



armour energy

Pathway to sustainable growth

QEC Investment Showcase - 02nd May 2023



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Armour Energy - Quicklook

Producer of Liquids rich Gas and Oil

Long Life Production Assets

Gas Processing Facility in Strong Commercial Environment

Commanding Acreage Position and Diverse Portfolio

Vast Under-explored Opportunities

Experienced Management Team



Armour Energy Portfolio

Surat Basin	Otway/Gippsland Basin	McArthur Basin	Cooper Basin
			
Queensland	Victoria	Northern Territory	South Australia
Onshore Fields	Onshore Fields	Onshore Fields	Onshore Fields
Conventional & Unconventional	Conventional	Conventional & Unconventional	Conventional & Unconventional
Liquids rich Gas, Oil, LPG	Liquids rich Gas, Oil	Gas, Oil	Gas, Oil
Producing & Exploration	Exploration	Exploration & Appraisal	Exploration & Appraisal
100% Operated Kincora Plant 100% of Newstead 7.9PJ storage	51% Operator*	100% Operator	100% Operator
12 PL's 6 ATP's 2 PCA's	*PEP169 PEP166 (25%)	6 EP's 7 EPA's	3 PEL's 27 PRL's
650k acres	710k acres	7,170k acres	1,160k acres

Vision & Strategy



Our vision is to build a **leading exploration and production company**, focussed on responsible and sustainable energy supply to the East Coast markets from our high quality and diverse assets.



Prioritised long-term returns through disciplined capital allocation

Focus on immediate opportunities to grow production

Strengthen the balance sheet

Maintain top quartile safety and environmental performance

Build resources and reserves through exploration

MEET THE LEADERSHIP TEAM



ANDREW ROBERTSON
Operations



ROBIN O'LEARY
Exploration & Portfolio



EDITH LAGENDIJK
Subsurface



KATH LANGE
Strategy & Commercial



WAYNE RICHARDS
Project Execution

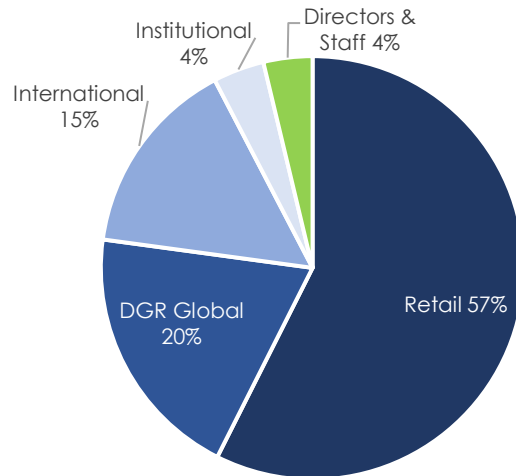
Armour Energy Snapshot



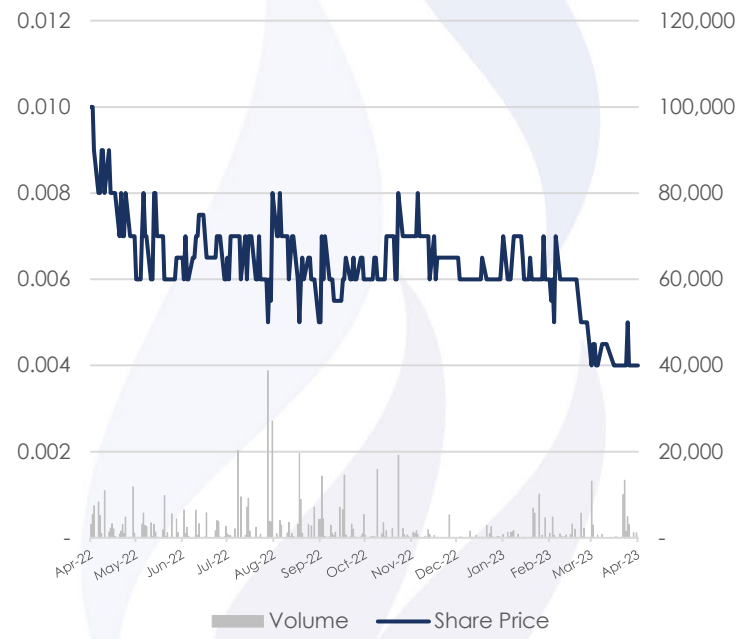
Snapshot*

ASX Code	AJQ
Shares (Ordinary)	3,762,607,707
Options (Unlisted)	50,000,000
Options (Listed)	748,548,084
Unsecured Notes	\$16.99m
Senior Secured Notes [^]	\$15.91m
Share Price	\$0.004
Market Capitalisation	\$15.05m
Enterprise Value	\$47.10m
Cash on Hand	\$0.84m
Total No. Shareholders	2,202

Ownership



Share price



*As at 27 April 2023.

[^] Secured Notes are net of cash held in an interest reserve account.



Near-term catalysts



New Management, Revised Strategy, Disciplined Approach



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



Myall Creek 3D seismic reprocessing & development drilling program



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

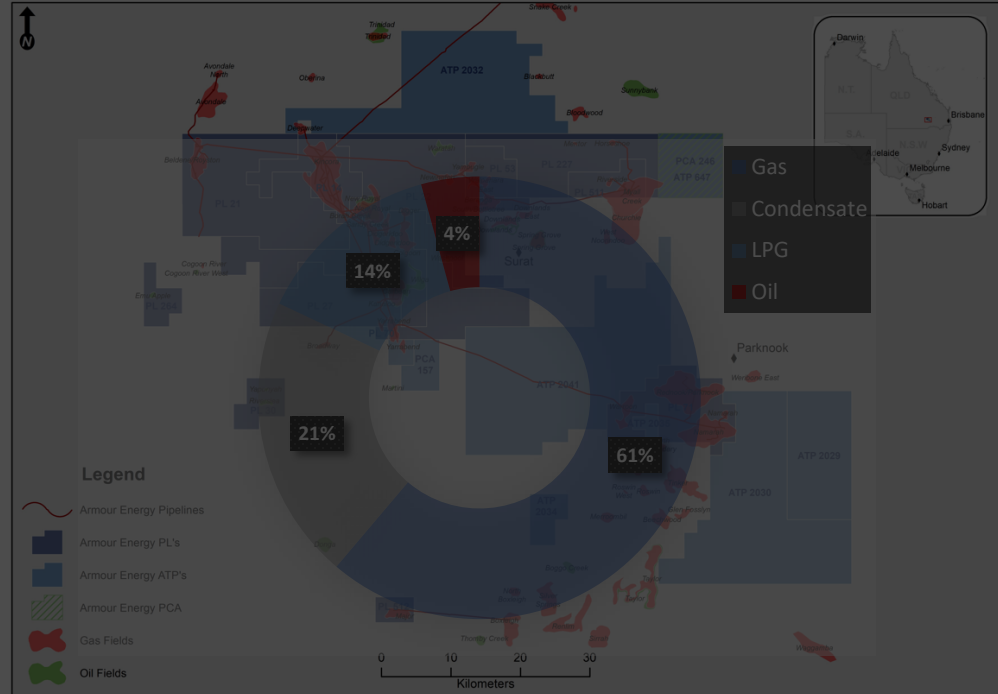


Accelerated Surat development campaign
target 20 TJ/Day

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	133	298
Sales Gas (PJ)	40	151	339
LPG (k Tonnes)	82	313	700
Condensate (k Bbbls)	396	1,504	3,369
Oil (k Bbbls)	224	1,200	2,619



Material reserves position supports uplift and long-term production



Gas Sales Agreement Shell Australia

Armour and Shell have entered into a 13-month gas sales agreement (GSA) from December 1st 2023 on **materially improved pricing**.

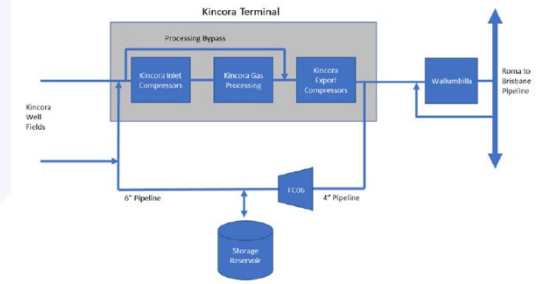
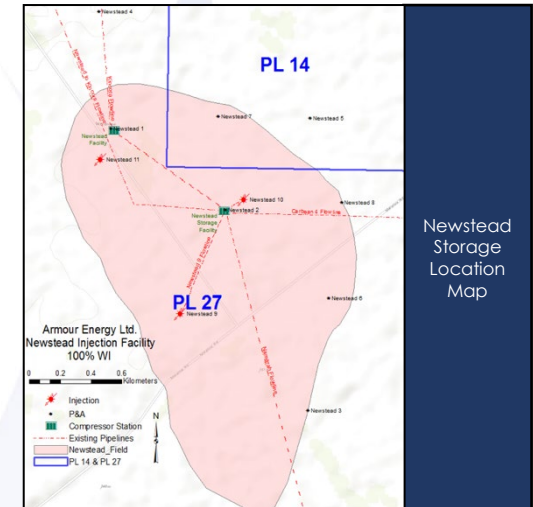
The gas price for December 2023 is **\$12/GJ**, with a material uplift in the contract price in CY 2024 based on forecast 2024 market pricing improvements.

The MSA provides the framework terms that can be used for transactions to utilise the **Newstead Gas Storage** facility, 100% owned and operated by Armour, to take advantage of gas demand cycles.

Armour, with technical and operational support from SLB (formerly Schlumberger), has developed an **extensive program to uplift production** from its Surat Basin portfolio.

Newstead Storage Facility Asset Overview

Tenure background	<ul style="list-style-type: none"> • PL 27
Area	<ul style="list-style-type: none"> • 453 acres
Interest	<ul style="list-style-type: none"> • Armour 100% interest
Key Assets	<ul style="list-style-type: none"> • High quality Basal Evergreen Sand channel with good connectivity and proven tank like behaviour • 3-way dip closure, depletion drive wet gas reservoir • Three existing operational injector/redraw wells • Pipeline connection to Kincora Gas Plant and Wallumbilla Hub
Storage Capacity	<ul style="list-style-type: none"> • Up to 7,450 MMscf storage potential (7.9PJ) (Environmental Authority License limit and at original reservoir pressure)
Strategy	<ul style="list-style-type: none"> • Value build from <ul style="list-style-type: none"> ○ Improve deliverability through de-bottlenecking line constraints, injector well workovers + new injector wells ○ Injection and redraw rates currently limited by well condition, however, Armour has modelled theoretical injection and redraw rates of up to 10 MMscfd ○ Upgrade metering and injection facilities to enable intra-daily withdrawal and injection capability via Wallumbilla
Next Steps	<ul style="list-style-type: none"> • Establish long term partnerships with gas trader and/or producer with access to East Coast gas market* • Establish timeline to refurbish and upgrade Newstead injection and metering facilities

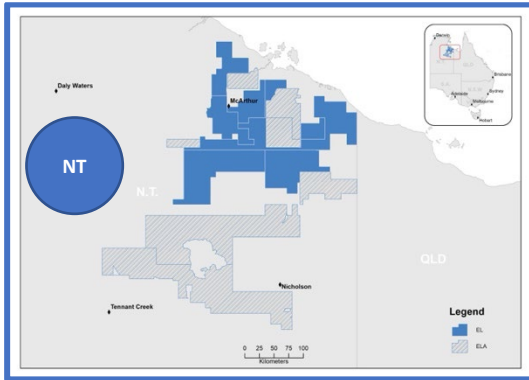


Injection with the Reinstatement of Available Equipment

*Recent agreement entered into with Shell Australia provides optionality to utilise the storage facility to take advantage of gas demand cycles

Strategic de-risking

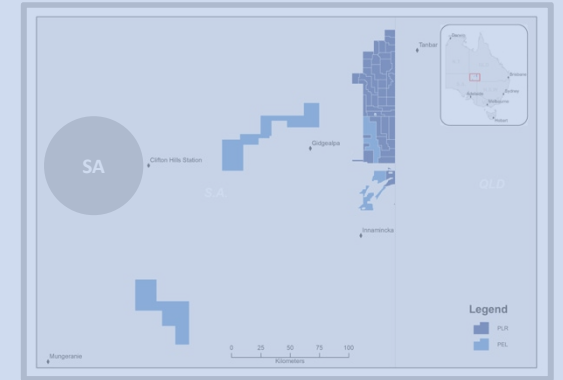
Diverse portfolio of high-quality prospects provides platform for growth and cash flow generation



- 2 tier focus exploration strategy:
 - Fast track conventional plays
 - Continue to develop unconventional shale plays
- Re-analyse drilling & flow test data from Glyde discovery well
- Glyde discovery reservoir & resource assessment.
- Operational appraisal plan:
 - Re-entry and extended flow test of Glyde discovery well
 - Assessing shallow 3D seismic imaging solutions to position appraisal wells
- 2D seismic to cover extents of the conventional play fairway for follow up exploration drilling targets.
- Clear path to commercialisation (Merlin Diamond Mine).



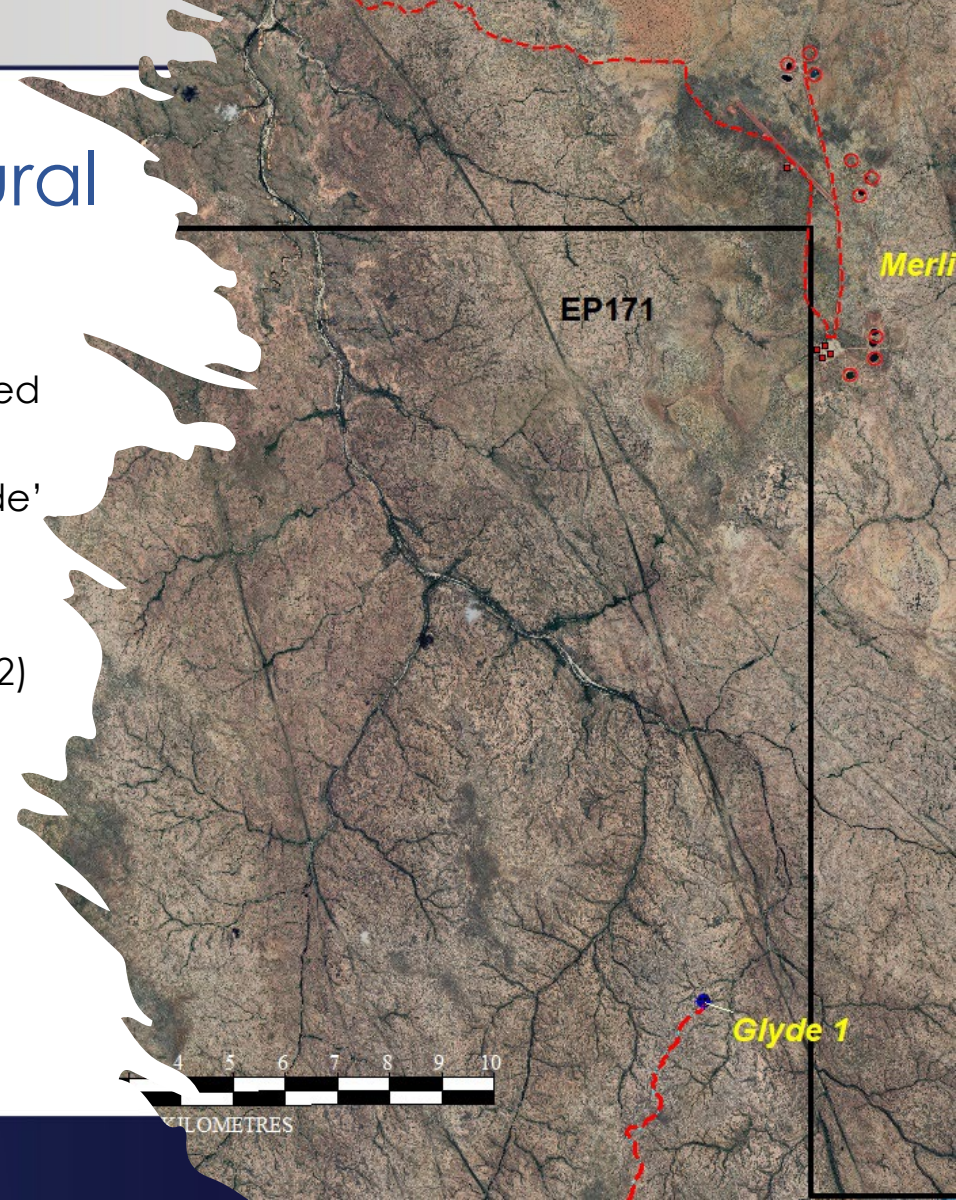
- Drill and evaluate Enterprise North-1 exploration well (kept as a future producer well – nearest tie-in ~350m).
- Reprocessing of available 3D seismic data to better image Enterprise North and identify follow up exploration prospects.
- Develop a ranked prospect & leads resources and risk inventory to high grade drilling candidates.
- Clear path to accelerated commercialisation with 2 existing production facilities located on Armour Acreage



- Resource assessment and appraisal of the Paning-1 tight gas discovery
- Acquire a large-scale passive audio-electromagnetic (AEM) airborne survey over licence areas - de-risk potential focus areas & high-grade future exploration
- Reprocess and interpret existing 3D seismic to assist in identifying subtle stacked and stratigraphic oil traps in the Triassic and Jurassic intervals.
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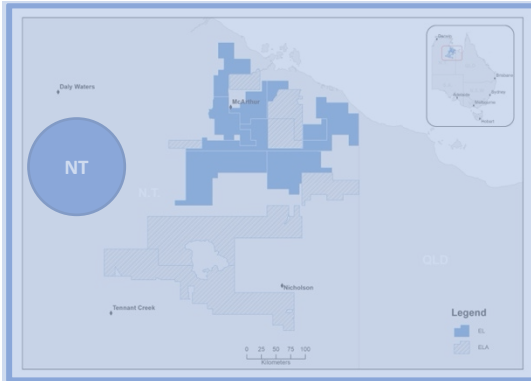
HOA with Australian Natural Diamonds

- Australian Natural Diamond Company acquired the Merlin Diamond Project in the NT
- Merlin is ~12km as the crow flies from the 'Glyde' discovery
- Est. **1.5 TJ/Day** Gas for power generation
- Potential to supply gas to mining fleet (phase-2)
- Accelerated early gas potential
- Commission H2'25
- 14-year term
- Further development potential upside

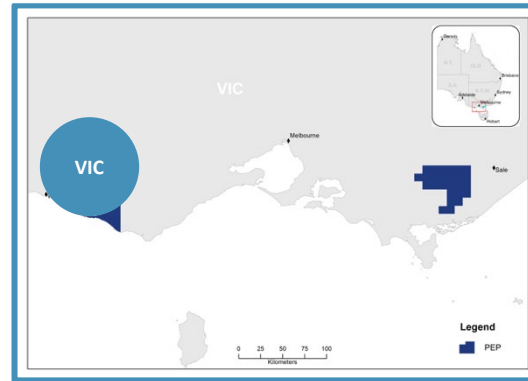


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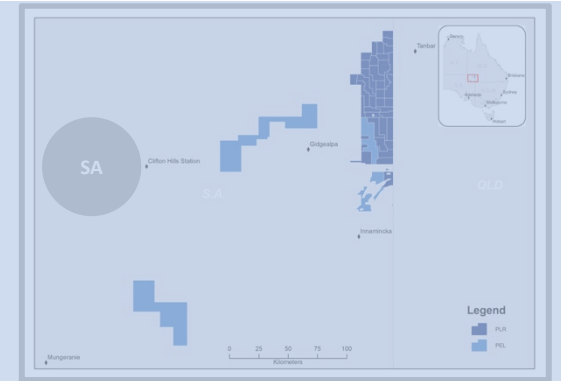
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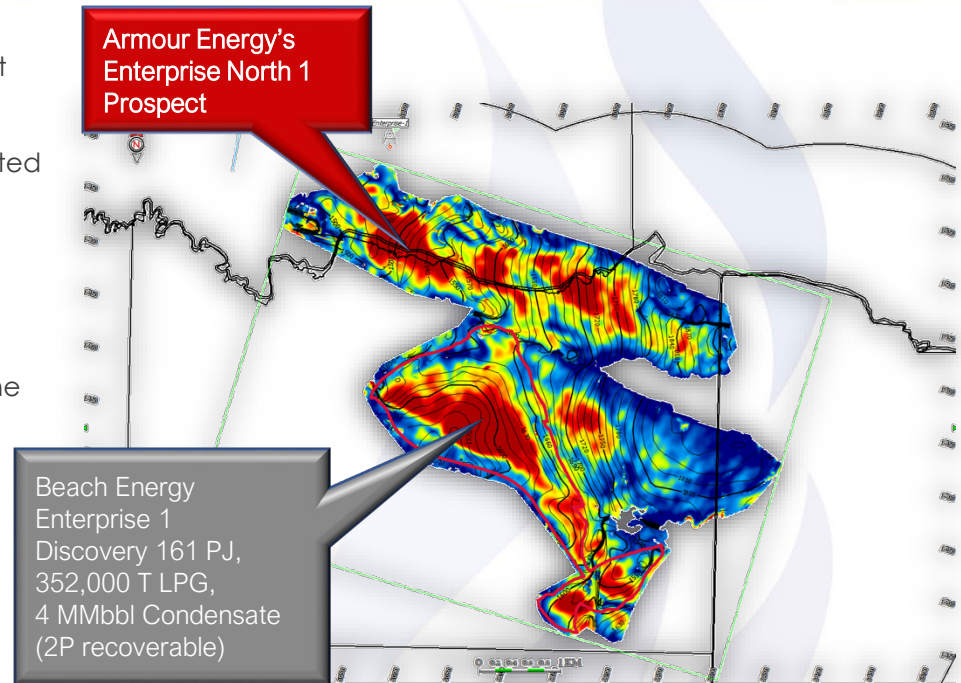
Enterprise North



- Enterprise North-1 is 2.4 km from Enterprise-1 in a proven Waarre Sandstone Reservoir with 115 m of net gas reservoir thickness.
- New transition zone data allows the seismic to be calibrated to known fields (Minerva and Enterprise) reducing subsurface risk.
- Success case would see Enterprise North-1 cased and suspended as a future producer.
- 3D seismic Merge to better image the northern zone of the Enterprise North structure is under evaluation.

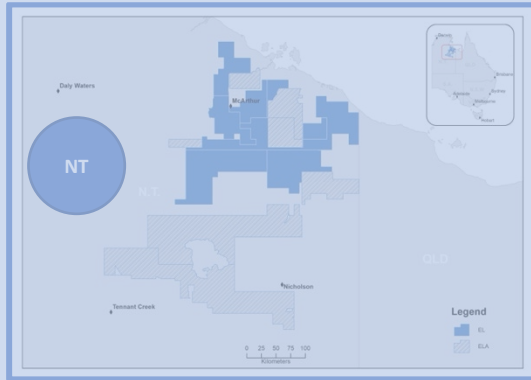
HIGHLY PRODUCTIVE RESERVOIRS – WORLD CLASS

- Waarre Sandstones (A & C)
- High porosity (19- 25%) and permeability (1-10 Darcy)
- Capable of gas rates between 10 to 60+ MMscf/d
- High condensate ratio at Enterprise 1 of 25 bbl /MMscf



Strategic de-risking

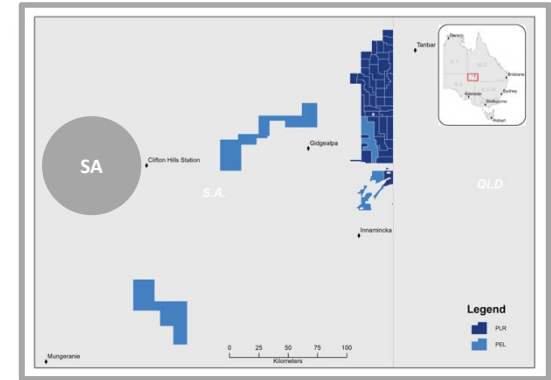
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Investment Drivers

Undervalued, diverse & extensive assets with multiple income potential

Core Producing Business



Extensive development portfolio



Strong market fundamentals



Ready route to market with excess capacity



Varied income streams – Oil, Gas, LPG & Gas Condensate



Government support for energy transition and domestic producers

Exploration Opportunities



Transformational upside



Staged approach to investing



Low-cost initial de-risking



Ready route to markets



Short cycle time to commercialisation



**we
cair**

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