

## ASX Announcement

### Armour Energy Limited

10 September 2020

## Commencement of the Surat 2020 Work Program

### Highlights:

- The 2020 Work Program will focus on increasing production from existing well stock.
- Program includes the stimulation of 3 wells along with other production enhancement initiatives.
- Horseshoe 4, followed by Horseshoe 2, will be the first hydraulic stimulations in the field.
- Activity has commenced with pre-stimulation workover activities at Horseshoe 4 (Figure 1).
- All activities are expected to be completed and wells online by the end of November.

The Board of Armour Energy (“Armour” or the “Company”) is pleased to announce the commencement of the Surat 2020 Work Program on its 100% owned and operated Kincora Gas Project. Details of the Surat 2020 Work Program are outlined in the Company’s most recent Investor Presentation lodged with the ASX on 21 August 2020.

Building on the 2019 stimulation success of the **Myall Creek 5A** well, Armour has identified additional stimulation candidates targeting Triassic Rewan, Permian Black Alley/Bandanna & Tinowon formations. A three well stimulation campaign will be executed over the next 3 months (Horseshoe 4, Horseshoe 2 and Warroon 1). Another three stimulations are planned for the first half of 2021. In addition to adding new volumes of liquid rich gas, results are expected to support the de-risking of new drilling locations and contribute to the reserves maturation plan.



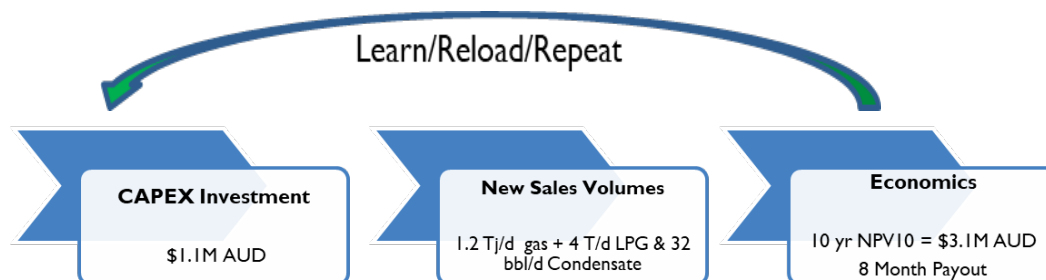
**Figure 1: Pre-Stimulation Activity at Horseshoe 4**

The 2020 Work Program also consists of the installation of linear rod pumps (LRP's) in the Myall Creek 4 and Myall Creek 3 wells, along with the installation of plunge lift in the Parknook 3 and Caxton 1 wells. These low risk workover activities are designed to artificially lift liquids and enhance production.

**Brad Lingo, Armour Energy's CEO recently said:**

*"Armour Energy is primed for growth and focused on delivery. The Company is aggressively pursuing several commercial opportunities through its vast and diversified portfolio. In step with these efforts, I am pleased to see the 2020 Surat Work Program commencing. The Horsehoe-4 stimulation program is the first of a six-well program which is to be completed by June 2021. The first three wells in this program will be completed and delivering sales gas before Christmas."*

Mr Lingo added: *"These are strong projects both technically and commercially that are aimed at delivering attractive payouts and the investment capital quickly recovered and reinjected back into future programs (figure 2). Armour has a deep portfolio of these production enhancement and "vertical exploration" projects targeting under-developed proven pay intervals that can support a multi-year production enhancement/production growth focus to build up the Company's Surat sales gas volumes to 20 TJ/day which is well within the capacity of the Kincora Gas Processing Plant."*



**Figure 2: Horseshoe 4 CAPEX Investment and Expected Payout**

The 21 August 2020 Investor Presentation released to market contains more information on Armour Energy's plans and priorities.

*This Announcement is Authorised by the Board of Directors*

Karl Schlobohm  
Company Secretary

Brad Lingo – CEO  
07-3303 0680

Karl Schlobohm – Company Secretary  
07-3303 0661