Armour Energy

Capital Raising Presentation

18 March 2021

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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 & FOCUSED ON DELIVERY

- Commitment to unlocking value of shareholders
- Vast prospective acreage in proven fairways
- Deep multi-TCF resource pipeline
- Material reserves with growth from overlooked pay
- Long life production with near-term growth
- Operator with significant infrastructure & capacity
- Well-established pathways to premium markets
- Clear priorities & focused on delivery
- Proven CEO driving strategy committed to execution

THE ARMOUR PORTFOLIO

Northern Basins

NT- McArthur Basin 100% Operator

- *13 permits covering approx. 89,000km²*
- *Multi-TCF Conventional & Unconventional Gas Resource*
- *Conventional Gas Discoveries*
- *Multiple Plays*
- *Glyde, Cow Lagoon & Lamont Pass Gas Discoveries*

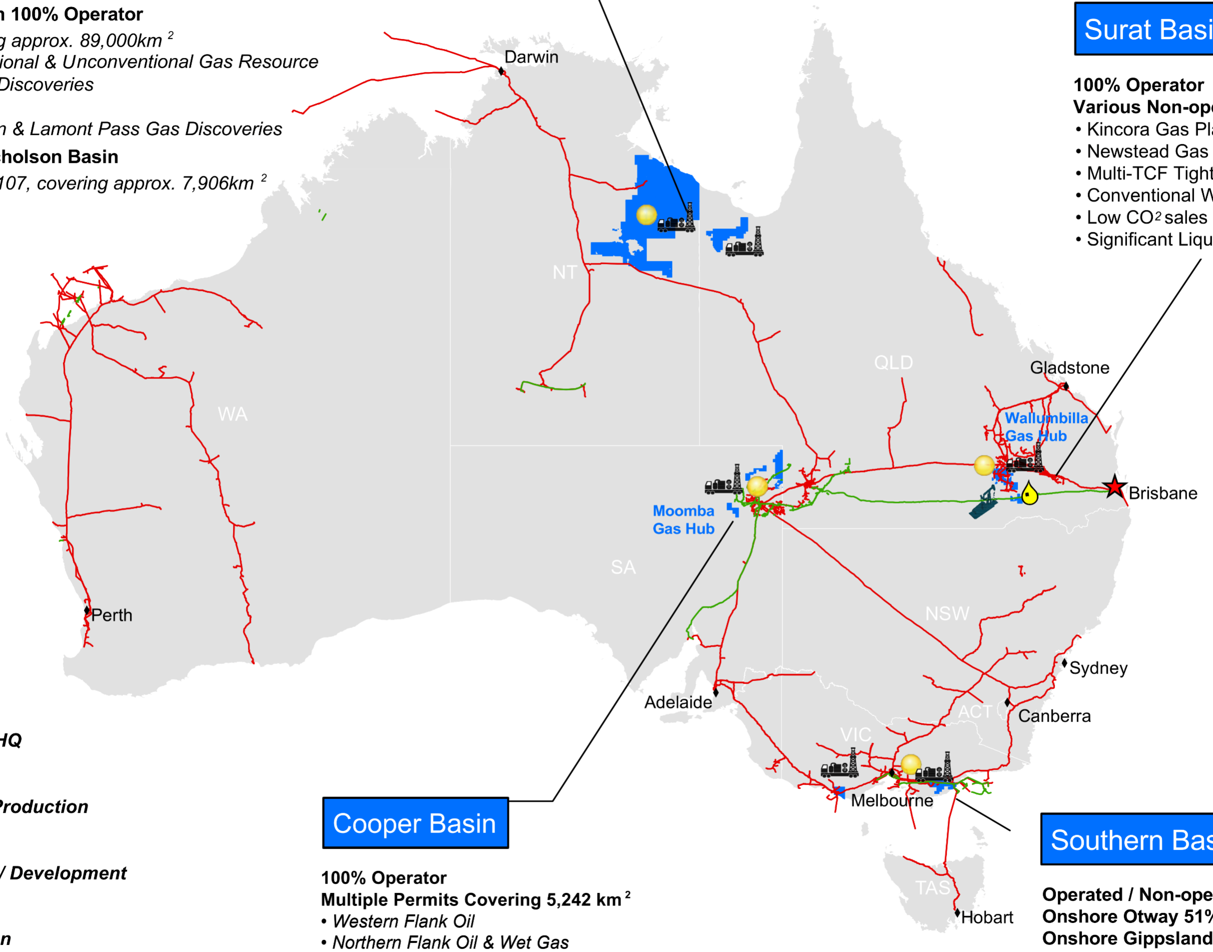
QLD/NT - South Nicholson Basin

- *1 permit ATP(A) 1107, covering approx. 7,906km²*

Surat Basin

100% Operator
Various Non-operator

- Kincora Gas Plant
- Newstead Gas Storage
- Multi-TCF Tight Wet Gas Resources
- Conventional Wet Gas Production
- Low CO_2 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*

2021 PRIORITIES – FOCUSSED ON DELIVERY

Focus	Outcome
1	Unlocking value for shareholders through demerger and **IPO of Northern Basin Assets**
2	Materially **reduce debt** and renegotiate terms
3	Extract value through **commercialisation of under-utilised,** operationally ready assets.
4	**Reduce the operating cost base** across the business and improve profitability
5	Generate **positive free cash flow** to cover all operating and corporate costs and capital for new investment
6	Build the **Surat and Cooper exploration pipeline** by end of 2021
7	**High grading of portfolio** – Consolidate, unitise and rationalise across the portfolio
8	Demonstrate tangible improvement in **HSE performance and culture** across the business

CAPITAL RAISE

- Successfully completed a $11.5 million equity capital placement to institutional and sophisticated investors.
- Issue price of $0.035 per share with 1 free attaching option for every 4 new shares issued.
- Private placement consisting of:
  - $8.8 million of New Shares with attaching options which utilises the Company's placement capacity under Listing Rule 7.1 & 7.1A.
  - $2.7 million of Conditional Placement (including proposed participation by DGR Global) with attaching options that will be subject to shareholder approval.
- The free-attaching options will be issued as the existing listed option series (ASX:AJQOA) which have an exercise price of $0.05 & an expiry date of 29 February 2024.
- Bizzell Capital Partners Pty Ltd (an entity associated with non-executive Director, Stephen Bizzell) and JB Advisory Partners Pty Ltd are joint Lead Managers to the Placement.

NORTHERN BASIN DEMERGER

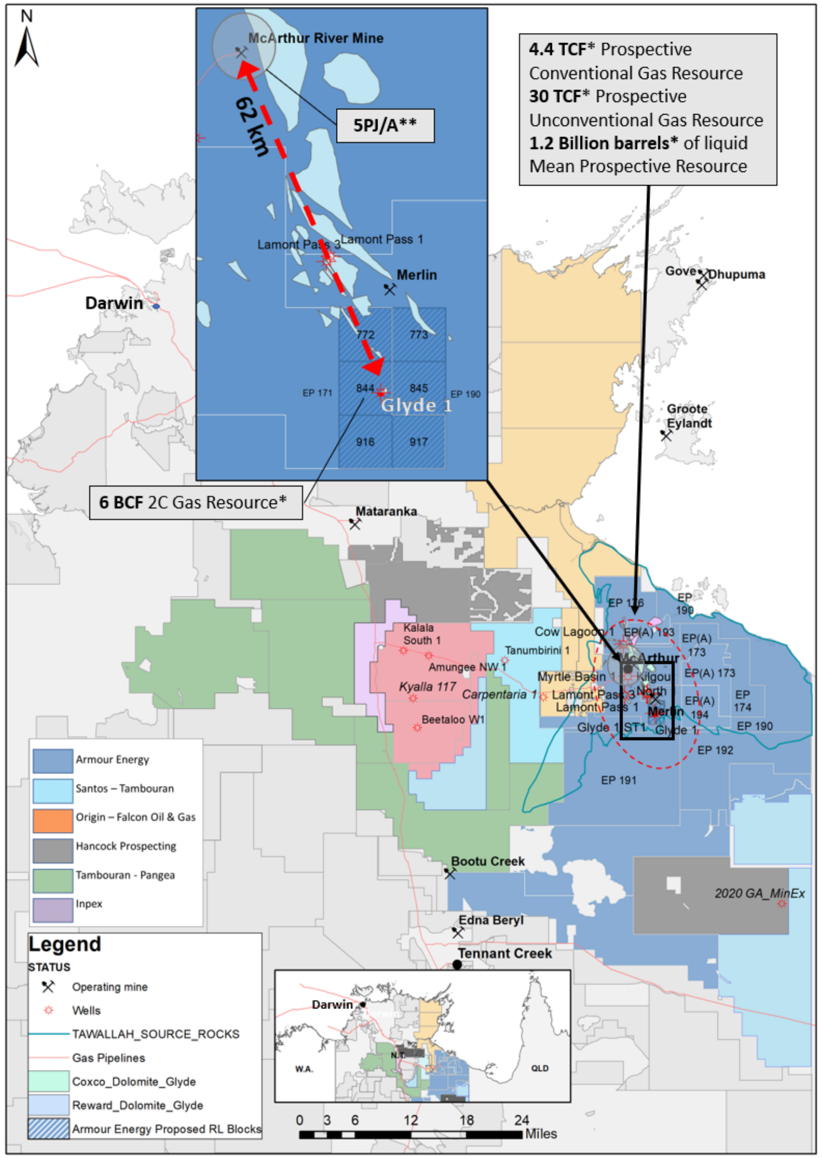
PROPOSED DEMERGER OF NORTHERN BASIN BUSINESS

As announced on 3 March 2021[1], Armour plans to unlock the value of the Northern Basin Exploration Business through a proposed spin-out demerger.

- New subsidiary - McArthur Oil & Gas created and demerged through a distribution to existing shareholders
- Targeting $65 million IPO of McArthur Oil & Gas to fund:
  - Acquisition of Northern Basin exploration assets from Armour; and,
  - McArthur Oil & Gas development of conventional gas discoveries – Glyde, etc.
  - McArthur Oil & Gas exploration programme for greater McArthur/Beetaloo Basin
- Funds received by Armour to retire outstanding debt

Northern Basin Business Summary
100% owner and operator of 14 permits covering ~96,900 km^2
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 (RLs) 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

1. Refer to ASX announcement dated 3 March 2021



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PROPOSED DEMERGER TERMS

- New company formed – McArthur Oil & Gas Ltd to acquire Northern Basin Oil & Gas Business.
- McArthur Oil & Gas to acquire the 100% of Northern Basin Oil & Gas Business and assets for $40 million.
- McArthur Basin Oil & Gas to fund Northern Basin Business acquisition through IPO targeting raising $65 million.
- In conjunction with IPO, Armour will distribute 1/3 of shares in McArthur Oil & Gas to Armour shareholders.
- Distribution of McArthur Oil & Gas shares to be through tax-effective, in-specie distribution via return of capital.
- Armour shareholders at time of demerger record date will have priority entitlement to participate in the IPO raising.
- Post-IPO Armour will retain no interest in McArthur Oil & Gas or in the Northern Basin Oil & Gas Business or assets.
- Demerger subject to shareholder, ASX and other regulatory approvals and other customary conditions, and any required consents or approvals from Armour's financiers.

NORTHERN BASINS – HOW WILL McARTHUR COMPARE?

Metric/Company	McArthur (Armour)	Empire Energy Group Ltd	Santos Tamboran Resources* JV	Origin Falcon Oil & Gas Ltd JV	Pangaea Resources
Basin	McArthur/Beetaloo/South Nicholson	McArthur/Beetaloo	Beetaloo/McArthur	Beetaloo	Beetaloo
Listing / Code	ASX:AJQ	ASX:EEG	Tamboran – ASX Pre-IPO*	AIM:FOG	Unlisted
Market Cap (A$)	$57.4 million	$113.4 million	Tamboran: $230 million*	FOG: ~120.4 million	N/A
Resource Focus	Conventional/Unconventional Oil & Gas	Unconventional Oil & Gas	Unconventional Oil & Gas	Unconventional Oil & Gas	Unconventional Oil & Gas
Acreage/Tenements	96,900 km2 (EP: 6 granted, 8 pending / RL: 6 pending)	59,000 km2 (EP: 2 granted, 4 pending)	22,800 km2 (EP: 3 granted)	18,600 km2 (EP: 3 granted)	100,000 km2 (EP: 4 granted)
Prospective Resources (Best)	34 TCF Gas / 1.2 Bbbls oil	13 TCF	6.5 TCF (Net to Tamboran)	19 TCF	Not available
Contingent Resources (2C)	6 BCF (Conventional Gas)	41 BCF (Unconventional Gas)	None	5 TCF	Not available
Target Depth	600m to 2,500m	1,400m to 2,800m	2,000m to 4,000m	1,800m to 3,800m	No information released
Activities	5 explorations wells (4 gas discoveries), Airborne surveys	2D seismic 2019, 1 exploration well (Q3) 2020, fracking planned Q2/Q3 2021	2013 2D seismic, 1 exploration well drilled 2014, exploration drilling planned Q3 2021	1 exploration well drilled 2014, Fracking completed Q3 2020, Announced Q1 2021 intention to drill 2 exploration wells	No information released
Exploration Spend (A$)	33 million	$25 million	$50+ million	$80+ million	Not disclosed

* 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

ARMOUR & MCARTHUR

WHAT DO THE COMPANIES LOOK LIKE POST DEMERGER?

Armour Energy

- Focussed on Surat & Cooper Basins
- Large operated acreage holder in Surat & Cooper
  - Surat Basin = 3,000 km^2
  - Cooper Basin = 10,876 km^2
- Active production enhancement work programme
- Surat Reserves[1]
  - 150 PJ (2P sales gas)
  - 1.2 mmbbls (2P liquids)
- Contingent Resources = 46 PJ (2C sales gas)
- Current production = 6-7 TJ/day
- Newstead Gas Storage
  - Proven, operating gas storage facility
  - Opportunity to commercialize under-utilized asset
- Debt-free and recapitalised

McArthur Oil & Gas[2]

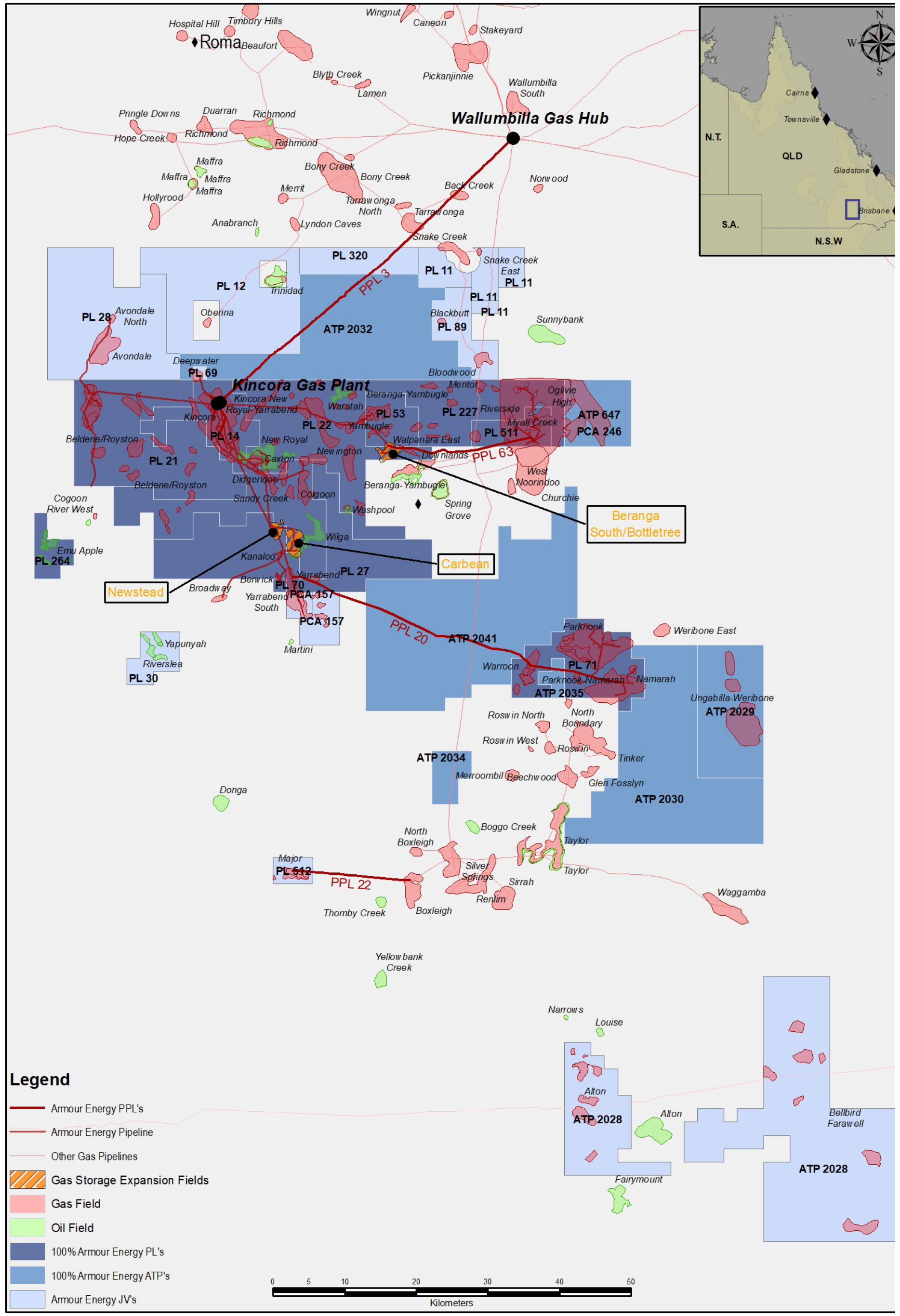
- Focused on McArthur/Beetaloo/South Nicholson Basins
- Largest Net Acreage holder in McArthur Basin
  - McArthur Basin = 89,000 km^2 (Net)
  - South Nicholson Basin = 7,900 km^2 (Net)
- Active conventional gas discovery development focus
- Prospective Resources = 34 TCF Gas (Best estimate)
  - 30 TCF unconventional / 4.4 TCF conventional
  - 1.2 billion barrels oil & liquid hydrocarbons
- Contingent Conventional Resources = Up to 10 BCF 3C
- Well capitalised for starting Northern Basin conventional developments

1. *Refer to ASX announcement dated 12 June 2020*
2. *Refer to ASX announcement dated 3 March 2021*

SURAT BASIN

SURAT BASIN

- Armour 100% owner & operator of Kincora Gas Project
- Operator of 3,000 km^2 of production licenses and exploration licenses*
- 4 exploration Authority to Prospect (ATP) licenses covering over 2,000 km^2
- 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
- 2P Sales Gas Reserves = 150 PJ
- Large uncontracted gas position (> 100 PJ)
- Material appraisal/development projects
- Transformational exploration opportunities

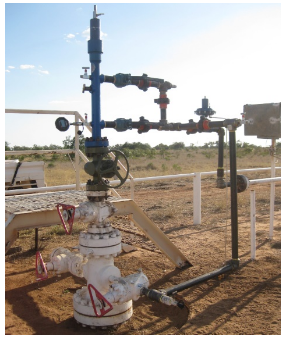


*In the Surat Basin, Armour holds 19 Production Licenses, 4 Authority to Prospect (ATP) licenses, 6 Potential Commercial Area (PCA) applications pending and 4 Petroleum Pipeline Licenses (PPL). PCA's 289, 290, 293, 294 and 295 applications areas are under administrative review.

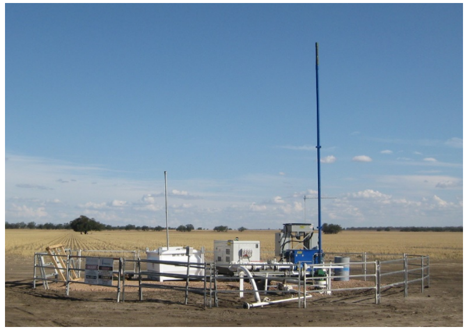
2020 LOOK BACK - PRODUCTION ENHANCEMENT PROJECTS

Production Enhancement Projects 2020

- ✓ Rod pumps installations x 2
- ✓ Plunger lift systems x 2
- ✓ Intermittent well control (concept trial)
- ✓ Well reconnect (MC#05)
- ✓ Condensate foamer (concept trial)



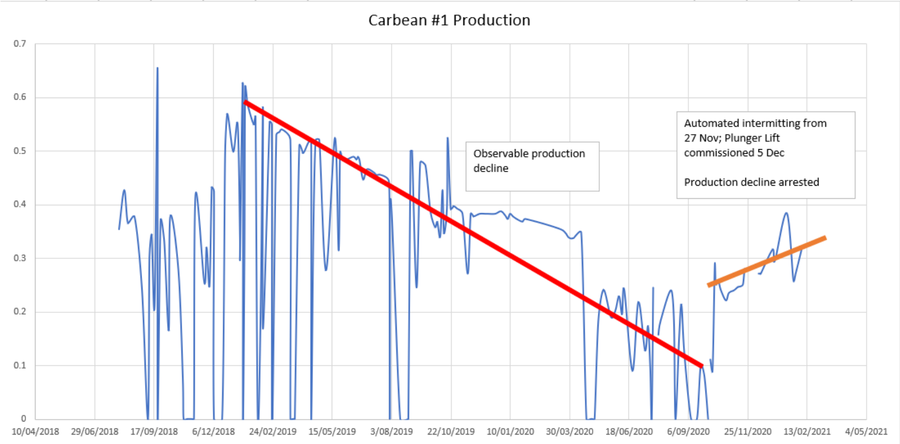
Carbean #1 Plunger Lift



Myall Creek #3 Sucker Rod Pump

Delivery

- ✓ Technical Execution
- ✓ On Schedule
- ✓ On Budget
- ✓ Production Uplift delivered to expectation



Learn/Reload/Repeat

CAPEX Investment
Carbean #1: $86k

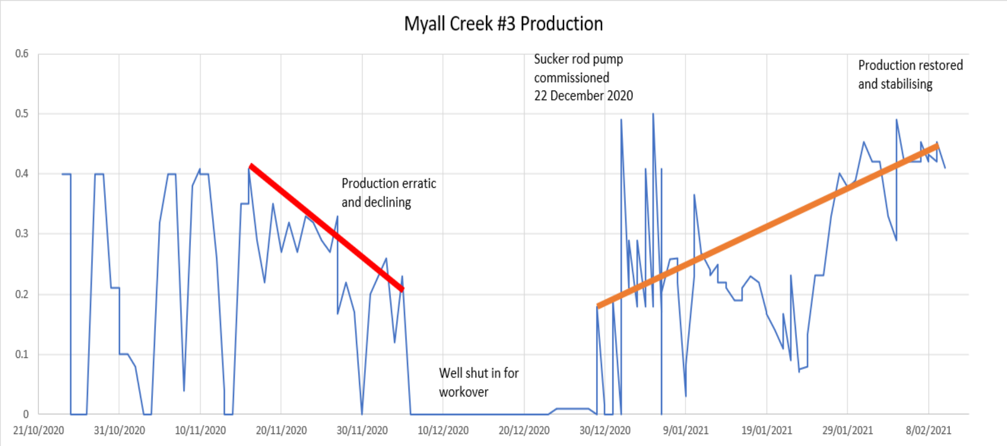
Incremental Production
0.1TJ/d gas + 2bbl/d condensate

Economics
Carbean #1: 5 yr NPV = $245k (7 month payout)

Total Program Cost of $760K

Budgeted funds = Actual Spend

Total Program Production Adds of ~0.5 TJ/day (1P) in line with expectations



Learn/Reload/Repeat

CAPEX Investment
MCk #3: $295k

Incremental Production
0.21TJ/d gas + 11 bbl/d condensate

Economics
MCk #3: 5 yr NPV10 = $926k
7 month payout

2020 LOOK BACK – FRACTURE STIMULATION CAMPAIGN

Three-well Frac Campaign Q4 2020

1. **Horseshoe-4:** Single-stage (Basal Rewan)
2. **Horseshoe-2:** Two-stages (Intra-Wallabella & Basal Rewan)
3. **Warroon-1:** Single-stage Nitrogen Frac (Basal Rewan)

✓ 336,215 proppant placed = 95.7% placed design (351,023)

✓ 300,815 gal clean fluids pumped

✓ Zero screen outs

✓ Low Non Productive Time across project (5.5 hours)

✓ Frac conductivity & modelling confirmed

✓ Effective proppant placement per design

✓ Basal Rewan proven gas & oil reservoir

? Intra-Wallabella – undeveloped resource, under evaluation

X Gel failed to breakdown following proppant placement, impacting matrix flow and causing low-side outcomes

Post frac production (early Jan 2021):

- HS#4 ~250,000 scf/day gas
- HS#2 ~193,000 scf/day gas (37% recovery of frac fluids)
  - Intra-Wallabella formation not yet contributing to commingled flow
- WN#1 ~430,000 scf/day gas
- Remedial treatment to assist with gel clean-up, pumped on all wells Feb 1-5. Under evaluation.

Forward Plan:

- Periodically cycle wells to optimise fluid recovery
- Open Horseshoe #2 Intra-Wallabella (IWB) formation to commingle gas and liquids recovery with the Rewan
- Open the Warroon #1 Showgrounds formation to commingle with the Rewan
- Evaluate additional remedial treatment and/or re-stimulation

2021 – PRODUCTION ENHANCEMENT PROJECTS LOOK AHEAD

Production Enhancement (Rig-less)

Intermittent Controllers x 10

- Minor automation upgrade to existing well facilities to enable cycling of wells struggling to achieve critical lift of fluids. Improves well performance, reduces well site visitation.
- **Cost of ~$21k/well each targeting avg 0.1 TJ/D uplift.**

Plunger Lift x 2

- Extension of intermittent controller installation to include a plunger system that periodically sweeps liquids from the tubing. Requires installation of downhole standing valve.
- **Cost of ~85k/well each targeting 0.15 TJ/D uplift.**

Rigless Interventions

- Restore production to existing wells by manipulating downhole flow configuration, cleaning out blockages or accumulated liquids and diagnostic logging to improve understanding of reservoir dynamics.

Additional Field Reinstatements

- Permanent pipeline installation of MC#05
- Fow test on Avondale #1, #2 + #4 and Deepwater #1 wells in Waldegrave area; subsequent flowline reinstatement with successful testing
- Relocate infield FC04 compressor to optimize gathering network

Production Enhancement (Rig-related)

Rod Pumps x 3 (2 x gas; 1 x oil)

- Installation of sucker rod pump to artificially lift produced liquids. Reduces bottom hole pressure liberating gas and provides reliable production of liquid hydrocarbons.
- **Cost of ~$295k/well each targeting ~0.3 TJ/D uplift.**

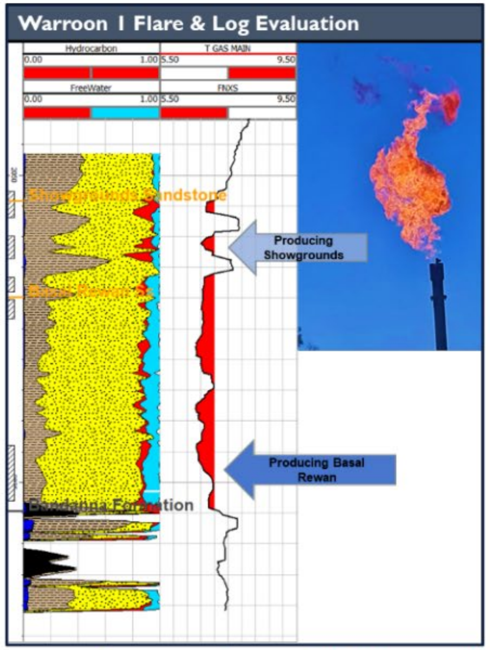
Workovers

- Clean out / install completion in suspended well to increase gas production. **Cost of ~$75k/well targeting 0.2 TJ/D uplift.**
- Oil well / integrity workover to restore production to sucker rod pumping of one well in New Royal field. **Cost of ~$230k/well targeting 15 bbls/d oil**
- Re-instatement of surface equipment on second existing oil pumping well in New Royal field; **Approx. cost ~$80k targeting 15 bbls/d oil.**

2021 FRACTURE STIMULATION PROGRAM

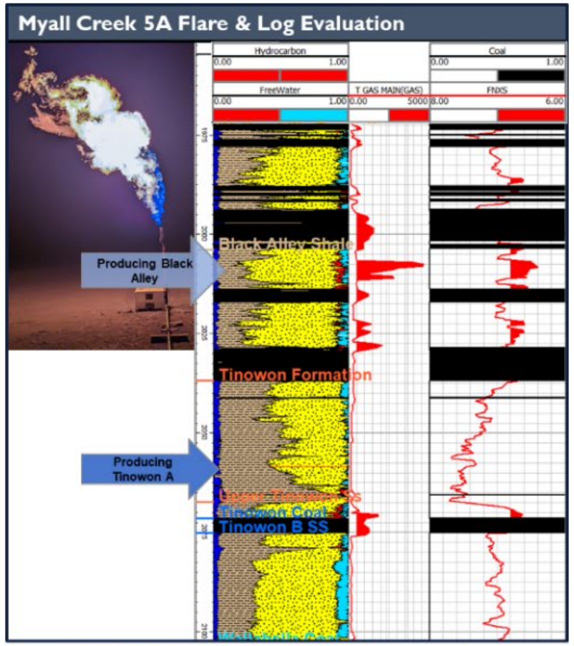
Fracture Stimulation Project
3 wells (1H2021) + 3 wells (2H2021)

- Improved petrophysical model has confidently delineated gas saturation intervals and identified tight and/or bypassed pay
- Data collection from PNX wireline surveys and mineral spectroscopy support the model, calibrated to producing wells.
- The 2019 Myall Creek 5A and the 2020 Horseshoe & Warroon stimulation results have established the potential for significant new pay from the **Black Alley/Bandanna** and the **Basal Rewan** across the Kincora acreage.
- Two candidates currently cased and suspended by the previous operator are potentially accessing **new regions** of the field yet to be produced. Both require gathering pipeline and well site metering facilities.
- Targeting 3 fracs in Q2 2021 with first gas online by **mid 2021,** plus a further 3 fracs in Q4 2021 with first gas online by **late 2021.**



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	
Warroon 1	Showgrounds	*Acceleration*
	Basal Rewan	***Proof of Concept – Success!***
Riverside 1	Bandanna - Black Alley	New Bypassed Pay
	Tinowon B	*Acceleration*
	Tinowon C	
Myall Creek East 1	Rewan SS	New Bypassed Pay
	Bandanna - Black Alley	New Bypassed Pay
	Tinowon A	*Bypassed Pay*
Parknook 4	Showgrounds	*Acceleration*
	Basal Rewan	New Bypassed Pay
Parknook 2	Basal Rewan	*Acceleration*
	Bandanna - Black Alley	New Bypassed Pay
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
Ungabilla 1	Basal Rewan	New Bypassed Pay
	Tinowon A	Bypassed Pay
Rednook 1	Showgrounds	Completed interval pending tie in
	Bandanna - Black Alley	New Bypassed Pay
Myall Creek 4A	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*



Bypassed pay & tight gas stimulation candidates (ref. 18 Dec 2020 AGM CEO Presentation)

EXPLORATION POTENTIAL - MATERIAL OPPORTUNITY

Habitat of Oil & Gas, Armour Surat PL's ➔

Cumulative oil and gas production by field, coloured by reservoir(s)

Total historic gas production in Armour tenements to end 2020;

- **164 BCF gas**
- **2.76 mmbbls oil**

Current seismic coverage

Mapping on 2D seismic data acquired1980's and 1990's is limiting;

- Line spacing 1-2 km is sparse c.f. field size
- Statics and misties = structural uncertainty
- Larger relief structures are mapped, not stratigraphic traps

Stratigraphic trapped volumes are significant

Stratigraphic trapping or enhancement was proven by the drill-bit at;

- Oil; New Royal ~5 mmbbls OOIP
- Gas; Myall Creek, Beranga South, Newstead and Carbean Fields
- 3D seismic was subsequently acquired over serendipitous Myall Creek-Churchie and New Royal fields

The majority of fields have a significant stratigraphic component not mappable on 2D seismic

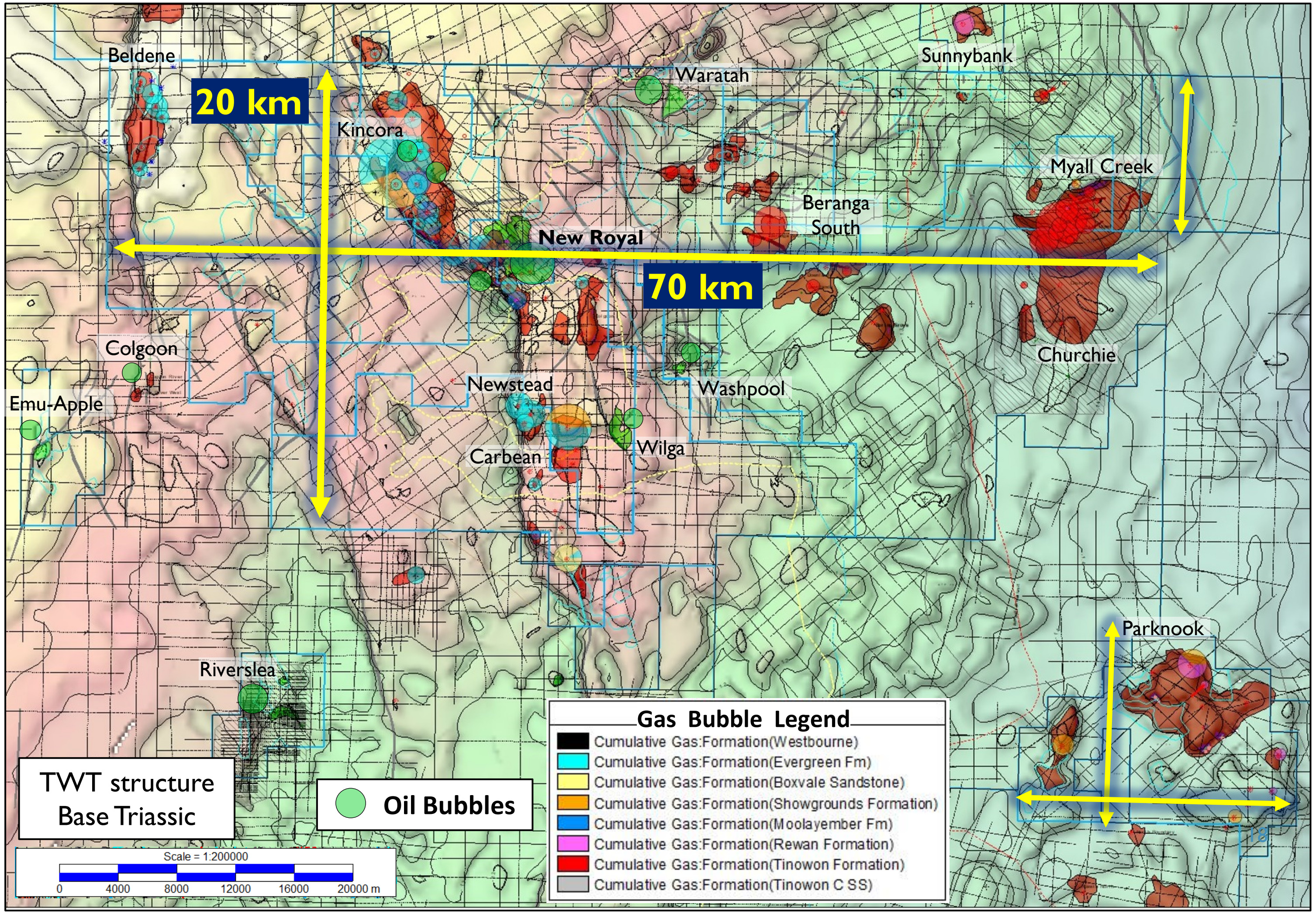
- A significant lead inventory is mapped on 2D data, however lack of trap certainty limits confidence, prioritisation

How 3D seismic unlocks value

By analogy the Cooper Basin Western Flank with similar geology and structuring underwent massive value increase, unlocked by 3D seismic

3D seismic is required to locate multiple targets hiding in the 2D dataset, to unlock material upside, improve drilling success rate

Habitat of Oil & gas, Armour Surat PL's



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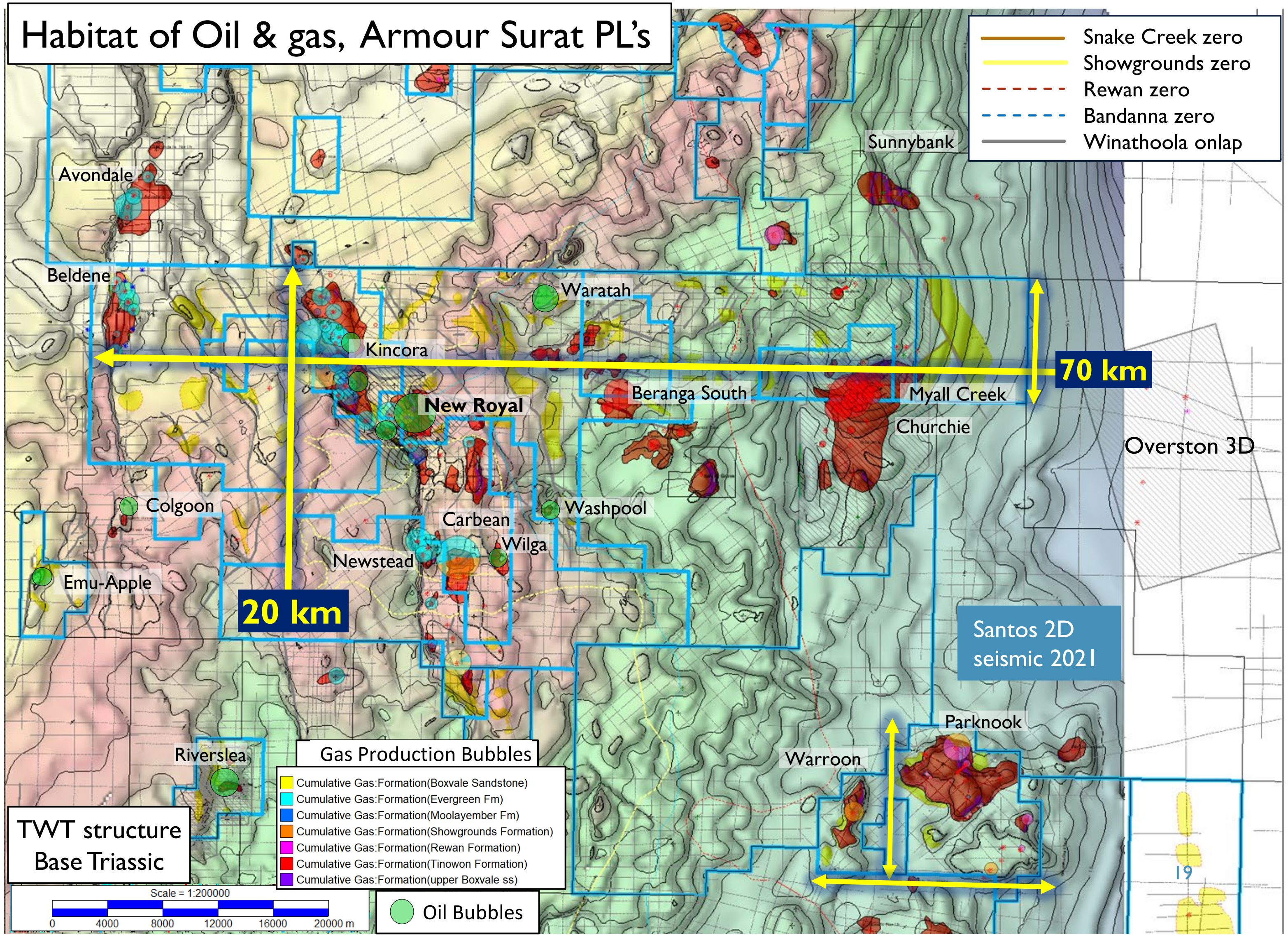
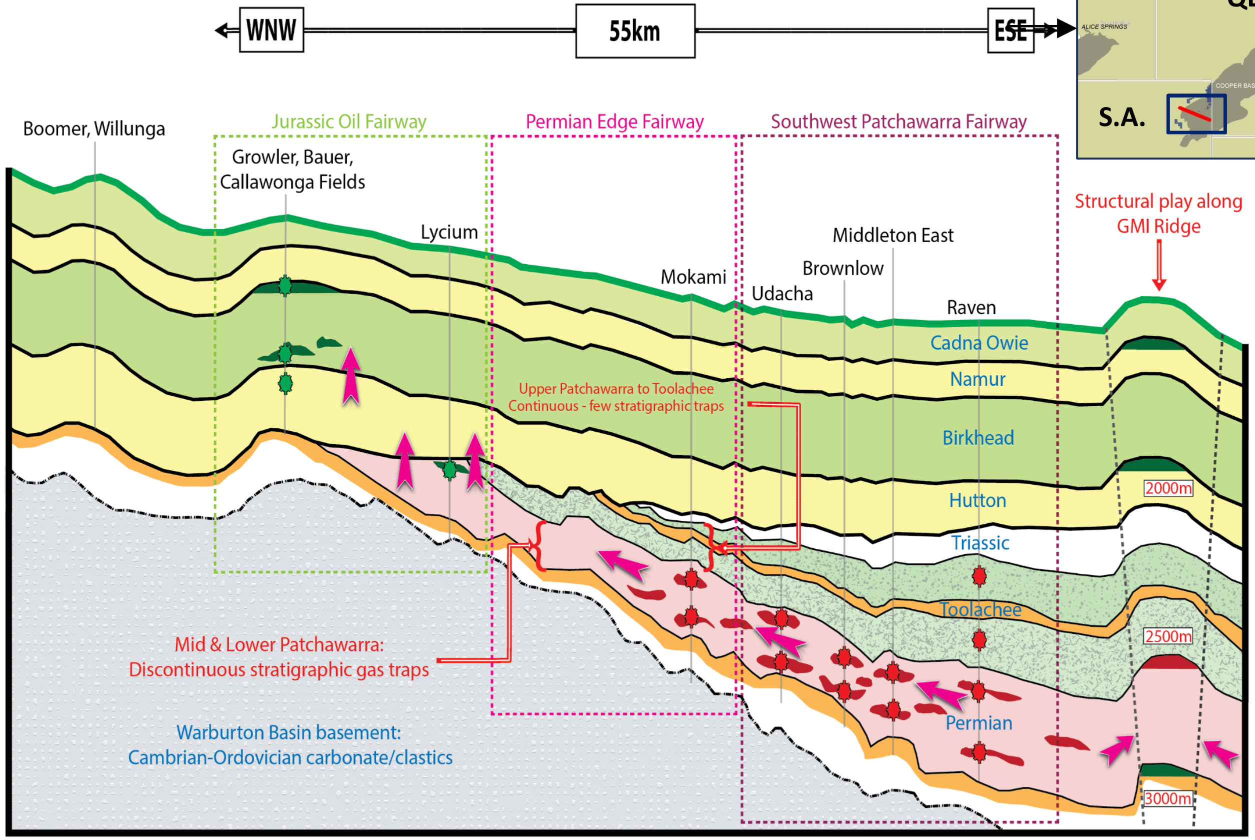
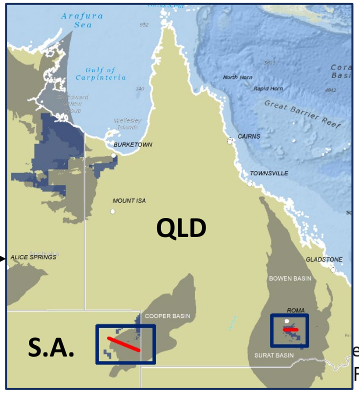


ANALOGY – COOPER-EROMANGA ⇔ BOWEN-SURAT BASINS

Permian generated oil & gas fills and spills into overlying Jurassic & Permo-Triassic reservoirs

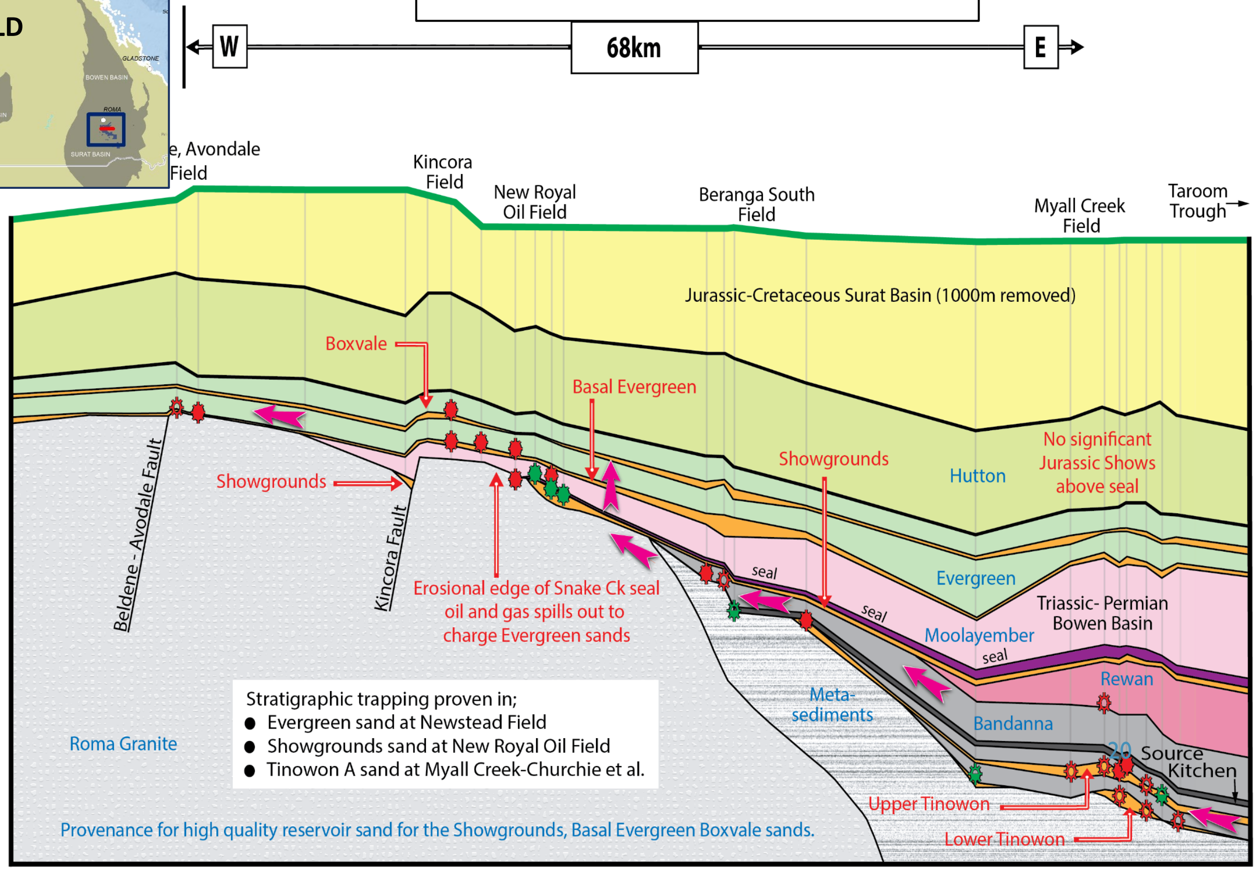
Cooper-Eromanga Basin





Permian generated oil & gas fills and spills into overlying Jurassic & Permo-Triassic reservoirs

Bowen-Surat Basin



COOPER BASIN ANALOGY – REJUVENATED BY 3D SEISMIC

Pre 2000 acreage release

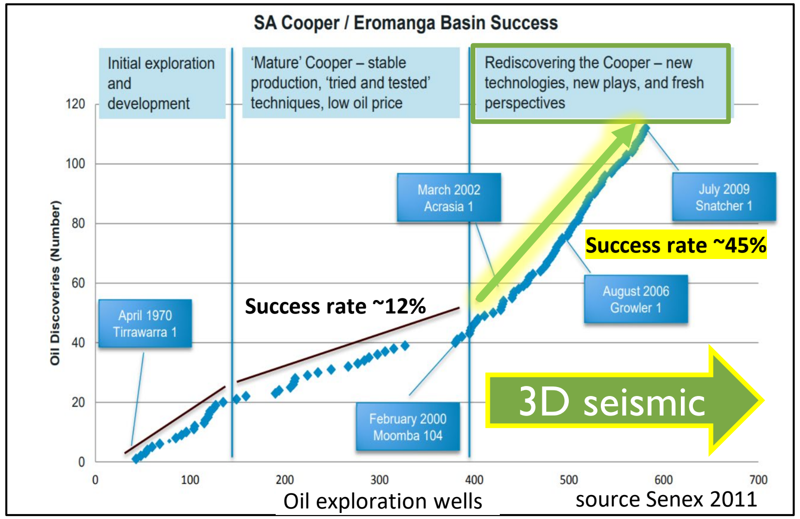
- 2D seismic only, spaced 2 to 10 kms
- No discoveries declared, oil or shows at Charo, Boomer, Hoolendinie; off structure

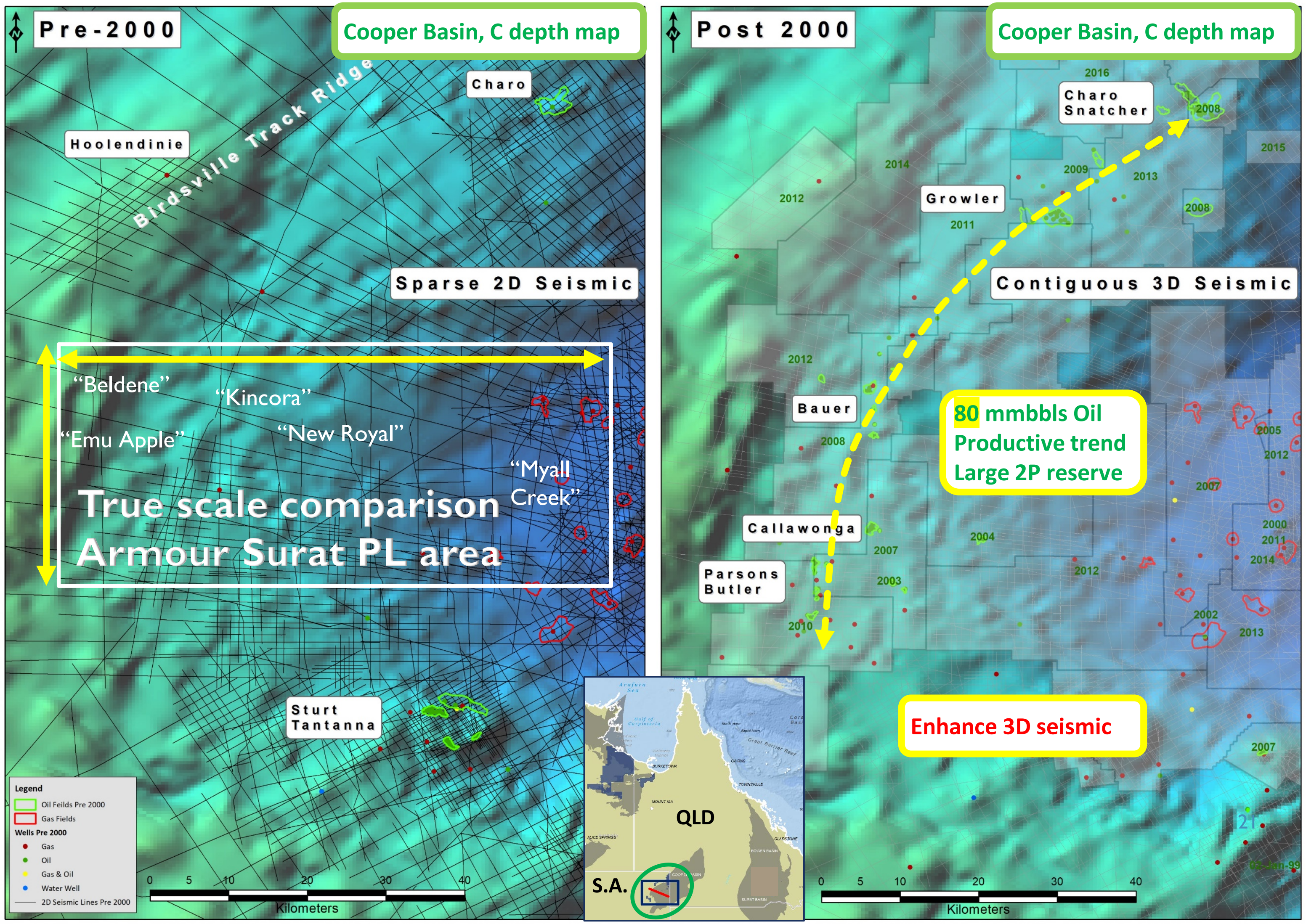
Post 2000 acreage release

- New explorers, ideas, 3D seismic
- Multiple subtle targets identified on 3D seismic, numerous discoveries
- Currently ~2500 km2 3D on western flank alone
- Multiple producing oil fields
- ~ 80 mmbbls produced to date

Success rate increased dramatically

Initial focus dominantly on structural traps



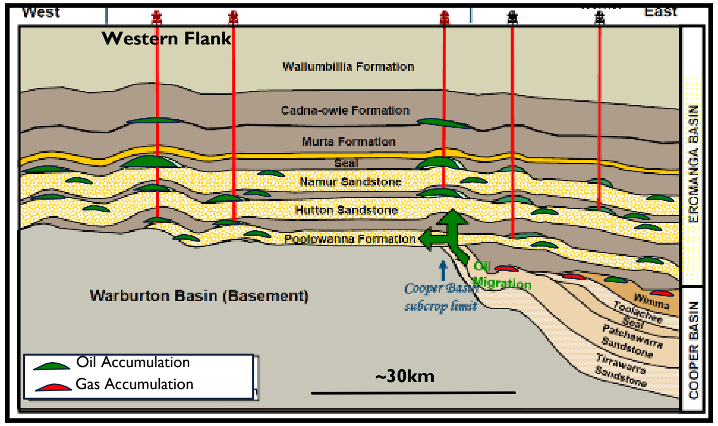


COOPER BASIN

COOPER BASIN – BUILDING A DRILLING INVENTORY

Third Largest Acreage Holder

- Lightly explored, adjacent to existing discoveries
- Extensions of proven oil and wet gas fairways
- 3 large blocks within migration distance of super rich mature hydrocarbon source pods; 30 licences
- PLA 677 won in recent government bid round
- 100% Operator, farmout process commenced
- Basin developed and accessible but not mature



Migration Model – Permian oil and gas moves upwards and laterally

Rich data sets enabling detail evaluation

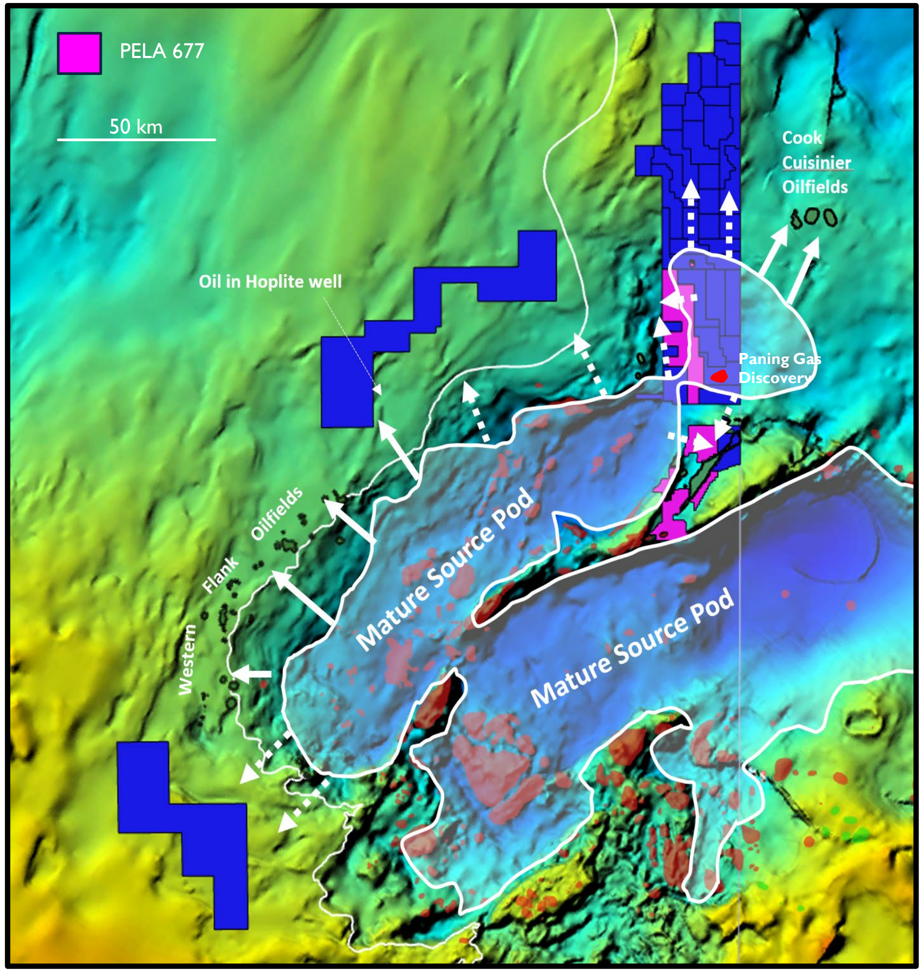
- Two proven & understood play types; Western flank analogues
- Jurassic/Triassic oil pools, >45 historic leads mapped on 2D & 3D seismic
- Permian wet gas pools, undeveloped discovery at Paning
- Multiple productive horizons and stacked pay; oil and gas shows in existing wells

Targeting stratigraphic and bypassed traps

- Stratigraphic impact on reservoir distribution and trap configuration well known
- AI evaluation of multiple 3D datasets increases technical insight
- New acquisition specialist airborne geophysics and iodine geochemistry
- Integrate with deep basin knowledge, 3D seismic, analogue production data

Robust project fundamentals

- Building a portfolio of drilling opportunities; potential for quick returns projects
- Gas feed to high value eastern states market



Map showing mature Permian source pods and migration pathways

PRIMED FOR GROWTH AND FOCUSED ON DELIVERY

2021 Development Capital Program – In progress

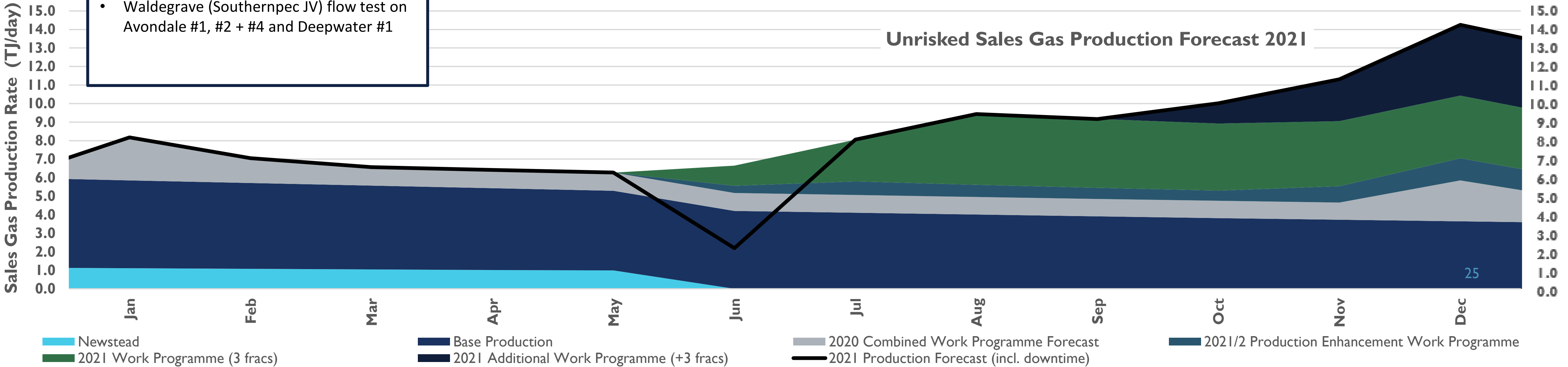
Q1 – 2021 ($0.5m)

$0.1m Remedial 2020 Work Program
- Remedial treatment of HS#2, HS#4 + WN#1 **(completed 05 Feb 2021)**

$0.2m Frac Program Planning
- 2021 Frac tender and engineering design scope **(underway)**
- Pre-frac diagnostics (PNX logging) of frac candidate(s)

$0.1m Opportunities Register
- 2 x on/off intermittent controllers for enhanced well performance
- Slickline intervention to restore well production (2 wells)

$0.1m Additional Field Reinstatements
- Waldegrave (Southernpec JV) flow test on Avondale #1, #2 + #4 and Deepwater #1



2021 Development Capital Program – Indicative – subject to partnering

Q1 – 2021 ($0.5m)

$0.1m Remedial 2020 Work Program
- Remedial treatment of HS#2, HS#4 + WN#1 **(completed 05 Feb 2021)**

$0.2m Frac Program Planning
- 2021 Frac tender and engineering design scope **(underway)**
- Pre-frac diagnostics (PNX logging) of frac candidate(s)

$0.1m Opportunities Register
- 2 x on/off intermittent controllers for enhanced well performance
- Slickline intervention to restore well production (2 wells)

$0.1m Additional Field Reinstatements
- Waldegrave (Southernpec JV) flow test on Avondale #1, #2 + #4 and Deepwater #1

Q2 – 2021 ($7.5m)

$6.2m Work Program
- Execute 3 well fracture stimulations including pre-frac workovers, PNX logging, fracture stimulations, post-frac workovers and connection to sales

$1.0m Opportunities Register
- 2 x Plunger lift installs
- 3 x on/off intermittent controllers
- Rigless well interventions to restore production (3 – 5 wells)
- Diagnostic logging (3 wells)
- MC#5 pipeline installation (tie in)
- HS#3 workover / recompletion
- New Royal Field – partial reinstatement of facilities and well connections

$0.3m Additional Field Reinstatements
- Waldegrave (Southernpec JV) Avondale-Baldene pipeline reinstatement + well facilities reconnect

Q3 – 2021 ($5.1m)

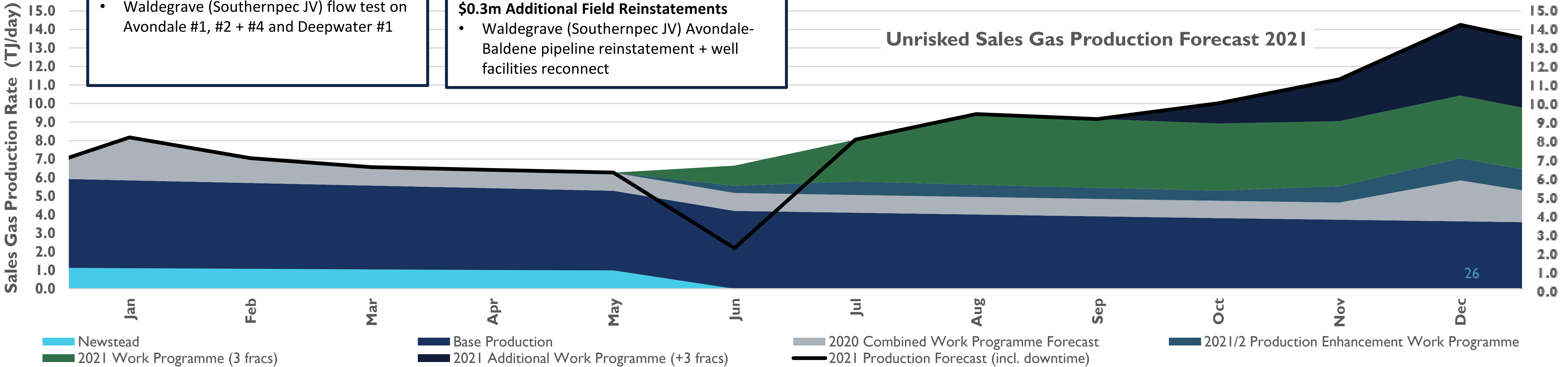
$3.8m Work Program
- Pipeline and facilities install (Frac #3)
- Frac wells #4&5 - Pre-frac workovers and PNX logging

$1.3m Opportunities Register
- 2 x on/off intermittent controllers
- 2 x LRP installation (1 gas / 1 oil)
- Oil well workover / reinstate production
- Rigless well interventions to restore production (2 – 3 wells)
- Relocate FC04 compression
- Acquire mobile test separator capability

Q4 – 2021 ($5.7m)

$5.3m Work Program
- Execute 3 well fracture stimulations (wells #4, #5 + #6) including pre-frac workovers, PNX logging, fracture stimulations, post-frac workovers and connection to sales
- Frac well #5 - pipeline

$0.4m Opportunities Register
- 3 x on/off intermittent controllers
- 1x LRP installation (gas)



ROAD AHEAD

- Northern Basins
  - Proposed demerger and IPO of the Northern Basin assets
- Surat Basin
  - New 2021 work programme
  - Progressing farm-out for Surat work programmes
  - Focus on opening up new by-passed pay plays
  - Continue focus on monetising Newstead Gas Storage
- Cooper Basin
  - Commencing exploration – high grading leads & prospects to select drilling targets
  - Expanding the footprint
- Financial
  - Targeting retirement of Senior Secured Amortising Notes conditional on completion of Northern Basin IPO
  - Debt free, recapitalised and strengthened balance sheet

CAPITAL RAISE

CAPITAL RAISE: HIGHLIGHTS

Timetable

Trading Halt	16 March 2021
Announce results of placement	18 March 2021
Receipt of funds from Placement	23 March 2021
Expected allotment Date for the Placement	24 March 2021

Offer Structure & Size	A capital raise of a minimum of $7.5 million by way of a placement of a minimum 214.3 million New Shares & 53.6 million attaching options which utilises the Company's placement capacity under Listing Rule 7.1 & 7.1A. Adding the Conditional Placement component (which will be subject to shareholder approval), the Company will raise a total of up to $11.5 million and issue up to 328,571,428 new shares.
Issue Price	$0.035 per share with 1 free attaching option for every 4 new shares issued.
Discounts	The issue price of $0.035 per share represents a discount of: • 12.5% to the last traded price of $0.040 on 15 March 2021 • 10.2% to the 15 day volume weighted average price to 15 March 2021
Options	The free-attaching options proposed to be issued under the Placement, are the existing listed option series (ASX:AJQOA) which have an exercise price of $0.05 & an expiry date of 29 February 2024.

CAPITAL RAISE: HIGHLIGHTS

Uses of funds	The proceeds of the capital raise will be used for: • demerger and Initial Public Offering costs for the Northern Basin assets • Kincora Plant production assurance maintenance capital expenditure & engineering • general working capital including the payment of creditors & the costs of the offer • well interventions work identified which are targeted for implementation during H1 CY2021 • exploration expenditure related to Company assets in NT, Surat Basin & Cooper Eromanga Basins • continued compliance with the Senior Secured Amortising Notes, including satisfaction of minimum cash holding balances.
Approvals	• The Placement Shares and Options will be issued under the Company's available placement capacity. • Participation by related parties in the placement will be subject to shareholder approval.
Lead Manager	Bizzell Capital Partners Pty Ltd (an entity associated with non-executive Director, Stephen Bizzell) and JB Advisory Partners Pty Ltd are joint Lead Managers to the Placement.

SOURCES & USES OF FUNDS

2021 – February to June 2021

Sources of Funds	$'m	Uses of Funds	$'m
Kincora Operating Revenues	8.0 – 9.0	Kincora Operating Costs	7.5 – 8.5
Proceeds from capital raising[(5)]	7.5 – 11.5	Kincora Plant capital expenditure & engineering	1.0 – 2.0
Proceeds from anticipated Surat farm-in work commitments[(3)]	6.0 – 9.0	Kincora Area 2021 Work Program	6.0 – 9.0
Proceeds from completed Asset Transactions[(1)]	9.2	Exploration expenditure	2.0 – 3.0
Net proceeds from anticipated Asset Transactions[(2)]	10.0 – 15.0	Permit license fees	1.0
Cash on hand (at 31 January 2021)	4.1	Corporate G&A	3.0 – 4.0
		Demerger transaction costs	1.0
		Costs of capital raise	0.6
		Funding Costs (including interest payable)	2.3
		Secured Amortising Notes debt reduction, plus fees[(4)]	10.0
		Cash on hand and working capital[(6)]	10.4 – 16.4
Total	44.8 – 57.8	Total	44.8 – 57.8

1) Proceeds is the balance of $9.2m received in February from Santos (STO) for the South Nicholson Basin (SNB) transaction.

2) Net proceeds from asset transactions of $10-15m (i.e. amount received by AJQ after required accelerated principle Senior Secured Amortising Notes repayments, set at 50% of proceeds)

3) Proceeds is the amount of farm-in payment received and assumes no amounts payable under the Senior Secured Amortising Notes.

4) Assumes that Armour will repay amortisation amounts per agreed schedule & additional principal amounts (from asset transactions) within the parameters of the Senior Secured Amortising Notes transaction documents. Any additional principal amounts payable (as an unscheduled amortisation payment) will depend on the amount of funds received by the Company from asset transactions. Accordingly, any reduction in the proceeds from anticipated asset transactions will also reduce this amount.

5) Assumes that the Placement and Conditional Placement are fully subscribed. To the extent that less than the maximum amount is raised, the Company will adjust the use of funds accordingly and/or undertake further capital management or raising activities as required.

6) The remaining cash for working capital will keep the Company compliant with minimum cash balances required under its Senior Secured Amortising Notes and includes provision for payment of creditors (including $1.3m that is currently under dispute). Current outstanding face value of the notes is $43.6 million which will reduce to $33.7 million at 30 June 2021 once the accelerated amortisation payment from the STO SNB transaction and scheduled amortisation payments are applied.

CAPITAL STRUCTURE DETAILS

Shares	Number
Shares on issue	1,275,763,040
New Shares to be issued under the Placement and Conditional Placement[1]	328,571,428
Shares on issue following the Placement and Conditional Placement [1]	1,604,334,468
Options	
Options on issue[2]	494,936,978
Options to be issued under the Placement and Conditional Placement [1]	82,142,857
Options on issue following the Placement and Conditional Placement [1]	577,079,835
Secured Amortising Notes	
Secured Amortising Notes Facility[3]	55,000

The above table outlines the securities on issue as at 15 March 2021.

(1) Based on a subscription of $11.5m under the Placement and Conditional Placement.

(2) The options are exercisable at various prices between $0.05 & $0.495 and expire at various dates between 29/03/2021 & 29/02/2024.

(3) The Senior Secured Amortising Notes are issued in tranches of $1,000 and are not listed on the ASX. Current amortised value per Note = $793.63

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APPENDIX

NORTHERN BASIN RESERVES & RESOURCES

Accessor Report	Reservoir Type/Name	Estimated Recoverable Gas Resource (Bscf)			Estimated Recoverable Liquid Resource (MMstb)		
		Low	Best	High	Low	Best	High
SRK[3]	Conventional Closures Wollogorang	61	647	6,893	0	0	0
SRK[3]	Conventional Closures McDermott	149	1,548	16,557	0	0	0
SRK[2]	Conventional Closures Coxco	890	2,254	5,780	0	0	0
	Total Conventional	**1,100**	**4,449**	**29,230**	**0**	**0**	**0**
SRK[3]	Unconventional Wollogorang Shale	5	6,900	141,404	0	0	0
SRK[3]	Unconventional McDermott Shale	26	10,120	152,107	0	0	0
MBA[1]	Unconventional Barney Creek Shale	3,801	12,971	39,085	261	1,234	4,435
	Total Unconventional	**3,832**	**29,991**	**332,596**	**261**	**1,234**	**4,435**
Total NT Prospective Resources		**4,932**	**34,440**	**361,826**	**265**	**1,250**	**4,481**

Accessor Report	Reservoir Type/Name	Contingent Gas Resource (Bscf)		
		1C	2C	3C
D&M[4]	Conventional Closure Coxco	2.4	6	10.3

(1) MBA Report, Conventional and Unconventional Prospective Resource Estimate EP 171 & EP 176, NT, October 2011
(2) SRK Report, Coxco Dolomite Resource Evaluation Batten Trough, McArthur Basin, EP 171, 176, 190, NT, November 2013
(3) SRK Report, SRK Report, Conventional and Unconventional Resource Assessment of the Wollogorang and McDermott Formations – Tawallah Group, NT, September 2015
(4) D&M Report, Contingent Resources in Exploration Permit 171 in the Northern Territory, Australia with interests licensed by Armour Energy Limited, April 2013

Cautionary Statement: 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.