Extending the western flank oil fairway in SA and Re-discovering an unloved gas field adjacent to Myall Creek, QLD

Petroleum Exploration Society of Australia (PESA) 2021 Deal Day Presentation – Perth 14 June 2021
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COMPETENT PERSONS STATEMENT

Statements in this presentation as to gas and mineral resources has been compiled from data provided by Armour’s Chief Operating Officer, Mr Michael Laurent. Mr Laurent’s qualifications include being a professionally registered engineer in both Australia and Canada, has over 20 years of diverse oil and gas industry experience and has successfully held various senior managerial and GM positions. His career spans a number of sectors and includes expertise in reservoir, drilling, facilities, production and operations with particular emphasis on resource and business development. Experience is underpinned with strong strategic, commercial and technical acumen in both conventional and unconventional reservoirs. Prior to joining Armour, Michael successfully held a variety of domestic and international technical leadership appointments. Most recently he worked for Santos where he was responsible for managing Cooper Basins oil and gas appraisal/development wells and field optimisation initiatives from inception through to approval and implementation. Mr Laurent has sufficient experience that is relevant to Armour’s reserves and resources to qualify as a Reserves and Resources Evaluator as defined in the ASX Listing Rules. Mr Laurent has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

AUTHORIZATION

This presentation and announcement has been authorized by the Board of Directors of Armour Energy Limited.
Location of the opportunities:

- **Cooper Basin, South Australia**
  - PEL 112
  - PEL 444
  - Acrasia-Cordillo fairway PRL's
- **Surat Basin**
  - Riverside Block
  - Kincora next phase, 3D seismic
Results 1999 - 2020
- 69 mmbbls oil produced\(^1\)
- Large 2P reserve

Extending the proven trend.
- Updip westwards, failure
- Southern extent – migration and spill
- Northern extent – primary migration

\(^1\) Source: SA Government, PEPS SA database  www.peps.sa.gov.au
WESTERN FLANK EXTENSION

- Updip westwards; prediction matches observed failure
  - Southern extent modelled;
    - Positive correlation and prediction of Wolfman-1 dry, Mulapula-1 oil
    - Enhances attractiveness of the only structures with robust relief mapped in the area
  - Northern extent modelled;
    - Positive correlation and prediction of Hoplite-1 oil
    - Failed wells attributable to lack of valid closure

Modelled charge
- Oil
- Wet Gas
- Dry Gas

Mulapula-1 Oil recovered
Underexplored
- Wolfman failure is explained
- Oil recovered at Mulapula-1

Targets
- Multiple robust closures on 2D mapping
- Closure areas from 1 to 6 km²
- Namur and Hutton reservoir targets
- On predicted oil charge pathway and spill chain
- Best estimate of prospective group, 5 to 10 mmbbls

Estimated Ultimate Recovery (EUR)²

1 Source SA Government, PEPS SA database www.peps.sa.gov.au
2 Cautionary statement: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery & a risk of development. Further exploration appraisal & evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons
PEL 444 – GO NORTH!

Structural Traps with anomalies
- Wheatsheaf, 1.5 km², ~1.4 mmbbls¹
- Baikal West, 0.7 km², ~0.9 mmbbls¹
- Lead A, 2.6 km², ~2.4 mmbbls¹

Stratigraphic, Snatcher lookalikes
- Lead B, 2.3 km², ~2.1 mmbbl¹
- Lead C, 1.1 km², ~1.0 mmbbl¹

TWT Structure Westbourne Fm.

- Model predicts charged extension of proven oil trend
- Oil recovered at Hoplite-1, validates model
- Baikal-1 and other failures; not on valid structures

Robust closures
- Mapped on 3D, ready to drill
- Anomalies identify trapped oil
- Upside northwards, acquire 3D

¹ Best estimate, OOIP. Cautionary statement: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery & a risk of development. Further exploration appraisal & evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

COMPELLING COOPER BASIN POSITION

- Large acreage position
- High exploration success rates adjacent
- Structural and stratigraphic potential
- Lightly explore
- Extensive well and seismic database
- Charge model extends proven fairways

Source: NGMA Cooper-Eromanga Basins Study, Basement (Z) time. Geodetic GDA94
Reservoirs at Myall Creek:

- **Tinowon A** – developed, produced ~20 Bcf to 2020
- Advanced wireline logging and petrophysical re-evaluation indicates significant bypassed pay in Permian and Triassic reservoirs
Riverside 1, June 1997 targeting the Tinowon formation.

- Material Balance indicates 2.5 Bcf OGIP¹ at Riverside-1
- Tight, low resistivity gas pay, 0.1 to 1+ mD
- Damaged, over-pressured Tinowon C
- Excellent frac-stim candidate
  - Large 480 acres structure, with follow up drilling opportunities
  - Mapped on 3D seismic

**opportunities for farminee**

1. Pulsed Neutron (PNX) log to confirm saturations
2. Fracture stimulation targeting:
   - Showgrounds / Rewan
   - Bandanna Fm
   - Tinowon C sand 16 Bcf¹
  - Already connected, rapid pay-out is anticipated
3. Drill Riverside step-out well to accelerate gas
  - Targeting whole field P10 estimate 19 Bcf EUR¹

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UNLOCKING VALUE – SIMILAR GEOLOGY - 3D SEISMIC

Cooper-Eromanga, Western Flank
- 2500 km² 3D seismic, 90% of west flank
- 69 mmbbls\(^1\) produced
- Very high success rate


Kincora to Myall Creek analogy
- Existing 3D seismic over fields, ~5% of acreage
- 32 MMbboe produced to date
- 800 km² 3D seismic in planning to unlock value
- Acquire 3D, reveal multiple targets

Permian source

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**Cooper-Eromanga**

2500 km² 3D seismic, 90% of west flank
69 mmbbls\(^1\) produced
Very high success rate


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**Bowen-Surat**

Existing 3D seismic over fields, ~5% of acreage
32 MMbboe produced to date
800 km² 3D seismic in planning to unlock value
Acquire 3D, reveal multiple targets
EXPLORATION POTENTIAL - MATERIAL OPPORTUNITY

Armour

- Multiple proven reservoir-seal pairs
- Stratigraphic trapping ubiquitous
- Producing infrastructure, gas plant
- Sparse 2D seismic 1-2 km spacing
- Ripe for 3D seismic, ~800 km²

SA Cooper-Eromanga success rate

Looking for partners
For more information contact:

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