

Armour Energy (ASX:AJQ)

ASX Announcement

23 November 2021

Surat Work Programme Operational Update

HIGHLIGHTS:

- Warroon#1 re-stimulation is scheduled for mid-December with first gas expected in early January.
- Myall Creek #2 will commence with a workover and perforation of the lower Tinowon formation in early January.
- The Warroon#1 and Myall Creek #2 stimulation projects are 100% funded by Armour's partners.

Warroon-1 Fracture Stimulation Update

The Warroon-1 fracture stimulation is expected to take place in the third week of December. This programme was originally forecast to commence in mid-October, but wet weather along with the availability of key contractor personnel has resulted in a delay. Mobilising key personnel for the programme has been materially impacted by continuing COVID-19 restrictions in Queensland and Western Australia. The contractor has provided the Company with a high degree of confidence that the current schedule will be maintained.

As previously announced (*refer ASX Announcement 23 Sept 2021*), Armour reached agreement with a private entity in September 2021 to fund the re-fracture stimulation of Warroon-1. The stimulation will target the Basal Rewan sandstone. In exchange for a 50% share of the incremental production uplift over 6 years, the private entity will fund 100% of the capital (estimated cost of \$700k).



Warroon #01 Lease Ready for Stimulation (Sept 2021)



Area Access (Nov 2021)

Myall Creek-2 Programme Update

The workover programme on Myall Creek-2 (*refer ASX Announcement 01 Nov 2021*) is expected to commence in the first week January 2022. The well will be cleaned out and recompleted to enable testing of potential bypassed pay in the Tinowon C reservoir.

A workover rig will isolate the depleted Tinowon A perforations behind a straddle packer arrangement designed to facilitate future fracture stimulation. The Tinowon C reservoir will be perforated through tubing and flow tested inline for a 30-day extended production test. At the end of the test period, a decision will be taken on the feasibility and timing of the Tinowon C stimulation. As part of the programme, a Pulsed Neutron Log will also be conducted to evaluate the gas saturations of the Bandanna and Black Alley reservoirs as future stimulation targets.



Myall Creek #04 Workover – Dec 2019 (Myall Creek#2 will be similarly set up)

Armour's CEO Brad Lingo said, "We are very excited to conduct these two high potential work programmes in Q4 2021 which offer strong long-term production returns for Amour shareholders and our funding partners. We also believe it is important that two parties highly experienced with fracture stimulation and in particular with these formations have committed to participate in both the Warroon and Myall Creek projects and are providing third-party endorsement of the production potential of two different play intervals that span a large part of Armour's eastern exploration acreage."

This Announcement is Authorised by the Board of Directors

Karl Schlobohm

Company Secretary

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Executives

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