

Armour Energy (ASX:AJQ)

ASX Announcement

28 July 2021

Completion of Northern Territory Airborne Survey

HIGHLIGHTS:

- **Armour Energy has completed the acquisition of a 20,000 km² airborne geophysical survey in the Northern Territory.**
- **Survey is the largest private enterprise airborne survey of its type to be undertaken in the Northern Territory, and the survey area is equivalent to the size of Wales.**
- **Armour Energy undertook the survey on behalf of McArthur Oil & Gas in advance of the IPO and demerger.**
- **Survey was completed ahead of schedule and within budget and was non-invasive with a very low environmental impact.**
- **Armour Energy engaged closely with and informed the Northern Territory Government, the Northern Land Council, the Aboriginal Protection Areas Authority and all pastoralists since November 2020 in relation to this programme.**
- **McArthur Oil & Gas will use the survey results as the basis for exploration prioritisation and planning over a large portion of acreage to be acquired from Armour.**
- **Data is being acquired to de-risk, rank and high-grade existing prospects and leads.**

The Directors of Armour Energy Limited (ASX: AJQ; "Armour", or "the Company") are pleased to announce that Pinemont Technologies Australia Pty Ltd, a specialist geophysical service provider, has completed the acquisition of airborne geophysical data over a substantial portion of six Northern Territory permits covering an area of approximately 20,000 km².

Armour undertook the airborne survey on behalf of McArthur Oil & Gas Limited ("McArthur") in advance of the proposed demerger and IPO of McArthur as previously announced by the Company (refer ASX announcement of 6 March 2021). The airborne survey is the largest private enterprise survey of its type to be undertaken in the Northern Territory and the survey area is equivalent to the size of Wales.

The survey was aimed at detecting anomalies in areas of upward fluid flow of migrating hydrocarbons above fluid pathways and/or hydrocarbon accumulations. This will provide information over existing prospects and leads, and a regional context upon which to plan future follow up exploration work.

The airborne survey (refer to Armour's announcement on 11 May 2021) was acquired over substantial portions of 6 exploration permits (EPs 171, 174, 176, 190, 191 and 192) see map below Figure 1. These permits cover the highly prospective Batten Fault Zone and several oil and gas play fairways, including the proven Coxco Dolomite Play (Glyde gas discovery), which encompass 193 conventional prospects and leads within McArthur and Tawallah Group reservoirs identified by previous exploration work.

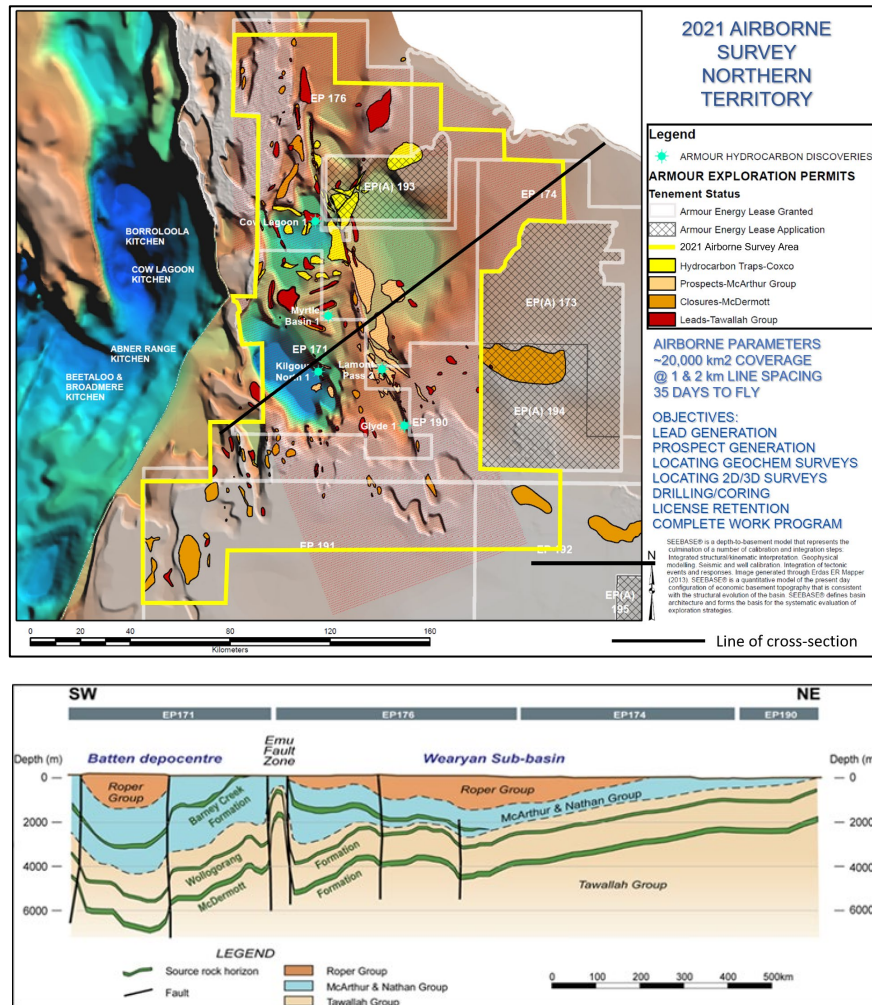


Figure 1: 2021 Northern Territory McArthur Basin Airborne Coverage Map and Cross-Section

Multiple prospective geological horizons are present and lie adjacent to and directly over deeper basin areas that are mature for hydrocarbon generation.

Package	Age	Group	Sub-group	Absolute ages	Lithology	Stratigraphy	Thickness(m)	Oil and Gas Potential			
								Source	HC Shows	Unconventional Reservoir	Conventional Reservoir
									Gas	Oil	
Glyde	Paleoproterozoic	McArthur	Umbagogia	1640 ± 4 Ma	Reward Dolomite	30-350					
					Barney Creek Fm	10-900					
					Coxco Dolomite Mbr	15-70					
				1641 ± 4 Ma	Lower Teena Dolomite	<5-270					
					Emmerugga Dolomite	ca 620					
					Myrtle Shale	40-60					
					Leila Sandstone	<10-30					
					Tooganinie Fm	ca 200					
					Tatoola Sandstone	80-350					
				1641 ± 4 Ma	Amelia Dolomite	50-180					
Goyder	Paleoproterozoic	Tawallah			Mallapunyah Fm	100-ca 450					
					Masteron Sandstone	40-650					
					Echo Sandstone	265-365					
					Burash Sandstone	<370					
				1708 ± 5 Ma	Nyananu Fm	ca 450					
				1713 ± 7 Ma	Tanumbirini Rhyolite	ca 450					
					Warramana Sandstone	>250					
					Packsaddle Microgranite						
					Hobblechain Rhyolite	70-100					
					Gold Creek Volcanics	15-230					
Redbank	Paleoproterozoic	Tawallah		1723 ± 4 Ma	Wollgorang Fm	>350					
					Settlement Creek Dolerite	100-200					
					Wumumantyalia Sandstone	<800					
					Aquarium Fm	>200					
					Sly Creek Sandstone	ca 320					
					McDermott Fm	ca 200					
					Seigal Volcanics	225-1100					
					Yiyinty Sandstone	<4000					
					Westmoreland Conglomerate	<1900					

Lithology Legend

- Sandstone
- Sandstone and Siltstone
- Dolomite
- Black Shale
- Sandstone and Dolomite
- Conglomerate and Sandstone
- Igneous
- Volcanic

Figure 2: Paleoproterozoic Stratigraphic Column Showing Multiple Hydrocarbon Source and Reservoir Intervals and Zones where oil and gas shows have been observed in wells

Previous successful drilling by the Company confirms that the Coxco Dolomite Play Fairway has a working petroleum system comprising rich and mature source rocks, viable reservoirs with effective seals and structural traps. The survey is aimed to assist McArthur with high grading identified prospects and leads and will help form the basis for planning future work programs once McArthur is listed.

The survey was conducted out of the Town of Borrooloola and was completed ahead of schedule and within budget. Importantly, the survey was both non-invasive and had a very low environmental impact, and all landholders within the coverage area had been notified of the airborne programme.



Figure 3: Survey equipment at Borrooloola

The survey acquired data over large areas both quickly and cost-effectively. Initial processed data will be available within a month of acquisition, allowing McArthur early planning for follow up work potentially including ground-truthing of airborne anomalies using iodine geochemical soil surveying and the acquisition of gravity and/or seismic surveys.

Armour CEO, Brad Lingo stated "Our team has worked closely with the Northern Territory Government, the Northern Land Council, the Aboriginal Protection Areas Authority and the airborne survey contractor, Pinemont Technologies, and engaged and informed all pastoralists since November 2020 in relation to the execution of the programme. We are very pleased that this survey was completed ahead of schedule and within budget. This will be a great tool for McArthur in working up the forward work program post ASX listing."

Mr Lingo continued "The potential of the area covered by the survey has already been demonstrated through multiple drilling successes. McArthur will be able to integrate the critical data that this survey will provide into the existing knowledge base. The potential of this area is enormous, and the survey is located over the highly prospective parts of our acreage."

This Announcement is Authorised by the Board of Directors
Karl Schlobohm | Joint Company Secretary

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