



Armour Energy Limited

7 August 2018

Operational Update - Myall Creek 4A Well

Initial Gas Flows of 2 MMCFD During Flow Back Operations

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

Following the successful completion of the multi-stage hydraulic stimulation, the well continues to flow back fluid producing approximately 50 bbl/hour of fluid under its own pressure and is now producing 2.0 MMCFD (million standard cubic feet-per-day) of gas on a 38/64" choke and associated 7 barrels condensate per day through 4 ½ inch production casing.

The well will continue to clean up for several more days and this reported 2.0 MMCFD rate is only with an estimated 30% of fluid recovered of the total stimulation fluid injected. Currently the well is choked to control the flowback rate to maximise the fluid recovery. It is expected that over the coming days additional fluid will be recovered, fluid flow rates will decrease, and gas flow rates will continue to increase. Armour intends to run a slickline production logging tool in the coming days to gather data on production from the various formations with the 300-metre gross hydrocarbon saturated section.

Tracer logs were also run yesterday, and data is now being processed. The tracer log will provide data on upward and downward growth of the hydraulic stimulations into the formation adjacent to the well bore and helps with modelling the stimulation behaviour for future activities.

A handwritten signature in blue ink, appearing to read "K. Schlobohm".

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



Myall Creek 4A wellsite – flaring initial gas flows of 2 MMCFD during flow back operations

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.

Armour makes no representations as to the accuracy or completeness of any such statement of projections or that any forecasts will be achieved.

Additionally, Armour makes no representation or warranty, express or implied, in relation to, and no responsibility or liability (whether for negligence, under statute or otherwise) is or will be accepted by Armour or by any of their respective officers, directors, shareholders, partners, employees, or advisers as to or in relation to the accuracy or completeness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or any omission from this presentation or of any other written or oral information or opinions provided now or in the future to any interested party or its advisers. In furnishing this information, Armour undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in Armour Energy Limited.