

Armour Energy (ASX:AJQ)

ASX Announcement

19 January 2022

Surat Work Programme Operational Update

HIGHLIGHTS:

- **Warroon #1 fracture stimulation complete with proppant placement successfully meeting design parameters. Post-stimulation coil tubing cleanout operations conducted. Full clean up and interpretation of results are expected in 3 to 4 weeks.**
- **Myall Creek #2 workover successfully completed into the Tinowon C formation. The well has been reconnected to the gas gathering system. A thirty-day production test commenced 17 January 2022 with gas, at initial flow rates fluctuating between 200 – 400 MSCF/day, going to sales.**
- **Myall Creek-2 diagnostic logging complete. Log interpretation under way to ascertain whether the Bandanna and Black Alley reservoirs are gas saturated and suitable future stimulation and production intervals.**

Warroon-1 Fracture Stimulation Update

The Warroon-1 fracture re-stimulation was successfully completed on 10 January 2022. All fracture stages were successfully pumped by Schlumberger with a total proppant placement of 159,826 lbs versus planned 157,500 lbs (just over 101%). By contrast, the previous stimulation in November 2020 achieved the placement of around 47,000 lbs. Flow back commenced on 11 January 2022 but the well was unable to flow back unassisted. A coil tubing unit was mobilised on 13 January 2022 and clean out was conducted over 2 days. Broken stimulation fluid, as per design, was recovered on both days. Overnight inflow of liquids into the well bore demonstrated connectivity.

Warroon-1 has been re-connected to the gas gathering system ready for inline clean up flow. The well is currently shut in on pressure build up. Preliminary results are not expected for 3 to 4 weeks.



Warroon #01 coil tubing operations – 13 January 2022

Myall Creek-2 Programme Update

The workover programme on Myall Creek-2 has been successfully completed with the depleted Tinowon A reservoir now isolated. The previously un-produced Tinowon C reservoir has been perforated, completed for production and ready for future stimulation. A specialist pulsed neutron logging was also conducted during the workover operations over the Back Alley and Bandanna formations to ascertain gas saturation as future fracture stimulation targets. Log interpretation is currently underway.



Myall Creek #02 workover – 12 January 2022

The well has been reconnected to the gas gathering system and a 30-day in-line production test commenced on 17 January 2022. Initial gas flow rates are fluctuating between 200 – 400 MSCF/day with produced gas going to sales. At the end of the test period, a decision will be taken on the priority and timing of fracture stimulating the Tinowon C reservoir interval.

Armour's CEO Brad Lingo said, "I am very pleased with the team's performance in delivering these two parallel projects under challenging conditions. This has been our first round of projects with our new external funding partners and we have enjoyed their support throughout the campaign".

This Announcement is Authorised by the Board of Directors

Karl Schlobohm

Joint Company Secretary

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