

Armour Energy (ASX:AJQ)

ASX Announcement

3 March 2021

Proposed Demerger of Northern Basin Oil & Gas Business

HIGHLIGHTS:

- Unlocking unrecognized value for shareholders through proposed demerger and separate ASX listing of Armour's Northern Basin Oil & Gas Business.
- McArthur Oil & Gas Ltd – a new company – is proposed to be created to hold the Northern Basin Oil & Gas Business and demerged from Armour through an in-specie share distribution to existing shareholders.
- IPO and capital raise of \$60-\$65 million for McArthur Oil & Gas proposed to fund acquisition of Northern Basin Oil & Gas assets from Armour and to fund forward exploration.
- Proposed total consideration of \$40 million cash plus a minimum of 33.3% retained interest by Armour shareholders in McArthur Oil & Gas. The consideration received by Armour will be used to retire its outstanding debt.
- As part of the IPO and, subject to Armour shareholder approval, Armour intends to distribute on a tax-effective in-specie basis shares in McArthur Oil & Gas of a minimum of 33.3% by a return of capital to existing shareholders of Armour and will provide shareholders with a direct interest in two separately listed companies.
- Armour shareholders expected to also be provided a priority entitlement to participate in the IPO of McArthur Oil & Gas.
- McArthur Oil & Gas proposed to be the dominant exploration license holder in McArthur Basin with 13 permits covering ~89,000 km² and major holding in South Nicholson Basin with 1 permit covering ~7,900 km².
- McArthur Basin has proven conventional and unconventional shale gas resources with a focus on near term production development opportunities from existing conventional discoveries.
- Independently certified Prospective Resources of 34 TCF (Best Estimate) of conventional and unconventional gas and 1.2 billion barrels of oil and hydrocarbon liquids (Best Estimate).
- 193 conventional leads and prospects identified in Coxco and Reward Dolomites and Tawallah Group Sandstones with 4.3 TCF Prospective Resources (Best Estimate).
- Proposed separation will also provide greater flexibility to pursue further project opportunities.
- Further information on the McArthur Oil & Gas IPO including the record date for determining entitlements to the distribution of shares in McArthur Oil & Gas will be provided in the coming weeks.

The Directors of Armour Energy Limited (ASX: AJQ; “Armour”, or “the Company”) are pleased to announce that the Company proposes to demerge the Northern Basin Oil & Gas Business (the “Northern Basin Business”) into a newly formed company – McArthur Oil & Gas Ltd – to be separately listed on ASX to unlock unrecognized value for shareholders.

The Northern Basin Business – Leading Operator in the McArthur Basin

Armour is the leading operator in the McArthur Basin and is the 100% owner and operator of six granted Exploration Permits and seven Exploration Permit applications (see map and table attached in Figure 1) covering approximately 89,000 km² in the Northern Territory and the 100% owner and operator of a material position in the South Nicholson Basin in NW Queensland with one Exploration Permit application in the South Nicholson Basin covering approximately 7,900 km².

Armour's McArthur Basin exploration project area represents the largest and most important part of the Northern, Central and Southern McArthur Basin where the thickest and most oil and gas prone sections of the McArthur and Tawallah Groups are present.

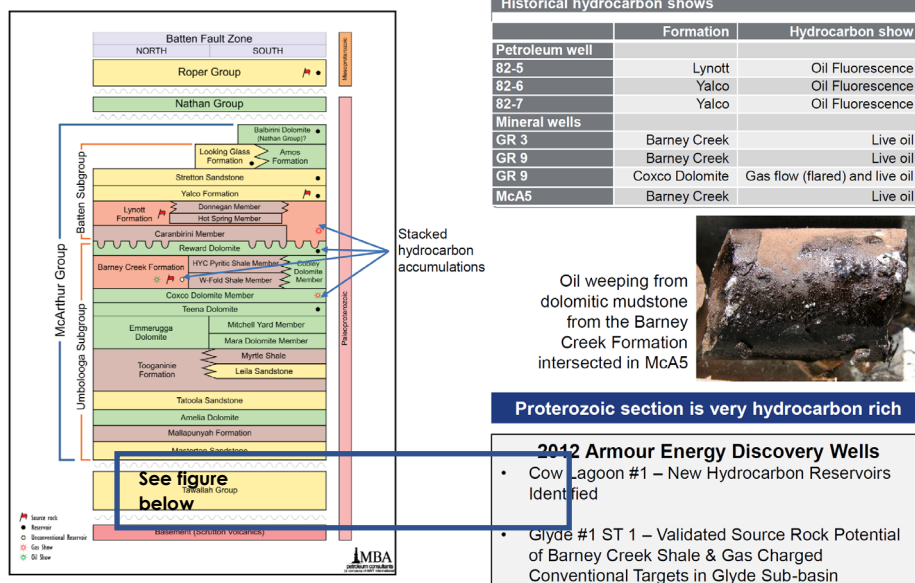
Northern Basin Business Summary

- **100% owner and operator of 14 permits covering ~96,900 km²**
- **Proven conventional & unconventional gas play fairways**
- **193 conventional leads/prospects identified in Coxco, Reward & Tawallah formations**
- **Conventional Prospective Resources P50 (Best Estimate) = 4.4 TCF (Net)**
- **Unconventional Prospective Resources P50 (Best Estimate) = 30 TCF (Net)**
- **Multiple conventional gas discoveries with 6 BCF 2C Contingent Resources**
- **Retention License (RL) Applications made covering conventional gas discoveries**
- **RLs important first step towards securing production licenses for existing gas discoveries**
- **Gas sale discussions underway targeting gas sales from late 2022 onwards**

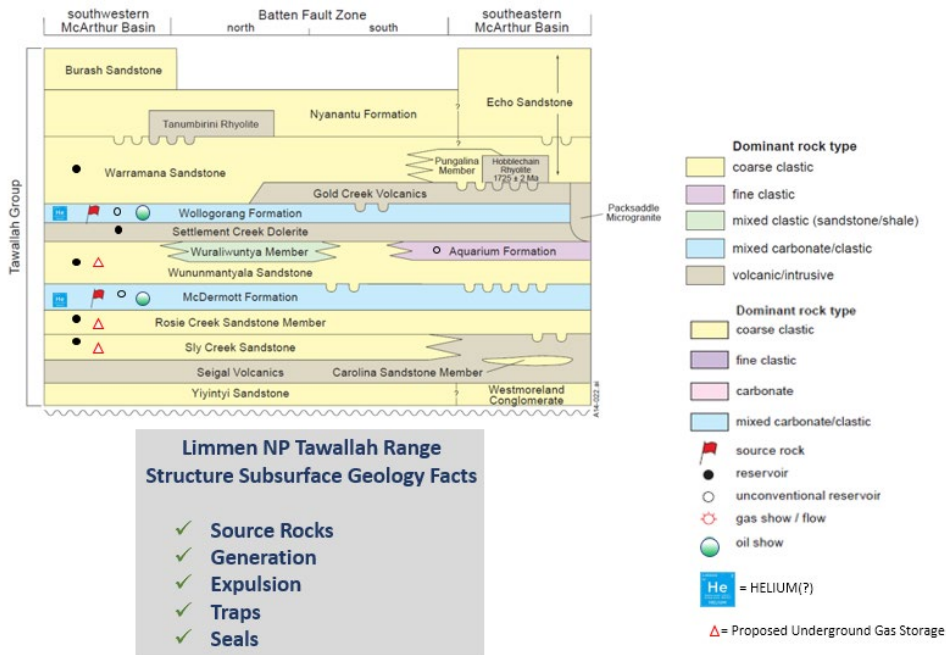
Conventional – Significant Resources, Proven Plays, Existing Discoveries & Multi-Target Portfolio

The Company's Northern Basin Business in the McArthur Basin contains extensive acreage holdings covering multiple conventional and unconventional gas and liquids rich prospects and plays. The conventional oil and gas potential of the McArthur Basin was first identified through a mineral drilling programme by Amoco Minerals as part of a 9-well programme in 1979-80 searching in the Glyde region for silver-lead-zinc mineralisation within the Barney Creek Formation and a follow-up Amoco and Shell joint venture 2-well drilling programme in 1981-82 in the Glyde Region.

McArthur Basin – Algal marine Proterozoic rocks are rich in oil and gas



Tawallah Group



Amoco-Shell JV Glyde River-9 (GR9) mineral hole with gas flare

Ten of the eleven wells drilled through these two programmes unequivocally intersected Barney Creek Formation sediments and a gas flow was encountered whilst drilling the Coxco Dolomite in the Glyde River-9 (GR9) well. The gas flow was subsequently ignited and flared prior to plugging and abandoning the well. (see picture to right).

Recognizing the results from earlier mineral well drilling, from 2012 through 2015, Armour successfully pioneered oil and gas exploration across the McArthur Basin. In terms of conventional oil and gas plays, leads and prospects, the McArthur Basin contains several significant conventional hydrocarbon target reservoirs Wollorang and McDermott formations in the Tawallah Group. With a successful initial 5-well exploration programme in 2012 and 2013, Armour has established the Coxco and Reward Dolomites as a proven conventional hydrocarbon system.

With Cow Lagoon-1, Armour established the conventional gas prospectivity of the Reward Dolomite.

With Glyde-1 and Glyde-ST1, Armour established the conventional gas prospectivity of the Coxco Dolomite. In addition to the initial conventional gas discoveries with the Cow Lagoon-1, Glyde-1 and Glyde-ST1 proving the conventional gas prospectivity of the Coxco and Reward Dolomites, the Company has identified 193 additional conventional leads and prospects (see Figures 2 to 2D) in the McArthur Basin Coxco and Reward Dolomites and the Tawallah Group Sandstones with 4.4 TCF of Best Estimate Prospective Recoverable Gas Resources (see table below).



Northern Basins – Conventional Contingent and Prospective Resources*						
Conventional Target	Contingent (BCF)			Prospective (TCF)		
	1C	2C	3C	Low	Best	High
Coxco-Cooley Dolomite	2.4	6	10.3	1.1	4.4	29.9
*Contingent Resources are limited to Glyde Proposed Production License Area – see Table 1 with details of Contingent and Prospective Resource estimates						

Note: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Armour has reported conventional gas discoveries in Cow Lagoon-1, Glyde-1, Glyde-ST1 and oil discoveries at Lamont Pass-3 within the McArthur Group. The Glyde-1 discovery well flowed 3.3 MMscfd of sales-quality gas from the Coxco Hydrothermal Dolomite of the McArthur Formation in Armour's 100% owned and operated EP 171.

Armour Glyde-ST1 gas exploration well flowing 3.3 MMscfd with flare



To view a video clip of the Glyde-ST1 gas discovery production testing gas flare click on the following link or copy and paste it into your browser: <http://www.youtube.com/watch?v=7z7V1bPSQWQ>.

Glyde-1 has been confirmed as a conventional gas discovery and Contingent Resources of up to 10 BCF 3C Contingent Resources have been booked (see table above). Based on these initial exploration successes, the Company has filed applications for Retention Licenses covering the Greater Glyde Gas Discovery as the first step towards progressing the Glyde Gas Discovery to commercial development (see further discussion below).

Unconventional – Multi-TCF Resource & Multiple Shale Plays – Barney Creek, Wollgorang & McDermott

In addition to the proven conventional hydrocarbon systems established through the 5-well exploration drilling programme, the Company's Northern Basin Business position in the McArthur Basin also contains a potential World-class unconventional shale gas petroleum system with multiple target shales in the Barney Creek and Wollgorang and McDermott Shales of the Tawallah Group.

The Wollgorang and McDermott Shale Tawallah Formation source rocks are believed to underlie the McArthur Group and the Barney Creek Shale extending east across and through the Company's permits extending to the Queensland border covering an area in the order of 52,000 km² (see map below).

Northern Basins –Unconventional Prospective Resources*			
Unconventional Target	TCF		
	Low	Best	High
Barney Creek Shale	3.8	12.9	39
Wollgorang Shale, Tawallah Group	0.0	6.9	141.4
McDermott Shale, Tawallah Group	0.0	10.1	152.1
Total	3.83	30.0	332.5
*See Table 1 with details of Prospective Resource estimates			

Note: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Proposed Demerger

The Company proposes to structure the demerger transaction through a new wholly-owned subsidiary – McArthur Oil & Gas Ltd – that is proposed to hold all of the assets and operations of the Northern Basin Business. It is proposed that McArthur Oil & Gas will enter into a conditional agreement to acquire from the Company the Northern Basin Business for consideration of \$40 million plus a minimum 33.3% retained interest by Armour shareholder in McArthur Oil & Gas subject to amongst other matters, the completion of an IPO and ASX listing of McArthur Oil & Gas.

Through the IPO, McArthur Oil & Gas will seek to raise circa \$60-\$65 million proceeds to fund both the consideration for the Northern Basin Business together with McArthur Oil & Gas's forward work programmes. The focus will include the accelerated development of the existing conventional gas discoveries. It is expected that McArthur Oil & Gas will also continue to focus on securing one or more joint venture partners to participate in the exploration of the significant proven conventional Coxco-Cooley Dolomitic Breccias and Reward Dolomite, as well as the unconventional Barney Creek and the Tawallah Group Wollgorang Formation and McDermott Shales.

As part of the IPO and, subject to Armour shareholder approval, the Company intends to distribute on a tax-effective in-specie basis shares in McArthur Oil & Gas by way of a return of capital to existing shareholders of Armour and will provide shareholders with a direct interest in two separately listed companies. Additionally, it is expected that shareholders of Armour at the record date for the in-specie distribution will also be provided a priority entitlement to participate in the IPO raising of McArthur Oil & Gas. Details of the proposed IPO including the record date for determining entitlements to the distribution of shares in McArthur Oil & Gas and the nature and extent of the priority entitlement in the IPO raising will be provided to Armour shareholders in due course.

Following the completion of the in-specie distribution and the IPO, the Company expects that Armour shareholders at the record date for the in-specie share distribution will hold a minimum of 33.3% of McArthur Oil & Gas with the potential to hold a greater percentage depending upon participation in the priority entitlement in the IPO of McArthur Oil & Gas.

Following the completion of the demerger, the Company will focus on reinvigorated exploration in both the Surat and Cooper Basin Business Units and continued production enhancement within the Surat. If the

demerger and IPO are ultimately successful, the Company intends to use the consideration received from McArthur Oil & Gas for the Northern Basin business to retire a proportion of /some or all of its outstanding debt. Successful completion of the proposed demerger transaction is expected to result in the Company strengthening its balance sheet and both McArthur Oil & Gas and the Company being well-funded to progress their respective exploration, development and production programmes. The proposed separation will also provide greater flexibility to pursue further project opportunities for both entities.

In the coming weeks, the Company intends to work with its financial and legal advisors and engage independent financial and technical experts to assist in the proposed demerger and the execution of the IPO of McArthur Oil & Gas. The proposed demerger will be subject to the successful completion of the IPO of McArthur Oil & Gas as well as a number of other standard conditions for a transaction of this nature, including all necessary shareholder approvals, all ASX and other regulatory approvals as required, any required consents or approvals from the Company's financiers and receipt of any necessary or desirable tax rulings from the ATO regarding the tax implications of a distribution in specie for Armour shareholders. The Company is currently targeting completion of the proposed demerger and IPO by the end of September Quarter 2021. Shareholders will be provided with detailed information as regards the proposed demerger and IPO in due course and the Company will provide further information and updates as and when they become available.

Unlocking Value for Shareholders

The Company believes that the current value of the Northern Basin Business is unrecognized within Armour's current market capitalisation, and that the current focus on the significant resource potential of the Beetaloo and McArthur Basins clearly demonstrates this. The table below sets out a peer comparison which highlights the dominance of the Company's position that has been essentially operationally suspended during the inquiries into Hydraulic Fracturing and moratoriums placed on oil and gas operations and hydraulic fracturing activities in the Northern Territory from 2014 through mid-2019.

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

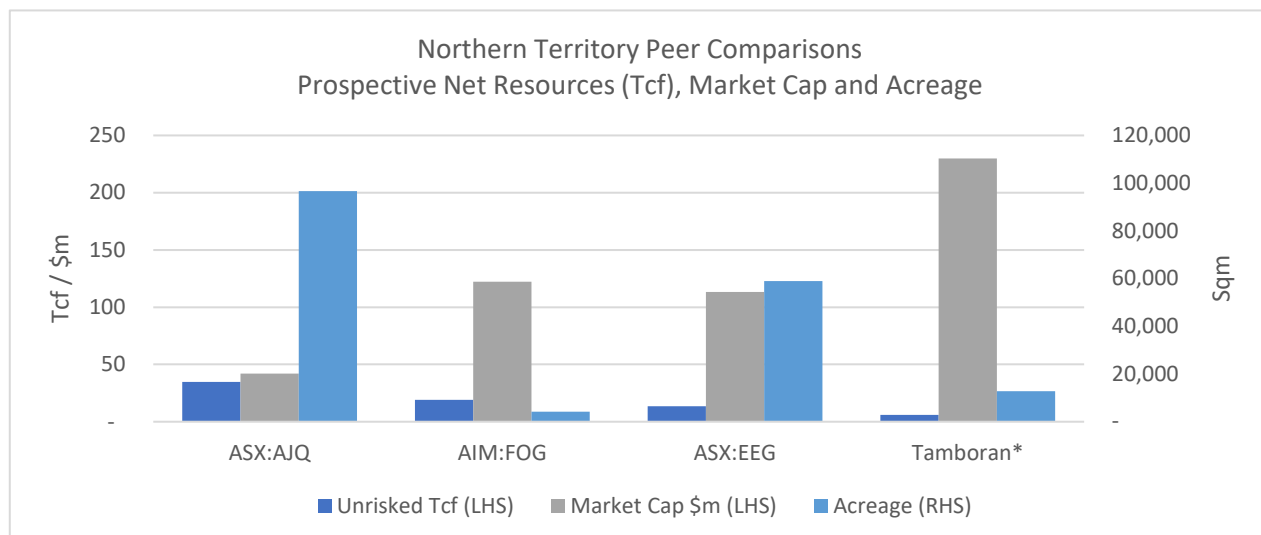
Key Component	Armour Energy	Empire Energy	Santos / Tamboran	Origin / Falcon	Pangaea
Basin	McArthur / South Nicholson Basin	McArthur Basin / Beetaloo	Beetaloo / McArthur	Beetaloo	Beetaloo
Market Cap	\$43.4m	\$111.7m	Tamboran est. \$230m (see chart footnote on page 8)	FOG = ~A\$120.4m	N/A
Acreage Tenements	96,900km ² (6 granted, 8 applications)	59,000 km ² (2 granted, 4 applications)	22,800 km ² (3 granted)	18,600 km ² (3 granted)	100,000 km ² (4 granted)
Targeting	Oil & Gas conventional / unconventional	Oil and Gas unconventional	Gas unconventional	Oil and Gas unconventional	Oil and Gas unconventional
Exploration Activities	Airborne survey, seismic, plus 5 wells since 2012	Seismic completed in 2019, 1 well drilled in Q3 2020 Fracking existing well in Q2 2021	2013 Seismic, and 1 well in 2014 Drilling planned Q3 2021 Needs fracking	1 well to date and early fracking in 2014. Fracking of completed in Q3 2020. Announced drilling further 2 wells	7 wells planned No intention to undertake exploration in 2020
Results	Exploration and technical success achieved. Gas and oil in target zones in 3 wells	Exploration and technical success achieved	Partial technical success achieved. Elevated gas readings shown.	Partial technical success but requires more fracking. Looking for liquids.	No information released
Resources Reserves	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
Depth	600m to 2,500m	1400m to 2,800m	2,000m to 4,000m	1,800m to 3,800m	No information released
Exploration Spend (A\$)	33 mill	Approx. 25 mill	50+ mill	80 + mill	Not disclosed

Note: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

This peer comparison highlights the Company's commanding acreage, prospective resource and diversity of both conventional and unconventional plays. As highlighted above, the Company uniquely holds the only proven conventional play fairway along the Batten Trough and the Emu Fault Zone which sits entirely within the Company's acreage.

Peer company resource, acreage and valuation comparison indicates that McArthur Oil & Gas's position will compare favourably to the other pure-play McArthur/Beetaloo Basin focussed companies. This peer comparison demonstrates the value potential that can be unlocked through the proposed demerger and the potential upside for McArthur Oil & Gas through becoming an active McArthur/Beetaloo Basin pure-play focussed company actively pursuing further exploration and commercialisation of existing gas discoveries.

The graph below demonstrates the Company's position in relation to prospective resources, market capital and acreage compared to other pure play Northern Territory McArthur and Beetaloo Basin peers.



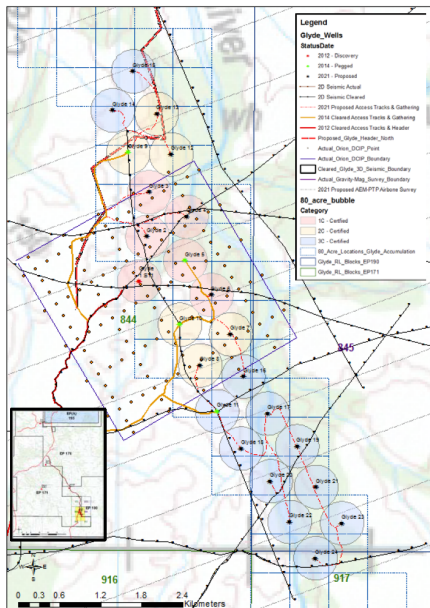
Note: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

* Tamboran is an unlisted entity and market cap is based on \$35 million convertible note plus \$195 million planned IPO per Financial Review article "Beetaloo Gas play Tamboran pitches whooper IPO to investors" 21 June 2020

Early gas commercialisation potential

The petroleum exploration tenements that comprise the Northern Basin Business are well positioned and are close to existing local major operating mines, gas consumers and local and regional gas pipeline infrastructure. Proximity to this pipeline infrastructure provides prospective access for future gas development within the Retention Licence Applications (refer ASX release of 25 February 2021) either North to supply Darwin, or to the East Coast Market. Alternately, the Company has also identified the potential to accelerate commercialisation via Compressed Natural Gas "virtual pipeline" solution providing accelerated access to local and regional existing and prospective gas demand.

Northern Territory - Glyde Conventional Gas Retention License



Armour is pursuing an active conventional gas development plan

- Glyde-1 ST1: Flow tested at 3.33 Mmscf/day – low CO₂, sales gas quality
- Coxco Dolomite Conventional Gas Field with multiple follow-on prospects
- Shallow wells, low cost drilling & development
- 24-Well conceptual development Program
- Seeking a 5-year Retention License
- Pursuing multiple sales gas MOUs
- Within available Farm-out area

Glyde 1 ST-1 Discovery Well		Area (Acres)			Area (km ²)			OGIP (Bcf)			Recover Factor (%)			Raw Gas Contingent Resources		
Exploration Permit	Reservoir	1C	2C	3C	1C	2C	3C	1C	2C	3C	1C	2C	3C	1C	2C	3C
171	Coxco	480	960	1434	1.9	3.9	5.8	4.0	8.1	12.1	0.6	0.8	0.9	2.4	6.1	10.3
190	Coxco	0	0	485	0.0	0.0	2.0	0.0	0.0	4.1	0.6	0.8	0.9	0.0	0.0	3.5
Total		480	960	1919	1.9	3.9	7.8	4.0	8.1	16.2				2.4	6.1	13.8

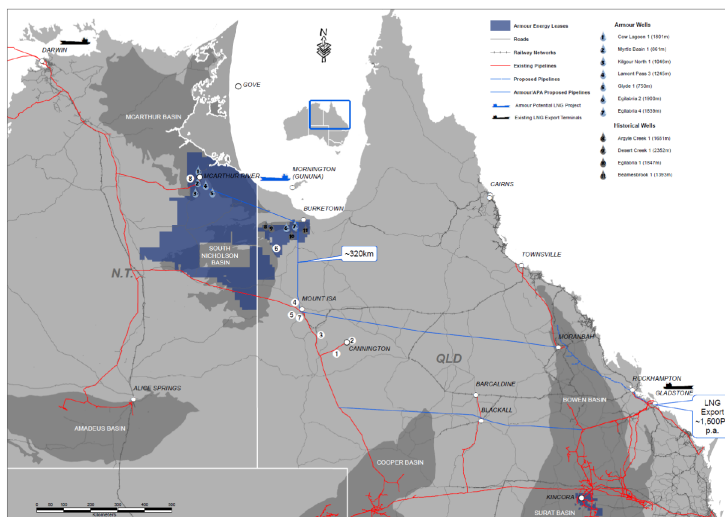
Notes:

1. Area is based on 24 total wells at 80-acres per well average
2. OGIP based on mean OGIP per acre
3. Application of any risk factor to contingent resources quantities does not equate to contingent resources with reserves
4. There is no certainty that it will be commercially viable to produce any portion of the contingent resources
5. Conversion factor 1.128
6. Contingent resources have an economic status of "undetermined"
7. D&M Report, Contingent Resources in Northern Territory Exploration Permit 171 interests licensed by Armour Energy Ltd, April 2013

Northern Basins

The Company is in preliminary discussions with third parties for the supply of gas with the intention of producing and selling Northern Basin Business gas from 2022 onwards and in discussions with potential Compressed Natural Gas service providers. The Company is also investigating initiatives to help supply energy to remote communities and assist with transitioning those communities from diesel powered generators to combined natural gas and renewable energy solutions similar to deployed in remote areas of central and north Queensland.

Northern Australia Project - Markets



- Key local markets in Northern Australia
- Currently supplied by Cooper Basin and Amadeus Basin
- Transportation costs in excess of \$1.20/GJ to deliver Gas to Mt Isa from Cooper Basin
- Potential for production close to major markets⁽¹⁾

ID	Customer	PJ/a
1	Osborne	1.1
2	Cannington Mine	2.8
3	Phosphate Hill	15.4
4	Diamantina Power Station	24.5
5	Mica Creek Power Station	38.2
6	Century Mine	14.6
7	Mt Isa Mines	9.5
8	McArthur River Mines	5.0
Total		106.1

- Potential to supply Gladstone or Darwin LNG projects or new stand-alone projects

(1) Source : Market data based on Maximum Daily Quantity of Gas Deliverable <https://www.apa.com.au/globalassets/documents/info/schematic/cag-schematic.pdf>

Armour Energy's CEO, Brad Lingo said:

"The proposed demerger of the Northern Basin Business exploration and the development of the existing gas discoveries through McArthur Oil & Gas is a great opportunity to unlock significant value for shareholders. The Company has been well aware that the value of the Northern Basin Business has not been

reflected in the Company's share price and market capitalisation as it competes with the demands of the Company's Surat Basin operations and the Company's financial position. It is absolutely incumbent on the Company to unlock this value for shareholders and there are clear markers on value presented by the other pure-play McArthur/Beetaloo Basin focussed companies."

Mr. Lingo continued "Through the proposed demerger the Company is simultaneously delivering two value creating outcomes for shareholders – unlocking the value of the Northern Basin Business and delivering this directly to shareholders dealing and removing the debt burden on the Company so it can focus on delivering the operational performance from the Surat Basin and building on the untapped exploration potential of both the Cooper and Surat Basins."

This Announcement is Authorised by the Board of Directors

Karl Schlobohm
Company Secretary

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Executives

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Karl Schlobohm – Company Secretary
Michael Laurent – Chief Operating Officer
Toni Hawkins – Chief Financial Officer

Directors

Nicholas Mather – Executive Chairman
Stephen Bizzell - Non-Executive Director
Roland Sleeman – Non-Executive Director
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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.

Figure 1 – Northern Territory Petroleum Tenement Map

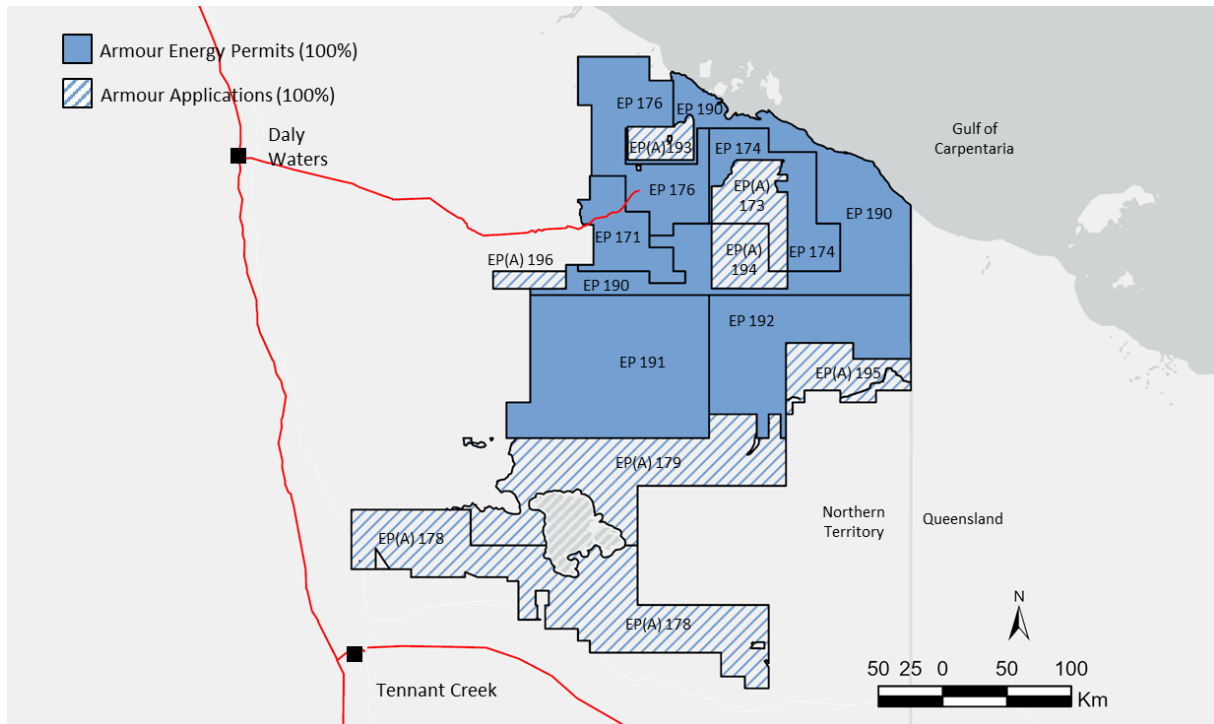


Table 1 – Northern Territory Acreage

Permit	Acreage (km ²)	Armour Energy Working Interest
EP 171	3,453	100%
EP(A) 173	2,903	100%
EP 174	4,320	100%
EP 176	7,441	100%
EP(A) 178	14,853	100%
EP(A) 179	11,500	100%
EP 190	12,760	100%
EP 191	15,163	100%
EP 192	9,455	100%
EP(A) 193	1,348	100%
EP(A) 194	2,331	100%
EP(A) 195	3,287	100%
EP(A) 196	739	100%
Total	89,554	100%

**Figure 2 – Northern Territory McArthur Basin
Conventional Leads, Prospects & Discoveries**

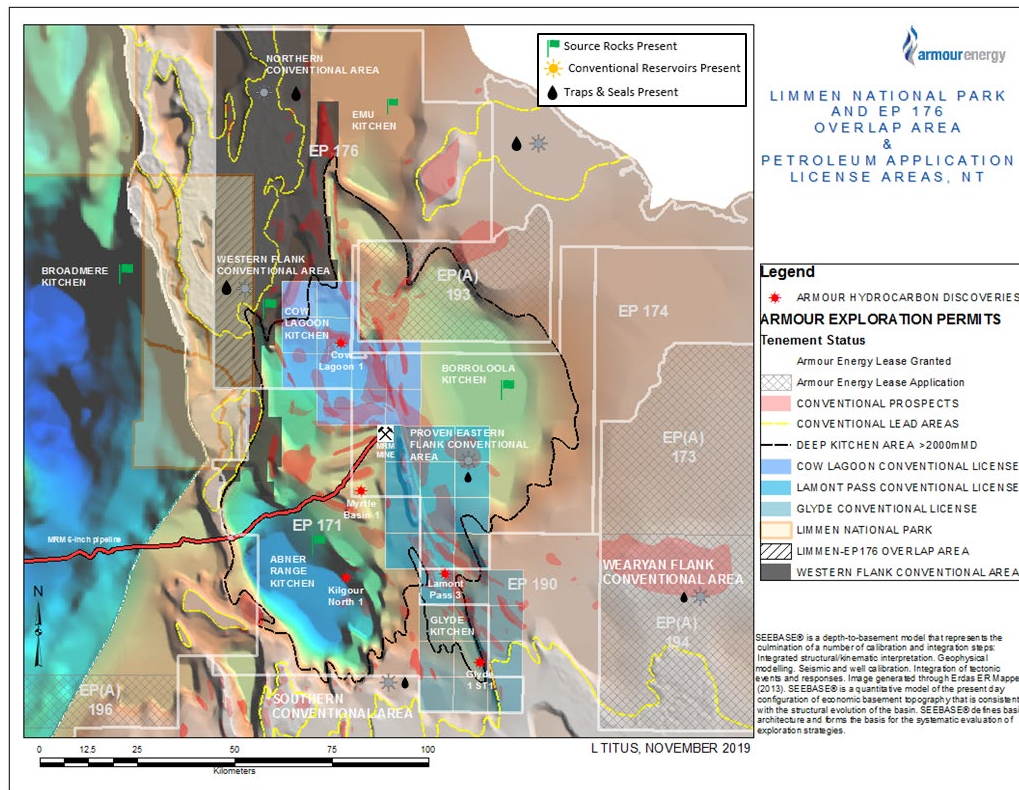


Figure 2A – Conventional Leads & Prospects – Coxco Dolomite - Cow Lagoon Area

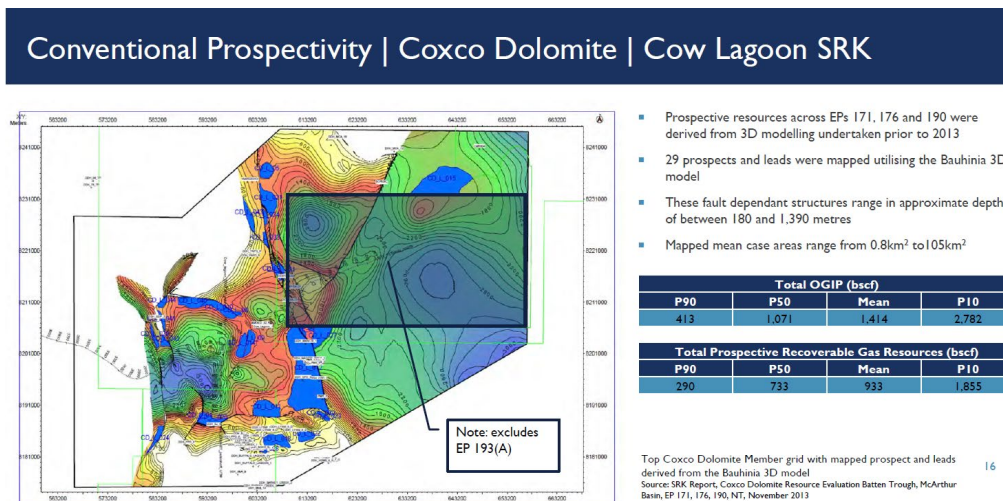
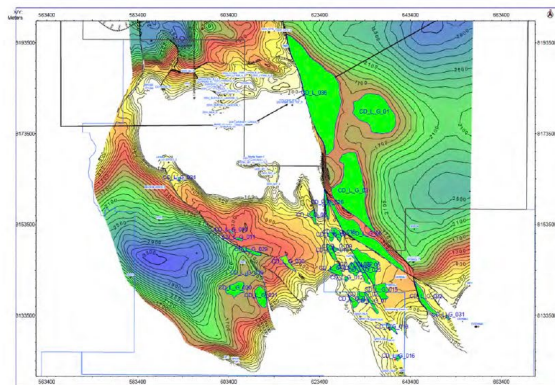


Figure 2B – Conventional Leads & Prospects – Coxco Dolomite - Glyde Area

Conventional Prospectivity | Coxco Dolomite | Glyde Area SRK



- Prospective resources across EPs 171, 176 and 190 were derived from 3D modelling undertaken prior to 2013
- 30 prospects and leads were mapped utilising the Glyde 3D model
- These structures range in approximate depth of between 240 and 1,590 metres
- Mapped mean case areas range from 0.4km² to 131km²

Total OGIP (bscf)			
P90	P50	Mean	P10
855	2,233	2,937	5,780

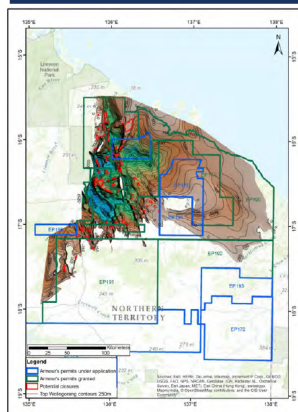
Total Prospective Recoverable Gas Resources (bscf)			
P90	P50	Mean	P10
600	1,521	1,937	3,853

Top Coxco Dolomite Member grid with mapped prospect and leads derived from the Glyde 3D model
Source: SRK Report, Coxco Dolomite Resource Evaluation Batten Trough, McArthur Basin, EP 171, 176, 190, NT, November 2013

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Figure 2C – Conventional Leads & Prospects – Wologorang

Conventional Prospectivity | Wologorang



- Prospective resources across EPs 171, 176, 190, 191 and Applications 193 & 194
- 79 prospects and leads were mapped
- Mapped areas range from 0.1km² to 97km²

Total OGIP (bscf)			
P90	P50	Mean	P10
75.3	914.3	-	10,359.8

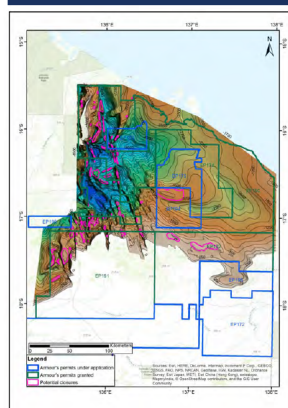
Total Prospective Recoverable Gas Resources (bscf)			
P90	P50	Mean	P10
61.1	646.9	-	6,893.2

Depth structure (m) and mapped closures at Top Wologorang Fm
Source: SRK Report, SRK Report, Conventional and Unconventional Resource Assessment of the Wologorang and McDermott Formations – Tawallah Group, NT, September 2015

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Figure 2D – Conventional Leads & Prospects – McDermott

Conventional Prospectivity | McDermott



- Prospective resources across EPs 171, 176, 190, 191 and Applications 193 & 194
- 97 prospects and leads were mapped
- Mapped areas range from 0.2km² to 403km²

Total OGIP (bscf)			
P90	P50	Mean	P10
185.4	2,151.1	-	24,890.4

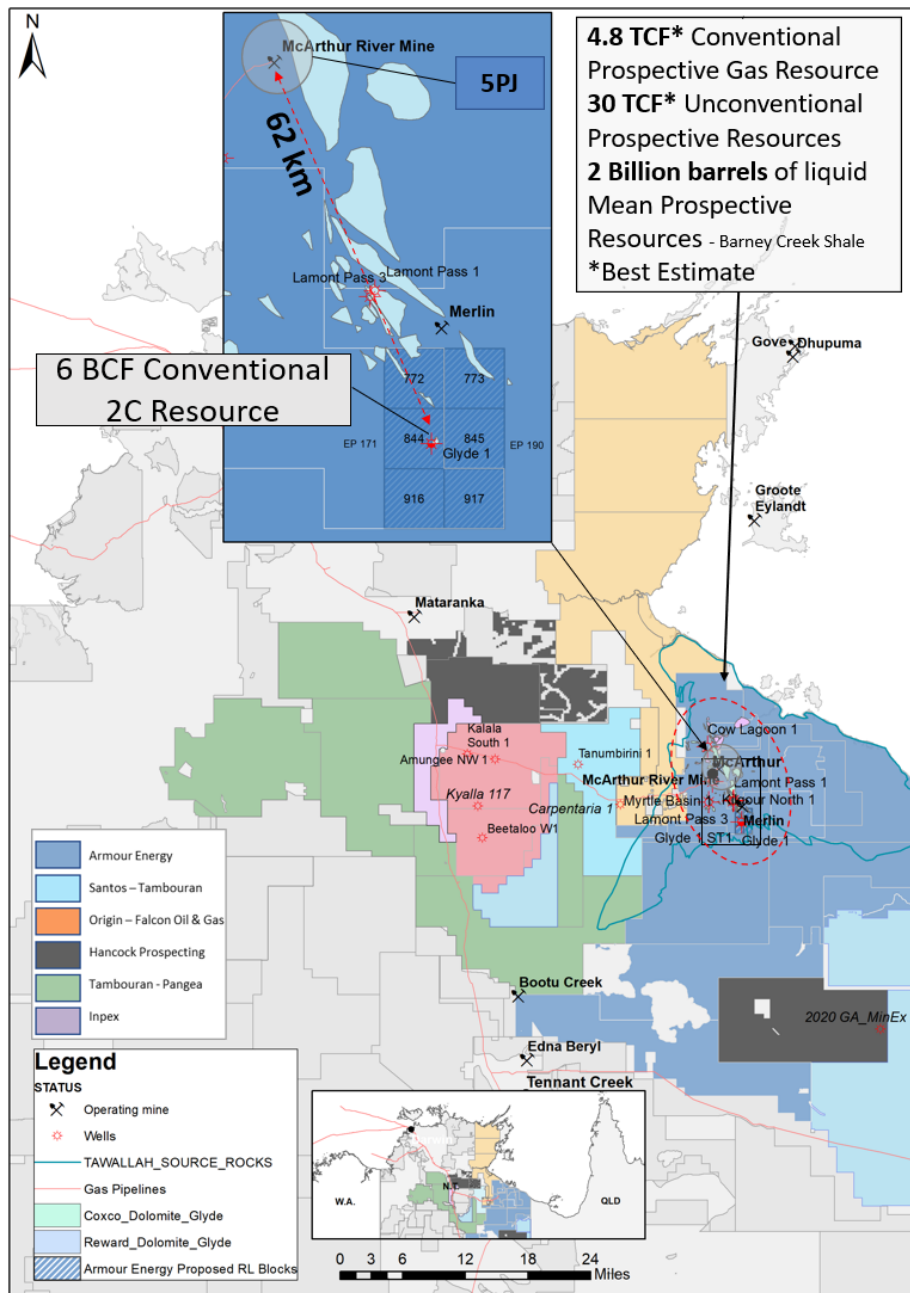
Total Prospective Recoverable Gas Resources (bscf)			
P90	P50	Mean	P10
149.2	1,548.1	-	16,557.0

Depth structure (m) and mapped closures on McDermott Formation level based on Top Segal Volcanics
Source: SRK Report, SRK Report, Conventional and Unconventional Resource Assessment of the Wologorang and McDermott Formations – Tawallah Group, NT, September 2015

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Reference Note Figures 2A to 2D: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Figure 3 - Location of proposed Glyde Field EP 171 and EP 190 RL application areas



Footnotes:

* Prospective Conventional Gas Resources as reported in ASX announcement 21 September 2015, (adjusted to conventional Coxco closure resource estimates in the SRK report of Sept 2015 which replaces the MBA and D&M estimates, with net reduction ~1% of total prospective best estimates resources)

* Prospective Unconventional Gas Resources adjusted for sale to Santos of South Nicholson Basin unconventional assets reported on 4 February 2021

** Estimated annual consumption of McArthur River Mine.

(Armour is aware of potential exclusion zones nominated by the NT Government – Department of Primary Industry and Resources on 24 May 2019 which may result in a small percentage reduction in application licence areas.)

Note: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Table 2 – Northern Territory Contingent and Prospective Resources

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 ⁽¹⁾	Conventional Closures Wollagorang	61	647	6,893	0	0	0
SRK ⁽¹⁾	Conventional Closures McDermott	149	1,548	16,557	0	0	0
SRK ⁽²⁾	Conventional Closures Coxco	890	2,254 ^Δ	5,780	0	0	0
D&M ⁽³⁾	Conventional Closures Coxco	187	244	312	0	0	0
MBA ⁽⁴⁾	Conventional Closures Coxco	50	150	347	4	16	46
		1,337	4,843	29,889	4	16	46
SRK ⁽⁵⁾	Unconventional Wollagorang Shale	5	6,900	141,404	0	0	0
SRK ⁽⁶⁾	Unconventional McDermott Shale	26	10,120	152,107	0	0	0
MBA ⁽⁷⁾	Unconventional Barney Creek Shale	3,801	12,971	39,085	261	1,234	4,435
Total NT Prospective Resources		6,506	39,677	392,374	269	1,266	4,527
Accessor Report	Reservoir Type/Name	Contingent Gas Resource (Bscf)					
		1C	2C	3C			
D&M ⁽⁸⁾	Conventional Closure Coxco	2.4	6	10.3			

⁽¹⁾ SRK Report, Conventional and Unconventional Prospective Resource Estimate EP 171 & EP 176, 178, 179, October 2011.
⁽²⁾ SRK Report, Prospective Resources attributed to Certain Prospects in Various License Blocks, NT, April 2013.
⁽³⁾ SRK Report, Conventional Resource Evaluation Barrow Through Maitland Basin, EP 171 & 176, 178, 179, February 2013.
⁽⁴⁾ SRK Report, SRK Report, Conventional and Unconventional Resource Assessment of the Wollagorang and McDermott Formations – Tawallah Group, NT, September 2015.
⁽⁵⁾ SRK Report, SRK Report, Conventional and Unconventional Resource Assessment of the Wollagorang and McDermott Formations – Tawallah Group, NT, September 2015.
⁽⁶⁾ SRK Report, SRK Report, Conventional and Unconventional Resource Assessment of the Wollagorang and McDermott Formations – Tawallah Group, NT, September 2015.
⁽⁷⁾ SRK Report, SRK Report, Conventional and Unconventional Resource Assessment of the Wollagorang and McDermott Formations – Tawallah Group, NT, September 2015.
⁽⁸⁾ D&M Report, Contingent Resources in Exploration Permit 171 in the Northern Territory, Australia with estimates licensed by Amour Energy Limited, April 2019.

^Δ Proposed Underground Gas Storage

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Best estimate prospective gas resources (recoverable) – NT/QLD	
NT unconventional gas	Tacf
Barney Creek Shale (EP171, 176) ⁽¹⁾	13.0
Wollagorang Shale, Tawallah Group ⁽²⁾	6.9
McDermott Shale, Tawallah Group ⁽³⁾	10.1
NT conventional gas	
All leads and prospects ⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾	4.9
NT total gas prospective resources	34.9
QLD unconventional gas	
Lawn Shale (ATP1087) ⁽⁸⁾	8.1
Riversleigh Shale (ATP1087) ⁽⁹⁾	14.0
QLD total gas prospective resources	22.1
NT/QLD gas prospective resources	57.0

Table 8 – Best estimate prospective gas resources (recoverable) – NT/QLD combined. Refer ASX release of 21 September 2019 for full details.

TABLE 8 FOOTNOTES – RESOURCES REPORTS
⁽¹⁾ SRK Report, Conventional and Unconventional Prospective Resource Estimate EP 171 & EP 176, NT, October 2011.
⁽²⁾ SRK Report, Prospective Resources attributed to Certain Prospects in Various License Blocks, NT, April 2013.
⁽³⁾ SRK Report, Conventional Resource Evaluation Barrow Through Maitland Basin, EP 171, 176, 178, NT, November 2013.
⁽⁴⁾ SRK Report, Unconventional Prospective Resource Assessment, ATP (A) 1087, QLD, November 2011.
⁽⁵⁾ SRK Report, SRK Report, Conventional and Unconventional Resource Assessment of the Wollagorang and McDermott Formations – Tawallah Group, NT, September 2015.
⁽⁶⁾ SRK Report, SRK Report, Conventional and Unconventional Resource Assessment of the Wollagorang and McDermott Formations – Tawallah Group, NT, September 2015.
⁽⁷⁾ SRK Report, SRK Report, Conventional and Unconventional Resource Assessment of the Wollagorang and McDermott Formations – Tawallah Group, NT, September 2015.
⁽⁸⁾ SRK Report, SRK Report, Conventional and Unconventional Resource Assessment of the Wollagorang and McDermott Formations – Tawallah Group, NT, September 2015.
⁽⁹⁾ SRK Report, SRK Report, Conventional and Unconventional Resource Assessment of the Wollagorang and McDermott Formations – Tawallah Group, NT, September 2015.

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