

Armour Energy Limited

12 June 2020

22% Increase in 2P Gas Reserves at Kincora Project

The Directors of Armour Energy Ltd (ASX: AJQ, the Company) are pleased to provide an update on the Company's gas growth and development plans for the Kincora Gas Project.

Highlights:

- **2P gas reserves increased by 22% to 150.3 PJ.**
- **Material long term potential demonstrated across the wider Kincora Project.**
- **Reserves independently verified.**

Armour Energy is pleased to provide a reserve update on its Kincora project (**see Map 1**). The following numbers in Table 1 and Figure 1 have been evaluated in accordance with the Society of Petroleum Engineers – Petroleum Resources Management System (SPE-PRMS) and independently certified and documented in Armour Energy's Hydrocarbon Reserves (as at 31 December 2019) report.

Kincora Gas Project	1P	2P	3P
Gas (Bscf)	59.3	132.2	282.4
Sales Gas (PJ)	67.4	150.3	321.1
LPG (T)	139,000	310,000	663,000
Condensate (Bbl)	670,000	1,493,000	3,191,000

Table 1. Combined Armour Energy Gas Reserves

Armour Gas Reserves (PJ)

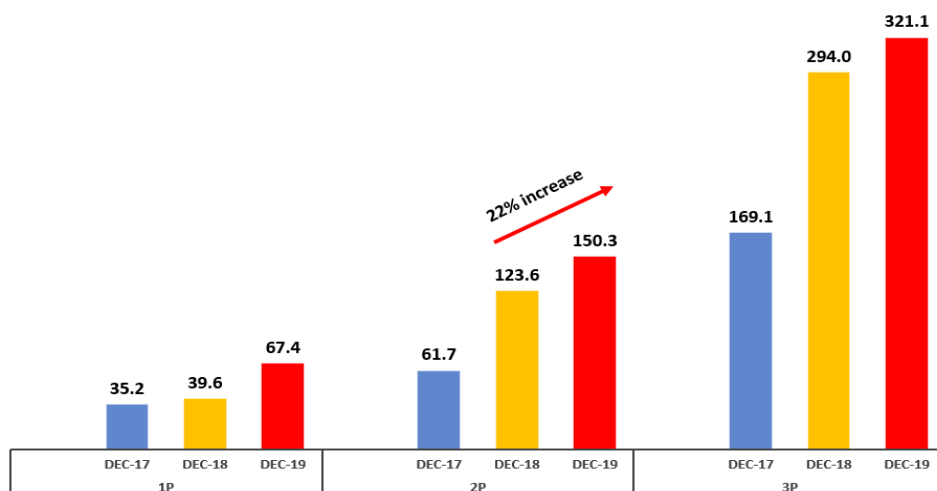


Figure 1. Armour Energy Reserves growth as per 31st December 2019

Notes:

- Petroleum reserves are classified according to SPE-PRMS.
- Petroleum reserves are stated on risked net basis with historical production removed
- Petroleum Reserves have no deduction applied for gas used to run the process plant estimated at 7%
- Petroleum Reserves can be sold on behalf of any minority interest holder
- Petroleum Reserves are stated inclusive of previous reported estimates
- BSCF = billion cubic feet, PJ = petajoules, bbls = barrels, gas conversion 1.137 PJ/BCF
- 1P = Total Proved; 2P = Total Proved + Probable; 3P = Total Proved + Probable + Possible.
- LPG Yield 2065 tonnes/petajoules, Condensate Yield 9938 barrels/petajoules

Armour's successful hydraulic stimulation of Myall Creek 5A, the drilling of the Horseshoe 4 gas well and ongoing geological and reservoir studies across the greater Kincora Project have contributed to the upgrade in reserves.

Strategically Growing a Diversified Portfolio

Armour has re-evaluated existing discovery wells and identified significant tight gas from the Myall Creek area and south along the western flank of the Roma Shelf in its operated authority-to-prospect, potential-commercial-areas and petroleum licences. Multiple hydrocarbon saturated tight liquid rich gas reservoirs are present in cased/suspended wells and offer further opportunities to accelerate production. Armour is currently progressing plans to hydraulically stimulate existing well stock in 2020 and in 2021. These efforts are expected to contribute to gas production and further characterize the fields for future drilling and ultimately contribute to the reserve's maturation strategy.

This Announcement is Authorised by the Board of Directors

On behalf of the Board
Karl Schlobohm
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