



Kilgour North-1 exploration well



McArthur Oil & Gas

NT RESOURCES WEEK – SEAAOC PRESENTATION

27-28 OCTOBER 2021



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Proposed transaction conditional

As previously noted the proposed demerger of the Northern Basin Assets will be subject to the successful completion of the IPO of McArthur Oil and Gas as well as a number of other standard conditions for demerger transactions of this nature, including all necessary shareholder approvals, all ASX and other regulatory approvals as required, any required consents or approvals from Armour's financiers and receipt of any necessary or desirable tax rulings from the ATO regarding the tax implications of an in specie distribution for Armour shareholders. Accordingly, the information set out in this presentation assumes a successful completion of the demerger and IPO of McArthur Oil and Gas which is not guaranteed.

Assumptions

Forward looking statements are statements of future expectations that are based on management's current expectations and assumptions, known and unknown risks and uncertainties that could cause the actual results, performance or events to differ materially from those expressed or implied in these statements. These risks include, but are not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, commercialisation reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

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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.

Authorization

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

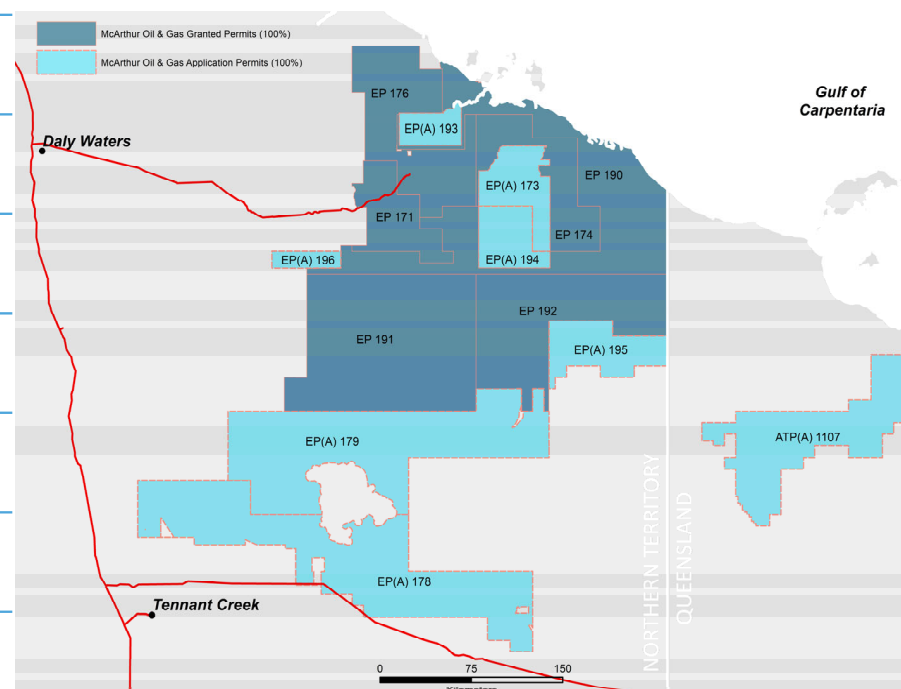


MCARTHUR – CORPORATE SNAPSHOT

On the basis that the demerger proceeds, McArthur is expected to have the following:

- ✔ **Commanding ownership position** covering 96,000 km² of the McArthur & South Nicholson Basins¹ with NT focused experienced Board and Management team
- ✔ **Large exploration potential** with Prospective Recoverable Resources Conventional 4.6 TCF (2U)² and Unconventional 28.1 TCF (2U)²
- ✔ **Multiple proven plays with multiple discoveries** - conventional and unconventional plays, providing multiple World-class opportunities & discovered low CO₂ conventional gas
- ✔ **Substantial historical investment in the ground** - ~\$40 million invested has delivered multiple discoveries in the proven Coxco play fairway
- ✔ **Early mover development potential** - conventional gas discoveries present near-term pathway for low cost development and sales into existing premium markets
- ✔ **Low drilling & development costs** – circa \$3-6 million per conventional well³
- ✔ **Unconventional Fast Follower** – adjacent unconventional drilling activity presents a fast follower opportunity to prove-up multi-TCF unconventional resource potential
- ✔ **Compelling valuation** - Prospective Resource valuation of ~\$3/TJ – vs Peers of \$6-8+/TJ³

1. Subject to successful demerger from Armour Energy - refer ASX Announcement 3 March 2021
 2. Refer Slide 9 – NSAI Certified Resources
 3. Refer McArthur – The Value Proposition – Slide 13



Map of granted and application permits included in the IPO

APPOINTMENT OF LEAD MANAGER FOR MCARTHUR OIL & GAS IPO

Morgans Corporate Limited appointed as lead manager for the proposed IPO of McArthur Oil & Gas on the ASX (Announcement: 27th October 2021)

- Subject to the satisfaction of certain demerger conditions, McArthur, as the holder of the Northern Basin Assets, is expected to make an Initial Public Offering (IPO) on the ASX.
- Morgans is Australia's largest national full-service stockbroking and wealth management network with over 500 advisers supported by an award-winning research team, as well as a leading corporate finance team.
- The Lead Manager will work with Armour's Corporate Advisors, **Bizzell Capital Partners Pty Ltd** and **JB Advisory Partners Pty Ltd** who will support the IPO.
- Current expectation to complete IPO in Q1 CY2022



BIZZELL CAPITAL PARTNERS

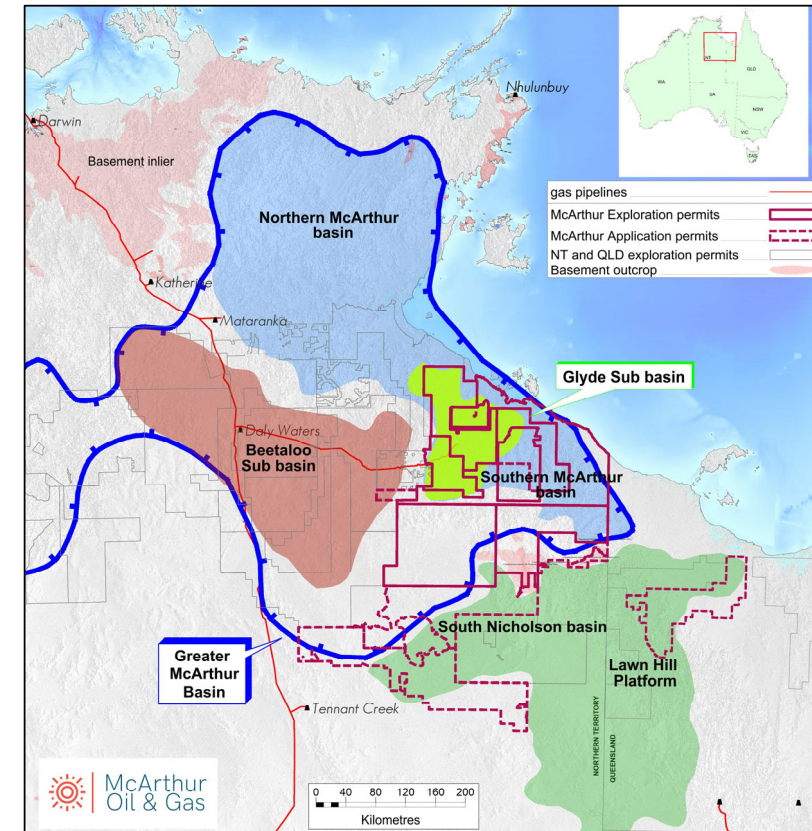


MCARTHUR'S DISTINCTIVE POSITION

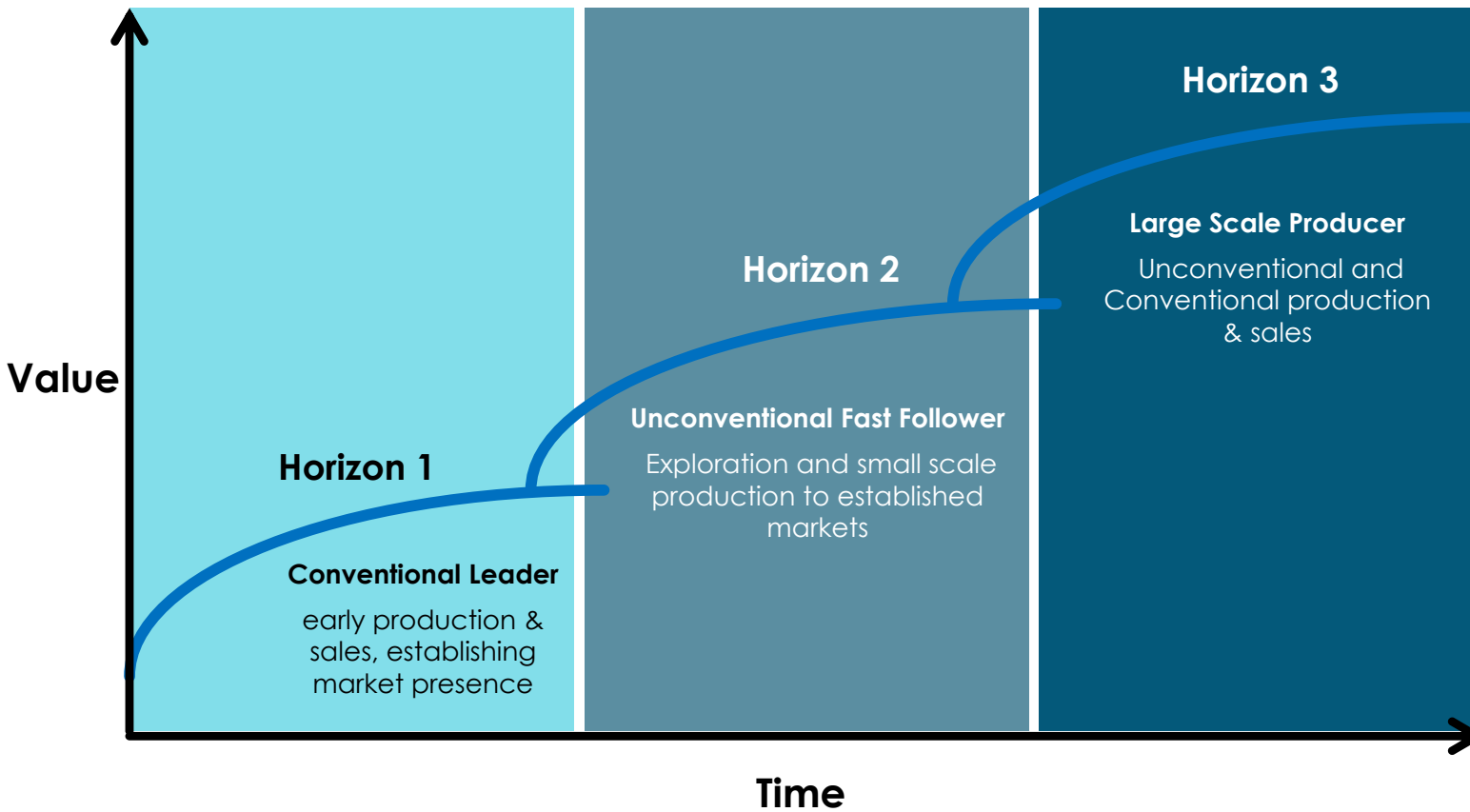
McArthur permits span both the McArthur and South Nicholson Basins

- **Holder of material interest across multiple proven & prospective basins**
 - McArthur Basin including Glyde Sub-basin and eastern Beetaloo Sub-basin
 - South Nicholson Basin including Lawn Hill Platform
- **Acreage covers significant conventional & unconventional fairways**
 - Conventional Coxco/Reward dolomites & Wologorang/McDermott sandstones
 - Unconventional Barney Creek, Wologorang and McDermott shale plays
- **Pervasive thick Multi-TCF unconventional shale gas sequences**
 - Proven regional multi-TCF shale plays extending across McArthur acreage
- **Potential for stacked conventional & unconventional pay**
 - McArthur can target gas, wet gas & liquids in stacked source/reservoir shale intervals
- **Unique position over proven Coxco conventional play fairway**
 - McArthur's permits capture entire proven conventional Coxco dolomite play fairway with potential for early commercialisation

Regional basins map



MCARTHUR'S STRATEGIC HORIZONS



McArthur's Unique Exposure
to both discovered conventional and unconventional gas in the NT
de-risks the path to large scale production and sales

ESG – THE SOCIAL LICENSE TO OPERATE

Committed to highest standards of ESG performance

- **Board focus** - established a Risk & ESG sub-committee with a charter to ensure it achieves this commitment
- **Sustainable development** - committed to the UN definition of sustainable development
- **Climate change** – acknowledgement of climate change risks & committed to 100% carbon offsetting of exploration, development & production activities
- **Mapping a carbon management path** - to be a net zero producer through early engagement with specialist carbon management advisers

Local Pastoralists and Traditional Owners relaxing together after successfully completing site works supporting the Armour Energy Exploration Program, 2012

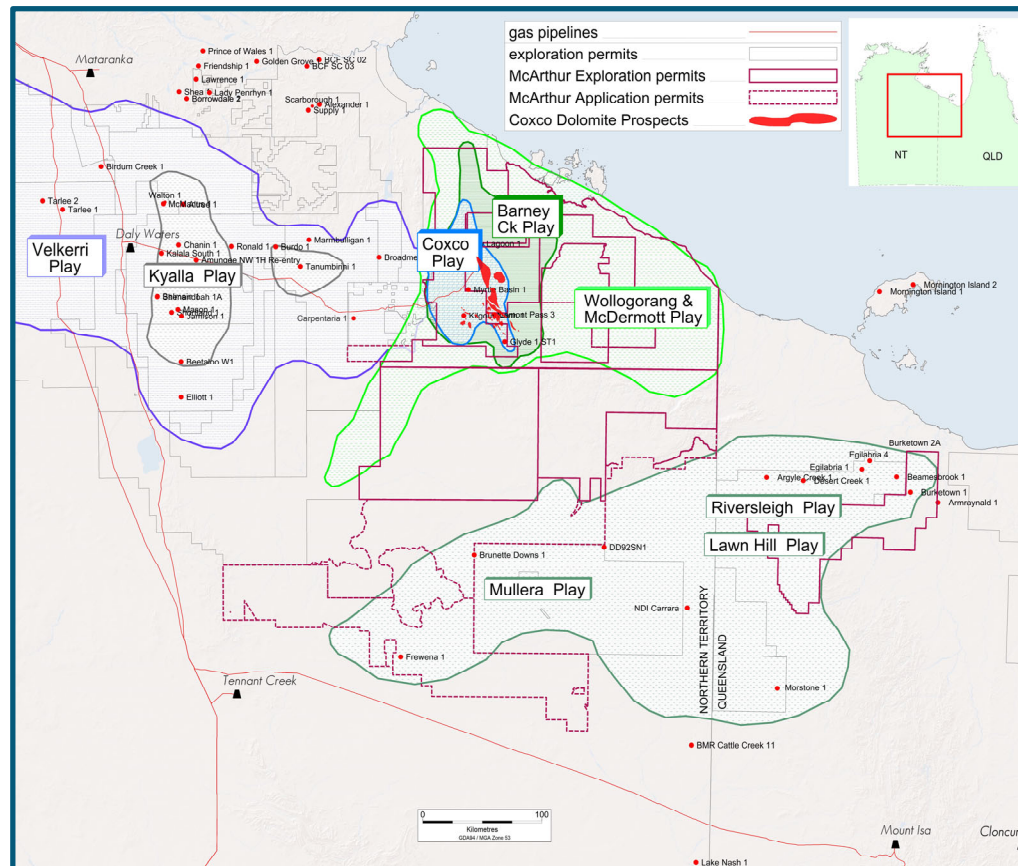


STACKED PLAY FAIRWAYS - CONVENTIONAL & UNCONVENTIONAL

Conventional Plays

- **Coxco Dolomite**
 - Proven Fairways unique to Glyde Sub-basin
 - Prospective Resources 2.6 TCF (2U)¹
 - Multiple prospects/leads
 - Shallow, low cost drilling
 - Gas and oil discoveries
 - Strong reservoir production potential
 - Glyde-1 ST1 flow tested at 3.3MMSCFD²
 - Sales quality gas with liquids potential
- **Wollogorang & McDermott Sandstones**
 - Prospective Resources 2 TCF (2U)¹
 - Multiple prospects and leads - 176 mapped

Map of McArthur Basin Conventional & Unconventional Play Fairways



Unconventional Plays

- **South McArthur Basin Shales**
 - Barney Creek Shale (Proven)
 - Gas flares in Cow Lagoon-1
 - Source rock for Coxco reservoir gas tested in Glyde-1 ST
 - Wollogorang Shale
 - McDermott Shale
- **South Nicholson Shales**
 - Mullara Shale
 - Lawn Hill Shale (Proven)
 - Frac-Stim tested in Egilabria-1
 - Riversleigh Siltstone
- **Beetaloo Shales**
 - Velkerri Shale (Proven)
 - Frac-Stim tested in Amungee, Tanumbirini 1H & Carpentaria-1
 - Kyalla Shale (Proven)
 - Frac-Stim tested in Kyalla-1H

¹ Refer Slide 9 – NSAI Certified Resources

² Refer Armour Energy ASX Announcement *Testing of Glyde #1 Lateral Well Confirms Glyde Sub Basin Prospectivity* 13/08/12

MCARTHUR'S RESOURCE ESTIMATE - NSAI CERTIFIED¹

Reservoir	Unrisked Gross (100%) Prospective Gas Resources (BCF)			Unrisked Gross (100%) Contingent Gas Resources (BCF)		
	Low Estimate (1U)	Best Estimate (2U)	High Estimate (3U)	Low Estimate (1C)	Best Estimate (2C)	High Estimate (3C)
Conventional						
Coxco Dolomite	165	2,645	19,712	0	6	53
McDermott	16	1,430	23,531	-	-	-
Wollogorang	6	547	11,573	-	-	-
	187	4,622	54,816	0	6	53
Unconventional						
Barney Creek	1,023	4,781	16,837	-	-	-
McDermott	2,582	14,093	68,416	-	-	-
Wollogorang	1,198	7,307	37,943	-	-	-
South Nicholson Basin	400	1,946	6,106	-	-	-
	5,203	28,127	129,302	-	-	-
Total	5,390	32,749	184,118	0	6	53

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. The aggregate 1U estimates may be very conservative and the aggregate 3U very optimistic due to the portfolio effects of arithmetic summation. In using the probabilistic method – at 90% probability level Contingent Resource low estimate rounds down to zero.

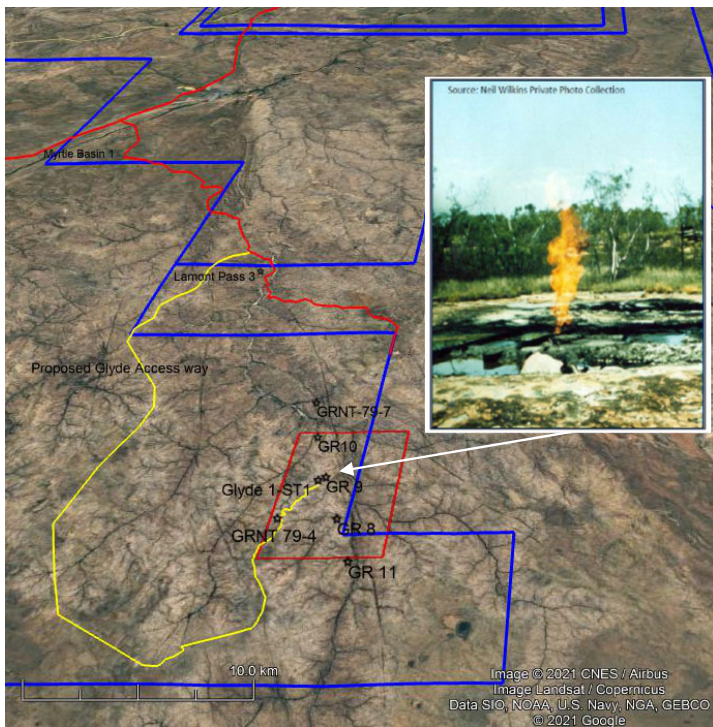
¹ Refer Armour Energy ASX Announcement – Northern Territory Resource Update – 27 April 2021. The Company is not aware of any new information or data that materially affects the information included in that announcement and all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

THE GLYDE GAS DISCOVERY – COMMERCIALISATION FOCUS

1980

Glyde River-9 (GR9) Mineral Core Hole

the First Glyde Gas Discovery well



Google image showing Amoco mineral core holes in McArthur NT Permits, including GR9, many with oil shows in core

2012

Armour Energy's Glyde-1 ST1

Glyde Gas Re-discovery well



We used this rig...



...to drill this hole at Glyde, NT



... this is what was found
3.3MMSCFD of gas!

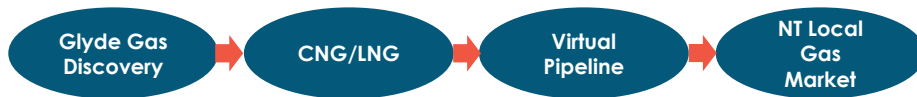
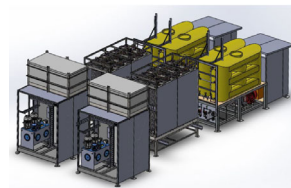
- Glyde-1 ST1 drilled to 698m vertical depth¹
- 162m gas pay encountered
- Flow tested at 3.33 MMSCFD¹
- Sales gas quality - negligible CO₂ and potential for C₂/C₃ NGL's¹
- Contingent gas resource of 6BCF (2C); 53BCF (3C)²
- Appraisal focus - Shallow wells, low-cost drilling & development

¹ Refer Armour Energy ASX Announcement Testing of Glyde #1 Lateral Well Confirms Glyde Sub Basin Prospectivity 13/08/12

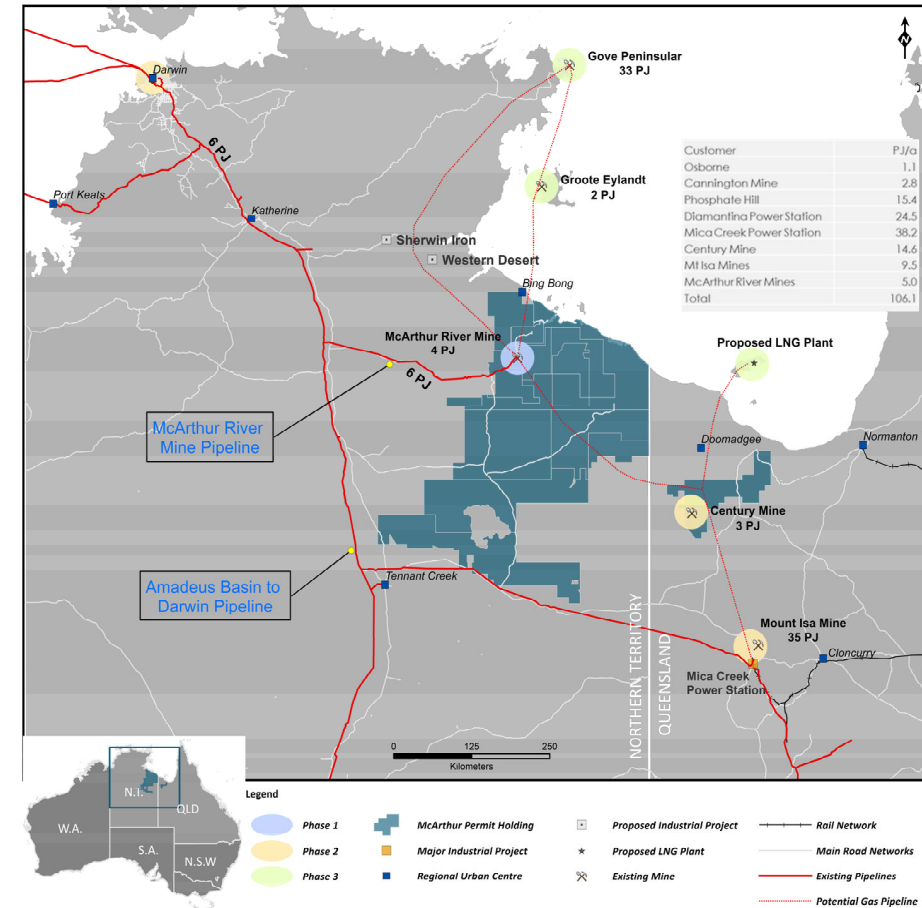
² Refer Slide 9 – NSAI Certified Resources

A CLEAR PATH TO COMMERCIALISATION

- NT Markets First**
 - Serve local markets via “virtual pipeline” trucked LNG/CNG
 - Diesel substitution at mine sites and regional towns
 - Access and close proximity to existing pipelines
 - Significant Government supported industry & road developments
- Potential for production close to major markets**
 - Phase 1 - McArthur Basin Local market gas demand = 5+ PJ pa
 - Phase 2 - Regional NT and NW Queensland gas demand = ~100 PJ pa
 - Phase 3- Total East Coast Domestic & LNG export demand = 2,000 PJ pa
- Fast-Track to Market via Virtual Pipeline Solution**
 - Ongoing discussions with modularised Compressed Natural Gas (CNG) and Liquefied Natural Gas (LNG) solution providers
 - Targeting first gas sales early to mid CY 2023



Regional map showing potential markets for McArthur¹



¹ Source AEMO and Armour internal gas market studies

THE WORK PROGRAMME – WHAT ARE WE AIMING TO DELIVER¹

The proposed work programme has clear technical objectives & commercial deliverables

Glyde Appraisal & Development

- Prove up overall extent of Glyde Gas Discovery Reserves & Resources
- Mature Glyde Contingent Resources to Reserves
- Establish commerciality for development
- Commercial gas production early to mid 2023

Conventional Exploration

- Prove gas resource potential at Cow Lagoon, Kilgour North and one Caranbirini Prospect, and mature Prospective Resources to Contingent Resources
- Use airborne survey data to refine leads & prospects inventory and identify new opportunities
- Acquire seismic data to de-risk current inventory, identify new prospects and leads, and develop drill-ready prospects

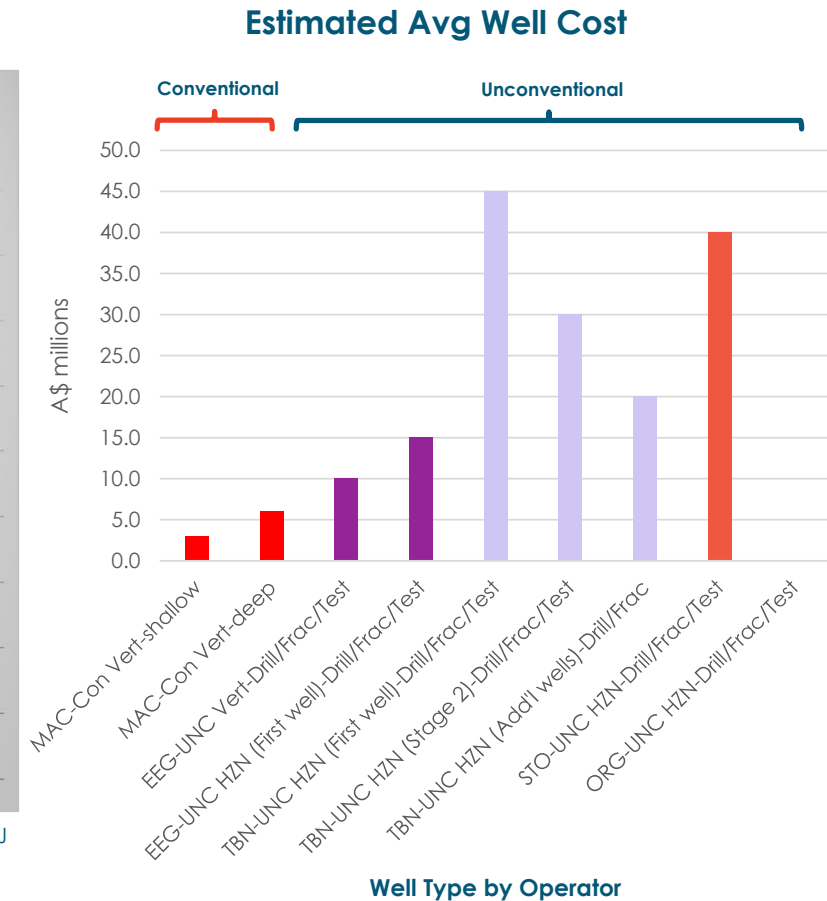
Unconventional Exploration

- Explore stacked shale plays as part of conventional exploration drilling programme
- Deepen Cow Lagoon & Kilgour North wells to evaluate unconventional shales

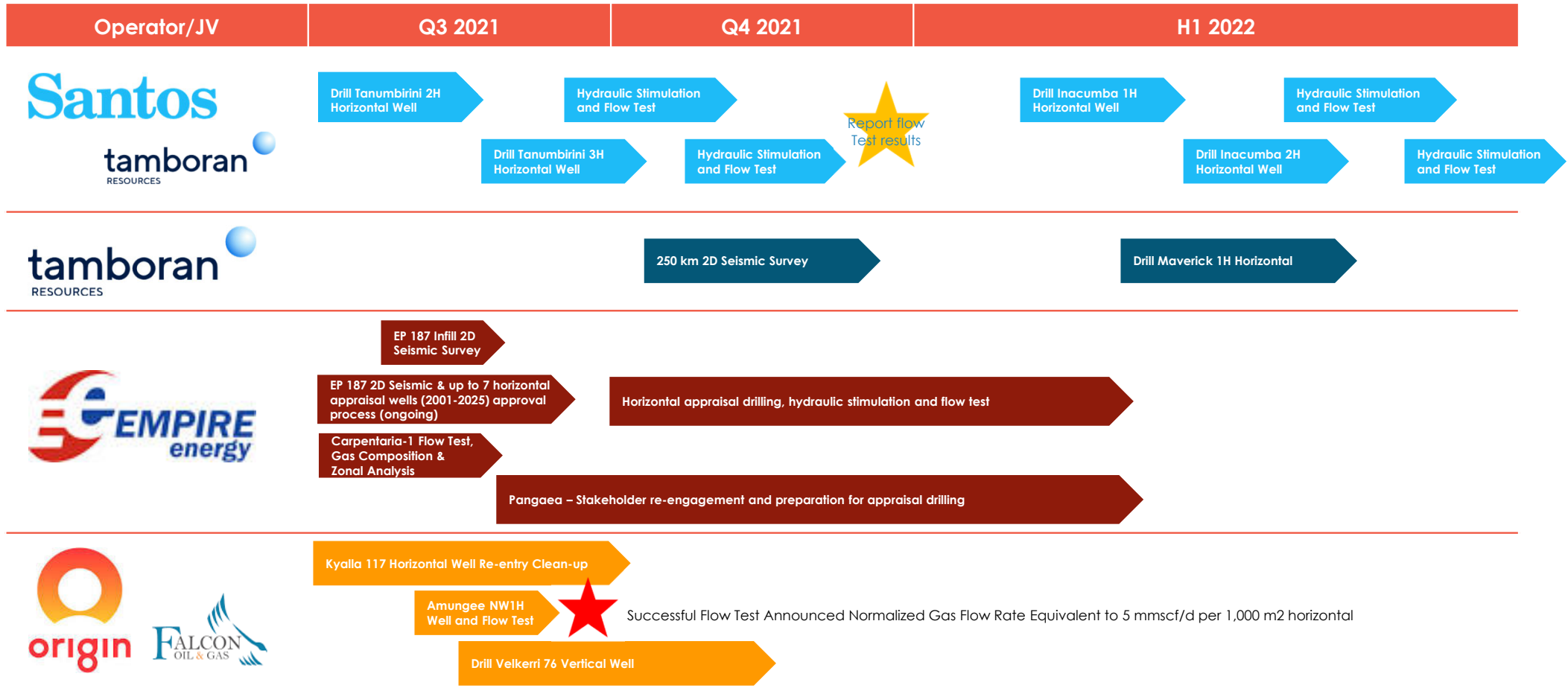
MCARTHUR – THE VALUE PROPOSITION



Based on the size on McArthur's prospective resource and expected market capitalisation at listing, McArthur's dollar value per TJ of resources represents the greatest value proposition out of the peer companies operating in the NT



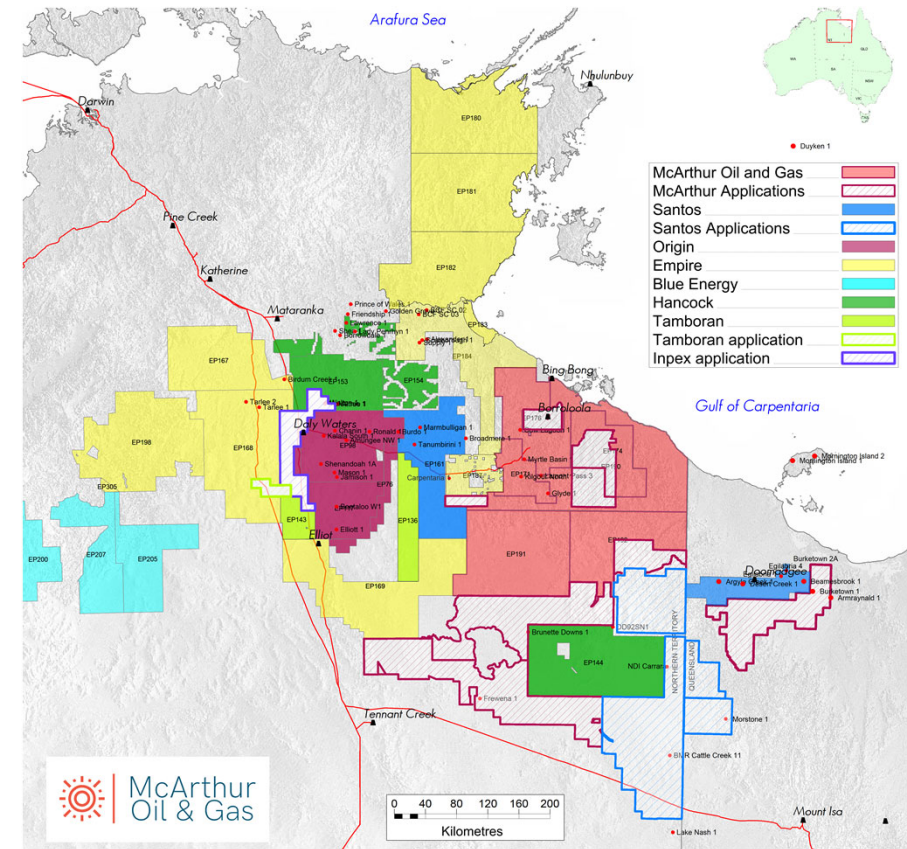
PIPELINE OF SIGNIFICANT MCARTHUR/BEETALOO ACTIVITY & RESULTS



INVESTMENT HIGHLIGHTS – MCARTHUR'S DISTINCTIVE POSITION

Assuming successful completion of the IPO, McArthur Oil & Gas is expected to have the following features:

- Commanding acreage holding – 96,000km² (granted & application permits) in South McArthur Basin and South Nicholson Basin
- Ministerial approval of transfer of permits to McArthur NT Pty Ltd
- Established Social Licence to Operate, committed Stakeholder Engagement with established relationships over 10yrs of operating
- Proven conventional Coxco play with sales quality gas and liquids potential offering early mover commercialisation
- Exploration of unconventional play – fast follower leveraging success in adjacent parts of the McArthur Basin
- Large, independently certified prospective gas resources
- Retention Licence applications - potential for first gas to market early to mid 2023* (*subject to grant of RLs)
- Clearly identified markets with a priority on NT first
- Adoption of CNG/LNG technology, utilising “virtual” pipelines for early access markets and minimise flaring
- Board focus on ESG, committed to 100% carbon offsetting of all activities
- Experienced Board & Management with significant industry, financial, technical, geological and environmental experience



Regional map of operators





APPENDIX SLIDES



MCARTHUR BASIN - OUR PEERS AND HOW MCARTHUR MAY COMPARE

	McArthur Oil & Gas	Empire Energy Group Ltd Pangaea Resources Acquisition	Santos Tamboran Resources JV	Origin Falcon Oil & Gas Ltd JV
Basin	McArthur/Beetaloo/South Nicholson	McArthur/Beetaloo	Beetaloo/McArthur	Beetaloo
Listing / Code	TBC	ASX:EEG	ASX:TBN	AIM:FOG
Resource Focus	Conventional & Unconventional Wet & Dry Gas & Oil	Unconventional Only Targeting Wet Gas	Unconventional Only Dry Gas	Unconventional Only Targeting Wet Gas
Acreage/Tenements	96,900 km ²	106,800 km ²	22,800 km ²	18,600 km ²
Market Cap (A\$ million) (A)	Potentially \$110 via McArthur IPO ¹	EEG: ~\$182 post acquisition Pangaea ²	TBN: \$266 at IPO ³	FOG: ~102 ⁴
Prospective Resources (Best) (B)	33 TCF Gas	42 TCF ²	31 TCF (Net to Tamboran) ³	19 TCF (Net to Falcon) ⁴
Implied In-ground Value \$/TJ - (A)/(B)	\$3.33	\$5.07	\$7.90	\$8.01
Target Depth	600m to 4,000m	1,400m to 2,800m	2,000m to 4,000m	1,800m to 3,800m
Indicative Well Cost Drill/Frac/Test (A\$ million)	Conventional-Drill & Test Exploration/Appraisal shallow = \$3m per well Exploration/Appraisal deep = \$6m per well Unconventional-Drill Initial Exploration = \$TBD	Unconventional Only – Drill/Frac/Test Initial Vertical Exploration = \$10m per well Initial Horizontal Exploration = \$15m per well	Unconventional Only – Drill/Frac/Test STO Tanumbirini 2H/3H = \$40m per well TBN ⁵ Initial Exploration = \$40-45m per well Stage 2 Exploration = \$25-30m (3-5 wells) Additional Exploration = \$20m per well	Unconventional Only – Drill/Frac/Test Initial Exploration = Cost per well undisclosed
Achieved Flow Rates	Glyde-1ST = 3.3 MMSCFD clean low CO₂ gas GR79-09 Mineral Exploration = 6 MMSCFD ⁶	Carpentaria-1 vertical ⁷ Peak = >1.6 MMSCFD Average = 0.25 MMSCFD	Tamumbirini-1 vertical ⁷ Peak = >10 MMSCFD Average = 1.2 to 0.4 MMSCFD (130 days)	Amungee NW 1H Horizontal ⁷ Peak = 2.5 MMSCFD Average = 1.1 MMSCFD Kyalla-117 Horizontal ⁷ Average = 0.4-0.6 MMSCFD

1 Potential Market Capitalisation based on proposed \$65m IPO, 35% in specie distribution to Armour shareholders, conversion of convertible note \$10m and successful demerger and IPO of McArthur

2 Based on share price of \$0.355 as at 22 October 2021 and 599.4m shares on issue; Refer to EEG Managing Directors Presentation to General Meeting of 3 August 2021 (page 13)

3 Based on share price of \$0.375 as at 22 October 2021 and 652.8m shares on issue; See TBN IPO Prospectus 1 July 2021

4 Based on a share price of GBP 8.43 as at 22 October 2021, exchange rate of .543 and 981.8m shares on issue; Refer to Falcon Oil & Gas Limited Investor Presentation on September 2021 (page 7)

5 MST Access Initiation of Coverage Equity Research Report on Tamboran Resources Limited dated 13 July 2021 (page 18)

6 Sources: EEG PESA Presentation 11 October 2016 (page 7) and EEG NAPE Presentation 4 February 2020 (page 14)

7 Sources: EEG Quarterly Activities Report for period ending 30 June 2021 / TBN Press Release dated 22 October 2020 and Prospectus dated 1 July 2021 / FOG Press Release dated 22 June 2021



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