

11-13 NOVEMBER 2020

Noosa Mining Conference
**INVESTOR
PRESENTATION**



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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 Operating Officer, Mr Michael Laurent. Mr Laurent's qualifications include being 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. Prior to joining Armour Energy, Michael successfully held a variety of domestic and international technical leadership appointments. Most recently he worked for Santos where he was responsible for managing Cooper Basins oil and gas appraisal/development wells and field optimisation initiatives from inception through to approval and implementation. Mr Laurent 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 Laurent has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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. 89,000km²
- 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. 22,720km²
- 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 CO₂ sales gas spec production
- Significant Liquids

Cooper Basin

100% Operator

Multiple Permits Covering 5,242 km²

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

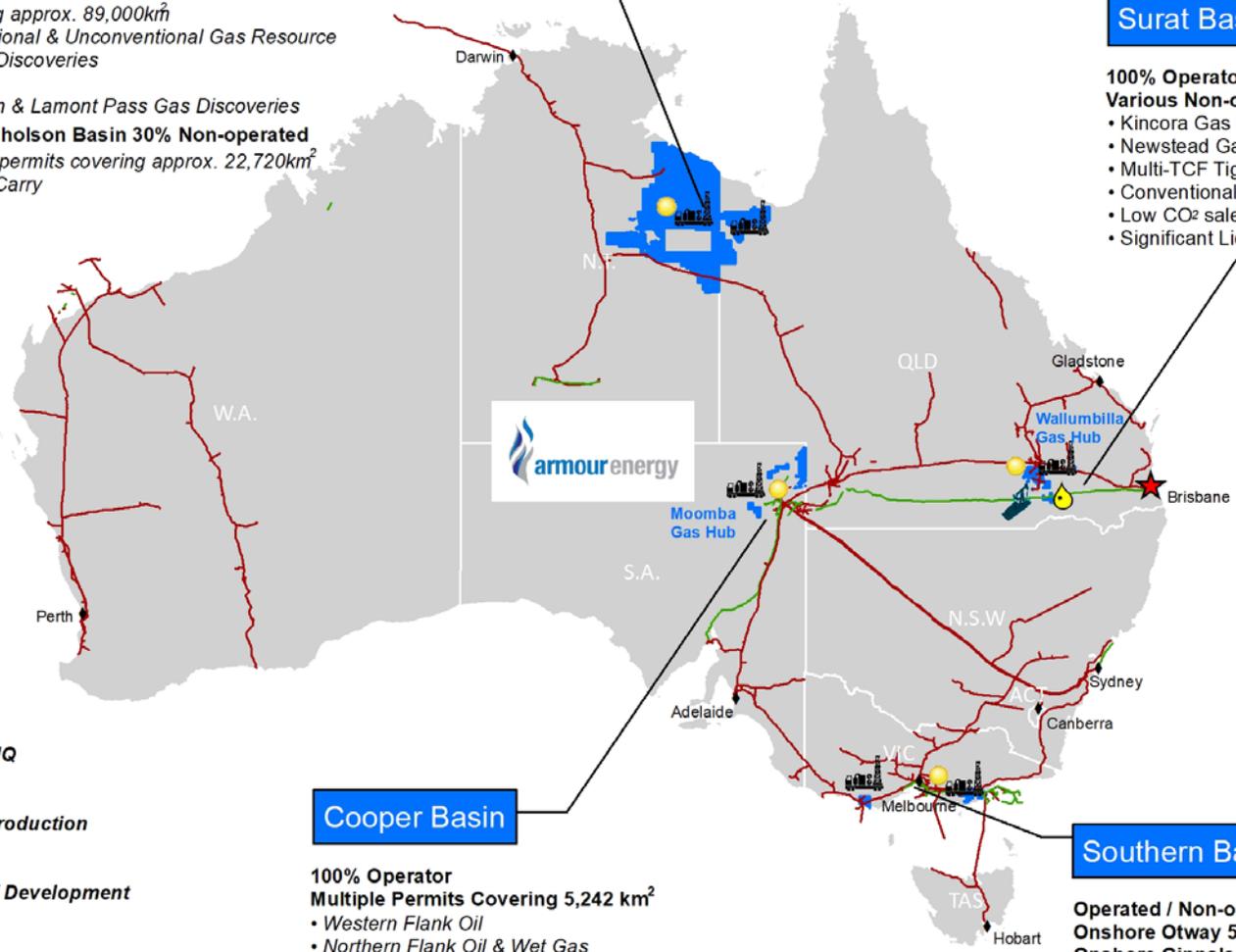
Southern Basins

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



★ Brisbane HQ

💧 Gas / Oil Production

● Appraisal / Development

🏠 Exploration

🛠️ Infrastructure

Armour Portfolio

Corporate snapshot

Key statistics

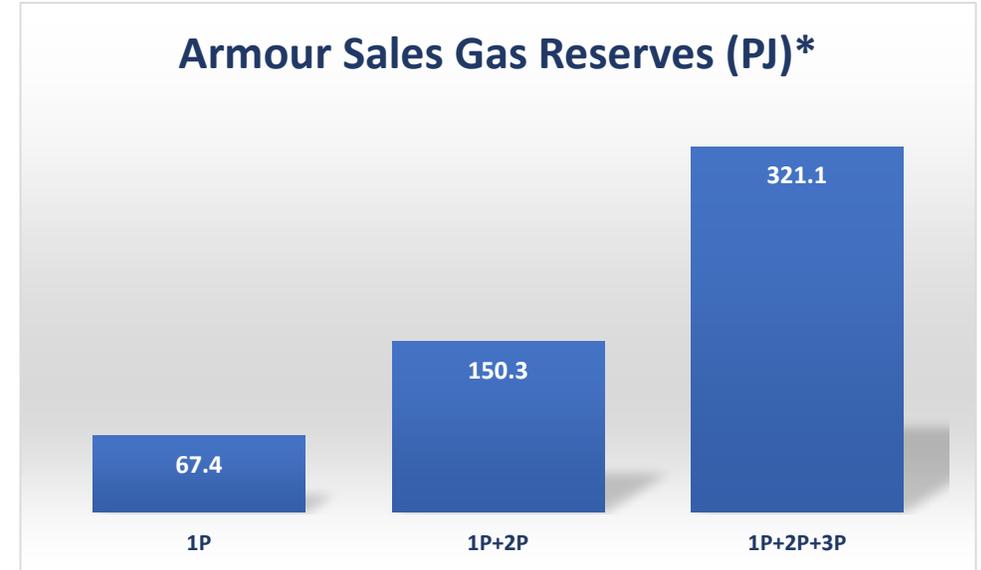
ASX Code:	AJQ
Issued shares	1161 million
Market Capitalisation (6 November 20)	\$48.8m
Cash on hand (30 Sept 20)	\$5.0m
Debt	\$51.5m
Proved & Probable Gas Reserves*	150.3 PJ
Proved & Probable Liquids Reserves*	1,397,000 BOE
Contingent Gas Resources (2C)*	46 PJ
Prospective Resources – Northern Basins (Best estimate)	41.5 TCF

*All Gas and Liquids Reserves attributable to Surat Basin Kincora Gas Project

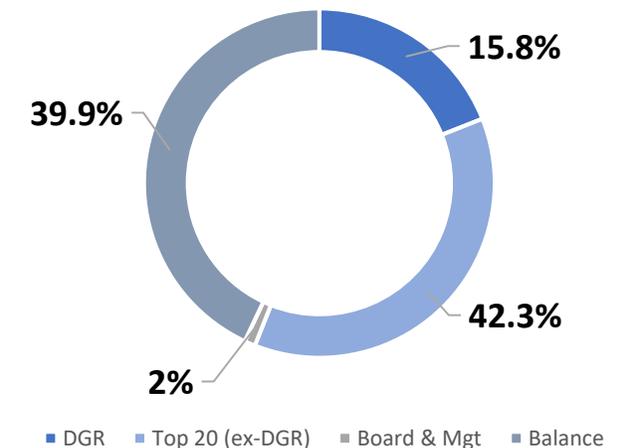
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Armour Sales Gas Reserves (PJ)*

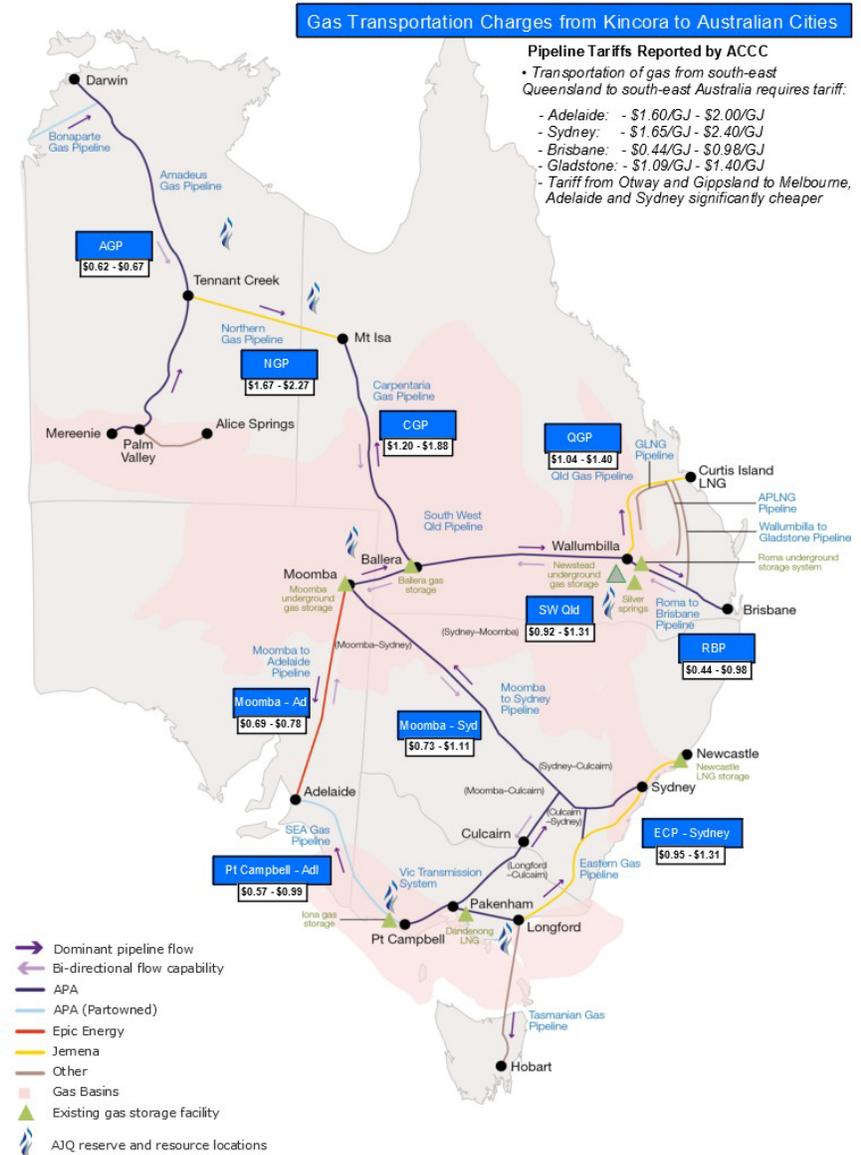


Armour Share Register Composition

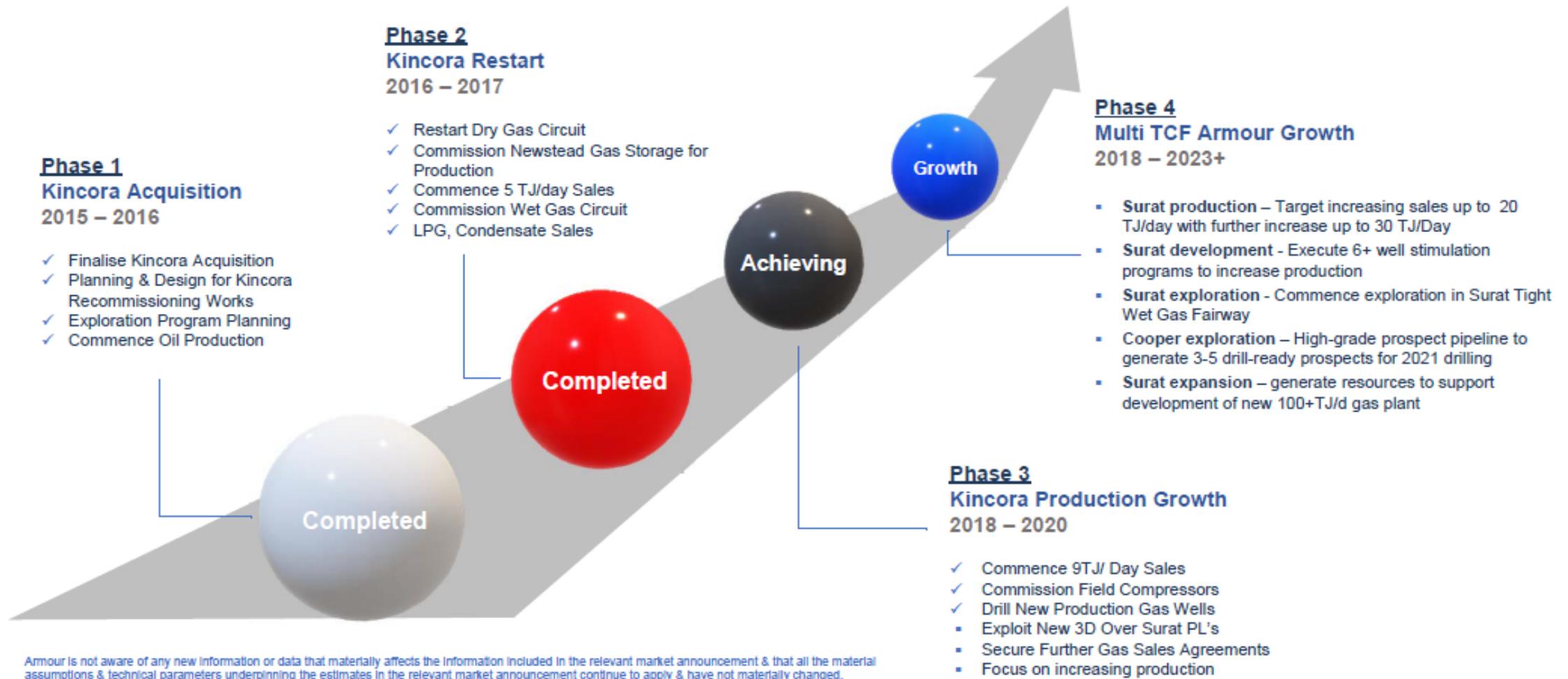


Market access - right locations, right infrastructure

- 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



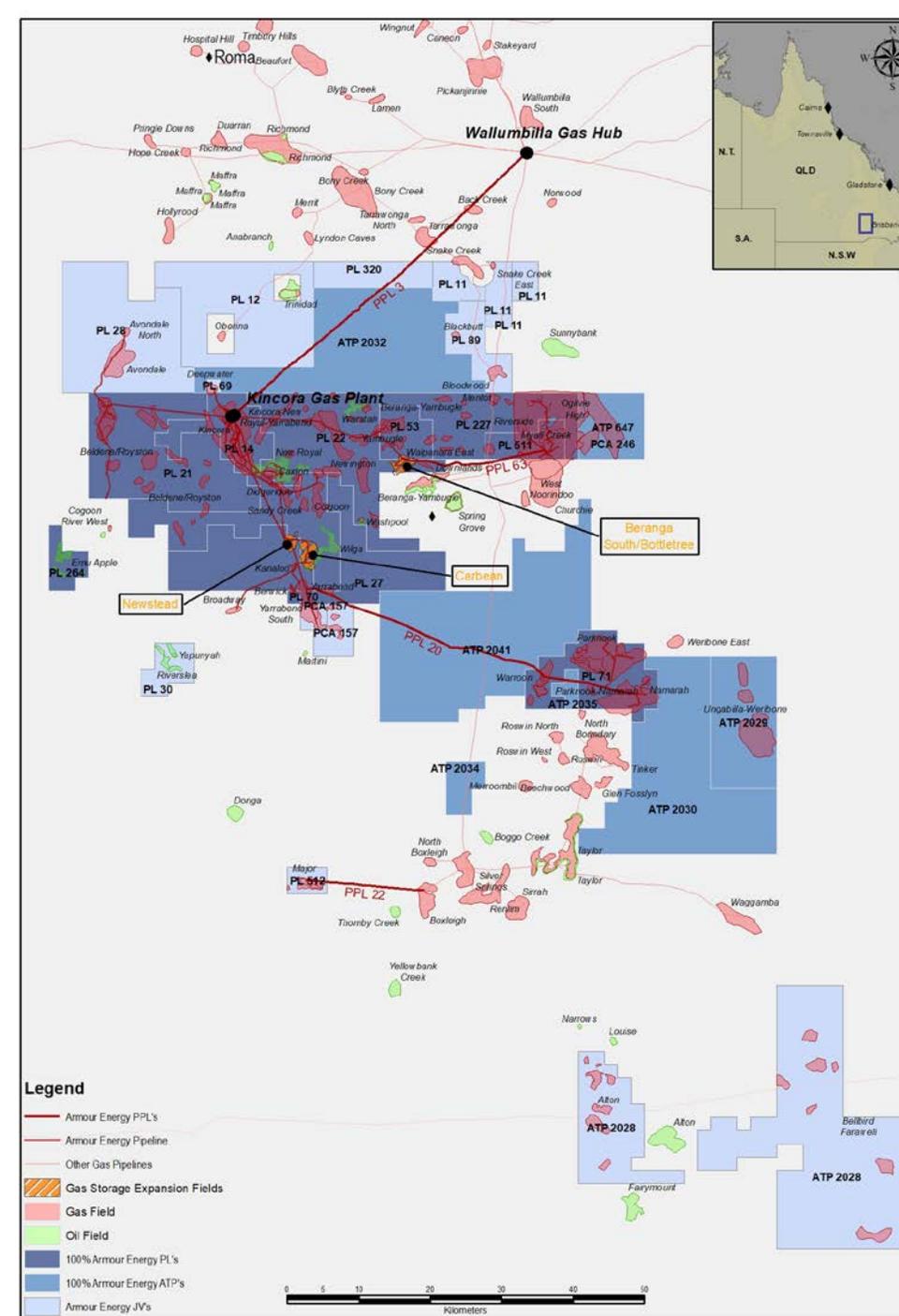
Priorities – focused on delivery

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

Surat Basin

- Armour 100% owner & operator of Kincora Gas Project
- Operator of 3,000 km² of production licenses and exploration licenses*
- 4 exploration Authority to Prospect (ATP) licenses covering over 2,000 km²
- 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
- Sales Gas Reserves = 2P = 150.3 PJ / 3P = 321.1
- Large uncontracted gas position (> 100 PJ)
- Material appraisal/development projects
- Transformational exploration opportunities

*In the Surat Basin, Armour holds 19 Production Licenses, 4 Authority to Prospect (ATP) licenses, 6 Potential Commercial Area (PCA) applications pending and 4 Petroleum Pipeline Licenses (PPL). PCA's 289, 290, 293, 294 and 295 applications areas are under administrative review.



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

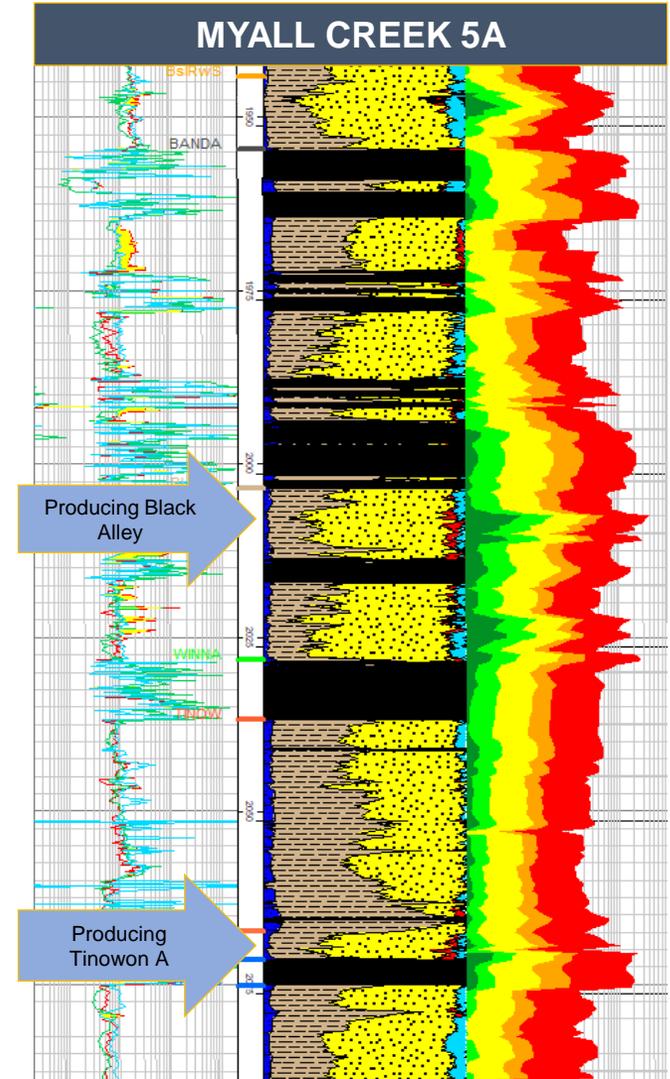
Development – Infill & step-out drilling

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

Follow-on activity

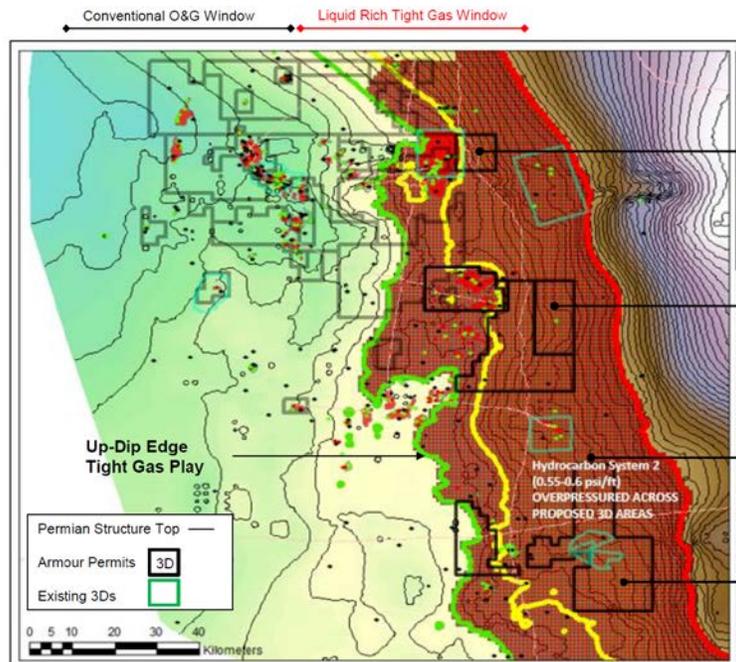
- Following 2019 fracture stimulation programme success 13 existing wells have been screened for fracture stimulation potential to target untapped pay
- Black Alley is prospective in >10 wells which are considered analogues to 2019 stimulation programme success
- Candidates include development, appraisal & 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
★ Warroon 1	Intra Wallabella
	Showgrounds
Myall Creek East 1	Rewan SS
	Black Alley Shale
Parknook 4	Tinowon A
	Showgrounds SS
★ Parknook 2	Rewan Fm
	Rewan Fm
Myall Creek 2	Bandanna SS
	Black Alley Shale
★ Riverside 1	Lower Bandanna
	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

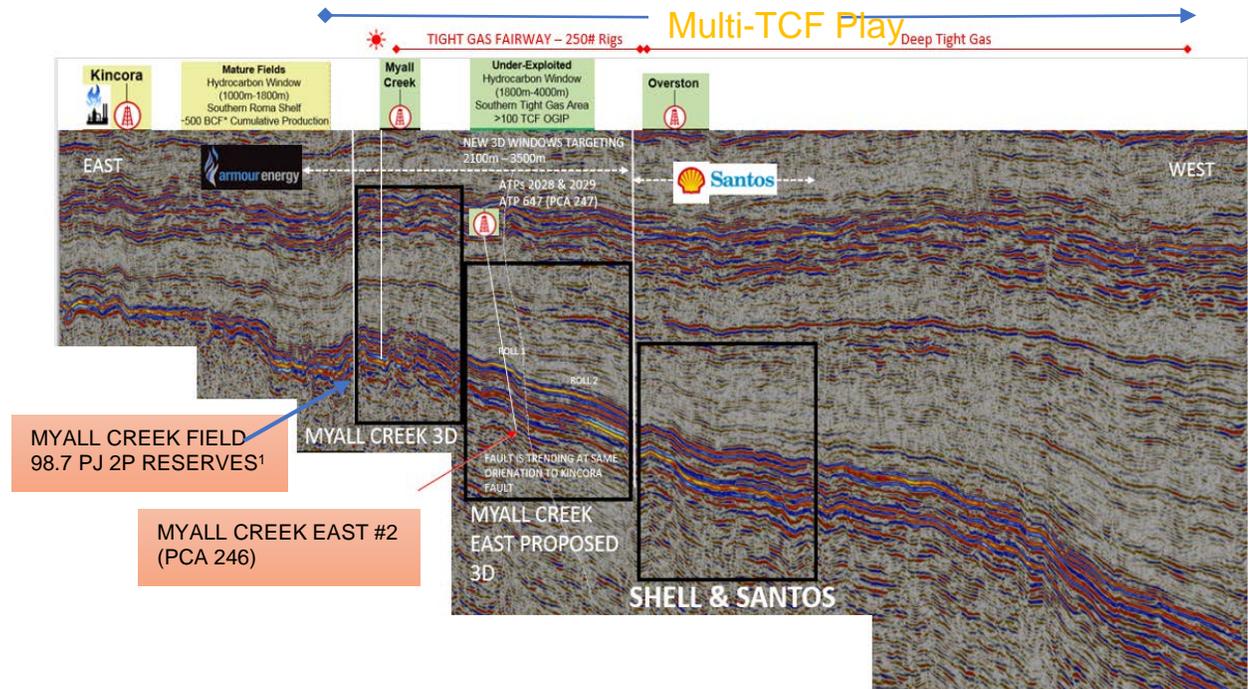


Surat exploration - proving up Multi-TCF tight wet gas fairway

- 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

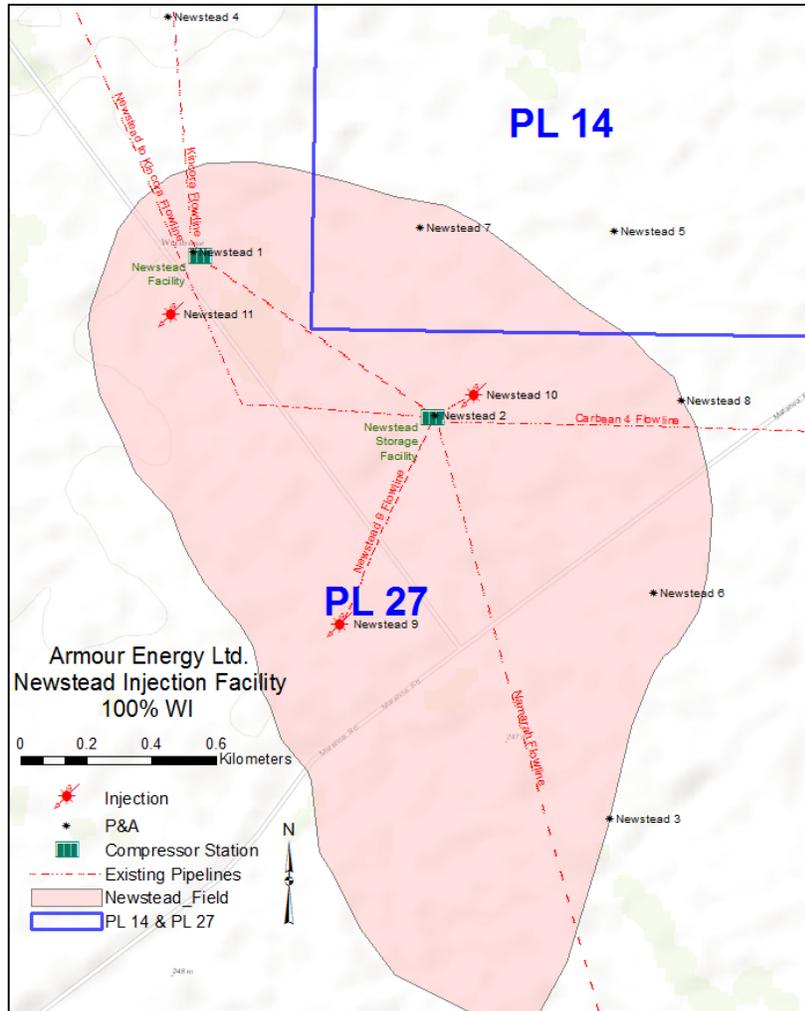


Note: PCA's 289, 290, 293, 294 and 295 applications areas are under administrative review.



- 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 to 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 m3)

Northern Basins McArthur & Isa Superbasin

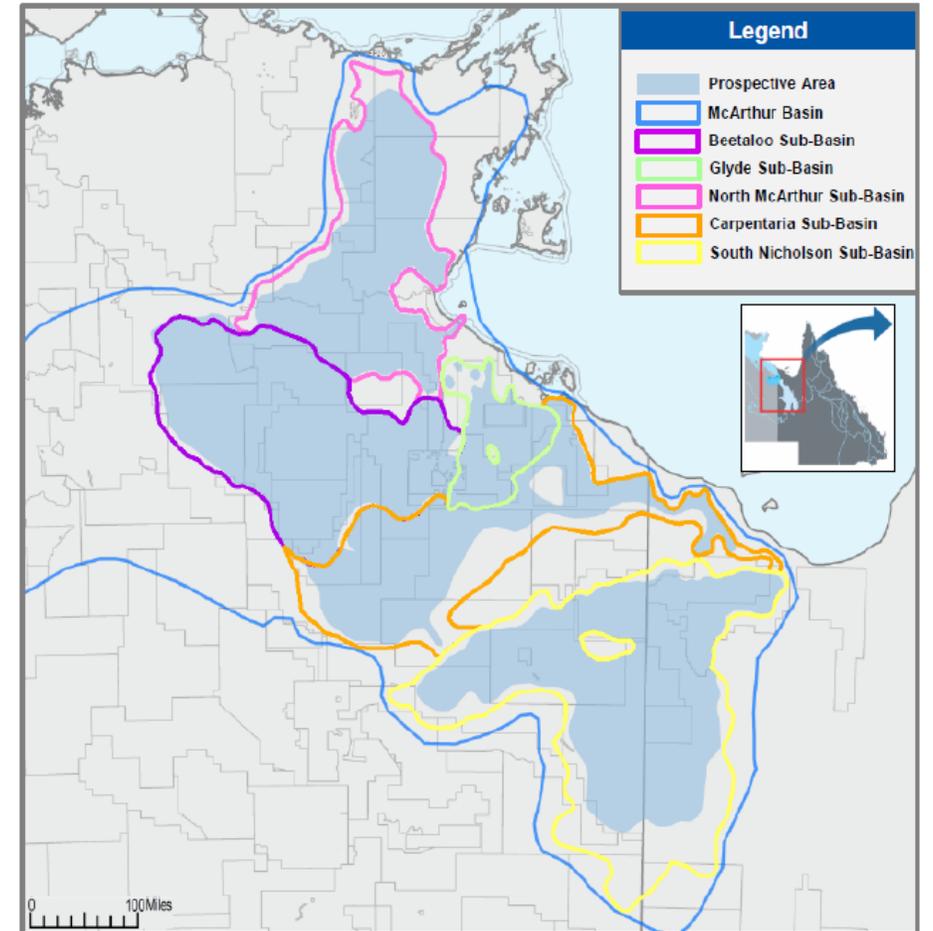
- Multi-TCF conventional & unconventional gas resources
- Multiple basins, plays and prospects – both conventional & unconventional
- 2 core areas – McArthur Basin (NT) and Isa Superbasin (NQ-NT)

McArthur Basin

- Armour (100%) operator / 12 permits covering ~89,000 km²
- 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 km²
- Multiple unconventional prospective shale source rock reservoirs
- Unconventional Prospective Resources P50 (Best Estimate) = 6.6 TCF (Net)

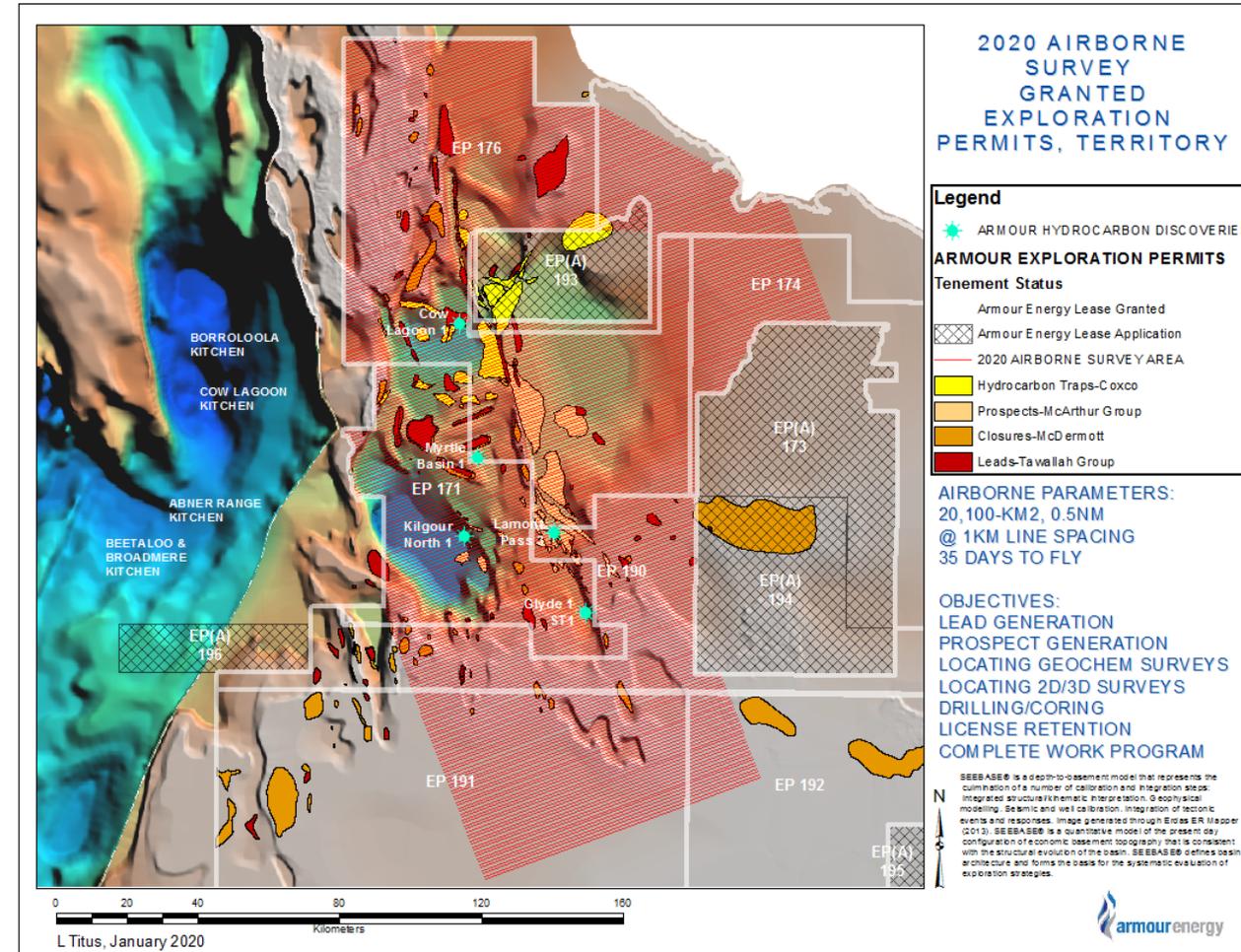


McArthur Basin Conventional

- 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 km² 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

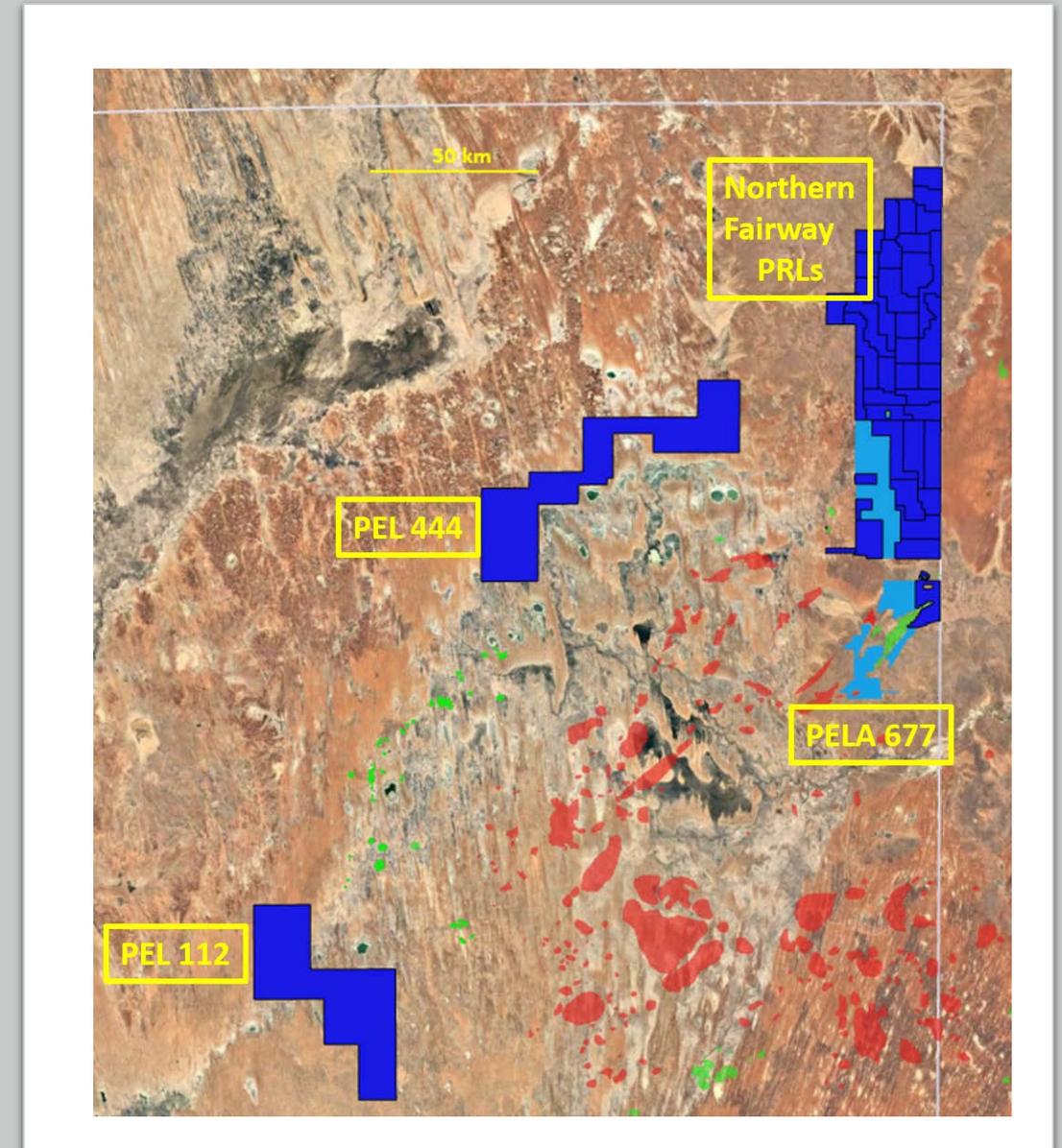
Northern Basins – McArthur Basin Resources*						
Target	Contingent (BCF)			Prospective (TCF)		
	1C	2C	3C	Low	Best	High
Coxco-Cooley	2.4	6	10.3	1.3	4.9	29.9

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



Cooper Basin

- Armour – 100% and operator
- 4th 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 km²
 - Stacked pay potential – oil & wet gas leads & prospects over multiple horizons
 - Includes 792 km² Cordillo 3D seismic / 80 km² 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 km² with 127 km² of 3D seismic
 - Southern extension of prolific Western Flank Oil Fairway
 - Targeting Birkhead Channel prospects
 - Milo, Libby & Drole Prospects already defined



FY 21 Forward work programmes

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

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For further information please contact:

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Nick Mather - Executive Chairman