

ASX Announcement

Armour Energy Limited

20 November 2020

Surat 2020 Work Program Update

**Warroon #1 Stimulation Successfully Completed and
Clean-up and Flowback Operations Commencing**

Highlights:

- **Stimulation activities on Warroon #1 successfully completed.**
- **Three-well stimulation programme completed – all stimulation stages successfully executed to plan and within budget.**
- **Flowback and clean-up operations to commence with Warroon #1 followed by Horseshoe #4 and Horseshoe #2.**

The Board of Armour Energy (“Armour” or the “Company”) is pleased to provide an update on the Surat 2020 Work Program which is being conducted on its 100% owned and operated Kincora Gas Project.

Stimulation activities on Warroon #1 successfully completed

Armour has successfully completed the stimulation activities on the Warroon #1 well, a single stage stimulation of the basal Rewan sandstone over a 4.5-metre interval between 2072 metres to 2076.5 metres. The programme was successfully completed, placing approximately 82,000 lbs of proppant into the target zone.



Warroon #1 Stimulation Activities

In the Warroon #1 well, as the stimulation string is also the production string, clean-up and flowback operations have already commenced. Once the clean-up and flowback operations are completed, Warroon #1 will be reconnected to the sales gas gathering system and sales gas production will commence.

The Company expects to be able to provide further information on the initial well flow rates once sales gas production has commenced the week of 23 November 2020. Following these initial production results, the Company will provide additional information on the outcome of the Warroon #1 stimulation programme and production data 30 days following commencement of sales gas production.

Next Stage – Re-commencement of sales gas production

With the completion of the Warroon #1 stimulation programme and the commencement of the clean-up and flowback operations, the Company has mobilized the workover rig and wireline unit back to the Horseshoe #4 well to re-install the production string. Once this operation is completed, post-stimulation clean-up and flowback will commence prior to reconnecting Horseshoe #4 to the sales gas gathering system. This operation and the reconnection to the sales gas gathering system is expected to be completed by 30 November 2020.

Following the completion of operations in the Horseshoe #4 well, the workover rig will then be mobilized to the Horseshoe #2 well to reinstall the production string, to undertake clean-up and flowback operations and reconnect the well to the sales gas gathering system.

The Company will provide initial well flow rates for each well once sales gas production has commenced and production data 30-days following commencement of sales gas production.

The entire three-well stimulation programme is expected to cost approximately \$4.7 million. Minor weather and equipment delays will push part of the program into early December 2020. All three wells will produce and flow gas into Armour's Surat Basin Gas Gathering System to the Kincora Gas Processing Plant for additional gas sales.

The programme is targeting achieving an aggregate initial increase in daily sales gas production of approximately 4 TJ/day (Best estimate) with a potential aggregate high-side outcome of up to approximately 7 TJ/day sales gas (High estimate).

Armour Energy's CEO, Brad Lingo said:

"The execution of this 3-well stimulation programme has been highly successful, and the delivery of the programme within budget and on time provides us with a clear road map for further stimulation programmes. We have already identified the next 3-well candidates which we are keen to start executing in the March 2021 quarter, and are already working to that end. We have a deep catalogue of potential stimulation and production enhancement projects across our Surat core operations. In approaching each of these additional opportunities we are, and will remain, very focussed on continuing this level of execution and being able to deliver the increase in daily sales gas production."

This Announcement is Authorised by the Board of Directors

Karl Schlobohm
Company Secretary

Nicholas Mather – Executive Chairman
07-3303 0680

Karl Schlobohm – Company Secretary
07-3303 0661

Brad Lingo – CEO
07-3303 0680