



Armour Energy Limited

24 December 2019

Myall Creek #5A Well - Gas Flows of 2.37MMSCF/D During Initial Flow Back Operations

The Directors of Armour Energy Ltd (ASX: AJQ) are pleased to provide this update on the Company's operations at the Myall Creek #5A well located in its 100% owned PL511.

Myall Creek #5A well was initially spudded on 1 November 2018 and was successfully drilled through to 2,244.5 metres depth.¹ During drilling, the well encountered a 290 metre gross Triassic and Permian gas charged window beginning at 1,875 metres depth.²

Initial efforts were made to flow the well in May 2019, with the Company choosing to conventionally complete the well by perforating the Triassic Basal Rewan Formation. While the well was successfully perforated, the Basal Rewan Formation was unable to sustain a commercial flow rate.³ Subsequently the well was suspended, pending further evaluation of the well's remaining gas charged formations.

In November 2019, the well was successfully fracture stimulated in the Permian Sandstones across the Lower Bandana and Upper Tinowon formations.⁴ Since this time, the Company has been undertaking workover operations on the well, including the isolation of the Basal Rewan Formation and the installation of the 2 3/8" (inch) production tubing.

On the afternoon of 22 December 2019, the Company commenced flowback operations on the well. The well responded quickly and increased production overnight. By 6am on 23 December 2019, the well was producing at a rate of 2.1MMSCF/d (Million standard cubic feet-per-day) and continued to build to a flow rate of 2.37MMSCF/d on a 16/64" choke, with high well productivity and strong flowing wellhead pressure of 2,140 psi before being shut in. An associated condensate production rate of 78bbl/d (barrels per day) was also measured.

It is expected that over the coming weeks additional stimulation fluid will be recovered and the gas diverted into production via the well's existing production flowline.

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

On behalf of the Board
Karl Schlobohm - Company Secretary

For further information contact:

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¹ ASX Announcement 1 November 2018

² ASX Announcement 12 December 2018

³ ASX Announcement 30 May 2019

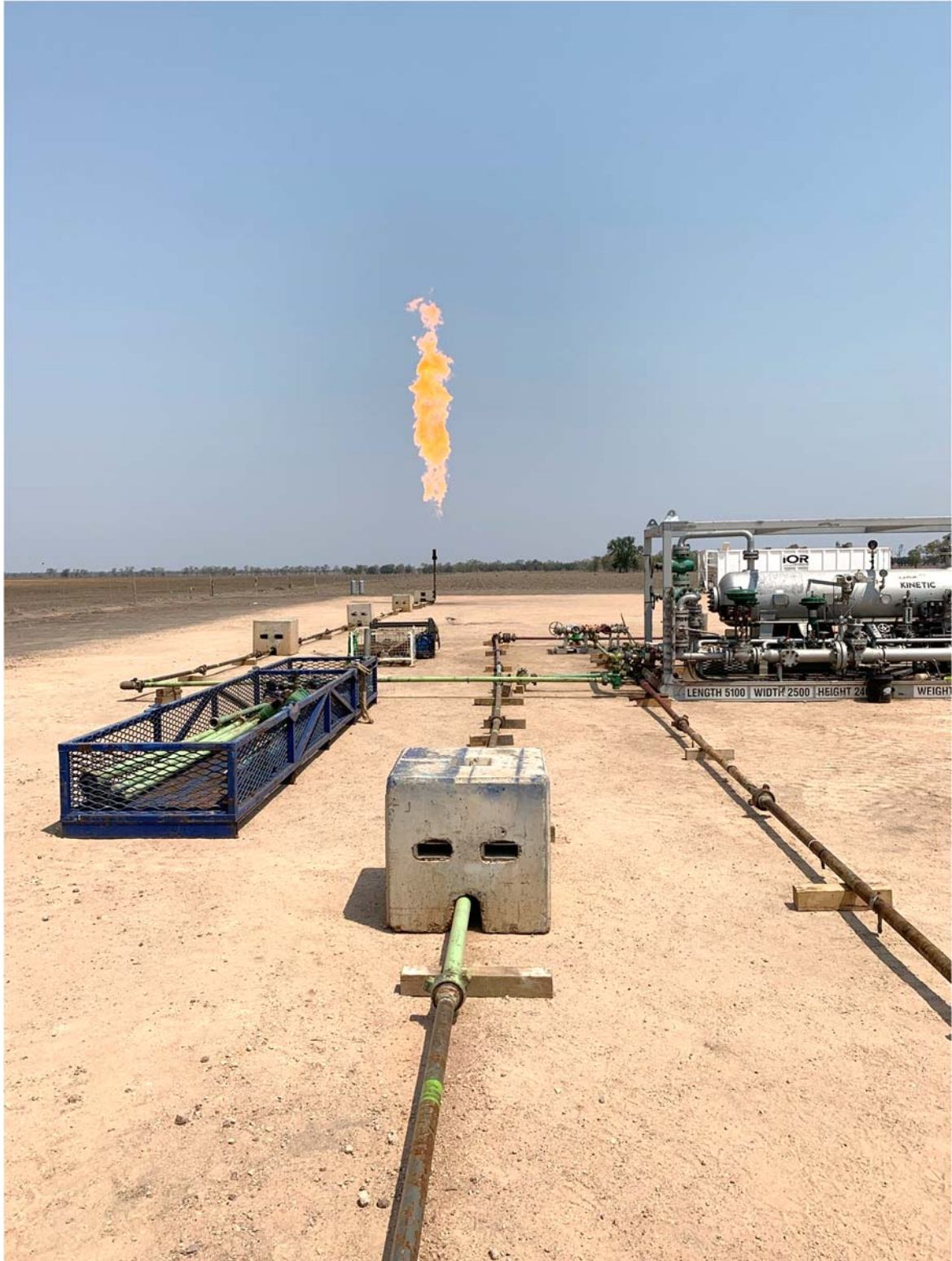
⁴ ASX Announcement 25 November 2019



**Myall Creek #5A wellsite – flaring initial gas flows of 2.1 MMCFD during flow back operations
(photo taken at approximately 6am 23 December 2019)**



**Myall Creek #5A wellsite – flaring initial gas flows of 2.3 MMCFD during flow back operations
(photo taken at approximately 1pm 23 December 2019)**



**Myall Creek #5A wellsite – flaring initial gas flows of 2.3 MMCFD during flow back operations
(photo taken at approximately 2pm 23 December 2019)**



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