



30 November 2022

Chief Executive Officer's Address FY22 AGM



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Statements in this presentation as to gas and mineral resources has been compiled from data provided by Armour's Reservoir Engineering Advisor, Mr John Mackintosh. Mr Mackintosh has over 25 years of diverse oil and gas industry experience and has significant reservoir engineering, production technology and operations experience in multiple basins worldwide with a variety of International Operators and Consulting firms. He has previously held roles in Santos (Australia/Houston), Halliburton Consulting (Russia), Wintershall (Norway) and Apache (Egypt). Mr Mackintosh has sufficient experience that is relevant to Armour Energy and Lakes Blue Energy for reserves and resources to qualify as a Reserves and Resources Evaluator as defined in the ASX Listing Rules. Mr Mackintosh has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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FY22 Highlights



TRIFR 0.0 (industry 6.91)



Zero Environmental Incidents (1,131 days)



96% Plant Up-time Reliability



Revenue  3%



Cost of Sales  25%



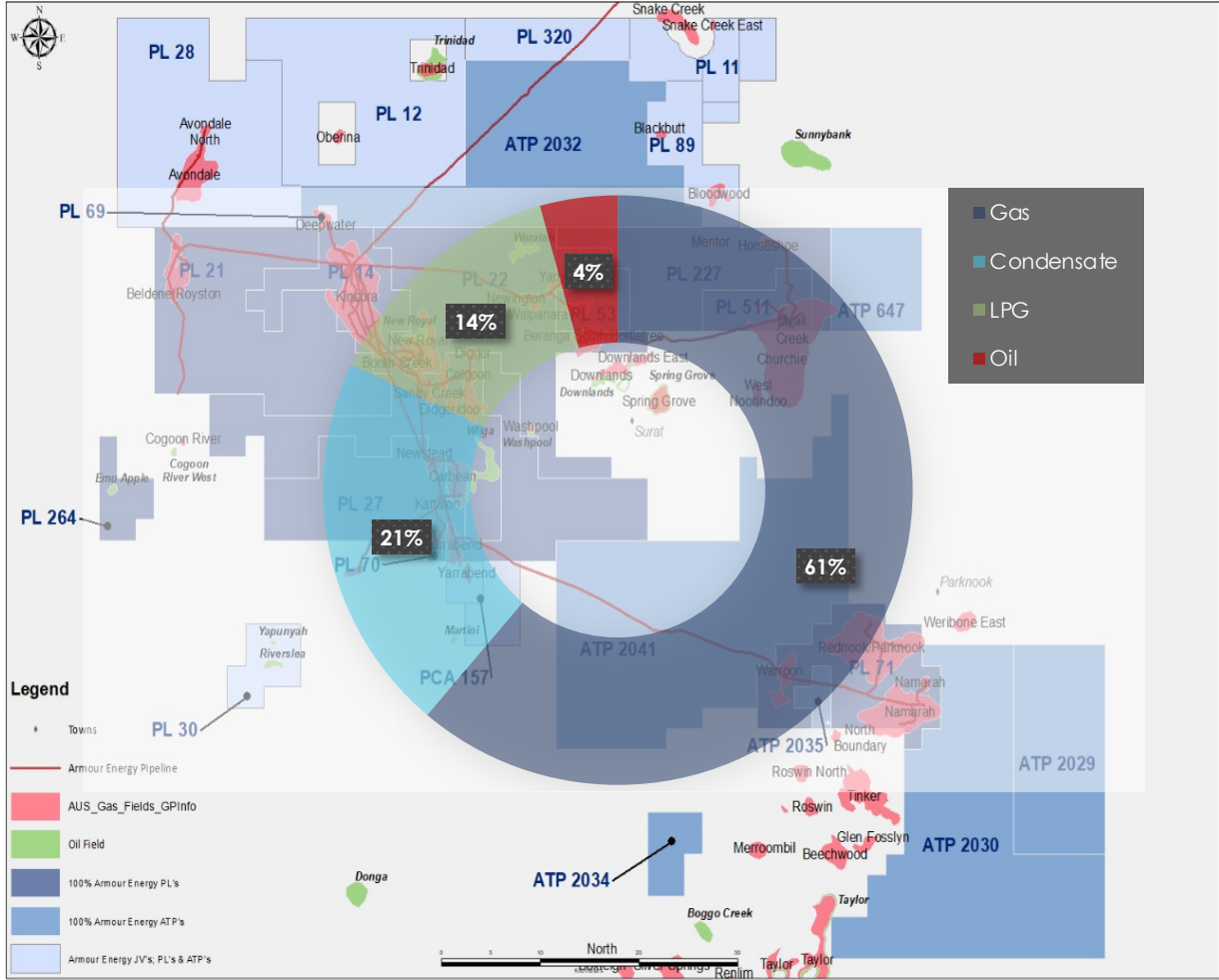
Senior Secured Debt reduced by 26% (\$8.8m)

Surat Basin (Kincora Plant) Revenues & Reserves

Revenue Stream (FY22)	A\$'000
Gas	11,005
Oil	765
Gas Condensate	3,743
LPG	2,472
Total	17,985

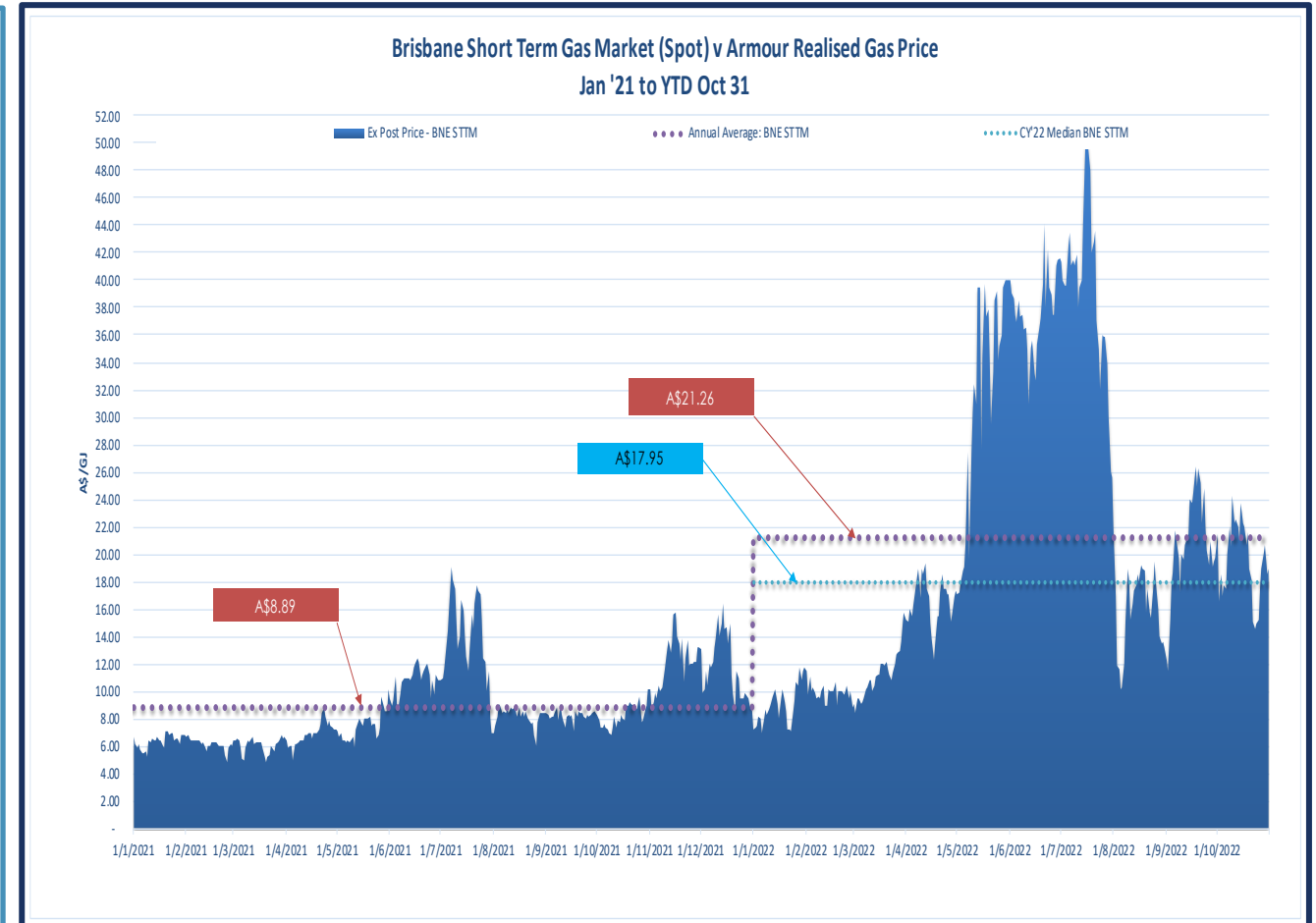
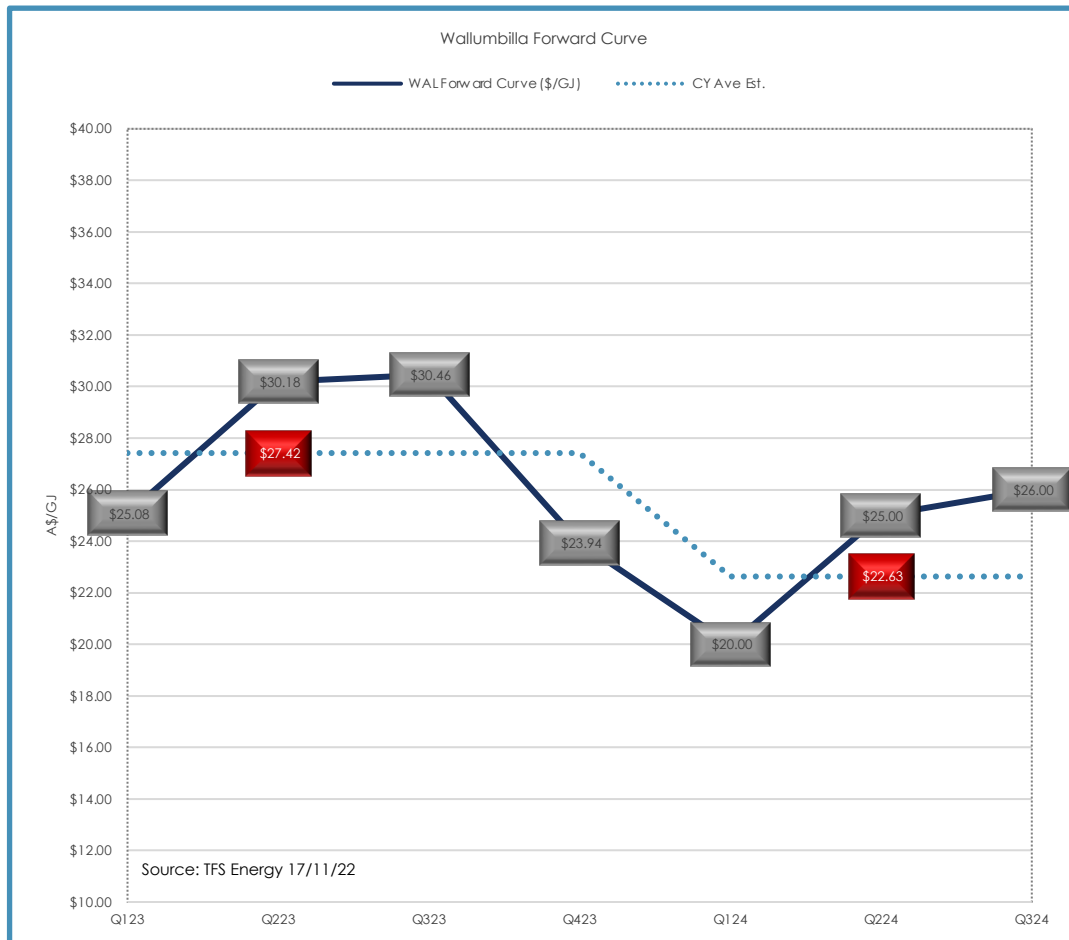
Surat Basin Reserves	1P	2P	3P
Raw Gas (BCF)	35	128.3	286
Sales Gas (PJ)	39.8	145.8	325.2
LPG (k tonnes)	82	301	671
Condensate (k Bbls)	396	1,449	3,232
Oil (k Bbls)	204	1,200	2,619

Diverse income streams



Tightening East Coast Gas Supply

Attractive gas market underwriting new development activities



High spot prices means that incremental production over 5TJ/Day has material impact on cash inflows

OVERARCHING NEAR-TERM STRATEGY



Increase Gas Production & Sales



Strengthen the Balance Sheet & Pay down debt



Field Development of Roma Shelf (Surat Basin) Assets



Strategic De-risking of the Portfolio (Vic, SA & NT)

Near-term catalysts



New Management, New Team, Disciplined Approach



Restore Base Production of ~6TJ/day
(Dec 22)



Material uplift from New Gas Sales Agreement (GSA)
Commence - Dec '23



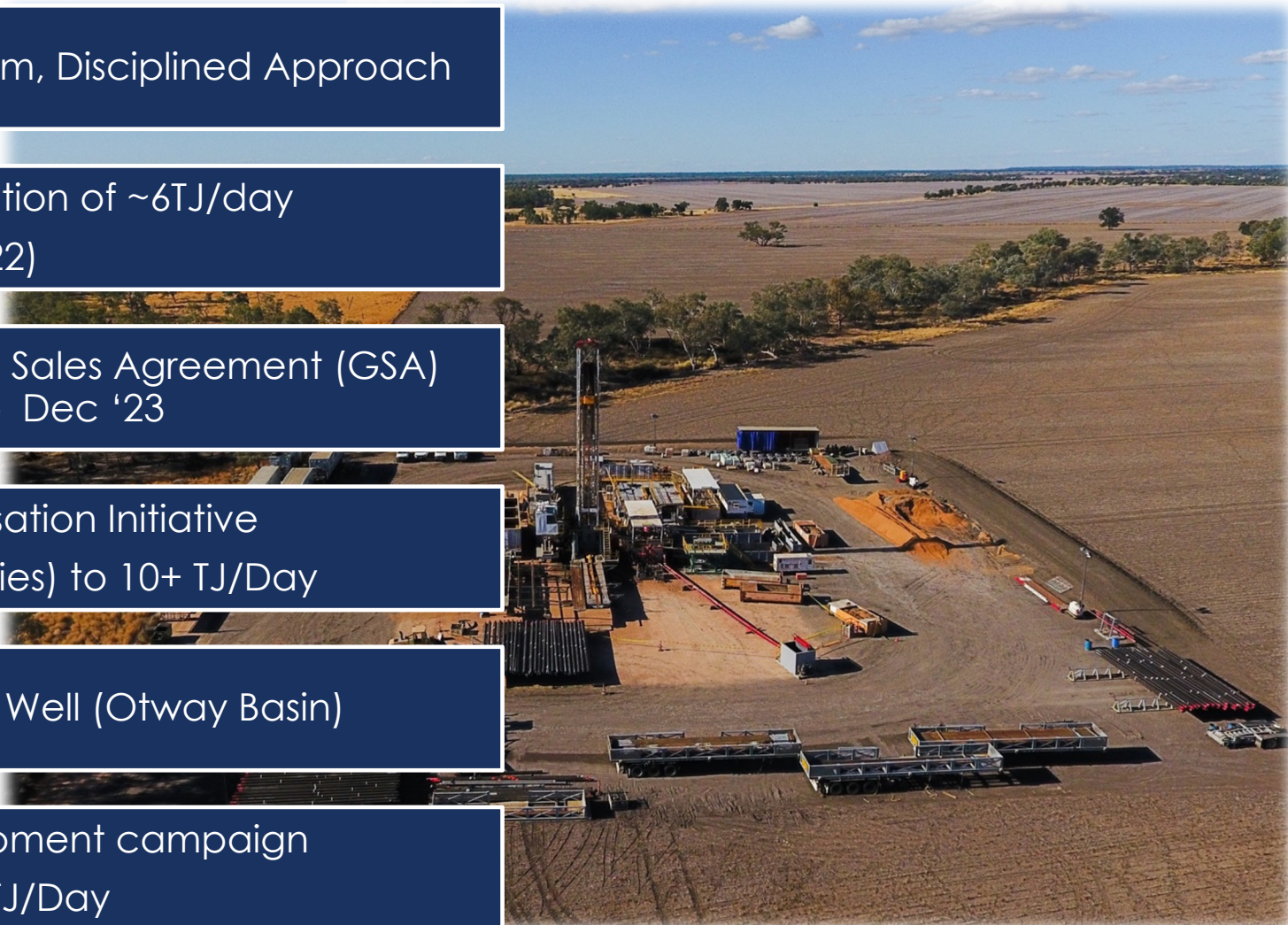
Integrated Optimisation Initiative
(Wells-Reservoir-Facilities) to 10+ TJ/Day



Drill 'Enterprise North-1' Well (Otway Basin)



Accelerated development campaign
target 20 TJ/Day





Strategic
Pathway

Surat Basin

2023

2024

2025

2026

CYQ3

CYQ4

CYQ1

CYQ2

CYQ3

CYQ4

CYQ1

CYQ2

CYQ3

CYQ4

CYQ1

CYQ2

Pathway to 10Tj

10 TJ/Day

Well intervention
campaign H1 '24

Well intervention
campaign H1 '25

Pathway to 20Tj

Field Development Plan – Surat Basin

20 TJ/Day

Pathway to 30Tj

Exploration and Appraisal – Surat ATP's

New GSA

New GSA Period

3-year extension option

Newstead Gas Storage

Gas storage and utility

PEP169 Otway Basin

EN-1
Drill & Test

Strategic Partnerships to leverage technical expertise and technology solutions

[illegible]

1 Comprehensive wells study

2 Facility & network optimisation

3 Myall Creek seismic study

4 Long-term reservoir management

5 Data driven optimised well design

5 Data driven optimised well design

Surat Basin: Memorandum of Understanding - SLB

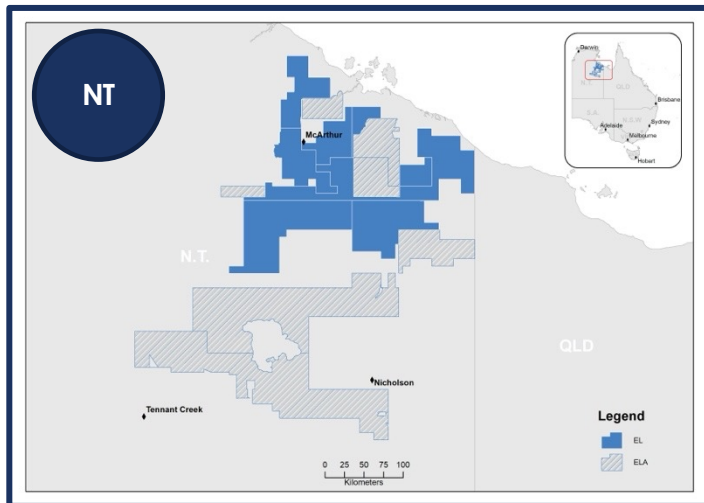
- The agreement are in effect as of 29 November 2022.
- **Primary focus**, Armour and SLB to work together to better understand the **Surat Basin** producing oil and gas fields with the primary purpose of **optimising production from the company's assets** and further field development, exploration and appraisal within the licenced area.
- **Secondary focus**, will be to support the Northern Territory (McArthur Basin), South Australian (Cooper Basin) and Victorian (Otway Basin) assets to assist with further exploration, appraisal & development within the licenced areas.
- Proposed scope of works will include, but not be limited to:
 - data management,
 - production enhancement,
 - seismic processing and acquisition,
 - reservoir management,
 - well intervention and,
 - drilling



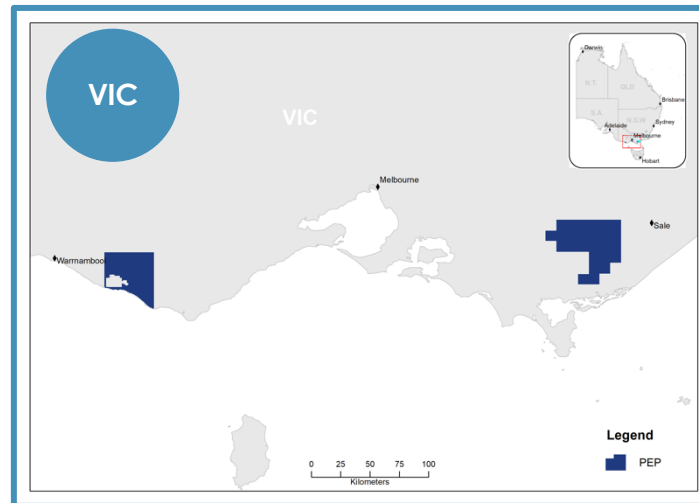
The MOU provides for binding Definitive Agreements to be entered into following discussion, negotiation and arrangements that will specify the details of the Parties' respective roles and responsibilities in relation to the agreement.

STRATEGIC DE-RISKING

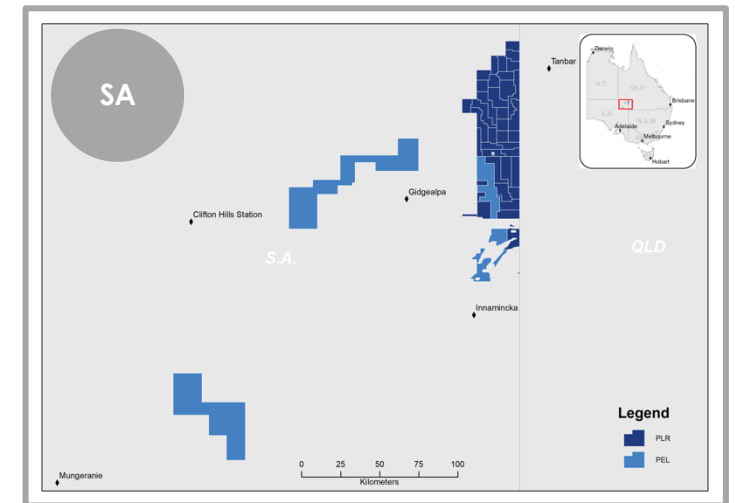
Diverse portfolio of high-quality prospects provides platform for growth and cash flow generation



- Re-analyse drilling and flowtest data from Glyde resource
- Evaluate reservoir and develop appraisal plan
- Capital Cost ~\$250k



- Drill, evaluate and complete Enterprise North-1
- Clear path to accelerated commercialisation * AJQ share
- Capital Cost ~\$2,500k*



- Airborne AEM-PTP, AI seismic evaluation + Further QI geophysical work
- Develop risked and ranked leads and prospects
- Capital Cost ~\$500k



Short-term Priorities



Strengthen the balance sheet



Operating cash flow positive by Dec 31,'22



10 TJ/Day sales gas Q3-'23



Zero unplanned releases to atmosphere



Maintain Top quartile HSE performance



Measure, Monitor and Improve impact on communities in which we operate



Mid-term Targets

- ◉ Unit cost of incremental production from well intervention programs < \$1.50/scf/d
- ◉ 20 TJ/Day gas sales by end 2025
- ◉ Newstead gas storage facility fully operational by end 2023
- ◉ NT Gas Supply – Production by end 2024
- ◉ Digital transformation across production assets

