



Armour Energy Limited

5 June 2018

Myall Creek 4A Well Update

The Directors of Armour Energy Ltd (ASX: AJQ) wish to update the market with respect to the Myall Creek 4A Well. The well has successfully drilled the surface 12-1/4" diameter section to 492-metres measured depth, run 9-5/8" casing and cemented. The well was spudded in Armour's 100% owned PL511 in Queensland on May 30, 2018.

Ensign drilling rig 964 is currently drilling ahead in the intermediate 8-1/2" section of the hole to a planned depth of 1920 metres measured depth and will then set 7" casing and cement. The Myall Creek 4A well is planned to be drilled to a measured depth of 2414 metres (**Photo 1**).

The well has been located and designed on the basis of proximity to existing productive wells and state of the art seismic interpretation and stimulation and completion techniques.

Based on historic stimulated gas flows on test in the Myall Creek Gas Field by previous operators, the Company is targetting economic flow rates and slow decline rates. Any production will augment the current 9 TJ's per day production rates through the Kincora Gas Plant (100% Armour).

Armour aims to demonstrate a repeatable blueprint for production well drilling and completion strategies across Armour's prospective Triassic and Permian reservoirs on the eastern Roma Shelf.

The Myall Creek 4A well is expected to be part funded from a grant from the Federal Government Gas Acceleration Program (GAP). Armour was recently advised that it was a successful applicant for a \$6 million grant to assist with the drilling of 4 wells on the Roma Shelf in order to support the provision of domestic gas supply for increasing demand in East Australian gas markets. Documentation of the funding agreement to give effect to the grant is currently being progressed.

This well is the first of Armour's drilling program as part of its Phase 2 growth strategy which includes drilling of new wells and investigations into the workover and stimulation of existing wells. This, together with any necessary further work on the Kincora Gas Plant, will target gas production to be increased to 20 TJ/day over the next 12 months.

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

On behalf of the Board
Karl Schlobohm
Company Secretary

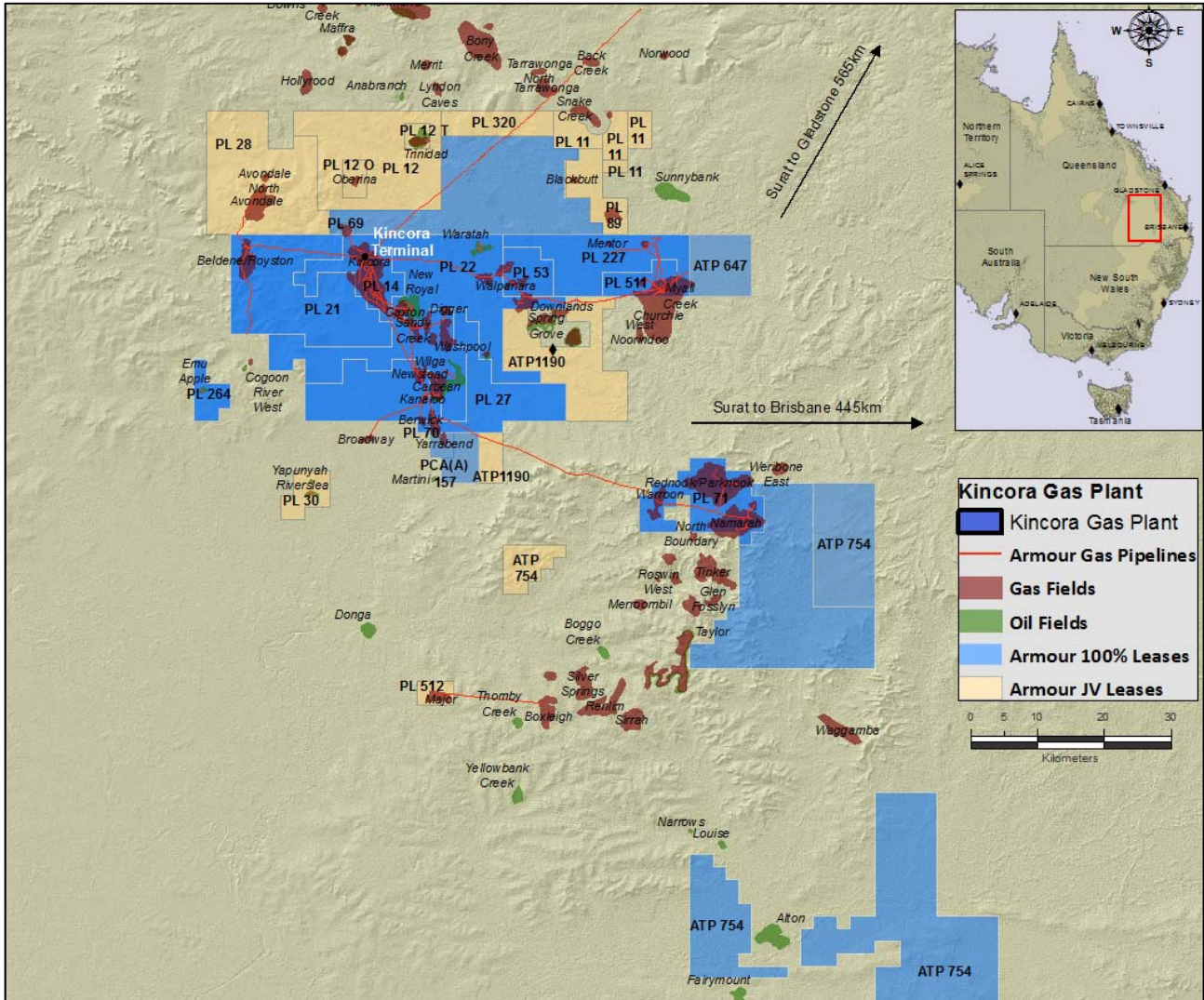
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Photo 1 - Ensign drilling rig 964 on location of the Armour Energy Myall Creek 4A well.



Armour Energy Permits, Bowen-Surat Basins, Queensland. Drilling has commenced in 100% working interest petroleum license 511 in the productive Myall Creek Field.