



Armour Energy Limited

23 July 2018

Operational Update - Myall Creek 4A Well

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

Halliburton Energy Services has been engaged to perform the planned 5-stage hydraulic stimulation program on the well within the highly prospective sandstone intervals of the Permian and Triassic formations. To date, two of the planned 5 stages has been successfully stimulated at pump rates in line with those modelled. 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.

During the set-up for the third of the planned stimulations, a tool and attached wire was lost down the well. Operations to recover the tool are ongoing and an update will be provided upon recommencement of completion operations.

Three more stages are planned to be stimulated once completion operations are able to recommence with flow back and production testing to follow completion of the stimulation program.

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".

On behalf of the Board
Karl Schlobohm
Company Secretary



For further information contact:

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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

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