QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDED 30 JUNE 2020

Highlights

1. New Chief Executive Officer set to deliver Armour's strategy
2. Acquisition of Cooper Eromanga Basin Assets
3. Agreement with APLNG to sell Armour's 10% interest in Murrungama
4. Capital Raising Program including Entitlement Offer launched (*closing on 5 August*)
5. 22% Increase in 2P Gas Reserves at Kincora
6. Quarterly sales revenue of $4.2 million
7. Average gas production of 7.9 TJ's/day

CAPITAL STRUCTURE
as at 30 June 2020

SHARES ON ISSUE
779,247,711

MARKET CAPITALISATION[1]
$16.4 million (at 2.1 cents per share)
(1. undiluted for options)

DIRECTORS
Nicholas Mather (Chairman)
Stephen Bizzell
Roland Sleeman
Eytan Uliel

COMPANY SECRETARY
Karl Schlobohm

CONTACT DETAILS
Level 27, 111 Eagle Street
Brisbane Qld 4000
Tel: +61 7 3303 0620
Fax: +61 7 3303 0681

POSTAL ADDRESS
GPO Box 5261
Brisbane Qld 4001

ASX CODE: AJQ

www.armourenergy.com.au

Overview

Armour Energy Limited (the Company or Armour) has had a busy quarter with a number of transactions focussed on reinforcing the Company's position as a leading Australian onshore oil and gas explorer and financial measures to both fund near-term development and strengthen the Company's balance sheet. These transactions include:

- Material increase in the Company's 2P sales gas reserves to 150 PJs – a 22% increase;
- Acquisition of Cooper Eromanga Basin Assets, which will make the Company the 4th largest operated exploration permit acreage holder, in the South Australian portion of the basins;
- Agreement with APLNG to sell Armour's 10% interest in Murrungama for $4 million; and
- Launching an underwritten equity capital raising for $8 million, which can be increased up to $10 million.

Subsequent to the Quarter end, this focus continued, with the Company entering into an agreement with Santos to amend the South Nicholson Basin Farmin Agreement, resulting in an immediate cash payment of $6 million as an acceleration of future contingent permit transfer payments.

Together, these asset transactions and the equity capital raising will enable the Company to both fund upcoming near-term production and development work programs, and to amortise outstanding debt on an accelerated basis.

These measures have been taken to directly address the impacts of reduced production resulting from the deferral of work programs in prior periods. These deferrals have resulted in the Company falling behind its forecast production levels for FY20.

With additional funding resulting from the capital raising and the asset transaction, the Company has developed the 2020/2021 work program to specifically address the shortfalls in its FY20 production levels. These near-term programs are focussed on replicating the Company's success with the Myall Creek 5A fracture stimulation program.

The upcoming 2020/2021 work program will deliver further stimulation of wells and well optimisations over a two-stage program across multiple wells. This program is specifically targeting accessing and converting 2P reserves recognised in the Kincora Reserve increase announced on 12 June 2020.

The first stage of the program is expected to commence in the December 2020 Quarter and be completed by the end of the Quarter. The second stage of this work program is planned to commence in the June 2021 Quarter and be completed by the end of the 2020/21 financial year. This program is outlined in the Company's investor presentation released on the ASX on 15 June 2020.

Armour, like many other companies, has been affected operationally and financially by COVID-19. A full quarter of COVID-19 effects impacted Armour in multiple ways, including:

- Global and domestic oil prices have dropped by around 50% through the quarter and domestic gas prices (spot market) have reduced by around 40%.
- The market has seen some LPG storage capacity constraints across the Australian East Coast market.
- The movement of staff and contractors to and from Kincora.
- The ability to move equipment and labour while abiding to government regulations is challenging.

Snapshot of Performance

$AUD millions	March 2020	June 2020	Qtr. on Qtr. Change	2020
Revenue ($ million)	5.9	4.2	(28.8%)	21.1
Gas Production (TJ/day)	7.6	7.9	3.9%	2,643.7
LPG Production (Tonnes/day)	15.5	17.3	11.6%	4,611.8
Oil and Condensate (Bbl/day)	163.0	113.8	(30.2%)	50,435.3

New Chief Executive Officer set to deliver Armour's strategy

The Company is pleased to announce Mr Brad Lingo has joined Armour as its new Chief Executive Officer (CEO). He has had a distinguished career spanning over 30 years in a diverse range of oil and gas leadership roles, including business development, new ventures, mergers and acquisitions, and corporate finance.

Mr Lingo has been actively involved in oil and gas exploration, development and production activities in the Cooper Basin since 1993. He was Managing Director and CEO of Drillsearch Energy Ltd for 6 years building the company from a 200BOPD oil producer to a leading S&P/ASX 200 index Cooper Basin focused oil and gas company. During his time at Drillsearch, the market capitalisation of the company increased from ~$40m to ~$800m.

Mr Lingo has received recognition as an oil and gas industry leader winning the S&P/ASX200 Energy Best CEO of the Year award in 2014 in the annual SMH/East Coles awards. Prior to taking on the role at Drillsearch, he was Head of Oil and Gas for the Commonwealth Bank of Australia. Mr Lingo started his career in the Cooper Basin as VP and Head of Business Development for Tenneco Energy and following the acquisition of Tenneco by El Paso Corporation, he was a co-founder of Epic Energy which became one of Australia's leading developer, owner and operator of natural gas infrastructure.

Level 27 111 Eagle St Brisbane | GPO Box 5261 Brisbane, QLD 4001
fax: +61 7 3303 0681 | ph: +61 7 3303 0680 | info@armourenergy.com

Financial Performance

Sales Volume

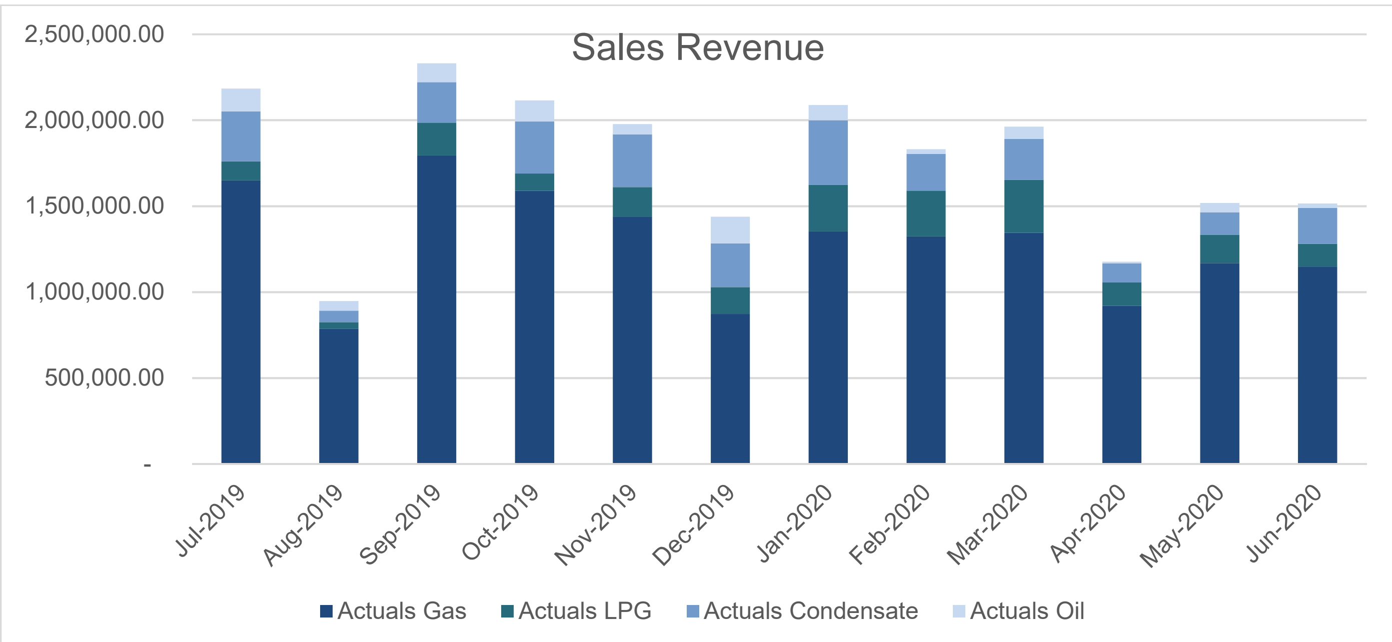
Quarterly sales volume was down on the prior quarter due to LPG storage capacity constraints across the Australian East Coast market and a reduction in flow rates.

	March 2020	June 2020	Qtr. on Qtr. Change	2020
Gas (TJ)	692.9	631.5	(8.9%)	2,601.8
LPG (Tonnes)	1,288.3	953.3	(26.0%)	3,920.2
Oil (Bbl)	4,725.3	4,119.1	(12.8%)	15,880.9
Condensate (Bbl)	11,141.6	10,751.4	(3.5%)	38,077.7

Sales Revenue

Total sales revenue of $4.2 million was 28.4% lower than the prior quarter, impacted by significantly lower realised liquids pricings, attributed to the impact of COVID-19.

$AUD millions	March 2020	June 2020	Qtr. on Qtr. Change	2020
Gas	4.0	3.2	(19.6%)	15.4
LPG	0.8	0.4	(48.7%)	2.0
Oil	0.8	0.5	(45.3%)	2.7
Condensate	0.2	0.1	(52.3%)	0.9
Total Sales Revenue	**5.9**	**4.2**	**(28.4%)**	**21.1**



Average Realised Price

Average realised pricing across all products was $6.7/GJ, a decline of 21.4% on the prior quarter, primarily due to lower realised liquids and spot market gas prices.

$AUD	**March 2020**	**June 2020**	**Qtr. on Qtr. Change**	**2020**
Sales Gas ($/GJ)	5.9	4.5	(23.1%)	5.2
LPG ($/tonne)	513.3	245.5	(52.2%)	370.3
Oil and Condensate ($/bbl)	75.5	44.0	(41.7%)	75.6
All products ($/GJ)	**8.5**	**6.7**	**(21.4%)**	**7.6**

Capital Expenditure

The fourth quarter capital expenditure was $3.3 million. FY20 full year capital expenditure was $16.2 million.

$AUD millions	**March 2020**	**June 2020**	**Qtr. on Qtr. Change**	**2020**
Exploration and Appraisal	0.2	0.2	0.0%	0.5
Development, Plant and Equipment	4.1	3.1	(24.4%)	15.7

Related Party Transactions

There were no related party transactions per 6.1 and 6.2 of Appendix 5B in the quarter. FY20 full year related party transactions was $0.7 million. The related party transactions during FY20 related to director fees, and administrative overhead charges for rent and IT expenses for the purposes of 6.1 and 6.2 of Appendix 5B.

$AUD millions	March 2020	June 2020	Qtr. on Qtr. Change	2020
Directors Fees	0.2	0.0	(100.0%)	0.3
Admin OH	0.0	0.0	0.0%	0.4

Corporate and Commercial

Appointment of Chief Executive Officer

On 15 June 2020, Armour announced the appointment of Brad Lingo to the role of Chief Executive Officer.

He has had a distinguished career spanning over 30 years in a diverse range of oil and gas leadership roles, including business development, new ventures, mergers and acquisitions, and corporate finance.

Acquisition of Cooper Eromanga Basin Assets

The Company announced on 15 June 2020 that the share sale agreement with Oilex Ltd ("Oilex") for the acquisition of all the issued capital in CoEra Ltd had been executed by the parties. CoEra's assets comprise a substantial footprint of exploration and production licences on the oil rich Western and Northern Flanks of the Cooper Basin.

The basin historically has a high exploration success rate, low cost development pathways, and remains under-explored and under-developed. Proven oil fairways transect and lie adjacent to the licence areas subject of the proposed acquisition and the many nearby discoveries and fields provide analogues for future discoveries.

The acquisition consideration will include the issue to Oilex (or its nominees) of a minimum of 24.5m shares and a maximum of 34.5m shares in Armour, subject to the VWAP of the Armour share price for a period of 90 days from the execution of the Term Sheet. The variance is designed to deliver a closing consideration of $906,500 in Armour shares to Oilex, subject to the aforementioned maximum and minimum parameters.

Completion of the sale agreement is subject to a number of conditions. The conditions include that the issue of the shares to Oilex will be subject to any necessary Armour shareholder or regulatory approvals, and the shares issued will also be subject to a 12-month voluntary escrow.

Agreement with APLNG to sell Armour's 10% interest in Murrungama

The Board of Armour Energy ("Armour" or the "Company") wishes to advise that a sale and purchase agreement (Agreement) has been entered into with Australia Pacific LNG Pty Ltd (APLNG) for the sale of Armour's 10% interest in Petroleum Lease 1084 known as the "Murrungama block" (PL1084) (see Figure 1) in the Surat Basin Queensland for a total of $4 million.

Under the terms of the Agreement, APLNG will pay an initial deposit of $0.5 million within 5 business days of execution of the Agreement with a further $3.5 million payable to Armour upon satisfaction of certain customary completion conditions. In the event that completion does not occur within 6 months, Armour must refund the deposit to APLNG (if APLNG is not in default), the transfer of the 10% interest will not be effected and the joint venture will remain on foot.

Armour and APLNG were awarded Authority to Prospect – 2046 (ATP 2046) in July 2019 by the Queensland Department of Natural Resources, Mines and Energy (DNRME), after a successful joint tender bid.

The award saw Armour gain a 10% non-operated interest and APLNG a 90% operated interest in the exploration licence. DNRME subsequently granted PL1084 over the former ATP 2046 in March 2020.

PL1084 is an 18km2 coal seam gas exploration tenure located 22km south-west of Chinchilla and adjoins APLNG's Talinga Project (see Figure 1).

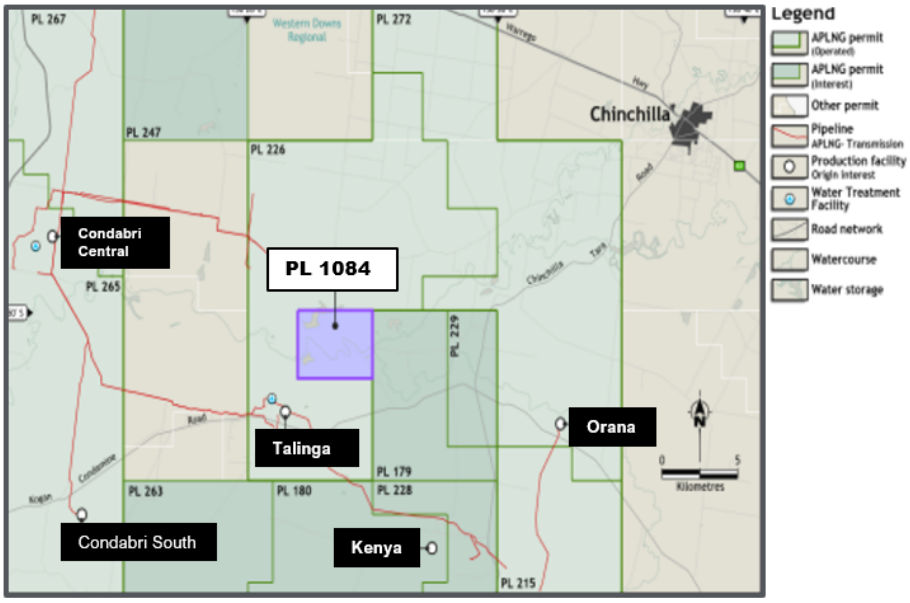


Figure 1 – Location of Petroleum Lease PL1084

Capital Raising Program including Entitlement Offer launched

On 15 June 2020, the Company announced its capital raising program, which consisted of:

- an initial placement which raised ~$3.36 million;
- an underwritten accelerated non-renounceable, pro rata entitlement offer expected to raise ~$4.53 million; and
- an additional conditional placement to raise up to $2.1 million.

The Company intends that the funds raised under the capital raising program will, together with its existing working capital, be used for the purposes of progressing the Kincora Project area well intervention and work program; payment of interest and scheduled amortisation reductions in respect of the Company's Amortising Notes for the balance of 2020, and to otherwise ensure continued compliance with the financial covenants of the Notes; exploration expenditure; the costs of the raisings; and general working capital.

The Entitlement Offer has been made available to both institutional and retail eligible shareholders, on the basis of 1 new fully paid ordinary share for every 3 shares held at an issue price of $0.023 per share (New Shares), to raise approximately $4,527,948 before costs. The Entitlement Offer consists of an entitlement offer to institutional shareholders (Institutional Entitlement Offer), and an entitlement offer to retail shareholders (Retail Entitlement Offer).

For every two (2) New Shares issued under the Entitlement Offer and / or Placement, the holder will also receive one (1) attaching option exercisable at $0.05 and expiring 29 February 2024 (New Option). The New Options for participants in the initial placement will be issued subject to Armour Energy shareholder approval, at an Extraordinary General Meeting to be convened following the completion of the Entitlement Offer. The Company intends to apply to the ASX for quotation of the New Options.

A Prospectus was lodged by the Company with ASIC and ASX on 15 June 2020 and is available on the Company's website (https://www.armourenergy.com.au/).

Level 27 111 Eagle St Brisbane | GPO Box 5261 Brisbane, QLD 4001
fax: +61 7 3303 0681 | ph: +61 7 3303 0680 | info@armourenergy.com

The capital raising program is being managed by Bizzell Capital Partners Pty Ltd (BCP; associated with Armour Energy Director Stephen Bizzell) in conjunction with JB Advisory Partners Pty Ltd as Joint Lead Managers, with the entitlement offer being fully underwritten by Bizzell Capital Partners Pty Ltd.

The Directors of Armour Energy encourage all Eligible Shareholders to participate in the Entitlement Offer which has been extended to Wednesday 5 August 2020.

The offer period for eligible retail shareholders has been extended through to 5 August 2020. In providing for the extension to the offer period, the Board is conscious of allowing eligible retail shareholders the opportunity to take up their entitlement following the Company's market release of 27 July 2020, announcing a significant amendment to the Farmin Agreement between the Company and Santos covering the South Nicholson Basin Project.

Armour considers these amended arrangements to be both beneficial and value accretive to the Company on a fully-risked basis. For full details please refer to the release made on 27 July 2020.

Update on Sources and Uses of Funds

The below update on the Sources and Uses of Funds is based on physical cash inflows and outflows for the month of June 2020.

Source/Use of Funds	**Proposed**	**June 2020**	**Future**
Opening Cash	2.60	2.60	
Sources of funds			
Kincora Operating Revenues	11.15	1.67	9.48
Proceeds from Entitlement Offer and Placement[1]	7.89	4.33	3.56
Proceeds from anticipated asset transactions[2]	10.00	0.50	9.50
Uses of funds			
Kincora Area 2020 Work Program	4.24	0.00	4.24
Kincora Plant capital expenditure & engineering	1.17	0.00	1.17
Exploration expenditure	1.27	0.05	1.22
Kincora Operating Costs	6.08	1.16	4.92
Corporate activities, including corporate development costs	2.91	0.61	2.30
Costs of capital raise	0.53	0.19	0.34
Funding Costs (including interest payable)	3.67	1.29	2.38
Corporate Bond principal repayment	8.45	1.10	7.35
Working Capital	0.00	1.45	
Closing Cash	**3.32**	**3.25**	

Notes:

1. Please note this excludes the additional conditional placement of ~$2.1 million
2. Please note that the $10.0 million of the proceeds from anticipated asset transactions are expected to be received in August 2020.

22% Increase in 2P Gas Reserves at Kincora

On 12 June 2020, Armour provided an update on the Company's gas growth and development plans for the Kincora Gas Plant which highlighted:

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

The following numbers in Table 1 and Figure 2 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)	59.33	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

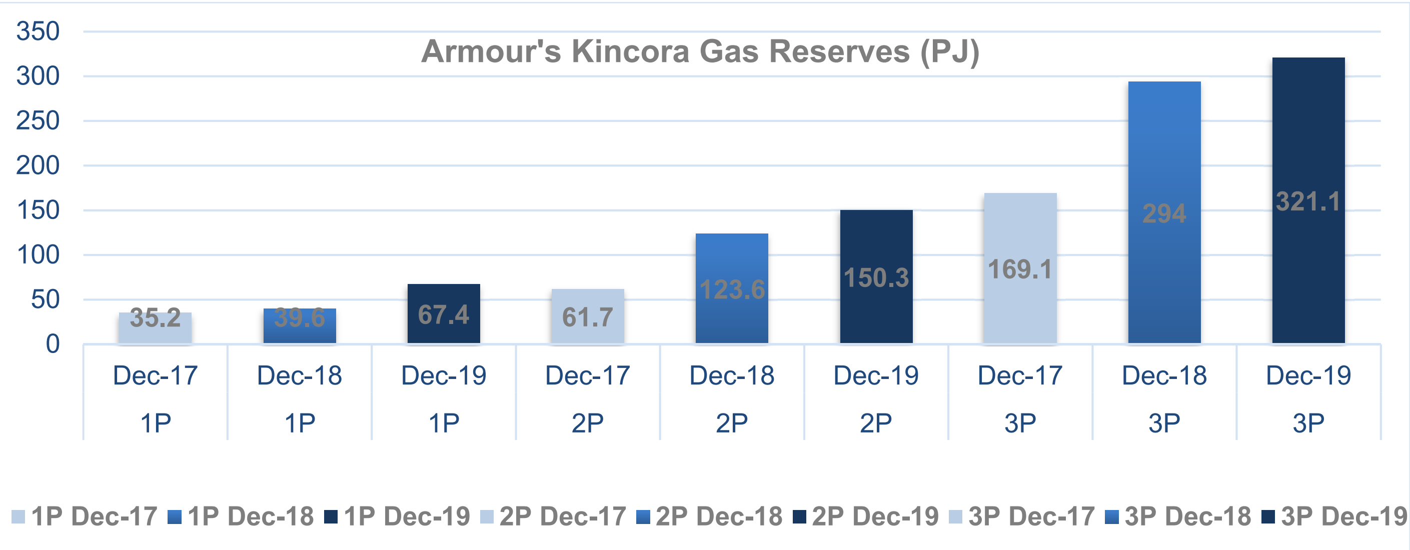


Figure 2 – Armour Energy Reserves growth as per 31 December 2019

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 characterise the fields for future drilling and ultimately contribute to the reserve's maturation strategy.

Subsequent Events

Appointment of Chief Operating Officer

On 20 July 2020, Armour appointed Michael Laurent to the role of Chief Operating Officer.

Michael is a professional engineer with over 20 years of diverse oil and gas industry experience and has successfully held various senior managerial and GM positions.

His career spans a number of sectors and includes expertise in reservoir, drilling, facilities, production and operations with particular emphasis on resource and business development. Experience is underpinned with strong strategic, commercial and technical acumen in both conventional and unconventional reservoirs.

Appointment of Acting Chief Financial Officer

On 20 July 2020, Armour appointed Erin Clark to the role of Acting Chief Financial Officer.

Erin is an experienced senior finance professional, advisor, and project manager who believes in the importance of making a positive impact on businesses with 15 years' experience delivering high quality business insights and reporting, superior finance management and business transformation solutions; and complex financial, economic, and cashflow modelling; whilst driving innovation and technology enhancements.

She has proven experience within Public Practice, ASX Listed, Not for Profit, and SME environments and currently holds a Certificate of Public Practice and Chartered Accountant membership with Chartered Accountants Australia & New Zealand and is a Certified Chair with the Advisory Board Centre.

Appointment of GM - Commercial

On 20 July 2020, Armour appointed Neil McDonald to the role of GM - Commercial.

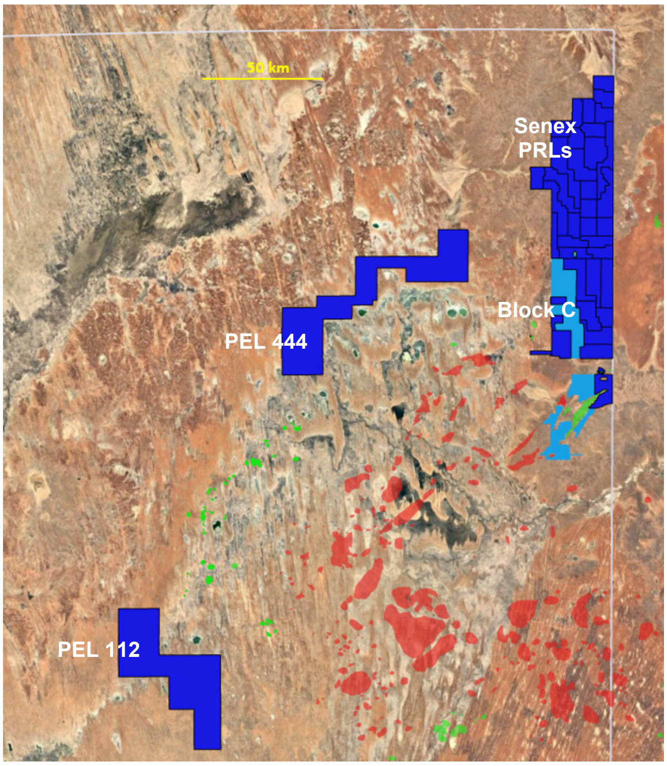
Neil has had a distinguished career spanning over 20 years with proven results across various industries, a broad-based professional with extensive commercial experience across the energy and minerals sectors in Queensland, Northern Territory and South Australia from greenfield exploration to early development.

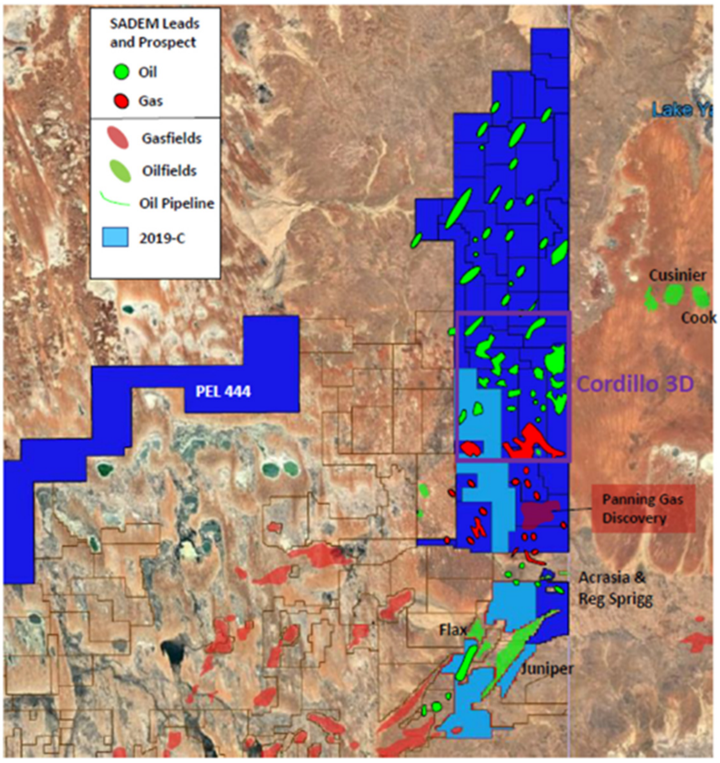
Level 27 111 Eagle St Brisbane | GPO Box 5261 Brisbane, QLD 4001
fax: +61 7 3303 0681 | ph: +61 7 3303 0680 | info@armourenergy.com

He has a strong legal grounding in commercial and regulatory compliance of the resources industry, including acquiring new assets for business growth, developing business strategies including monetisation of existing assets, engaging domestic and international investors, creating new partnerships and business efficiencies to maximise commercialisation of assets, developing nonpartisan relationships of trust at the highest political levels at both Federal and State levels and ensuring a confidential and professional approach to all external affair interactions.

Award of Further Cooper Basin Tenement

On 20 July 2020, Armour announced that Cordillio Energy Pty Ltd ("Cordillo") had been successful in bidding for Block CO2019-E (PELA 677) ("Block C") in the northern flank of the Cooper Basin in South Australia (see map below). Gazettal Block C forms one of five hydrocarbon exploration licence blocks released for competitive bidding by the South Australian Department of Energy and Mining ("DEM") in 2019.





Investor Relations

A copy of recent presentations can be found at https://www.armourenergy.com.au/presentations/

Authorised by the Board of Directors

On behalf of the Board
Karl Schlobohm
Company Secretary

armour energy
Level 27 111 Eagle St Brisbane | GPO Box 5261 Brisbane, QLD 4001
fax: +61 7 3303 0681 | ph: +61 7 3303 0680 | info@armourenergy.com

Competent Persons Statement

Technical Statement – Hydrocarbon Reserves

The report 'Armour Energy Hydrocarbon Reserves, 01 January 2020', to which this announcement refers, documents the Reserves Update based upon Armour's successful drilling and sales production from the Myall Creek 4A, Myall 5A and Horseshoe 4 wells in PL 511 & PL 227 (see Map 1). The estimated aggregated quantities of petroleum reserves to be recovered from existing wells and through future capital are listed in Table 1 above and exclude 5% production processing fuel and provisional flaring.

The independently verified 'Armour Energy Hydrocarbon Reserves, 01 January 2020' report details a high degree of confidence in the commercial producibility of Permian aged reservoirs previously discovered and produced in operated granted petroleum licenses 511 & 227 using, recent Armour drilled and hydraulically stimulated wells, 2D-3D seismic, historic and modern well data, reservoir pressure data, electric logs and rock properties from chip & core samples, gas composition analysis, hydraulic stimulation results, analysis of historical well production, decline curve analysis, offset field production data and prior production data from wells before the Kincora Gas Plant was shut-in by the previous operator, Origin Energy. The reported Reserves are used in connection with estimates of commercially recoverable quantities of petroleum only and in the most specific category that reflects an objective degree of uncertainty in the estimated quantities of recoverable petroleum. The petroleum reserves are reported net of fuel and net to Armour to the APA Group metered sales connection to the Roma to Brisbane Pipeline (Run 2) at Wallumbilla and the report discloses the portion of petroleum Reserves that will be consumed as fuel in production and lease plant operations. Armour will be using calibrated metering and gas chromatographs at the Kincora Gas Plant as a reference point for the purpose of measuring and assessing the estimated petroleum Reserves from the produced gas.

The economic assumptions used to calculate the estimates of petroleum Reserves are commercially sensitive to the Armour operated Kincora Project. The methodology used to determine the economic assumptions are based upon strategic objectives that include, but not limited to, new drills, hydraulic stimulation, workovers, recompletes and surface facility modifications to ramp up to and maintain a 30 TJ/day production profile for 15 years. The sanctioned development model includes a starting and ending monthly schedule of working/net interest capital expenditure to develop and maintain the petroleum Reserves, operational expenditure to develop and produce the petroleum Reserves, fixed petroleum Reserve prices under-contract and escalated petroleum Reserve futures based upon Wallumbilla Hub prices, tax/royalty sensitivities, revenue from gross and net petroleum production yields and cash flow from petroleum production yields and summation of discounted cash flows.

The petroleum Reserves are located on granted petroleum licences with approved environmental authorities and financial assurances. Armour has a social licence to operate and relevant surface access agreements are in-place. Armour is the owner and operator of the Kincora Project and PPL3 sales gas pipeline which connects the Kincora Gas Plant to the Wallumbilla gas hub via the connection agreement with APA. Armour holds granted Petroleum Licenses over the reported estimates of petroleum Reserves, associated gathering and field compressors. The basis for confirming the commercial producibility and booking of the estimated petroleum Reserves is supported by actual historic production & sales and/or formation tests. The analytical procedures used to estimate the petroleum reserves were decline-curve analysis to 50 thousand cubic-feet-day, historic production data and relevant subsurface data including, formation tests, 2D-3D seismic surveys, well logs and core analysis that indicate significant extractable petroleum.

The proposed extraction method of the estimated petroleum Reserves will be through approved conventional drilling and, where applicable, hydraulic stimulation techniques to accelerate production, commingle the productive zones and extract volumes from tight gas zones. Wellbores will be cased and cemented with a high-

Level 27 111 Eagle St Brisbane | GPO Box 5261 Brisbane, QLD 4001
fax: +61 7 3303 0681 | ph: +61 7 3303 0680 | info@armourenergy.com

pressure wellhead completion. Petroleum will be recovered through 2-3/8" production tubing and gathered to field compression sites for delivery to the Kincora Gas Plant.

Wellbores will be designed to protect aquifers and deviated drilling may be used to lessen the overall impact to surface owners, environmental receptors, strategic cropping and to consolidate surface infrastructure. Processing at the Kincora Gas Plant will be required to separate the extracted hydrocarbons into dry gas, liquid petroleum gas, oil and condensate and to remove any impurities prior to sales.

Technical Statement – Contingent Oil Resources

Armour Energy engaged the services Mr Teof Rodriguez, Director of TR&A, to provide independent expert review of reports on the operated Oil Resources associated within the Company's 100% WI petroleum licenses 14 and 22 and within the 90% WI petroleum license 30, in the Kincora Project on 4 February 2020 (Table 2).

The basis for confirming the existence of a significant quantity of potentially moveable hydrocarbons in the Early Jurassic and Middle Triassic aged reservoirs and the determination of a discovery is based upon stand-alone appraisal and appraisal pilot production from existing historic wells in and around the New Royal, Washpool-Wilga, Borah Creek, Kincora, Waratah and Riverslea Oil Fields. These oil pools have an aggregated cumulative oil production of 2.25 Mmbbl. Ongoing analysis of existing 2D and 3D data, well data and historic production will allow future new drill locations to be inventoried and new access negotiations have been completed to allow for the Early Jurassic and Middle Triassic aged reservoirs to be included in the Armour Energy Greater Kincora Field Development Plan, revised January 2020 and scheduled into the 2020-2025 drilling campaign.

At present the detailed petrophysical reservoir parameters, mapping of gross-rock-volume (GRV), historical production, rate-transit-analysis, well tests, core data, 2D and 3D seismic, structure maps and net sand isopaches using probabilistic distributions determined the net recoverable Contingent Oil Resources calculated for the report. Petroleum license commitments and new wellbores have been budgeted. The new wells are part of a 5-year appraisal and development plan to increase oil sales production in a staged approach to-up-to 350 barrels/day using new or existing oil facilities for separating and collection by ORI for sales.

The estimated quantities of petroleum that may potentially be recovered by the application of future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Consents

The reserves information in this ASX release is based on, and fairly represents, data and supporting documentation prepared by, or under the supervision, of Mr Teof Rodrigues. Mr Rodrigues' primary discipline is Reservoir Engineering and during his 40-year period in the Industry has had the opportunity to work in multidisciplined teams to appreciate the importance of understanding the process involved in moving the hydrocarbons from the reservoir to the reference sales point. As the Chief Reservoir Engineer for 6 years he had the Corporate Reserves Team reporting to him. In addition, he had the responsibility of endorsing all the Major Projects and the key Reserves and Resource estimates of the Company. He is a Director of TR&A and an experienced petroleum Reserves and resources estimator with 40 years relevant experience. He has adhered to the ASX Listing Rules Guidance Note 32. His qualifications and experience meet the requirements to act as a Competent Person to report petroleum reserves under PRMS (2018). The Resources information in this ASX announcement was issued with the prior written consent of Mr Rodrigues in the form and context in which it appears.

The reserves review was carried out in accordance with the SPE Reserves Auditing Standards and the SPE-PRMS guidelines under the supervision of Mr. Luke Titus, Chief Geologist, Armour Energy Limited. Mr. Titus'

Level 27 111 Eagle St Brisbane | GPO Box 5261 Brisbane, QLD 4001
fax: +61 7 3303 0681 | ph: +61 7 3303 0680 | info@armourenergy.com

qualifications include a Bachelor of Science from Fort Lewis College, Durango, Colorado, USA and he is an active member of AAPG and SPE. He has over 20 years of relevant experience in both conventional and unconventional hydrocarbon exploration & production in the US and multiple international basins. Mr. Titus meets the requirements of qualified petroleum reserve and resource evaluator as defined in Chapter 19 of the ASX Listing Rules and consents to the inclusion of this information in this release.

SPE-PRMS

Society of Petroleum Engineer's Petroleum Resource Management System - Petroleum resources are the estimated quantities of hydrocarbons naturally occurring on or within the Earth's crust. Resource assessments estimate total quantities in known and yet-to-be discovered accumulations, resources evaluations are focused on those quantities that can potentially be recovered and marketed by commercial projects. A petroleum resources management system provides a consistent approach to estimating petroleum quantities, evaluating development projects, and presenting results within a comprehensive classification framework. PRMS provides guidelines for the evaluation and reporting of petroleum reserves and resources (June 2018).

Under PRMS

"Reserves" are those quantities of petroleum which are anticipated to be commercially recovered from known accumulations from a given date forward. All reserve estimates involve some degree of uncertainty. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability.

"Contingent Resources" are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorised in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterised by their economic status.

Forward Looking Statement

This announcement may contain certain statements and projections provided by or on behalf of Armour Energy Limited (Armour) with respect to the anticipated future undertakings. These forward-looking statements reflect various assumptions by or on behalf of Armour. Accordingly, these statements are subject to significant business, economic and competitive uncertainties and contingencies associated with exploration and/or production which may be beyond the control of Armour which could cause actual results or trends to differ materially, including but not limited to price fluctuations, exploration results, resource estimation, environmental risks, physical risks, legislative and regulatory changes, political risks, project delay or advancement, ability to meet funding requirements, factors relating to property title, native title and aboriginal heritage issues, dependence on key personnel, share price volatility, approvals and cost estimates. Accordingly, there can be no assurance that such statements and projections will be realised.

Armour makes no representations as to the accuracy or completeness of any such statement of projections or that any forecasts will be achieved.

Additionally, Armour makes no representation or warranty, express or implied, in relation to, and no responsibility or liability (whether for negligence, under statute or otherwise) is or will be accepted by Armour

Level 27 111 Eagle St Brisbane | GPO Box 5261 Brisbane, QLD 4001
fax: +61 7 3303 0681 | ph: +61 7 3303 0680 | info@armourenergy.com

or by any of their respective officers, directors, shareholders, partners, employees, or advisers as to or in relation to the accuracy or completeness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or any omission from this presentation or of any other written or oral information or opinions provided now or in the future to any interested party or its advisers. In furnishing this information, Armour undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in Armour Energy Limited.

Level 27 111 Eagle St Brisbane | GPO Box 5261 Brisbane, QLD 4001
fax: +61 7 3303 0681 | ph: +61 7 3303 0680 | info@armourenergy.com

Appendix A

Interests in Tenements this Quarter

TYPE	LOCATION	OWNER	INTEREST
PL 14	Queensland	AE (SB) P/L	100.00%
PL 53	Queensland	AE (SB) P/L	100.00%
PL 70	Queensland	AE (SB) P/L	100.00%
PL 511	Queensland	AE (SB) P/L	100.00%
PL 227	Queensland	AE (SB) P/L	100.00%
PPL 3	Queensland	AE (SB) P/L	100.00%
PPL 20	Queensland	AE (SB) P/L	100.00%
PPL 63	Queensland	AE (SB) P/L	100.00%
PL 28	Queensland	AE (SB) P/L	46.25%
PL 69	Queensland	AE (SB) P/L	46.25%
PL 89	Queensland	AE (SB) P/L	46.25%
PL 320	Queensland	AE (SB) P/L	46.25%
PL 11	Queensland	AE (SB) P/L	46.25%
PL 12	Queensland	AE (SB) P/L	46.25%
PL 11	Queensland	AE (SB) P/L	25.00%
PL 21	Queensland	AE (SB) P/L	100.00%
PL 22	Queensland	AE (SB) P/L	100.00%
PL 27	Queensland	AE (SB) P/L	100.00%
PL 71	Queensland	AE (SB) P/L	100.00%
PL 264	Queensland	AE (SB) P/L	100.00%
PL 30	Queensland	AE (SB) P/L	90.00%
PL 512	Queensland	AE (SB) P/L	84.00%
PPL 22	Queensland	AE (SB) P/L	84.00%
ATP 647 (PCA 246)	Queensland	AE (SB) P/L	100.00%
Newstead Gas storage[1]	Queensland	AE (SB) P/L	100.00%
ATP 1190 (PCA157, Weribone Block)	Queensland	AE (SB) P/L	50.64%
ATP 1190 (PCA157, Bainbilla Block)	Queensland	AE (SB) P/L	24.75%
ATP 2028	Queensland	AE (SB) P/L	50.00%
ATP 2029	Queensland	AE (SB) P/L	100.00%
ATP 2030	Queensland	AE (SB) P/L	100.00%
ATP 2032	Queensland	AE (SB) P/L	100.00%
ATP 2034	Queensland	AE (SB) P/L	100.00%
ATP 2035	Queensland	AE (SB) P/L	100.00%
ATP 2041	Queensland	AE (SB) P/L	100.00%
PL 1084 (Formerly ATP 2046)	Queensland	Armour Energy Ltd	10.00%
ATP 1087[2]	Queensland	Armour Energy Ltd	30.00%

PLR2018-1-B[3]	Queensland	Armour Energy Ltd	100.00%
EP 171	Northern Territory	Armour Energy Ltd	100.00%
EP 174	Northern Territory	Armour Energy Ltd	100.00%
EP 176	Northern Territory	Armour Energy Ltd	100.00%
EP 190	Northern Territory	Armour Energy Ltd	100.00%
EP 191	Northern Territory	Armour Energy Ltd	100.00%
EP 192	Northern Territory	Armour Energy Ltd	100.00%
PEP 169[4]	Victoria	Armour Energy Ltd	51.00%
PEP 166[4]	Victoria	Armour Energy Ltd	25.00%
PRL 2[4]	Victoria	Armour Energy Ltd	15.00%
EL 30817	Northern Territory	Ripple Resources P/L	100.00%
EL 30818	Northern Territory	Ripple Resources P/L	100.00%
EL 31012	Northern Territory	Ripple Resources P/L	100.00%
EPM 19833	Queensland	Ripple Resources P/L	100.00%
EPM 19835	Queensland	Ripple Resources P/L	100.00%
EPM 19836	Queensland	Ripple Resources P/L	100.00%
EPM 25504	Queensland	Ripple Resources P/L	100.00%
EPM 25505	Queensland	Ripple Resources P/L	100.00%
EPM 25802	Queensland	Ripple Resources P/L	100.00%
EPM 26497	Queensland	Ripple Resources P/L	100.00%

Notes:

1. The Newstead Storage Facility sits mostly within PL27 and also straddles PL 14. It is a depleted underground natural gas reservoir that is currently utilised as a storage facility; i.e. it is used for injection and withdrawal of gas. The Newstead Storage Facility has a capacity of approximately 7.5PJ of gas.
2. Joint Venture between Armour Energy Limited (30% equity) and Santos (70% equity and operator)
3. PLR2018-1-B is a Joint Venture between Armour Energy Limited and APLNG Pty Limited
4. Joint Venture with Lakes Oil NL

Abbreviations

AE (SB) P/L	Armour Energy (Surat Basin) Pty Ltd
EPM	Exploration Permit - Minerals
EL	Exploration Licence
EPP	Exploration Permit - Petroleum
ATP	Authority to Prospect
PCA	Potential Commercial Area
PEP	Petroleum Exploration Permit
PL	Petroleum Lease
PPL	Petroleum Pipeline Licence
PRL	Petroleum Retention Lease