

Armour Energy

Annual General Meeting

18 December 2020

CEO 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.

Authorisation

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

PRIMED FOR GROWTH AND 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



BOARD AND MANAGEMENT



Nicholas Mather
Executive Chairman



Stephen Bizzell
Non-Executive Director



Ronald Sleeman
Non-Executive Director



Eytan Uliel
Non-Executive Director



Brad Lingo
Chief Executive Officer



Karl Schlobohm
Company Secretary



Michael Laurent
Chief Operating Officer



Toni Hawkins
Chief Financial Officer

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

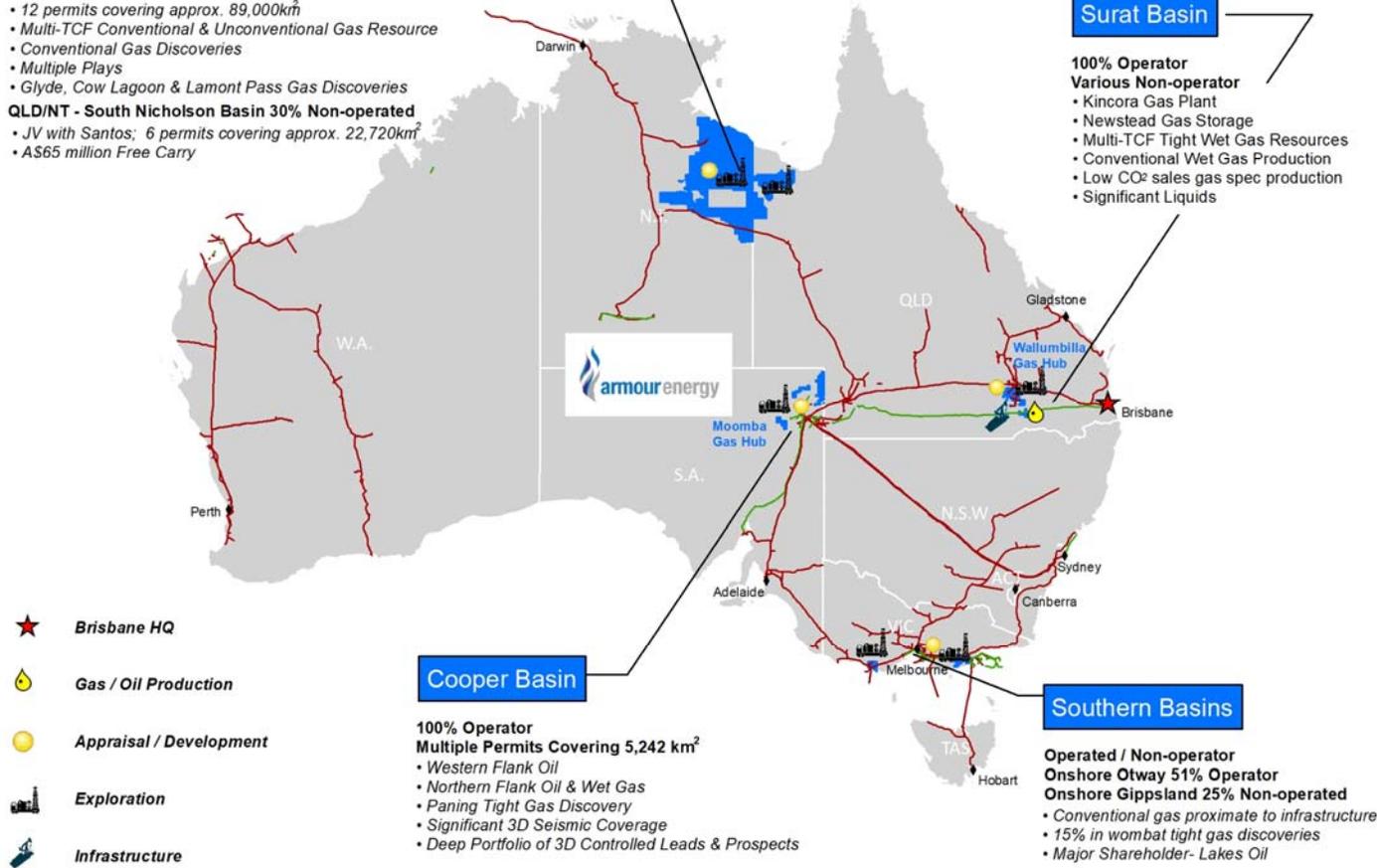
QLD/NT - South Nicholson Basin 30% Non-operated

- 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



★ Brisbane HQ

🔹 Gas / Oil Production

🟡 Appraisal / Development

🏠 Exploration

🛠️ Infrastructure

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

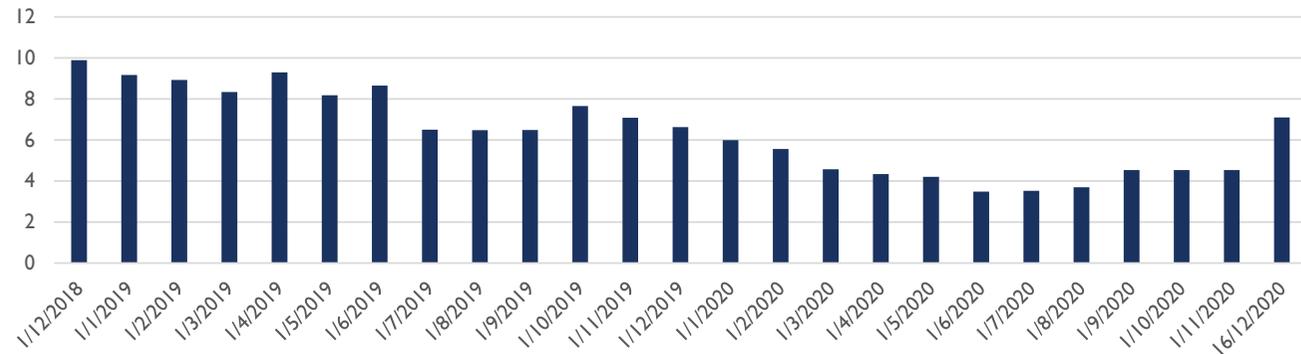
THE ARMOUR PORTFOLIO

YEAR IN REVIEW

- COVID pandemic impacts everyone and everything
- Force majeure on Gladstone LNG cargoes
- Ensuing economic downturn leads to domestic gas demand decline
- Gas price collapse – Wallumbilla spot gas price halves!
- Emerging gas price recovery
- Share price decline & recovery



Wallumbilla Hub Weekly Gas Price



ACHIEVEMENTS

- Setting clear strategic priorities
- Material increase in Surat gas & oil reserves/resources
- Debt reduced by 19% - \$62 million down to \$50.25 million*
- Asset farmouts and sales - \$26 million realised
- Entering the SA Cooper Basin – now 3rd largest operator
- Surat stimulation programme



Warroon #1 – Coil Tubing Unit

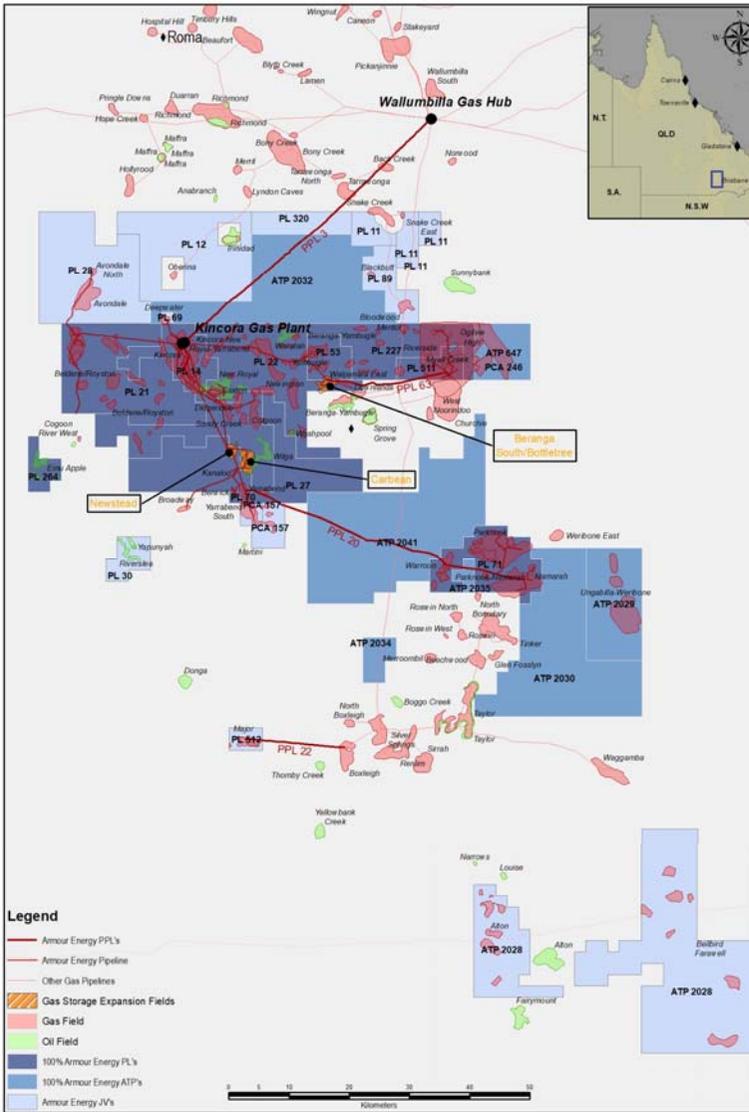
PRIORITIES – FOCUSED ON DELIVERY

	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-utilised 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 rationalise 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

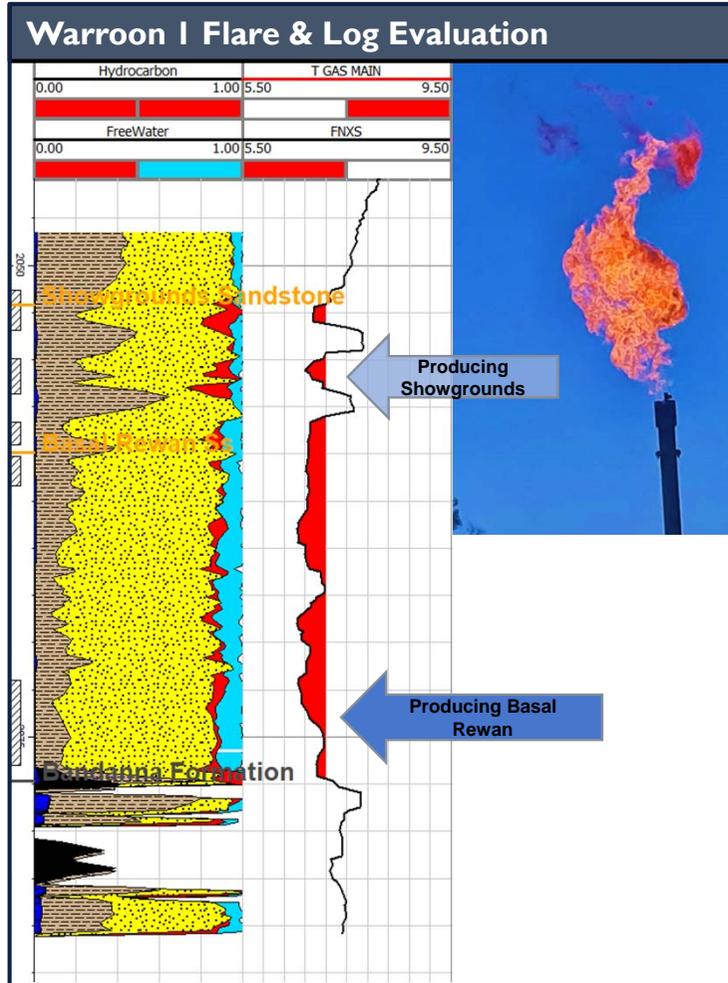
- Armour 100% owner & operator of Kincora Gas Project
- Operator of 3,000 km² of production licenses and exploration licenses*
- 4 exploration Authority to Prospect (ATP) licenses covering over 2,000 km²
- 90 development wells in 39 gas fields and 6 oil fields with 40 current production wells
- Multiple producing oil & gas fields with further development potential
- Proven, established gas storage facility with material expansion potential
- 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.



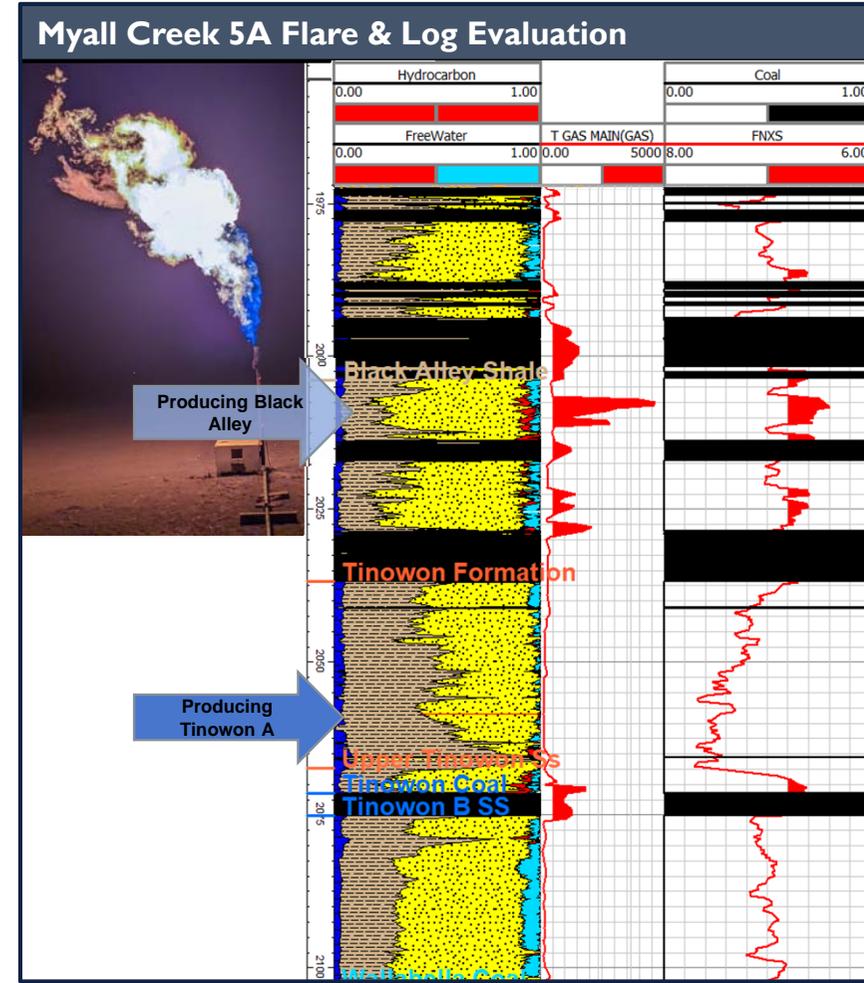
BYPASSED PAY & TIGHT GAS STIMULATION CANDIDATES

- ✓ Successful 2019 and 2020 stimulation programs
- ✓ Vertical exploration establishing new primary targets
- ✓ Bypassed pay within existing well stock
- ✓ Opportunity to add highly commercial volumes with 1-to-2-year payouts
- ✓ Existing gathering network with capacity enables gas to sales with immediate effect
- ✓ Program data de-risks future drilling candidates and contributes to the reserves maturation plan



Potential Stimulation Candidates

Candidate	Reservoir	Opportunity
Myall Creek 5A	Bandanna - Black Alley	Proof of Concept - Success!
	Tinowon A	Stimulated
Horseshoe 4	Basal Rewan	Proof of Concept - Success!
Horseshoe 2	Basal Rewan	Proof of Concept - Success!
	Intra Wallabella	Acceleration
Warroon 1	Showgrounds	Proof of Concept - Success!
	Basal Rewan	Proof of Concept - Success!
Riverside 1	Bandanna - Black Alley	New Bypassed Pay
	Tinowon B	Acceleration
	Tinowon C	Acceleration
Myall Creek East 1	Rewan SS	New Bypassed Pay
	Bandanna - Black Alley	New Bypassed Pay
Parknook 4	Tinowon A	Bypassed Pay
	Showgrounds	Acceleration
Parknook 2	Basal Rewan	New Bypassed Pay
	Basal Rewan	Acceleration
Parknook 5	Basal Rewan	Acceleration
Myall Creek 5	Basal Rewan	New Bypassed Pay
Ogilvie Creek 2	Showgrounds	Acceleration
	Basal Rewan	Acceleration
Ogilvie Creek 1	Bandanna - Black Alley	New Bypassed Pay
	Tinowon A	Bypassed Pay
Myall Creek 3	Bandanna - Black Alley	New Bypassed Pay
	Basal Rewan	New Bypassed Pay
Ungabilla 1	Tinowon A	Bypassed Pay
	Showgrounds	Completed interval pending tie in
Rednook 1	Bandanna - Black Alley	New Bypassed Pay
	Tinowon B	Bypassed Pay
Noorindoo 2	Bandanna - Black Alley	New Bypassed Pay
	Tinowon A	Bypassed Pay
Myall Creek North 1	Bandanna - Black Alley	New Bypassed Pay
Parknook 3	Showgrounds	Acceleration
	Basal Rewan	Acceleration



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 (2020/2021) • Reinstate Newstead gas storage capability (2021) 	<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
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 utilising 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

ROAD AHEAD

- Northern Basins
 - McArthur Basin retention/production license applications
 - McArthur Basin farmout process proceeding
- Surat Basin
 - New 2021 work programme
 - Focus on opening up new by-passed pay plays
 - Monetise Newstead gas storage opportunity
- Cooper & Southern Basins
 - Commencing exploration – high grading leads & prospects to select drilling targets
 - Expanding the footprint
- Financial
 - Targeting further significant debt reduction
 - Strengthening of the balance sheet



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