



Armour Energy Limited

22 October 2019

Horseshoe 4 Well Spudded

The Directors of Armour Energy Ltd (ASX: AJQ) are pleased to advise that the Horseshoe 4 development well (HS4) was spudded yesterday at 19:30 hours. This is the second well of the planned two well program being delivered under Armour's 2019 work program. The HS4 well is located in Armour's 100% owned PL227, part of the Company's Kincora Project on the Roma Shelf in south west Queensland (**Figure 1**).

Like the recently drilled MCN1 well, the HS4 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. Silver City Drilling Rig 20 has relocated from Myall Creek North 1 well (MCN1) and will drill HS4 to a prognosed 2,073 metres total vertical depth (**Photo 1**).

The Company plans to connect the HS4 well to the gas gathering system immediately after the well has been completed and flow tested to enable commercial production through the Kincora facility, and gas sales at the earliest opportunity. Armour will keep the market informed on progress.

Armour's 2019 work program is targeting an increase in liquid rich gas production and revenue through the drilling of the recently completed MCN1 and this HS4 well. In addition to these wells, a workover campaign to optimise and increase production from existing wells, including the fracture stimulation of Myall Creek 5A, will be executed. The total duration of these activities is planned to be approximately 3 months.

This HS4 well, together with the recently drilled MCN1 and other 2019 work program activities, is part of Armour's Phase 3 growth strategy. This work program, and any necessary further work on the Kincora Gas Plant, will contribute to the Company reaching its 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

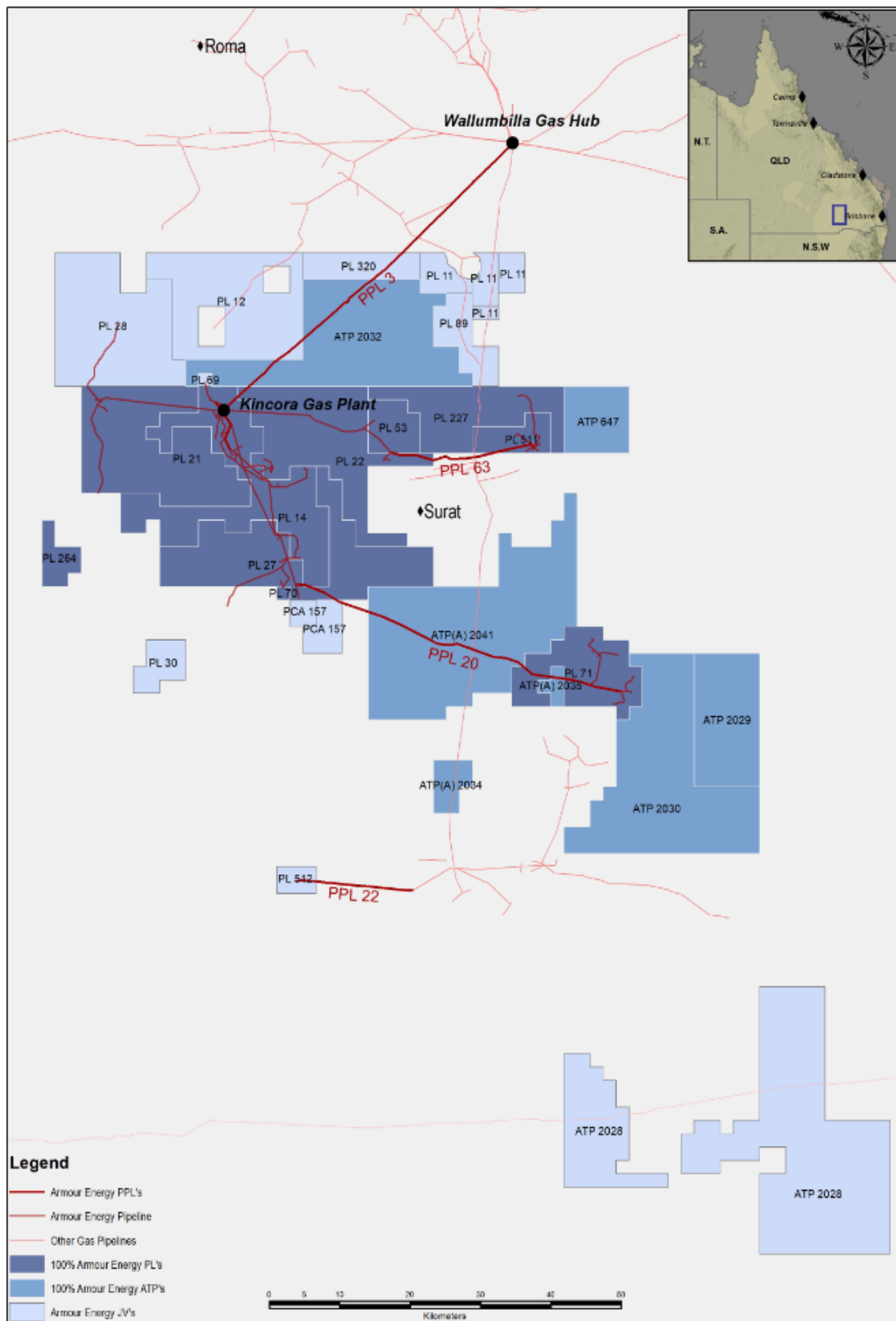
For further information contact:

Roger Cressey – CEO
07 – 3303 0620

Karl Schlobohm – Company Secretary
07-3303 0661



Photo 1 - Silver City Drilling Rig 20 on location of the Armour Energy Horeshoe 4 well





Forward Looking Statement

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