

Armour Energy (ASX:AJQ)

ASX Announcement

10 January 2022

Surat Work Programme Operational Update

HIGHLIGHTS:

- **Warroon#1 re-stimulation work program has commenced with the main re-stimulation work to take place later today and first stabilized gas flows are expected within 2 to 3 weeks.**
- **Myall Creek #2 workover has also commenced and will be followed by perforation of the lower Tinowon formation later this week**
- **The Warroon#1 and Myall Creek #2 stimulation projects are 100% funded by Armour's partners**

Warroon-1 Fracture Re-stimulation Update

The Warroon-1 fracture re-stimulation is expected to take place later today following successful mobilisation of equipment and crews. This programme was forecast to commence pre-Christmas, but wet weather along with the availability of key contractor personnel and continuing COVID-19 travel restrictions between Queensland and Western Australia resulted in further delays.

The fracture re-stimulation is to be executed by Schlumberger following successful mobilisation of equipment and crews. The fracture re-stimulation programme is targeting an unproduced gas-bearing interval in the Basal Rewan formation sandstone which has previously not been commercially produced in the Warroon Field. Following a successful re-stimulation, first stabilized gas flows are expected within 2 to 3 weeks.

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 re-stimulation – 9 January 2022

Myall Creek-2 Programme Update

The workover programme on Myall Creek-2 (refer ASX Announcement 01 Nov 2021) has also commenced. 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.

Armour's CEO Brad Lingo said, "We are very excited to get underway with our 2022 production enhancement field work by commencing these two high impact work programmes which offer potential strong long-term production returns for Armour shareholders and our funding partners. A successful outcome in both the Warroon and Myall Creek programs will provide further 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

For further information contact:

Nicholas Mather – Executive Chairman
07-3303 0680

Brad Lingo – CEO
07-3303 0680

Karl Schlobohm – Company Secretary
07-3303 0661

Executives

Bradley Lingo – Chief Executive Officer
Karl Schlobohm – Company Secretary
Michael Laurent – Chief Operating Officer
Craig Gouws – Chief Financial Officer
Mark Greenwood – Chief Commercial Officer

Directors

Nicholas Mather – Executive Chairman
Stephen Bizzell – Non-Executive Director
Roland Sleeman – Non-Executive Director
Eytan Uliel – Non-Executive Director

Armour Energy

Level 27/111 Eagle Street, Brisbane. Queensland. 4000
P: +61 7 3303 0620 | E: info@armourenergy.com.au