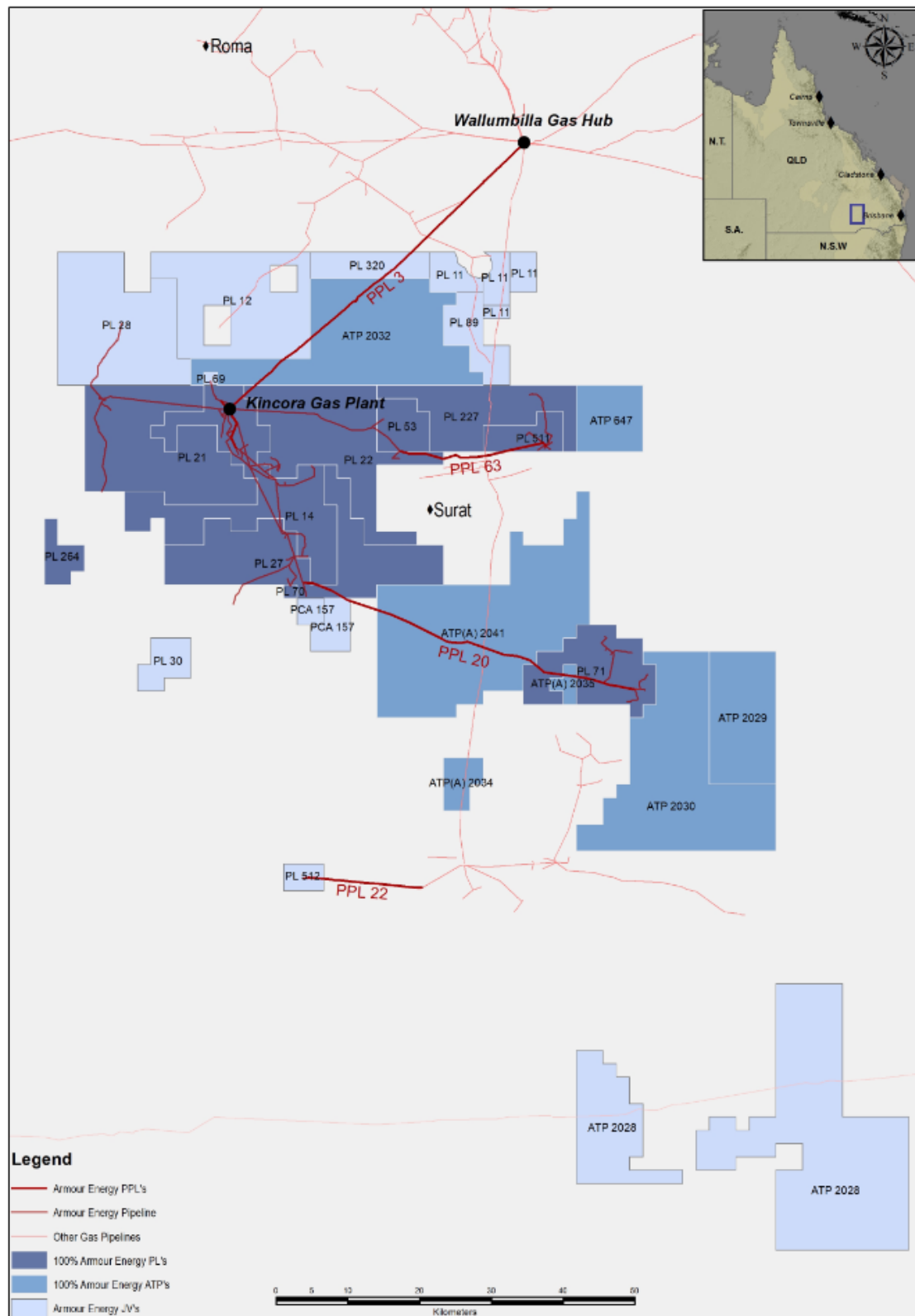
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**Figure 1: Armour Energy Permits, Bowen-Surat Basins, Queensland**