

AUGUST 2020

# INVESTOR PRESENTATION





# Compliance statements

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## Competent Persons Statement

Statements in this presentation as to gas and mineral resources has been compiled from data provided by Armour's Chief Geologist, Mr Luke Titus. Mr Titus' qualifications include a Bachelor of Science from Fort Lewis College, Durango, Colorado, USA and he is an active member of AAPG and SPE. Mr Titus has over 20 years of relevant experience in both conventional and unconventional petroleum exploration in various international hydrocarbon basins. Mr Titus has sufficient experience that is relevant to Armour's reserves and resources to qualify as a Reserves and Resources Evaluator as defined in the ASX Listing Rules. Mr Titus has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

There can be no guarantee that the transaction for the Cooper Eromanga Basin will ultimately proceed or proceed on the terms initially announced to the ASX on 28 May 2020. The share sale agreement is conditional upon a number of conditions precedent that will also need to be satisfied in due course. While the Company believes that the Cooper/Eromanga Basin assets are prospective, in the event that the acquisition ultimately proceeds there can be no assurances that the Company's exploration programs relating to such assets, will result in the discovery of a significant gas and/or associated liquids target, and even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. The Company has not verified any independent reports of Oilex Limited's auditors and therefore no reliance should be placed on statements or information relating to Oilex Limited or the Cooper Eromanga Basin that is contained in this presentation.

## Authorization

This presentation and announcement has been authorized by the Board of Directors of Armour Energy Limited.

# Primed for growth & focused on delivery

- Vast prospective acreage in proven fairways
- Deep multi-TCF resource project & prospects pipeline
- Material reserves with growth from overlooked pay
- Long life production with near-term growth & activity
- Operator with significant infrastructure & capacity
- Well-established pathways to premium markets
- Clear priorities & focused on delivery
- Proven CEO to drive strategy & committed to execution



## Northern Basins

### NT- McArthur Basin 100% Operator

- 12 permits covering approx. 89,000km<sup>2</sup>
- Multi-TCF Conventional & Unconventional Gas Resource
- Conventional Gas Discoveries
- Multiple Plays
- Glyde, Cow Lagoon & Lamont Pass Gas Discoveries

### QLD/NT - South Nicholson Basin 30% Non-operated

- JV with Santos; 6 permits covering approx. 22,720km<sup>2</sup>
- A\$65 million Free Carry

## Surat Basin

### 100% Operator

### Various Non-operator

- Kincora Gas Plant
- Newstead Gas Storage
- Multi-TCF Tight Wet Gas Resources
- Conventional Wet Gas Production
- Low CO<sub>2</sub> sales gas spec production
- Significant Liquids

## Cooper Basin

### 100% Operator

### Multiple Permits Covering 5,242 km<sup>2</sup>

- Western Flank Oil
- Northern Flank Oil & Wet Gas
- Paning Tight Gas Discovery
- Significant 3D Seismic Coverage
- Deep Portfolio of 3D Controlled Leads & Prospects

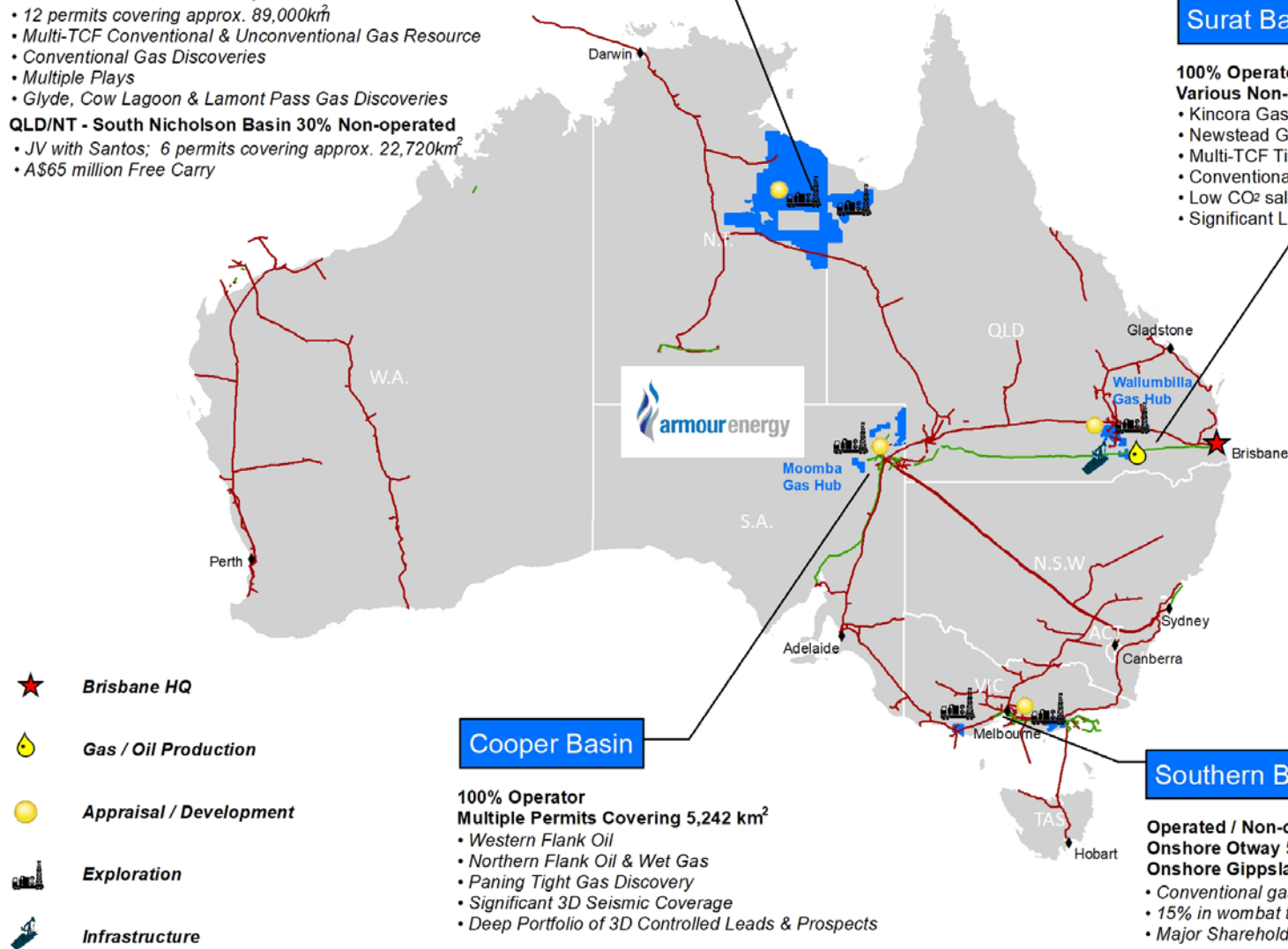
## Southern Basins

### Operated / Non-operator

### Onshore Otway 51% Operator

### Onshore Gippsland 25% Non-operated

- Conventional gas proximate to infrastructure
- 15% in wombat tight gas discoveries
- Major Shareholder- Lakes Oil



# Armour Portfolio

# Corporate snapshot

## Key statistics

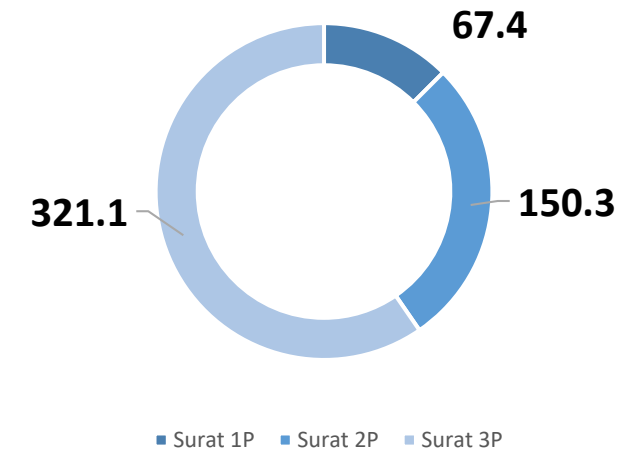
ASX Code:	AJQ
Issued shares	798 million
Market Capitalisation (14 Aug 20)	\$16m
Cash on hand (17 Aug 20)	\$4.7m
Debt	\$49.75m
Proved & Probable Gas Reserves*	150 PJ
Proved & Probable Liquids Reserves*	1,397,000 BOE
Contingent Gas Resources (2C)*	46 PJ

\* Details of Reserves and Resources estimates are contained in Appendix slides 34-37

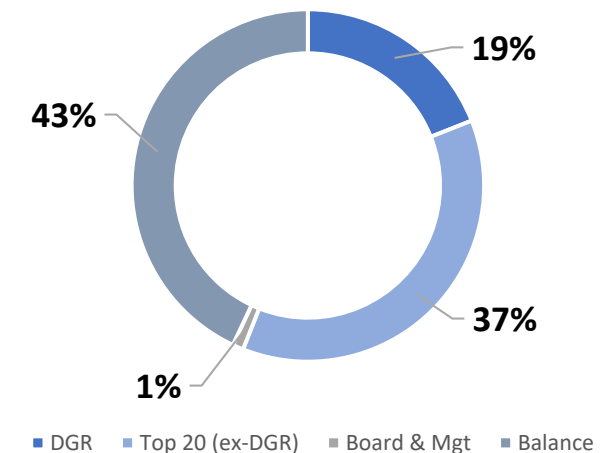
## 12-Month Share Price Performance



## Armour Sales Gas Reserves



## Armour Share Register Composition





# Executive leadership team

Brad Lingo



CEO

30+ years international senior executive  
Upstream/midstream energy, energy infrastructure, finance  
Proven track record of creating & growing shareholder value

Michael Laurent



COO

A professionally registered engineer in both Australia and Canada, has 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.

Erin Clark



CFO

Experienced senior finance professional, advisor, and project manager 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.

Neil McDonald



GM Commercial

Over 20 years with extensive commercial experience across the energy and minerals sectors in Queensland, Northern Territory and South Australia from greenfield exploration to early development.

Strong legal grounding in commercial and regulatory compliance of the resources industry, including acquiring new assets for business growth, monetisation of existing assets, engaging domestic and international investors, new partnerships to maximise commercialisation of assets, developing non-partisan relationships at the highest political levels at both Federal and State levels

Peter Harding-Smith



GM Finance

An experienced public company senior finance professional with 20+ years of experience over a wide range of industries and businesses. Peter has a deep experience in mergers and acquisitions, debt and equity funding, investor relations, corporate governance and financial management.

Peter is a Chartered Accountant and a Fellow of the Governance Institute of Australia. More recently, he was the CFO and Company Secretary at Orbis Gold, which was acquired in 2015 by Canadian gold producer SEMAFO Inc and CFO at Comet Ridge Limited.

# Operational and financial overview

	FY2019 (Actual)	FY2020 (Actual)
<b>Production</b>		
Gas (TJ/d)	9.0	7.9
Gas (PJ/a)	3.2	2.6
Liquids (BOE/d)	598.16	283.5
Liquids (BOE/a)	109,165	94,570
Gas & Liquids (TJe/d)	10.6	9.4
Gas & Liquids (PJe/a)	3.9	3.1
<b>Expenditure</b>		
Production OPEX (\$/yr)	\$18.93m	\$18.82m
G&A and Corporate Costs (\$/yr)	\$6.23m	\$4.27m
Production/Maintenance CAPEX (\$/yr)	\$1.14m	\$0.84m
Development CAPEX (\$/yr)	\$10.89m	\$21.99m
Exploration CAPEX (\$/yr)	\$1.31m	\$3.36m
Carried Exploration CAPEX (\$/yr)		

## Highlights

- Strong focus on building up production and driving down costs
- Myall Creek 5A continues to deliver significant portion of FY2020 production with initial flow rates of 2.37 mmscf/day
- 2020/2021 existing well stimulation campaigns (6-wells) to deliver extra production aimed at replicating Myall Creek 5A results
- Work programme aim is to help move towards goal of 20TJ's/day
- Delivering reduced operating costs through relocating Kincora Operating Base to Surat
- Focus on driving down G&A and Corporate costs as well
- 10% interest in Murrungama sold to APLNG for \$4m in August 2020.
- Santos Farmin brought in \$21m of cash over FY20/FY21 with a free carry of up to \$65m for exploration expenditure.
- Cooper Basin assets expected to bring additional value with exploration kicking off in 2nd half of FY21

# Reserves and Resources

Gas Asset	Reserves (BScf)			Contingent Resources (BScf)			Prospective Resources (Bscf)		
	1P	2P	3P	1C	2C	3C	Low	Best	High
Bowen-Surat Basins	59.3	132.2	282.4	Under Review			Under Review		
Northern Basins (Conventional)							1,337.0	4,843.0	29,889.0
Northern Basins (Unconventional)				9.9	46.3	109.2	10,437.0	52,085.0	391,620.0
<b>Total in BScf</b>	<b>59.3</b>	<b>132.2</b>	<b>282.4</b>	<b>9.9</b>	<b>46.3</b>	<b>109.2</b>	<b>11,774.0</b>	<b>56,928.0</b>	<b>421,509.0</b>
<b>Total in MMBoe</b>	<b>10.6</b>	<b>23.5</b>	<b>50.3</b>	<b>1.8</b>	<b>8.3</b>	<b>19.4</b>	<b>2,096.9</b>	<b>10,138.6</b>	<b>75,068.4</b>

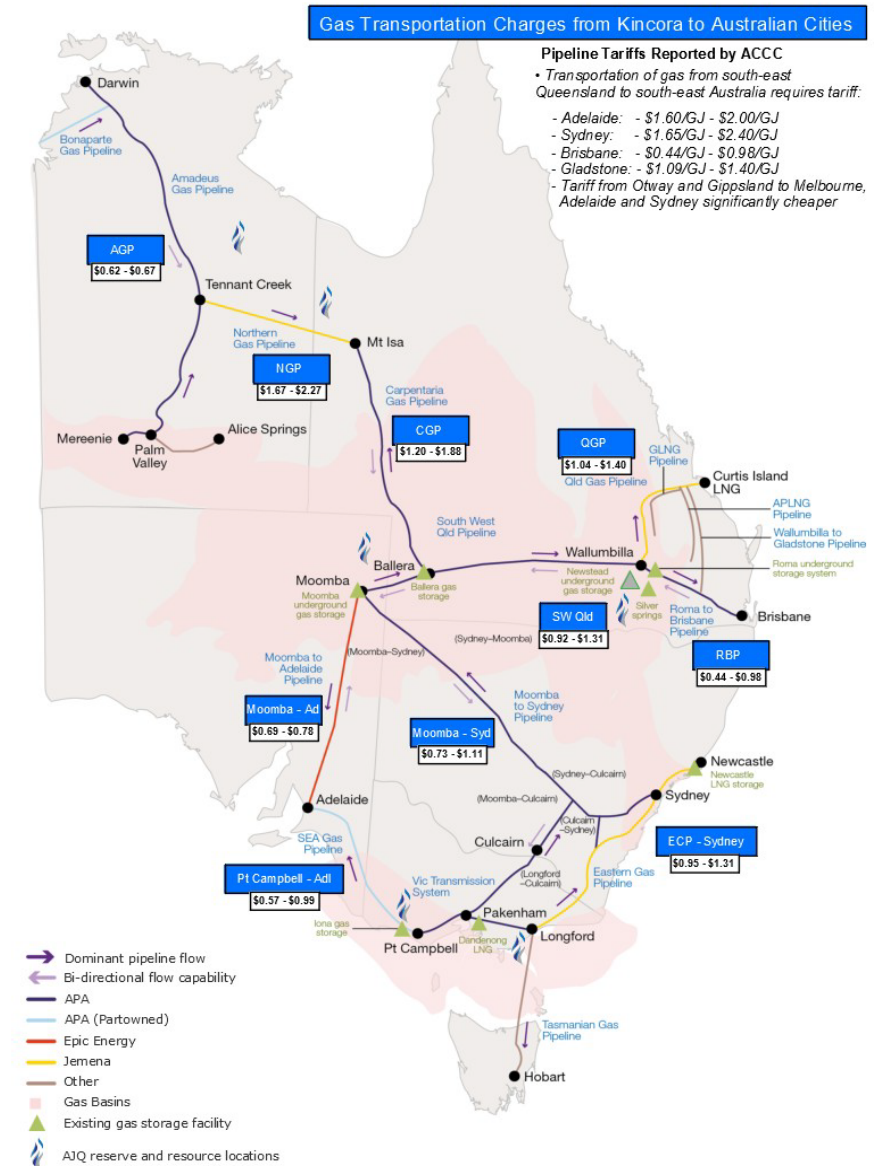
Oil Asset	Reserves (MMBbl)			Contingent Resources (MMBbl)			Prospective Resources (MMBbl)		
	1P	2P	3P	1C	2C	3C	Low	Best	High
Bowen-Surat Basins	0.24	1.22	2.64	1.23	3.67	8.02	Under Review		
Northern Basins (Conventional)							4.0	16.0	46.0
Northern Basins (Unconventional)							261.0	1,234.0	4,435.0
<b>Total in MMBoe</b>	<b>0.2</b>	<b>1.2</b>	<b>2.6</b>	<b>1.2</b>	<b>3.7</b>	<b>8.0</b>	<b>265.0</b>	<b>1,250.0</b>	<b>4,481.0</b>

Details of Reserves and Resources estimates are contained in Appendix slides

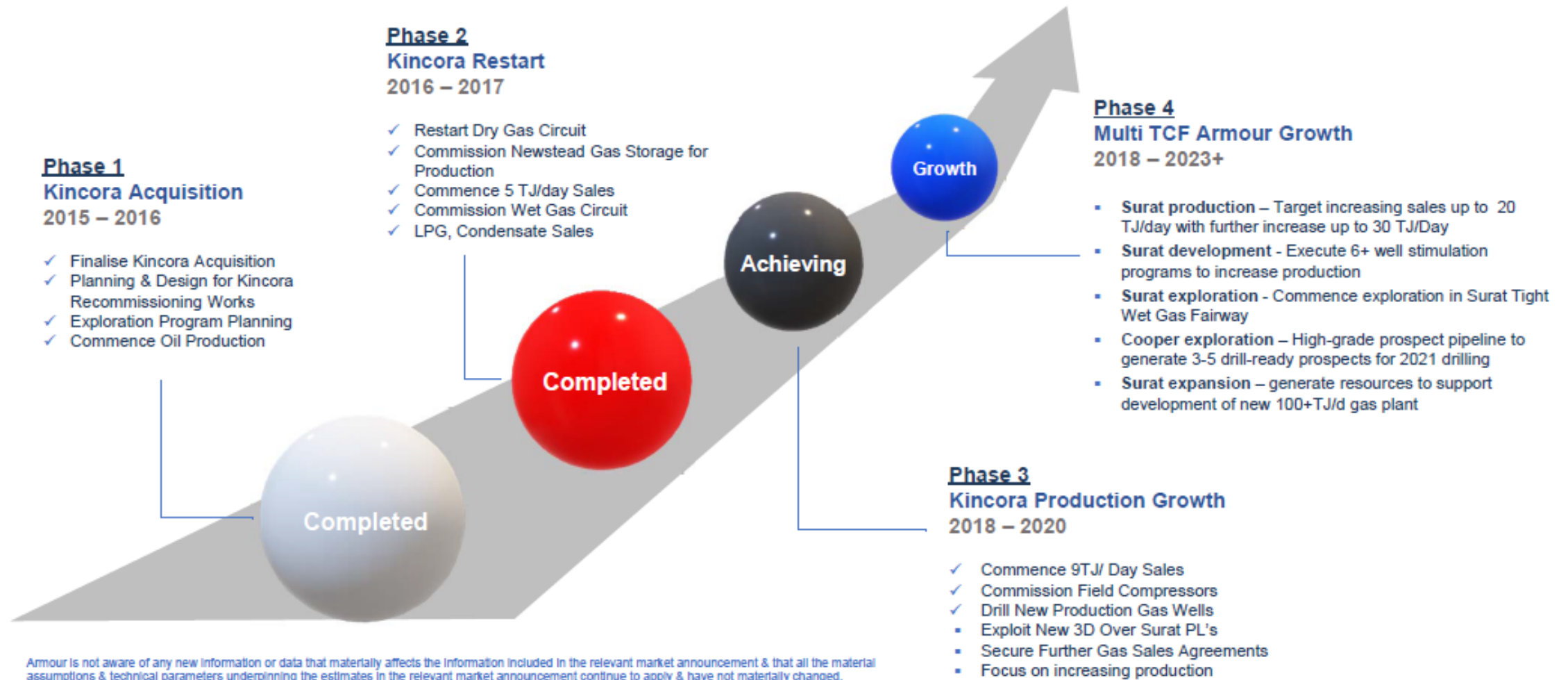


# Market access - right locations, right infrastructure

- Armour's resources are in the right locations
- Existing conventional gas producer with material resources supplying into premium East Coast Gas Market
- Owner/Operator of significant dedicated processing, storage & pipeline infrastructure
- Existing processing with available capacity and significant, low cost expansion potential
- Significant uncontracted 2P Sales Gas Reserves
- Low cost gas producer with ability to competitively supply into major East Coast Gas markets
- Establishing new gas supplies in Northern Basins to provide gas supply into Top End gas markets (Mt Isa, NT)
- Programmes in Surat, Northern Basins, Cooper & Southern Basins to establish multi-TCF gas supply



# Growth Strategy



## Priorities – focused on delivery

	Action	Deliverables
Priority 1	Deliver sales production increase of 4-6 TJ/day from 2021 Surat development work programme on time and within budget	<ul style="list-style-type: none"> <li>• Generate sufficient free cash flow to cover all operating and corporate costs</li> <li>• Provide reinvestment capital for further development and exploration expenditure</li> </ul>
Priority 2	Secure exploration and development farmin joint venture partner for NT McArthur Basin Project	<ul style="list-style-type: none"> <li>• Recover full historical investment</li> <li>• Reduction of debt/working capital for exploration and development</li> <li>• Secure free carry for development of existing conventional gas discoveries and comprehensive multi-year exploration work programme</li> </ul>
Priority 3	Extract value through commercialisation of under-utilized assets (e.g. Newstead Gas Storage)	<ul style="list-style-type: none"> <li>• Release/recover invested capital to reduce debt</li> <li>• Support investment in high return growth projects</li> </ul>
Priority 4	Materially reduce debt	<ul style="list-style-type: none"> <li>• Strengthened, unencumbered balance sheet allowing maximum capital and business flexibility</li> </ul>
Priority 5	Consolidate core operating focus areas and projects and rationalize non-core assets (high grading of asset portfolio)	<ul style="list-style-type: none"> <li>• Focus work programmes, people resources and capital on high-return, high growth opportunities with reinvigorated focus on exploration</li> </ul>



# FY 21 Forward work programmes

	Development & Production	Exploration
Surat	<ul style="list-style-type: none"> <li>Stage 1 – 3 well fracture stimulation programme (Dec 20 quarter)</li> <li>Stage 2 – 3 well fracture stimulation programme (June 21 quarter)</li> <li>Production enhancement projects – multiple well workovers (Sept 2020)</li> </ul>	<ul style="list-style-type: none"> <li>Commence 3D seismic location planning based on AEM-PTP Airborne Geophysical Survey (completed late 2019) across key Surat Basin exploration assets</li> <li>Develop 3-5 drill-ready prospects for potential CYE 2021 drilling programme</li> </ul>
Northern Basins	<ul style="list-style-type: none"> <li>Applying for Production Licenses and field development plan approvals for Glyde, Cow Lagoon &amp; Lamont Pass conventional gas discoveries</li> <li>Commence gas marketing for up to 9TJ/day</li> <li>Sales gas production potential as early as 2022</li> </ul>	<ul style="list-style-type: none"> <li>McArthur Basin – Conduct AEM-PTP Airborne Geophysical Survey to identify REDOX activity indicating possible hydrocarbon zones</li> <li>McArthur Basin - Commence 2D/3D seismic location planning based on AEM-PTP Airborne Geophysical Survey results</li> <li>South Nicholson Basin – Santos to prepare for and acquire new 2D seismic and execute targeted drilling activity</li> </ul>
Cooper Basin	<ul style="list-style-type: none"> <li>Assessment of appraisal programme for the Panning Tight Gas discovery and assessment of development potential</li> </ul>	<ul style="list-style-type: none"> <li>Detailed 3D seismic reinterpretation of Northern Fairway PRLs utilizing Total Depth Seisnetics 3D seismic next generation AI evaluation tool</li> <li>Conduct AEM-PTP Airborne Geophysical Survey to identify REDOX activity indicating possible hydrocarbon zones</li> <li>High-grade leads and prospect inventory to generate drill-ready exploration targets for 2021 drilling program</li> <li>Develop 3-5 drill-ready prospects for potential CYE 2021 drilling programme</li> </ul>

# Surat Basin





- Armour 100% owner & operator of Kincora Gas Project
- Operator of 3,000 km<sup>2</sup> of production licenses and exploration licenses\*
- 4 exploration Authority to Prospect (ATP) licenses covering over 2,000 km<sup>2</sup>
- 90 development wells in 39 gas fields and 6 oil fields with 40 current production wells
- Multiple producing oil & gas fields with further development potential
- Proven, established gas storage facility with material expansion potential
- 2P Sales Gas Reserves = 150.3 PJ
- Large uncontracted gas position (> 100 PJ)
- Material appraisal/development projects
- Transformational exploration opportunities

## Surat - Overview



# Kincora Gas Processing Hub & Surat gathering system



- 100% owned & operated gas processing plant
- Current sales gas processing capacity of up to 20 TJ/day
- High-pressure sales gas pipeline to Wallumbilla Gas Hub and extensive gas gathering system
- Full liquids recovery, processing, storage, handling and load-out facilities for oil, condensate and LPG
- 5-year GSA with APLNG for up to 10TJ/d to Dec 2023
- Gas sales over 10TJ/d available to contract or to spot market.
- Significant expansion potential with moderate plant refurbishment works to restore processing capacity to original installed 30TJ/day sales gas

Surat Production Sales	
LTM Average Sales	
Sales Gas (TJ/day)	8.0 TJ/day
Liquids – oil, condensate, LPG (BOEPD)	268 BOEPD

# Surat development programme – FY2021

FY21 work program focussed on increasing production from existing wells & de-risking exploration portfolio

## Production enhancement

- Multi-well production optimisation and enhancement well workover program
- 2-stage multi-well (3 + 3) stimulation program commencing Sept 2020 through June 2021
- Follow-up multiple stimulation campaigns targeting Triassic Rewan, Permian Black Alley/Bandanna & Tinowon Formations proven in Myall Creek #5A well

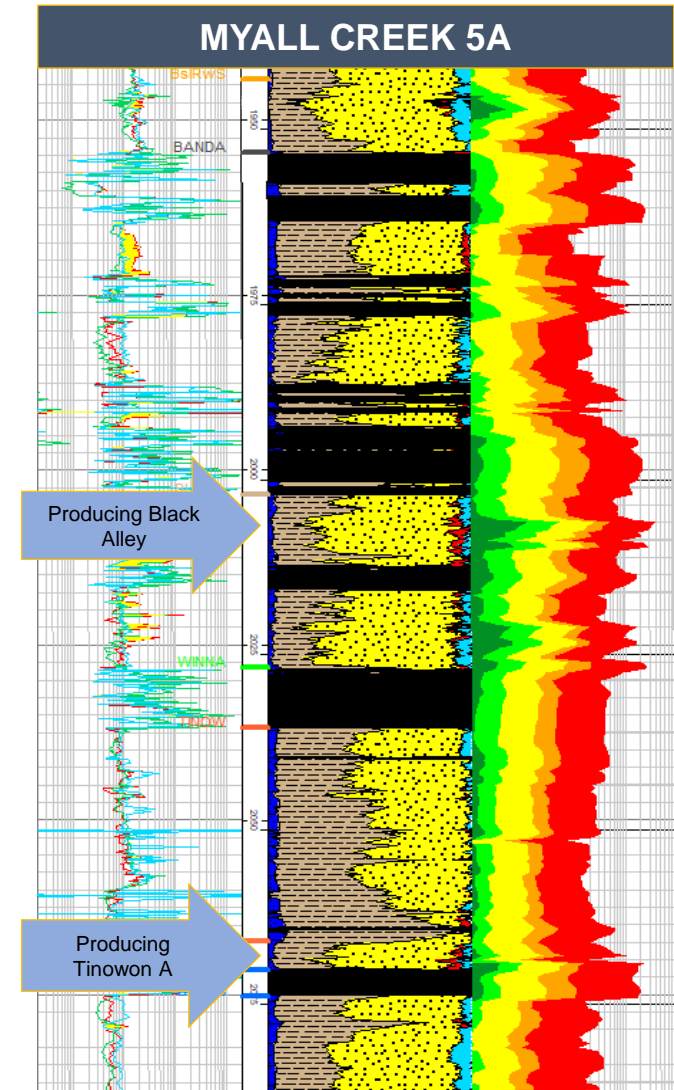
## Development – Infill & step-out drilling

- Following stimulation program reassess portfolio & undertake new drilling program in late FY 2021 – focus on new gas & oil targets

## Follow-on activity

- Following 2019 fracture stimulation programme success 13 existing wells have been screened for fracture stimulation potential to target untapped pay
- Black Alley is prospective in >10 wells which are considered analogues to 2019 stimulation programme success
- Candidates include development, appraisal & exploration opportunities to contribute to production, reserves maturation or de-risk future drilling inventory

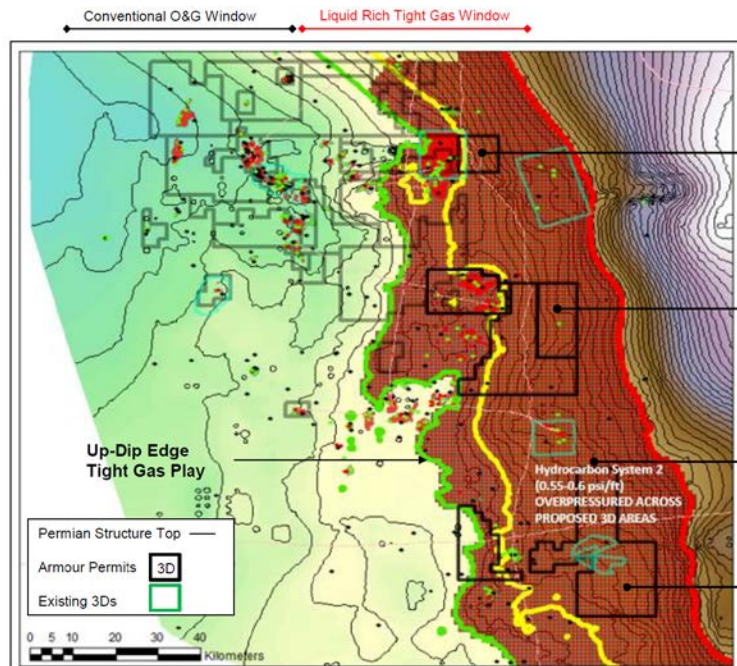
Existing well Candidate	Target Reservoir
★ Horseshoe 4	Basal Rewan
★ Horseshoe 2	Basal Rewan
	Black Alley Shale
	Intra Wallabella
★ Warroon 1	Showgrounds
	Rewan SS
Myall Creek East 1	Black Alley Shale
	Tinowon A
Parknook 4	Showgrounds SS
	Rewan Fm
★ Parknook 2	Rewan Fm
	Bandanna SS
Myall Creek 2	Black Alley Shale
	Lower Bandanna
★ Riverside 1	Tinowon B SS
	Tinowon C SS
Myall Creek 6	Bandanna SS
	Black Alley Shale
★ Ogilvie Creek 1	Lower Bandanna SS
	Black Alley Shale
	Tinowon A
Myall Creek 3	Black Alley Shale
Ungabilla 1	Tinowon A
Rednook 1	Black Alley Shale



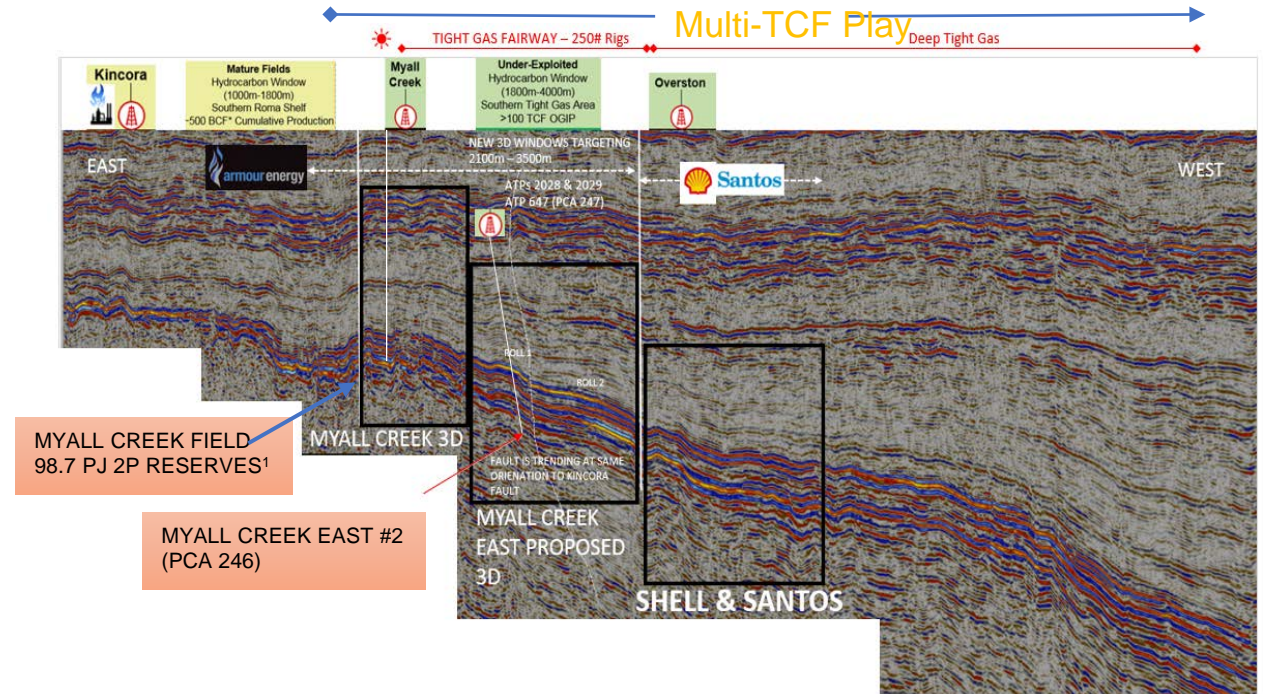


# Surat exploration - proving up Multi-TCF tight wet gas fairway

- Exploration & appraisal focus on pursuing structural-stratigraphic and pure stratigraphic play
- Strong indications that many existing fields have significant stratigraphic extensions or offset accumulations
- Significant focus also on the multi-TCF Tight Wet Gas potential in the eastern portion of Surat acreage



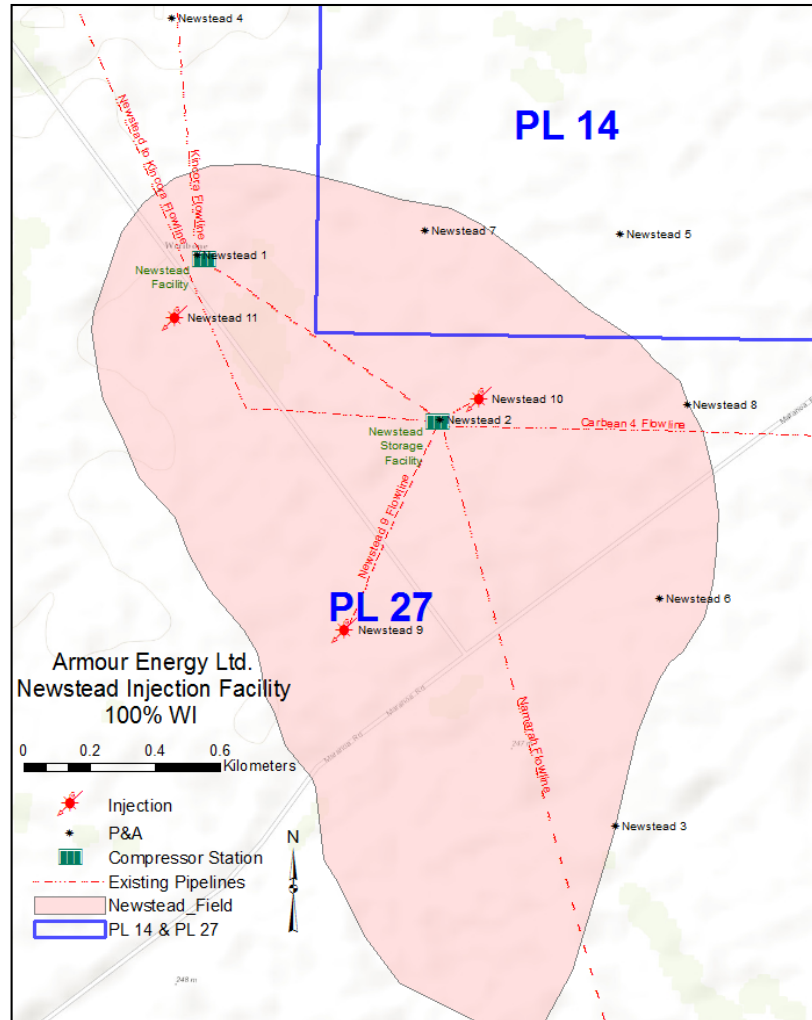
Note: PCA's 289, 290, 293, 294 and 295 applications areas are under administrative review.



- 2019 geochemical and AEM-PTP Airborne Geophysical surveys highlight this play potential
- FY2021 exploration programme aimed at 3D seismic location planning across key Surat Basin
- 3D seismic aimed at building up exploration and appraisal targets in the wet gas structural/stratigraphic and tight wet gas fairways



# Newstead Gas Storage



- Proven operational gas storage facility directly feeding into Wallumbilla Gas Hub
- Located ~20 km south of Kincora Processing Plant
- Originally wet gas field, first produced in 1983
- Operating as dry gas storage since 1997
- Permitted storage up to 7.4 PJ sales gas
- Drawdown rate of up 15 TJ/day
- Minimal processing required
- Currently 3 operating injection/withdraw wells
- Dual pipelines allow for simultaneous withdrawal and injection

*Storage capacity is equivalent to a single large scale Q-Flex LNG tanker (210,000 m<sup>3</sup>)*

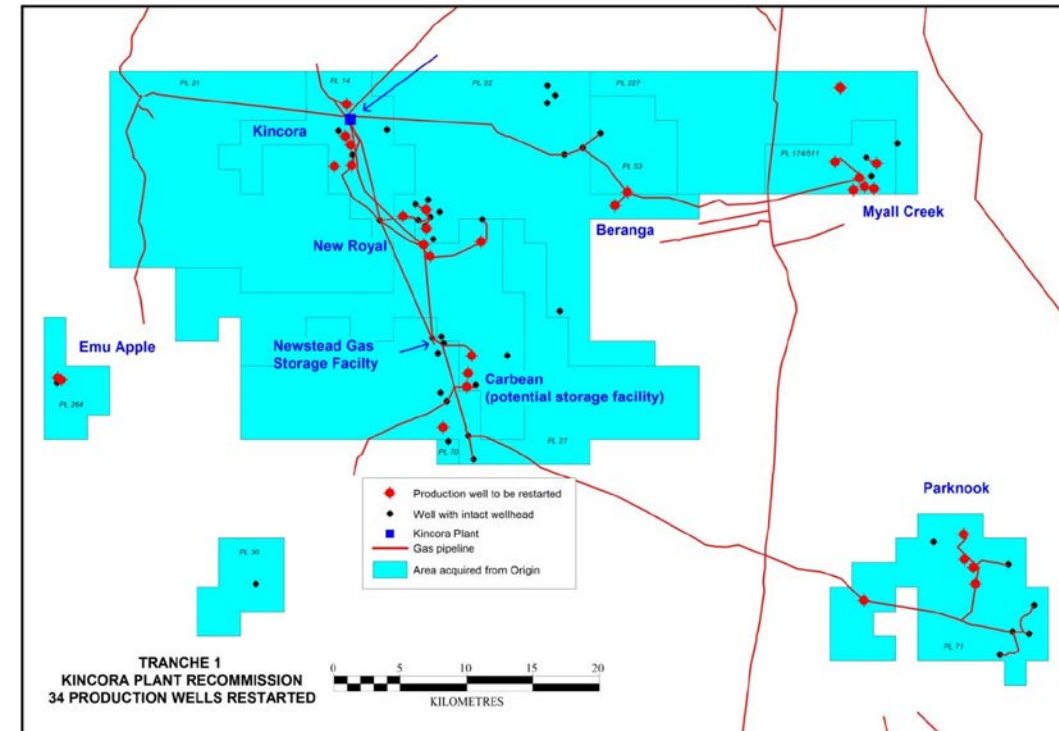
# Gas Storage Expansion Project

Field	GIIP (bcf)	Storage (bcf)	Historic Max Rate from Single Well (MMScfd)	Development for Injection	Approx. Cost
Carbean 4 & 5 BE	8.2	6.2	3.3	2 new wells and tie-ins	\$10.0m
Carbean 1 & 2 BE	4.0	3.0	2.0	2 new wells and tie-ins	\$10.0m
Beranga South/ Glenloth/ Bottletree*	10.0	7.5	3.0	3 new wells and pipeline	\$24.0m*

\*Impacts Myall Creek production or requires 25km pipeline/line loop

## Opportunity Estimates

• Drill and Complete new Injection/Withdrawal Well	\$3.0m per well
• On-lease Facility Requirements	\$0.4m per well
• Allowance for land access, permits, etc.	\$0.2m per well
• New 4" pipeline for tie-ins	\$0.4m per Km



- Expansion projects can increase capacity up to 24 PJ sales gas
- Storage potential of mature fields with established depletion drive reservoirs can accurately be predicted
- Moderate CAPEX required to expand storage candidates
- Fully developed storage capacity equivalent to 4-6 Q-Flex LNG tankers

# Northern Basins





# Northern Basins

## McArthur & Isa Superbasin

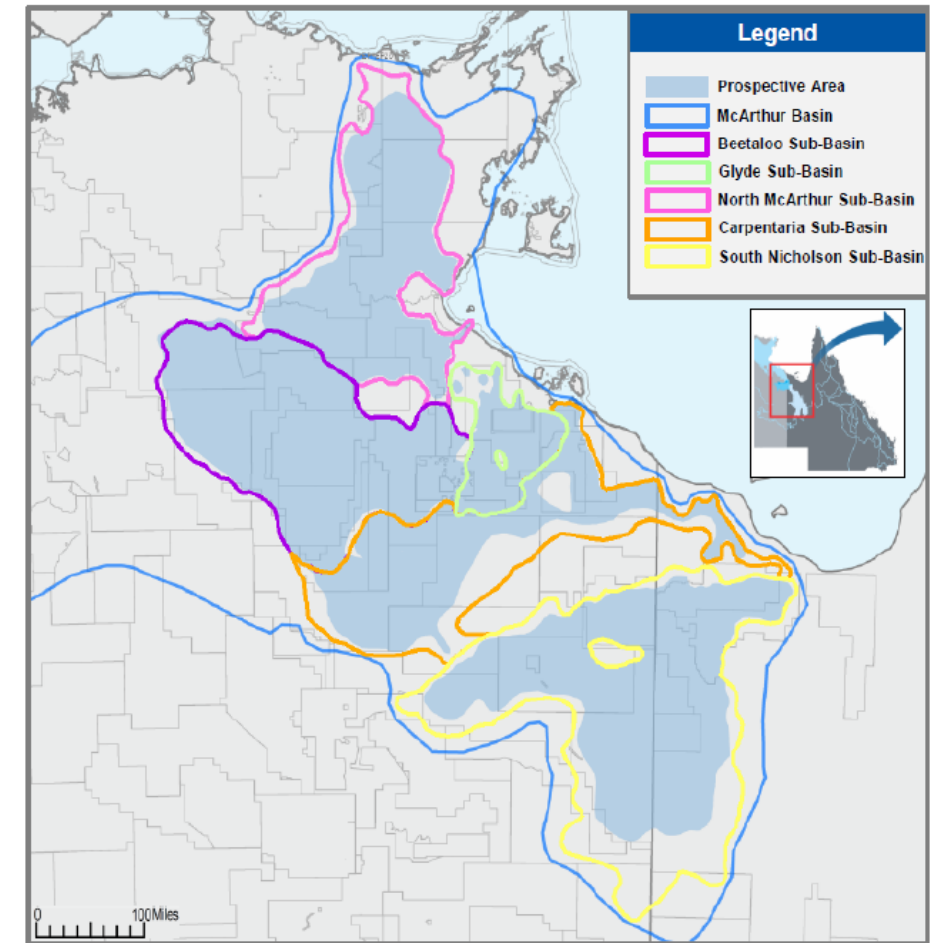
- Multi-TCF conventional & unconventional gas resources
- Multiple basins, plays and prospects – both conventional & unconventional
- 2 core areas – McArthur Basin (NT) and Isa Superbasin (NQ-NT)

### McArthur Basin

- Armour (100%) operator / 12 permits covering ~89,000 km<sup>2</sup>
- Proven conventional & unconventional gas play fairways
- Multiple conventional gas discoveries reported on ASX
- Conventional Prospective Resources P50 (Best Estimate) = 4.9 TCF (Net)
- Unconventional Prospective Resources P50 (Best Estimate) = 30 TCF (Net)

### Isa Superbasin

- Armour (30%) non-operator / 6 permits covering ~40,800 km<sup>2</sup>
- Multiple unconventional prospective shale source rock reservoirs
- Unconventional Prospective Resources P50 (Best Estimate) = 6.6 TCF (Net)

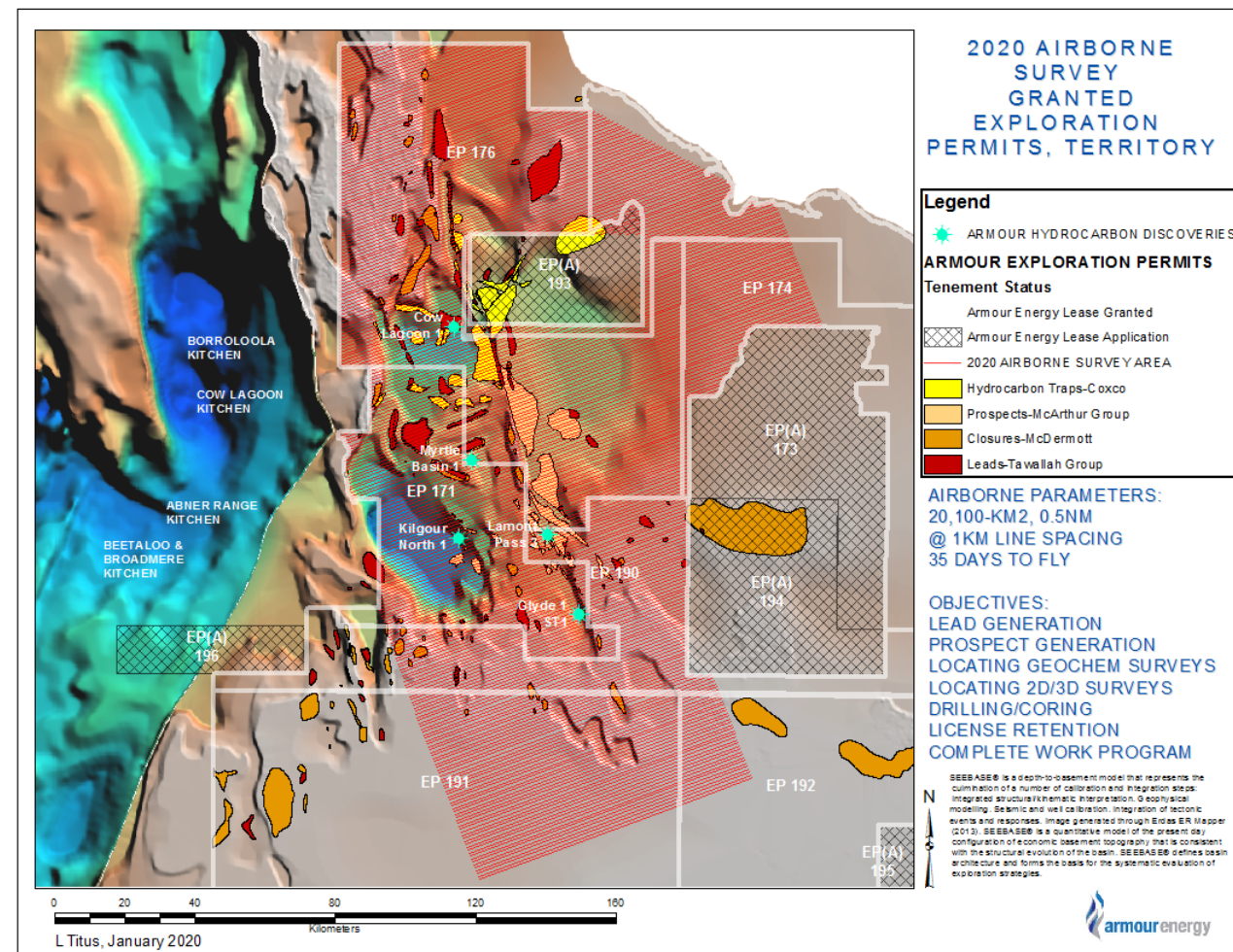


# McArthur Basin Conventional

- Armour (100%) operator
- Proven discoveries and reservoirs
  - Coxco-Cooley Dolomitic Breccias & Reward Dolomite
- Conventional play fairways and prospects
  - Early gas sales ahead of unconventional
  - Existing Gas discoveries – Glyde, Cow Lagoon & Lamont Pass
  - Conventional Prospective Resources P50 (Best Estimate) = 4.8 TCF
  - Shallow targets – circa 300m-1800m
  - Low exploration/appraisal well costs ~A\$1.5 million (excluding mob/demob)
  - Discoveries contain dry, sales quality gas
- 2020-2021 Work Program
  - 20,000 km<sup>2</sup> airborne survey
  - Production testing Glyde-1 gas well
  - 2D seismic and appraisal pilot clearances
  - Progressing Production-Retention license applications pending
  - Sales Gas production potential as early as 2022 & progressing gas off-take agreements
  - Advance southern tenement application areas

Northern Basins – McArthur Basin Resources*						
Target	Contingent (BCF)			Prospective (TCF)		
	1C	2C	3C	Low	Best	High
Coxco-Cooley	2.4	6	10.3	1.3	4.8	29.9

\*Net to Armour / Contingent Resources are limited to Glyde Proposed Production License Area



# McArthur Basin Unconventional

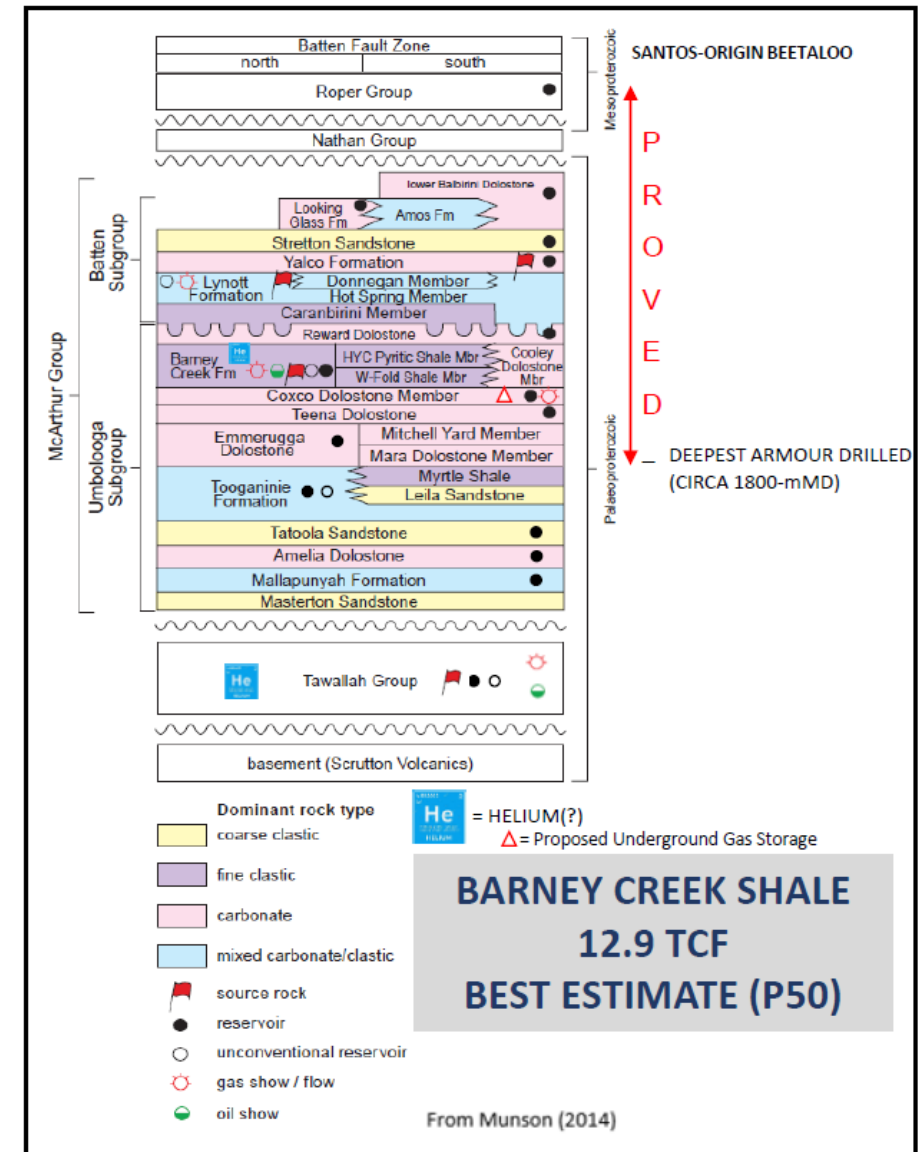
- Armour (100%) operator
- Multiple unconventional plays
- Prospective source rock reservoirs
  - Barney Creek, Wollongorang Formation & McDermott Shales
- Unconventional play fairway
  - Multi-TCF shale plays demonstrated by ongoing regional success
  - Vast proven hydrocarbon system extending across Armour, Armour-Santos JV and Origin Energy Beetaloo acreage
  - Active operations including horizontal multi-stage hydraulic stimulated unconventional and conventional wells
  - Targeting gas, wet gas and helium via stacked source rock pay potential

## Northern Basins – South Nicholson Basin Prospective Resources\*

Unconventional Target	Low	Best	High
Barney Creek Shale (TCF)	3.8	12.9	39
Wollongorang Shale, Tawallah Group (TCF)	0.0	6.9	141.4
McDermott Shale, Tawallah Group (TCF)	0.0	10.1	152.1
Total	3.83	30.0	332.5

\*Net to Armour

## Northern Basins





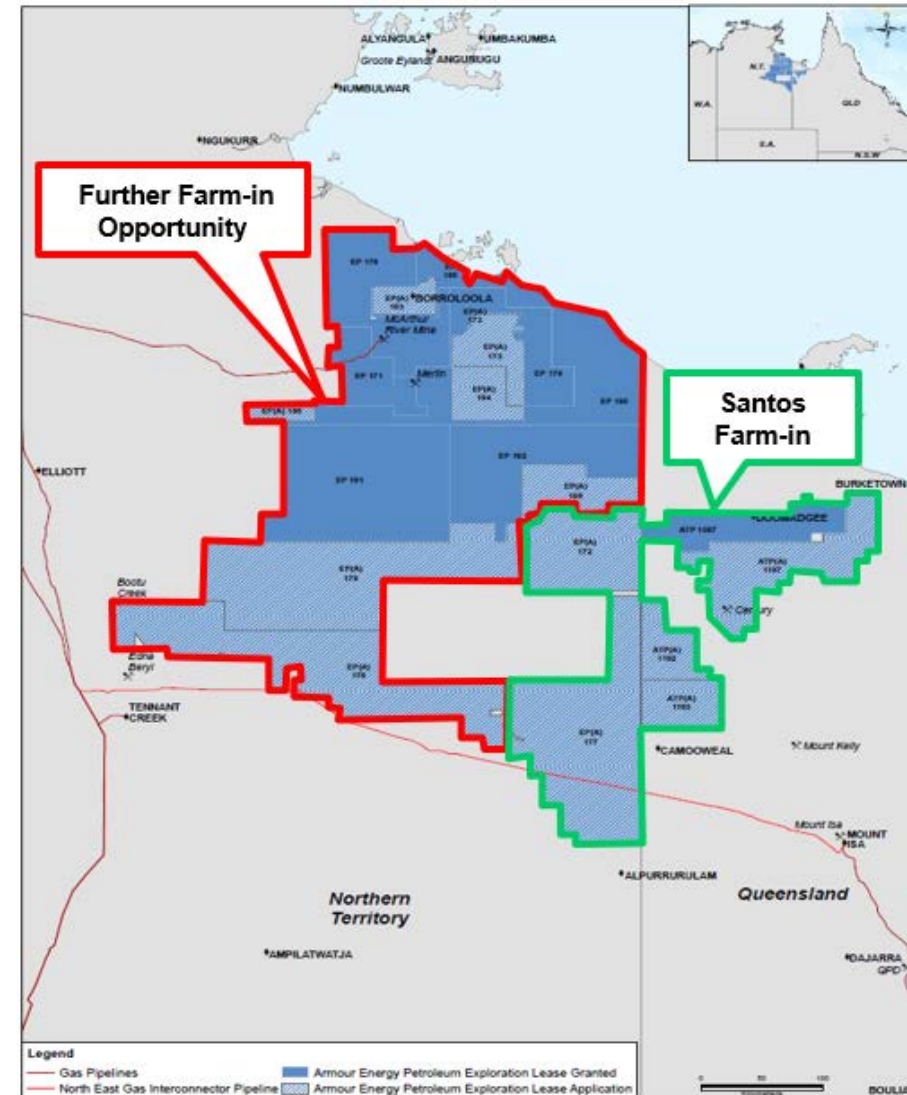
# Isa Superbasin

- Multi-TCF unconventional shale gas
- 6 permits in North Queensland and Northern Territory covering approximately 41,000 km<sup>2</sup>
- Armour (30%) / Santos (70% - operator)
- Fully carried on \$65 million work programme over next 4-years
- Proven unconventional play – 154 2C gross Gas Resources
- Favourable targets depths – 1,500 - 3,500m
- Dry, sales quality gas - low CO<sup>2</sup> content, little processing requires
- Armour drilled 6 wells to date including Egilabria 2DW-1 - first successful horizontal shale gas well to flow gas

**Northern Basins – South Nicholson Basin Resources\***

Unconventional Target	Contingent			Prospective		
	1C	2C	3C	Low	Best	High
Lawn Shale (BCF)	9.9	46.3	109.2	800	2,433	5,900
Riversleigh Shale (BCF)	-	-	-	1,200	4,195	11,800
Total	9.9	46.3	109.2	2,000	6,628	17,700

\*Net to Armour



# Cooper Basin

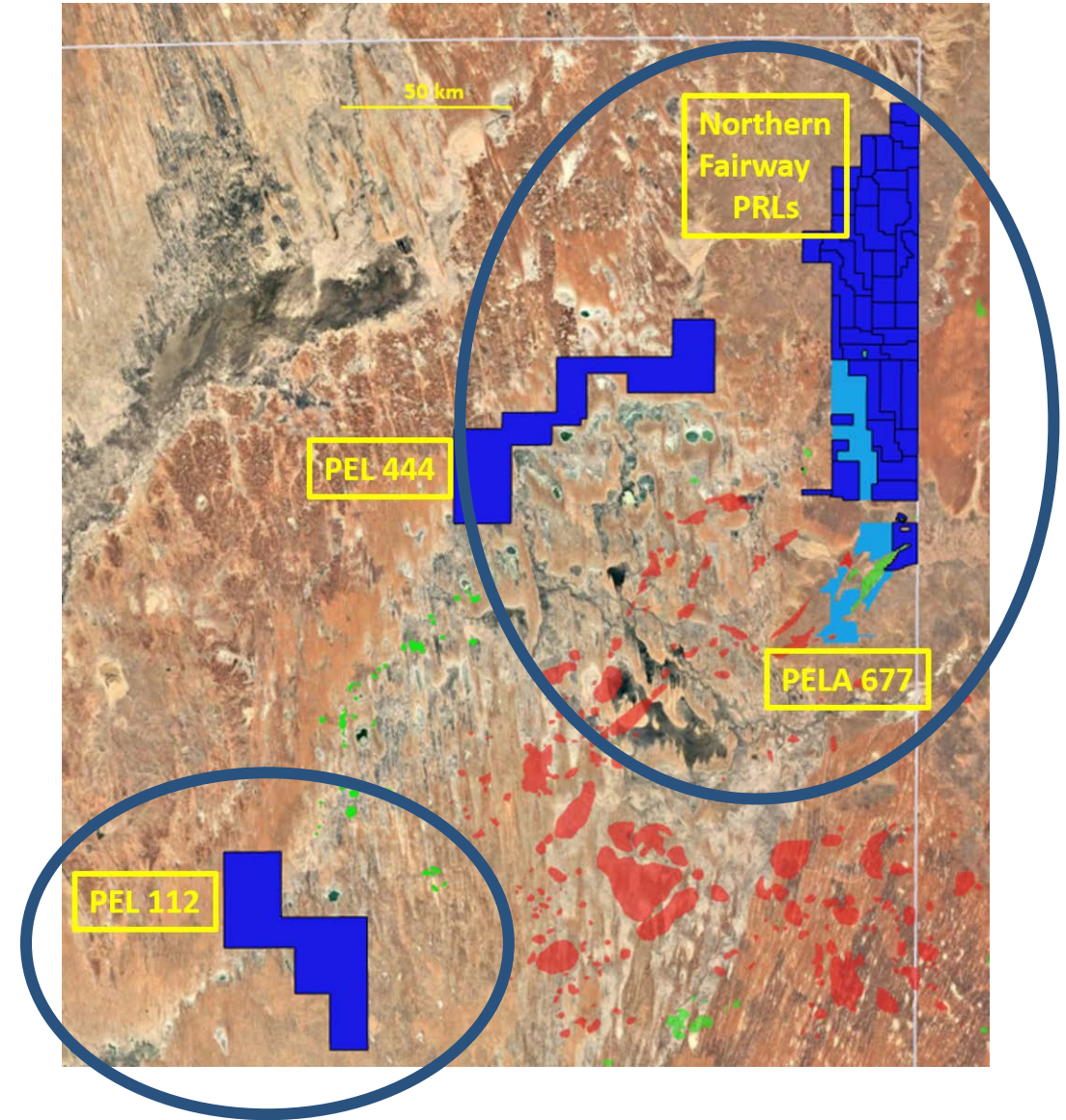




# Cooper Basin\*

- Armour – 100% and operator
- 4<sup>th</sup> largest acreage position in South Australian Cooper Basin
- Focus on conventional Jurassic/Triassic Oil and Permian Wet Gas
- **Northern Flank Oil & Wet Gas Fairway**
  - Long term retention licenses, existing & newly awarded exploration permits covering 4,156 km<sup>2</sup>
  - Stacked pay potential – oil & wet gas leads & prospects over multiple horizons
  - Includes 792 km<sup>2</sup> Cordillo 3D seismic / 80 km<sup>2</sup> Wingman 3D seismic
  - Prospects identified in the Birkhead, McKinlay, Namur, Hutton and Murta Formations
  - Significant Wet Gas Prospectivity in Southern PRLs and PELA 677
  - Panning Tight Gas Discovery
- **SW Western Flank Oil & Wet Gas Fairway Extension**
  - 1 exploration permit covering 1,086 km<sup>2</sup> with 127 km<sup>2</sup> of 3D seismic
  - Southern extension of prolific Western Flank Oil Fairway
  - Targeting Birkhead Channel prospects
  - Milo, Libby & Drole Prospects already defined

\*Armour to acquire 3 exploration permits (PEL 112, PEL 444 and PELA 677 from Oilex and 27 PRLs from Senex. Upon completion of these acquisitions Armour will become operator and 100% working interest owner in these permits. Completion of this acquisition is subject to Armour shareholder approval at the Extraordinary General Meeting to be held on 18 September 2020.



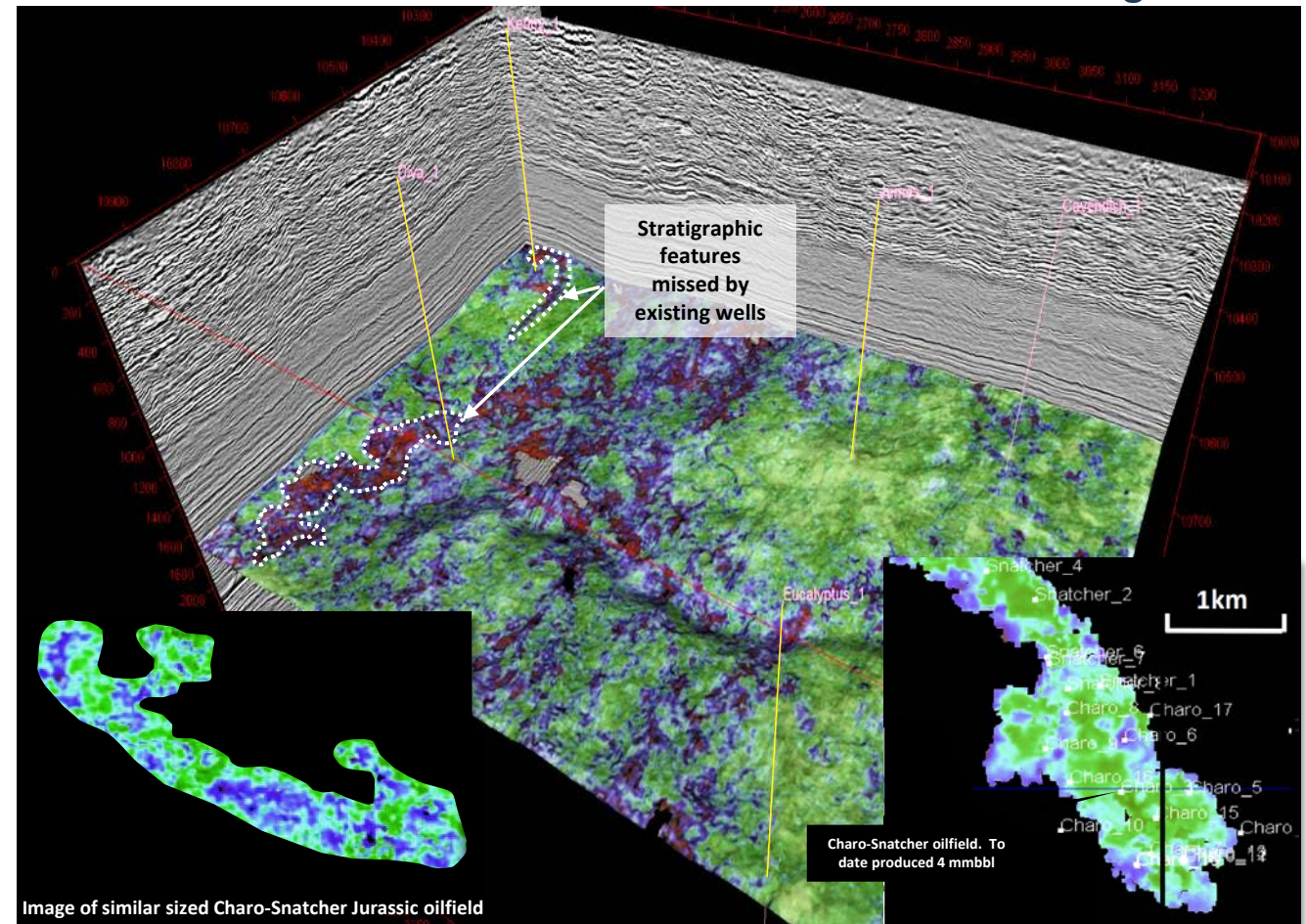


# Cooper Basin exploration programme

Cooper Basin exploration focus for FY2021 is on high-grading leads and prospects inventory to generate drill-ready targets

- Detailed 3D seismic reinterpretation of Northern Fairway PRLs utilizing Total Depth Seisnetics 3D seismic next gen AI evaluation tool
- Conduct AEM-PTP Airborne Geophysical Survey to identify REDOX activity indicating possible hydrocarbon zones
- Wet Gas Play Fairway covers southern PRLs & PELA 677 extends to Santos-operated Yarrow Wet Gas Field proposed development
- Plan new 3D seismic programme aimed at targeting existing wet gas prospects in southern Northern Fairway PRLs and PELA 677
- 3D seismic coverage over Paning Tight Gas Discovery
- Develop 3-5 drill-ready prospects for potential CYE 2021 drilling programme with a combination of oil and wet gas targets

## Cordillo 3D Jurassic Surface – Seisnetics Processing



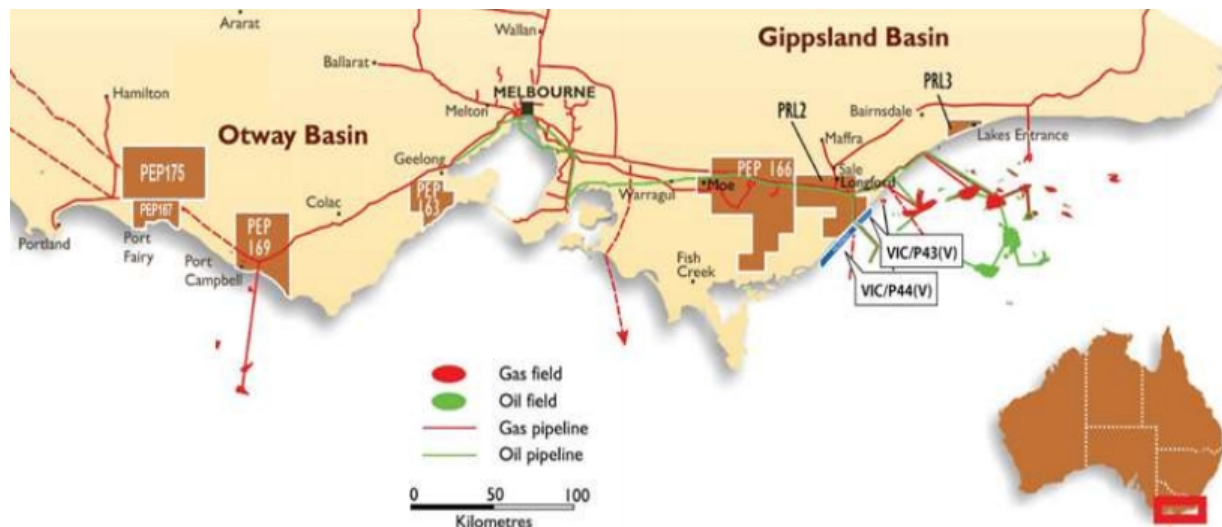


# Southern Basins



# Southern Basins

- Multiple explorations & material shareholding in Lakes Oil
  - Otway & Gippsland Basin interest
  - 15% JV interest in PRL 2 – Wombat & Trifon Tight Gas Discoveries
  - 6.37% shareholding in Lakes Oil
- Multi-TCF conventional/unconventional prospects ready for drilling
- Victorian conventional drilling moratorium lifted starting July 2021



## • Otway Basin – Onshore

- PEP 169 – Armour 51%
- Conventional gas
- Otway-1 prospect ready-to-drill

## • Gippsland – Onshore

- PRL 2 – Wombat & Trifon Tight Gas Discoveries
- Significant gas resource demonstrated
- Gas flows of 3 TJ/d from the Wombat-3 well with potential to produce up to 10 TJ/d
- Conventional Wombat-5 well is ready for drilling

### Gippsland Contingent Resources

Prospect	2C BCF (Gross)
Wombat	329
Trifon/Gangel	390



# Primed for growth & focused on delivery

- Vast prospective acreage in proven fairways
- Deep multi-TCF resource project & prospects pipeline
- Material reserves with growth from overlooked pay
- Long life production with near-term growth & activity
- Operator with significant infrastructure & capacity
- Well-established pathways to premium markets
- Clear priorities & focused on delivery
- Proven CEO to drive strategy & committed to execution





An aerial photograph of an oil drilling operation in a rural, arid landscape. The site includes a tall drilling rig, several storage tanks, and various pieces of heavy machinery. The surrounding area consists of dry, brownish-yellow fields and scattered green trees under a clear blue sky with some clouds.

# Appendix slides

# Armour's Debt

## FIIG Secured Amortising Notes

- 3 ½ years to maturity
- \$9.15m principal reduction in last 6 months
- Seeking to aggressively reduce debt through identified commercial opportunities

## Tribeca Loan Facility

- Maturing on 26 July 2021
- \$1 m increase due to the relevant fair value adjustments, face value \$6.8m

	17 August 2020 <sup>1</sup>	30 June 2019	Increase (Decrease)
FIIG Secured Amortising Notes	45.85	55.0	(9.15)
Issue Costs	(1.97)	(2.23)	0.26
Tribeca Loan Facility	5.66	4.65	1.01
Finance Leases	0.21	0.03	0.18
<b>Debt</b>	<b>49.75</b>	<b>57.45</b>	<b>(7.70)</b>

### Notes:

1. These are unaudited balances as per draft balance sheet



# Surat Basin - Kincora Project Area Certified Reserves

Kincora Project Total Reserves	1P	2P (1P+2P)	3P(1P+2P+3P)
Estimated Total Gas (BCF) (1)	59.3	132.2	282.4
Estimated Total Gas (PJ) (1)	67.4	150.3	321.1
LPG (C3, C4) Yield (Tonne) (1)	139,000	310,000	663,000
Condensate (C5) Yield (BBL) (1)	670,000	1,493,000	3,191,000
Estimated Total Oil (BBL) (2)	245,600	1,220,600	2,639,500

## Armour Energy Bowen-Surat estimated net aggregated quantities of Gas, LPG & Condensate

### Notes:

- Petroleum reserves are classified according to SPE-PRMS.
- Petroleum reserves are stated on a risked net basis with historical production removed.
- All reserves are listed 100% Armour (reserves exclude Waldgrave JV area)
- Petroleum Reserves have no deduction applied for gas used to run the process plant estimated at 7%.
- 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/petajoule, Condensate Yield 9938 barrels/petajoule.

<sup>1)</sup> Source: Armour Energy ASX Announcement on 12 June 2020. Armour is not aware of any new information or data that materially affects the information included in the relevant market announcement & that all the material assumptions & technical parameters underpinning the estimates in the relevant market announcement continue to apply & have not materially changed.

## Armour Energy Bowen-Surat estimated net aggregated quantities of Oil Reserves

### Notes:

- Reserve numbers in Table 1 only reflect new Armour share Oil Reserves.
- Reserves are classified according to SPE-PRMS.
- Reserves are stated on a risked net basis with historical production removed
- Reserves can be lifted & sold on behalf of any minority interest holder.
- Reserves are stated inclusive of previous reported estimates.
- Bbl = barrels, kbbl = thousand barrels, mmbbl = million barrels
- 1P = Total Proved; 2P = Total Proved + Probable; 3P = Total Proved + Probable + Possible

<sup>(2)</sup> Source: Armour Energy ASX Announcement on 18 February 2020. Armour is not aware of any new information or data that materially affects the information included in the relevant market announcement & that all the material assumptions & technical parameters underpinning the estimates in the relevant market announcement continue to apply & have not materially changed.

# Northern Basins – Contingent & Prospective Resource Estimates

Accessor Report	Reservoir Type/Name	Estimated Recoverable Gas Resource (Bscf)			Estimated Recoverable Liquid Resource (MMstb)		
		Low	Best	High	Low	Best	High
SRK <sup>(4)</sup>	Conventional Closures Wollgorang	61	647	6,893	0	0	0
SRK <sup>(4)</sup>	Conventional Closures McDermott	149	1,548	16,557	0	0	0
SRK <sup>(3)</sup>	Conventional Closures Coxco	890	2,254 <span style="color: red;">Δ</span>	5,780	0	0	0
D&M <sup>(2)</sup>	Conventional Closures Coxco	187	244	312	0	0	0
MBA <sup>(1)</sup>	Conventional Closures Coxco	50	150	347	4	16	46
		<b>1,337</b>	<b>4,843</b>	<b>29,889</b>	<b>4</b>	<b>16</b>	<b>46</b>
SRK <sup>(4)</sup>	Unconventional Wollgorang Shale	5	6,900	141,404	0	0	0
SRK <sup>(4)</sup>	Unconventional McDermott Shale	26	10,120	152,107	0	0	0
MBA <sup>(1)</sup>	Unconventional Barney Creek Shale	3,801	12,971	39,085	261	1,234	4,435
<b>Total NT Prospective Resources</b>		<b>6,506</b>	<b>39,677</b>	<b>392,374</b>	<b>269</b>	<b>1,266</b>	<b>4,527</b>
Accessor Report	Reservoir Type/Name	Contingent Gas Resource (Bscf)					
		1C	2C	3C			
D&M <sup>(5)</sup>	Conventional Closure Coxco	2.4	6	10.3			

<sup>(1)</sup> MBA Report, Conventional and Unconventional Prospective Resource Estimate EP 171 & EP 176, NT, October 2011

<sup>(2)</sup> D&M Report, Prospective Resources Attributed to Certain Prospects in Various License Blocks, NT, April 2013

<sup>(3)</sup> SRK Report, Coxco Dolomite Resource Evaluation Batten Trough, McArthur Basin, EP 171, 176, 190, NT, November 2013

<sup>(4)</sup> SRK Report, SRK Report, Conventional and Unconventional Resource Assessment of the Wollgorang and McDermott Formations – Tawallah Group, NT, September 2015

<sup>(5)</sup> D&M Report, Contingent Resources in Exploration Permit 171 in the Northern Territory, Australia with interests licensed by Armour Energy Limited, April 2013

Δ = Proposed Underground Gas Storage

Armour Energy Limited  
Review of Operations and Activities  
30 June 2019



Best estimate prospective gas resources (recoverable) – NT/ QLD	
<b>NT unconventional gas</b>	<b>Tscf</b>
Barney Creek Shale (EP171, 176) <sup>(1)</sup>	13.0
Wollgorang Shale, Tawallah Group <sup>(5)</sup>	6.9
McDermott Shale, Tawallah Group <sup>(5)</sup>	10.1
<b>NT conventional gas</b>	
All leads and prospects <sup>(1)(2)(3) (5)</sup>	4.9
<b>NT total gas prospective resources</b>	<b>34.9</b>
<b>QLD unconventional gas</b>	
Lawn Shale (ATP1087) <sup>(6)</sup>	8.1
Riversleigh Shale (ATP1087) <sup>(7)</sup>	14.0
<b>QLD total gas prospective resources</b>	<b>22.1</b>
<b>NT/QLD gas prospective resources</b>	<b>57.0</b>

Table 6 – Best estimate prospective gas resources (recoverable) – NT/QLD combined.  
Refer ASX release of 21 September 2015 for full details

## TABLE 6 FOOTNOTES- RESOURCE REPORTS

<sup>(1)</sup> MBA Report, Conventional and Unconventional Prospective Resource Estimate EP 171 & EP 176, NT, October 2011

<sup>(2)</sup> D&M Report, Prospective Resources Attributed to Certain Prospects in Various License Blocks, NT, April 2013

<sup>(3)</sup> SRK Report, Coxco Dolomite Resource Evaluation Batten Trough, McArthur Basin, EP 171, 176, 190, NT, November 2013

<sup>(4)</sup> MBA Report, Unconventional Prospective Resource Assessment, ATP (A) 1087, QLD, November 2011

<sup>(5)</sup> SRK Report, SRK Report, Conventional and Unconventional Resource Assessment of the Wollgorang and McDermott Formations – Tawallah Group, NT, September 2015

<sup>(6)</sup> SRK Report, Lawn Hill Formation Prospective Gas Resources ATP 1087, QLD, September 2015

<sup>(7)</sup> SRK Report, Riversleigh Siltstone Formation Prospective Gas Resources ATP 1087, QLD, September 2015

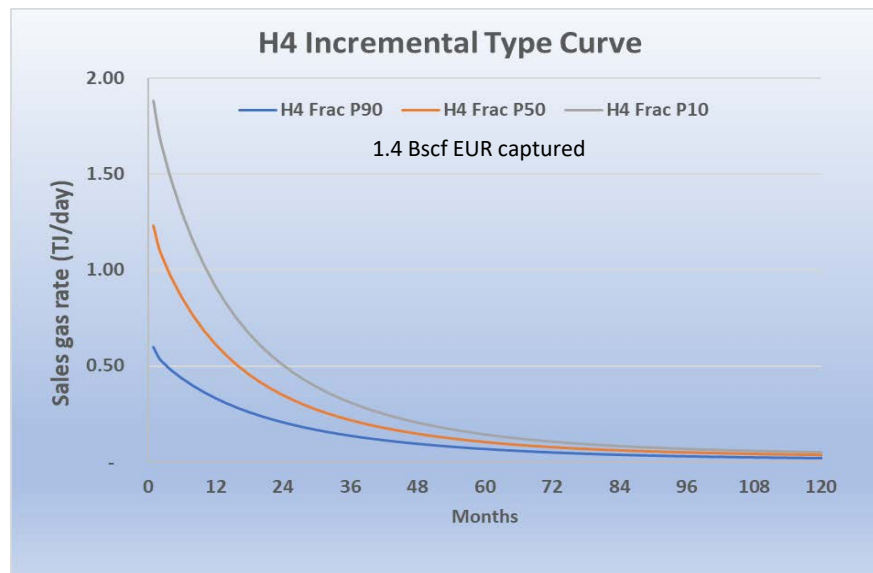
# Horseshoe - 4 Fracture stimulation

## Project Overview

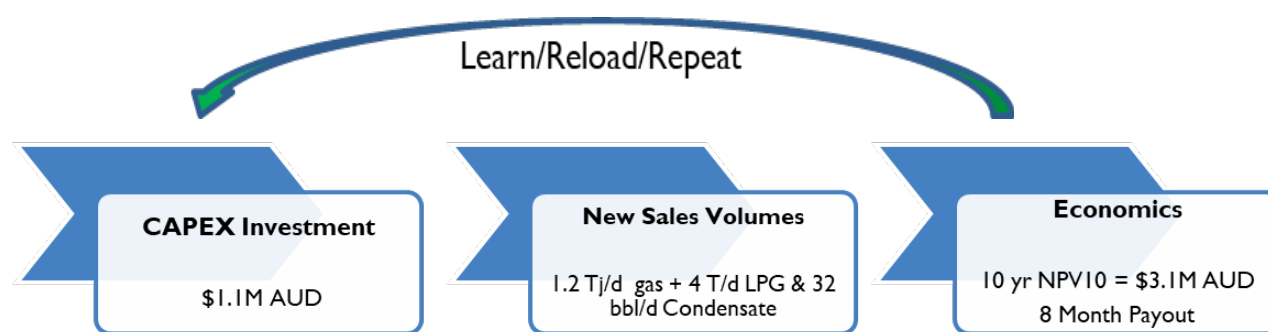
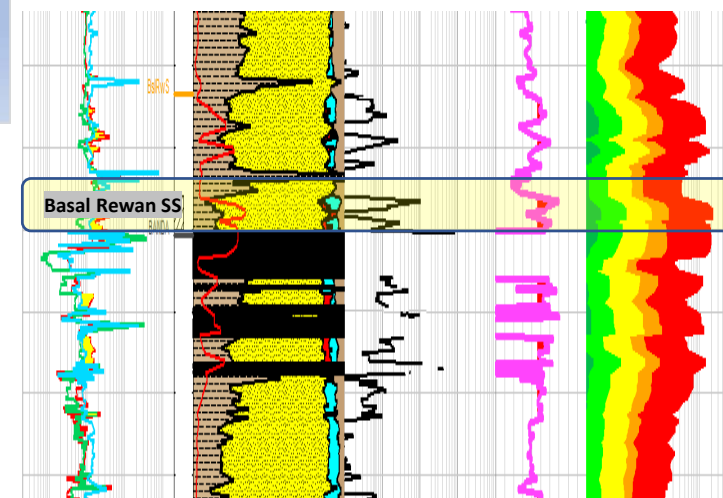
- Located 37 km east of the Kincora gas plant
- The hydrocarbon saturated Rewan sandstone to be stimulated; will be the first in the field
- Replicating stimulation improvements previously demonstrated in Churchie-Myall Creek fields

## Project Highlights

- Adds highly commercial incremental volumes
- Existing gathering network with capacity enables new production to sales with immediate effect
- Activity commences Sept with new gas by early Nov
- De-risks future drilling candidates



Horseshoe 4 – flare testing at 1.34 MMCFD  
(photo taken at 7 pm on 13<sup>th</sup> January)





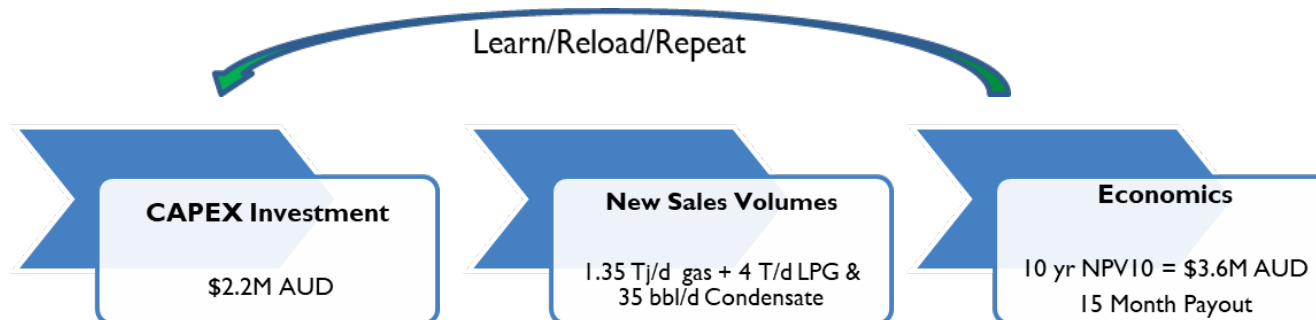
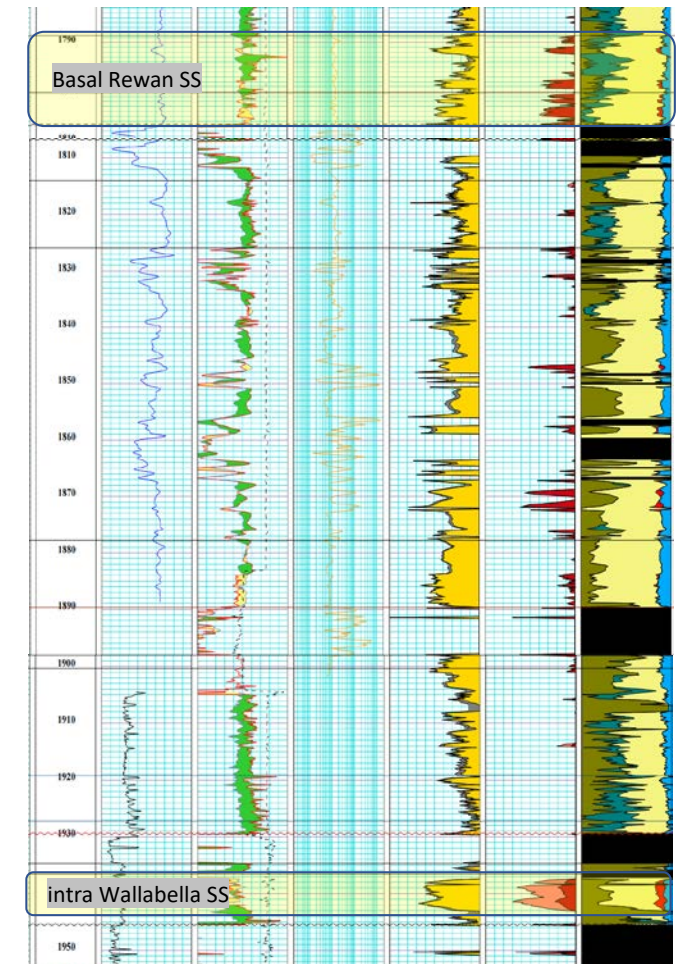
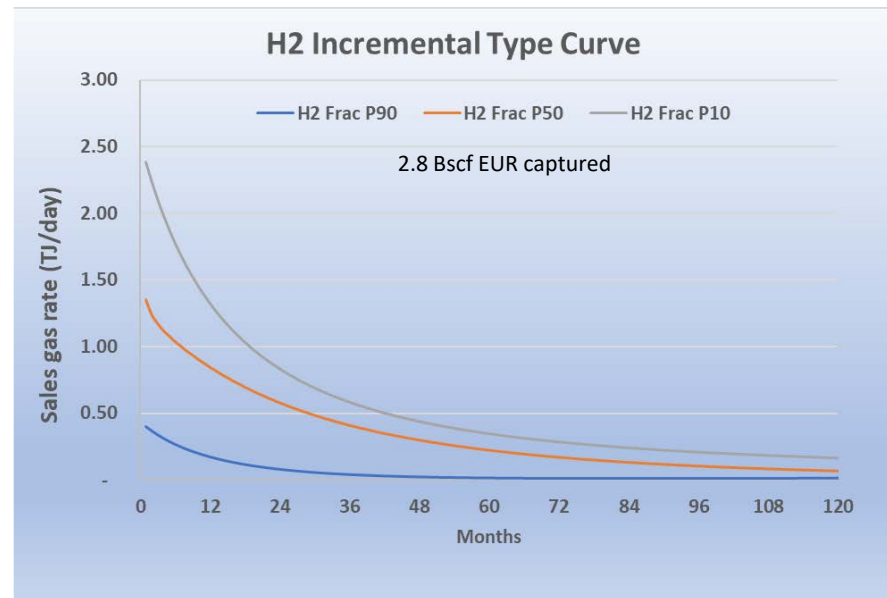
# Horseshoe - 2 Fracture stimulation

## Project Overview

- Located 37 km east of the Kincora gas plant
- Well currently producing from the intra Wallabella SS
- Both the hydrocarbon saturated Rewan and intra Wallabella sandstones are to be stimulated
- Replicating stimulation improvements previously demonstrated in Churchie-Myall Creek fields

## Project Highlights

- Adds highly commercial incremental volumes
- Existing gathering network with capacity enables new production to sales with immediate effect
- Activity to commence in Sept with new gas by mid-Nov
- De-risks future drilling candidates



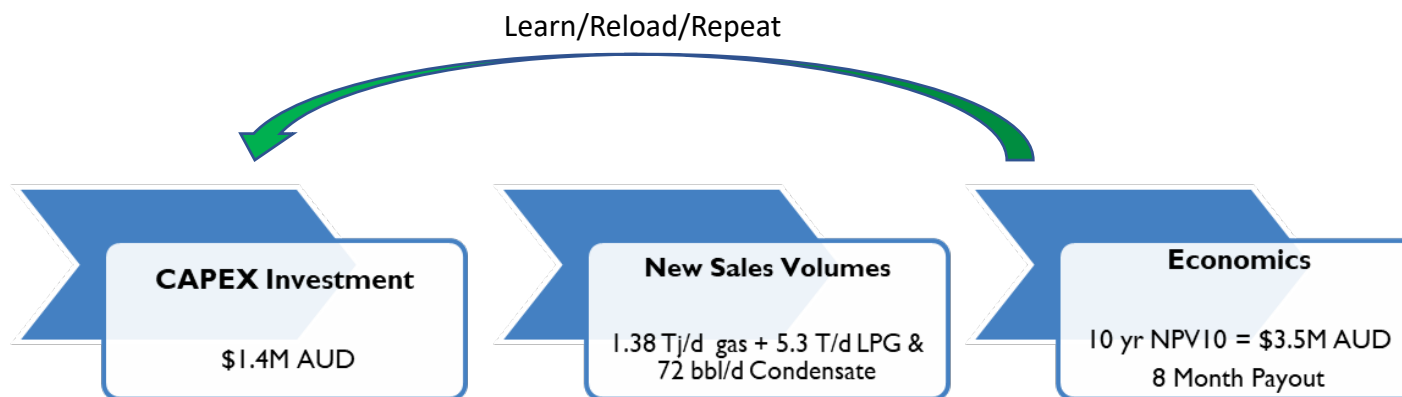
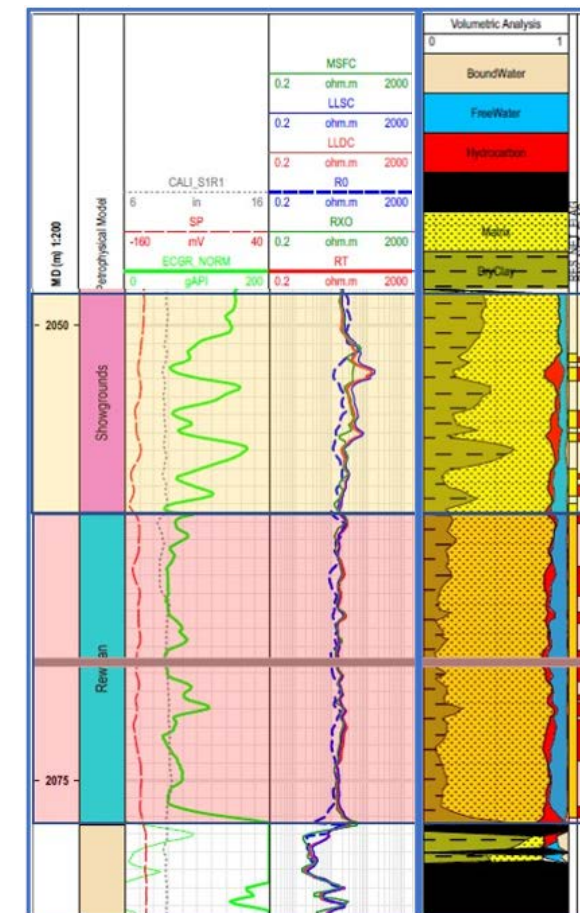
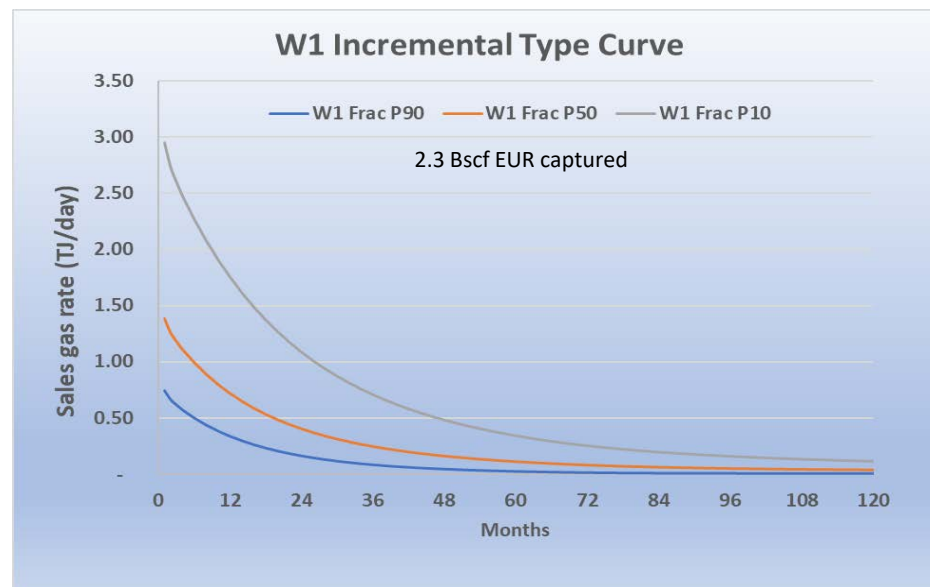
# Warroon-1 Fracture stimulation

## Project Overview

- Located 55 km SE of the Kincora gas plant
- Well currently producing from the showgrounds
- Condensate rich / hydrocarbon saturated Rewan sandstone to be stimulated with negligible inerts
- Replicating stimulation improvements previously demonstrated in adjacent Parknook and Namarah fields

## Project Highlights

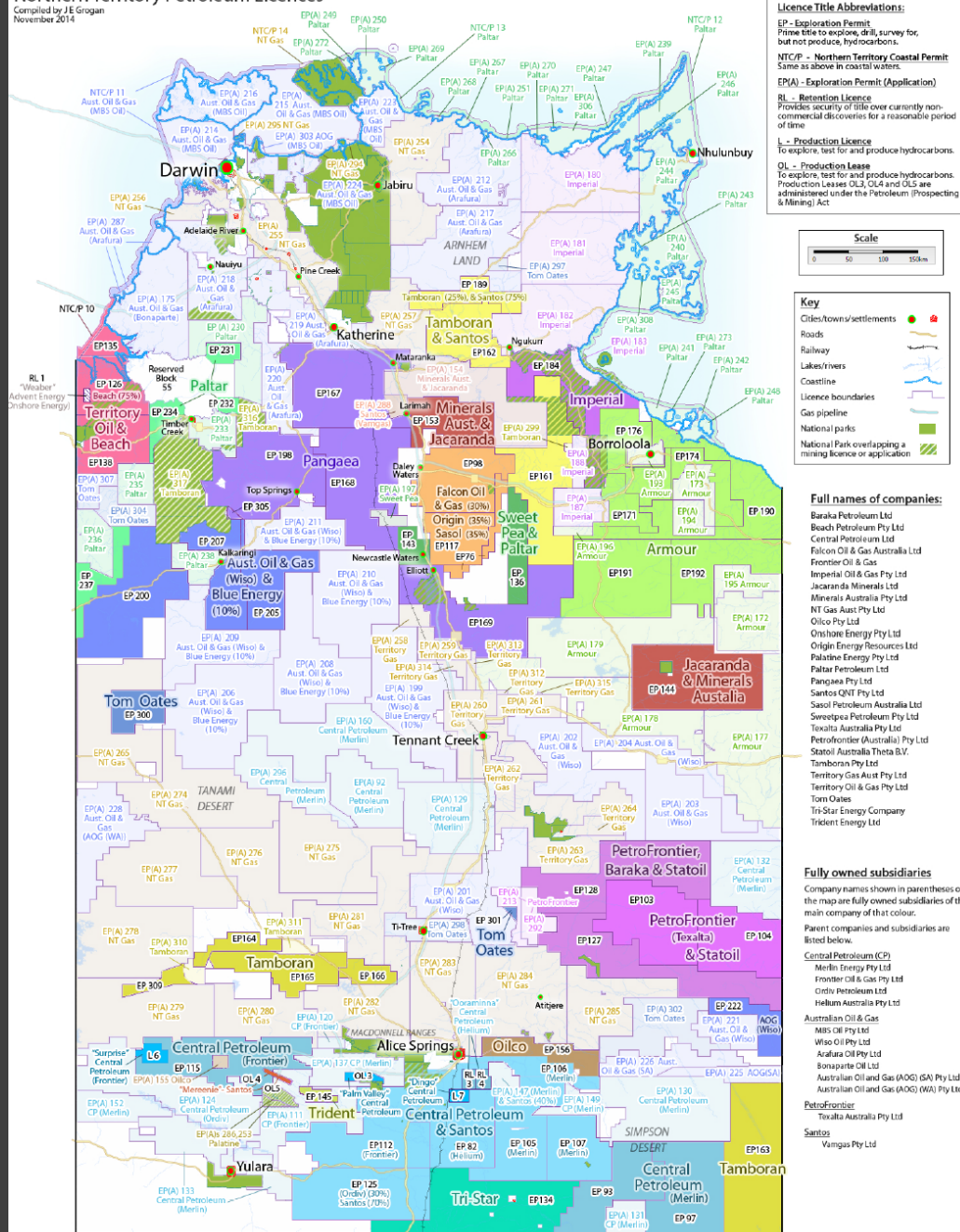
- Adds highly commercial incremental volumes
- Existing gathering network with capacity enables new production to sales with immediate effect
- Activity to commence in Sept with new gas by mid-Nov
- De-risks future drilling candidates



# Northern Basins NT Shale Gas Players

## Northern Territory Petroleum Licences

Compiled by J.E. Grogan  
November 2014





# Northern Basins - NT Oil & Gas Activity – Comparison by Company



Key Component	Armour Energy	Empire Energy	Santos / Tamboran	Origin / Falcon	Pangaea
<b>Basin</b>	Macarthur Basin	Macarthur Basin / Beetaloo	Beetaloo / Macarthur	Beetaloo	Beetaloo
<b>Acreage &amp; Tenements</b>	118,870km <sup>2</sup>	59,000 km <sup>2</sup>	22,800 km <sup>2</sup>	18,600 km <sup>2</sup>	100,000 km <sup>2</sup>
<b>Targeting</b>	(6 granted, 7 application) Oil & Gas conventional / unconventional	(2 granted, 4 applications) Oil and Gas unconventional	(3 granted) Gas unconventional	(3 granted) Oil and Gas unconventional	(4 granted) Oil and Gas unconventional
<b>Exploration Activities</b>	Airborne survey, seismic, plus 5 wells since 2012	Seismic completed, drilling 1 well is planned 3Q 2020	2013 Seismic, and 1 well in 2014. Drilling planned 2Q 2020 Needs fracking	1 well to date and early fracking from 2014. Drilling and fracking 2Q 2020 Looking for oil	7 wells planned No intention to undertake exploration in 2020
<b>Results</b>	80% success (identified hydrocarbons – gas and oil - in target zones in 4 out of 5 wells)	Drill targets identified, yet to be drilled.	Partial technical success achieved. Elevated gas readings shown.	Partial technical success but requires more fracking. Looking for liquids.	No information released
<b>Resources &amp; Reserves</b>	35 TCF Gas 1.25 MMbbl Oil (best estimates, recoverable)	13 TCF Recoverable	6 TCF (30 OGIP)	5 TCF Contingent 19 TCF Recoverable	No information released
<b>Depth</b>	600m to 2,500m	1400m to 2,800m	2,000m to 4,000m	1,800m to 3,800m	No information released
<b>Exploration Spend (A\$)</b>	33 mill	Approx. 10 mill	50+ mill	60 + mill	Not disclosed



For further information please contact:

Brad Lingo - Chief Executive Officer  
Nick Mather - Executive Chairman