



## Armour Energy Limited

31 July 2018

### Operational Update - Myall Creek 4A Well

The Directors of Armour Energy Ltd (ASX: AJQ) are pleased to provide an update on the Company's operations at the Myall Creek 4A well located in 100% owned PL511.

Operations to recover a tool and attached wire that was lost down the well have been successful and completion operations have now recommenced with the stage 3 stimulation successfully completed earlier today. Two more stages are planned to be hydraulically stimulated with flow back and production testing to follow completion of the stimulation program.

The stage 3 stimulation was successfully completed at pump rates in line with those modelled and with 56,584 lbs of proppant (compared to the proposed/modelled 60,500 lbs) injected into the Upper Tinowon Sandstone (stage 3). A bridge plug has been set over this stage 3 stimulation, and the stimulation of planned stages 4 and 5 will follow. Some photos of the hydraulic stimulation spread currently being used for the completion operations are below.

As advised previously, Armour successfully completed the first two stages of the planned five stages, with stage 1 with 67,639 lbs of proppant (compared to the proposed/modelled 66,750 lbs) injected into the Lower Tinowon Sandstone, and stage 2 with 68,254 lbs of proppant (compared to the proposed/modelled 66,750 lbs) injected into the Tinowon B Sandstone.

Halliburton Energy Services and Firetail have been engaged to perform the hydraulic stimulation program on the well within the highly prospective sandstone intervals of the Permian and Triassic formations. The aim of this stimulation program is to enable commingled production from stacked hydrocarbon saturated Triassic and Permian sandstones, which provide a prospective 300-metre gross production section.

If successful, Armour intends to tie Myall Creek 4A's production into the existing Myall Creek compressor station which connects to the Kincora Gas Plant facility and Armour's sales gas pipeline to Wallumbilla.

The Myall Creek 4A, drilled in June 2018, penetrated through the regional Triassic aged Snake Creek Shale seal into the prognosed 300 metre Triassic and Permian gas charged window at 1848 metres depth. Significant quantities of hydrocarbons were subsequently recorded between 1848 metres and the top of the Basement at 2148 metres. The regionally productive Triassic Sandstones, Showgrounds Sandstone and Rewan Formation, had gas shows of 4% to 60%, and the targeted Permian Tinowon and Wallabella sandstones had gas shows of 100%. Gas chromatograph readings recorded a liquid (condensate and LPG) rich gas composition.

A handwritten signature in blue ink, appearing to read "K. Schlobohm", written over a horizontal line.

On behalf of the Board  
Karl Schlobohm  
Company Secretary



**For further information contact:**

Roger Cressey – CEO  
07 – 3303 0620

Karl Schlobohm – Company Secretary  
07-3303 0661

**Competent Persons Statement**

Reported reserves and resources are in accordance with the SPE Reserves Auditing Standards and the SPE-PRMS guidelines and under the supervision of Mr. Luke Titus, Chief Geologist, Armour Energy Limited. Mr Titus' qualifications include a Bachelor of Science from Fort Lewis College, Durango, Colorado, USA and he is an active member of AAPG and SPE. He has over 20 years of relevant experience in both conventional and unconventional oil and gas exploration & production in the US and multiple international basins. Mr Titus meets the requirements of qualified petroleum reserve and resource evaluator as defined in the ASX Listing Rules and consents to the inclusion of this information in this release.

**Forward Looking Statement**

This announcement may contain certain statements and projections provided by or on behalf of Armour Energy Limited (Armour) with respect to the anticipated future undertakings. These forward-looking statements reflect various assumptions by or on behalf of Armour. Accordingly, these statements are subject to significant business, economic and competitive uncertainties and contingencies associated with exploration and/or production which may be beyond the control of Armour which could cause actual results or trends to differ materially, including but not limited to price fluctuations, exploration results, resource estimation, environmental risks, physical risks, legislative and regulatory changes, political risks, project delay or advancement, ability to meet funding requirements, factors relating to property title, native title and aboriginal heritage issues, dependence on key personnel, share price volatility, approvals and cost estimates. Accordingly, there can be no assurance that such statements and projections will be realised.

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**Armour Energy Myall Creek 4A, 5-stage hydraulic stimulation program of the highly prospective sandstone intervals of the Permian and Triassic formations. Halliburton Energy Services and Firetail have been engaged to perform the program.**