



ASX Announcement

Quarterly Activities Report

For the period ended 31 March 2022

Highlights:

- Warroon-1 fracture re-stimulation successfully completed with gas flow rates exceeding 400MMCFD whilst still on clean up
- Myall Creek-2 Tinowon C workover program successfully completed which included a frac ready re-completion and perforation of the unproduced Tinowon C formation
- Quarterly sales revenue of \$4.1 million
- Average normalised gas production of 4.8 TJ/day and 90.8 bbls/day of oil and condensate
- Identification and planning for 'in well bore' production enhancement work programs in the Myall Creek and Parknook fields.

During the Quarter Armour commenced its Surat Basin 2022 Production Enhancement Work Program with the fracture stimulation at Warroon-1 and the Myall Creek-2 re-completion and perforation, continued to evaluate its Surat Basin and Cooper Basin prospects and progressed the proposed demerger and IPO of all of the Company's Northern Basin exploration holdings through McArthur Oil and Gas Limited (McArthur).

MCARTHUR OIL & GAS DEMERGER AND IPO

Various workstreams with respect to the McArthur demerger and IPO of the Company's Northern Basins exploration holdings continued to be progressed during the Quarter including preparation of geological reports and accounting and legal due diligence work streams. The McArthur demerger and IPO transaction has not progressed as swiftly as Armour initially envisaged due to both the time required to revise the demerger structure to ensure that acceptable commercial and taxation outcomes are achieved following feedback from the Australian Taxation Office in late 2021 and also the recent share market volatility caused by the global geopolitical situation which has also slowed global IPO activity.

EXPLORATION ACTIVITIES

Surat Basin Exploration

During the Quarter, the Company progressed plans around acquiring new 3D Seismic to de-risk its Surat Basin acreage. These efforts were being accelerated following plans for farm-in arrangements with Gas2Grid. One of the two proposed farm-ins with Gas2Grid involved the Myall-Bainbilla Farm-in block, a 489 km² block comprising PL22, PL53, PL227, and ATP647. The proposed farm-in activity included both inversion work on existing 3D Seismic, plus acquisition of new 3D Seismic within the Myall Bainbilla farm-in block. Subsequent to Gas2Grid deciding not to proceed with the farm-ins (see ASX announcement of 31 March 2022), Armour has temporarily suspended work on its Surat 3D seismic acquisition plans, while it considers various options.

Cooper Basin Exploration

During the Quarter the Company continued to refine its charge modelling work for hydrocarbons in the Western Flank of the Cooper Basin. The charge modelling work identifies a likely extension of the Western Flank into the Company's licenses to the north (PEL 444) and southwest (PEL 112) of the known Western Flank. The Company continues to evaluate prospects in PEL 112 based on the charge modelling and 2D Seismic, and in PEL 444, based on the charge modelling and 3D Seismic.

DEVELOPMENT ACTIVITIES

Surat Basin Production Enhancement Programme

During the Quarter, the Company successfully completed two major campaigns including the Warroon-1 fracture re-stimulation and the Myall Creek-2 recompletion with Tinowon-C perforation. Both projects were completed on schedule and incident free. Armour was 100% free carried throughout both campaigns by our funding partners for of a 50% share of future incremental production revenue.

Warroon-1

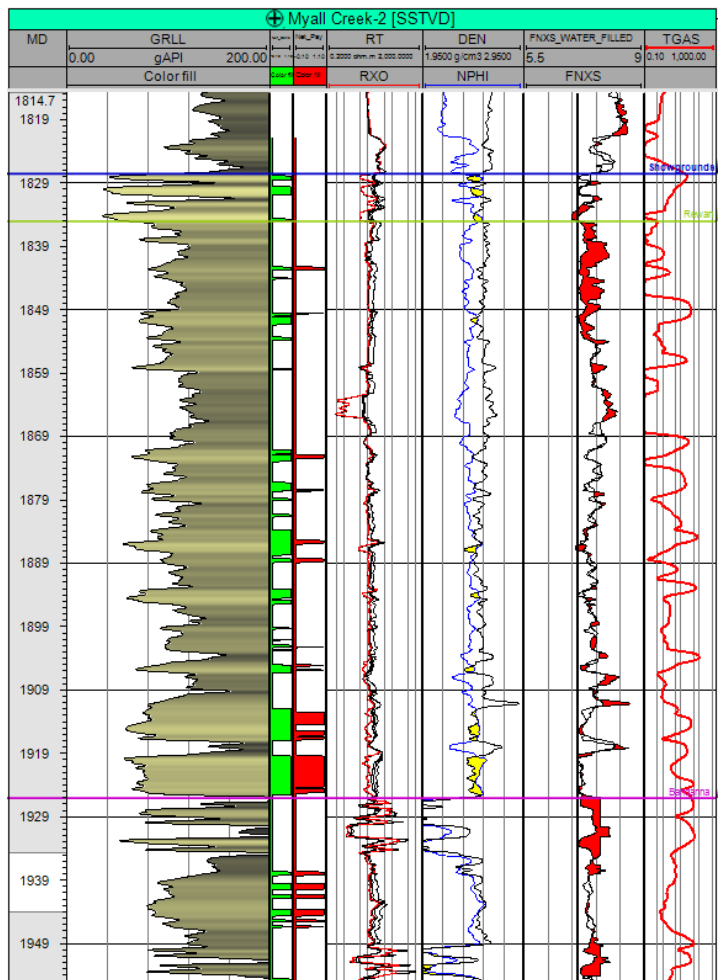


Warroon-1 well head facilities

The Warroon-1 fracture re-stimulation was completed on 10 January 2022. All fracture stages were successfully pumped by Schlumberger with a total proppant placement of 159,826 lbs versus planned 157,500 lbs (just over 101%). After a preliminary coil tubing clean out and confirmation of open perforations, the well remained suspended until a swabbing package could be mobilised on 28 January. After only a few days of swabbing, the well began to free flow unassisted to a flow back tank. The frac fluids had broken per design and the well was diverted inline for further clean up with gas and condensate liquids to sales. As of the end of the quarter, production from Warroon-1 continues to improve with rates exceeding 400 MSCFD.

Myall Creek-2 (Tinowon-C)

The Tinowon-C workover programme on Myall Creek-2 was completed on 17 January 2022. The workover successfully isolated the depleted Tinowon A formation and installed a “frac ready” straddle completion accessing the previously unproduced Tinowon C formation. A 30-day production test was completed in February followed by a pressure build up survey utilising a Down-Hole-Shut-In-Tool. The results of the survey confirmed the Tinowon-C as a suitable fracture stimulation target and planning is currently underway for a June 22 campaign. Also completed as part of the workover campaign, the well was logged with Schlumberger's FNXP/PNX (Pulsed Neutron) logging tool to assess bypassed hydrocarbons. Aside from the Tinowon-C, the Upper Rewan and Bandana Sandstones also appear to be gas saturated. Work is continuing on the feasibility of accessing these zones for future potential stimulation.



Myall Creek-2 Formation Evaluation logs with Schlumbergers FNXS highlighting behind pipe pay

Future Stimulation Targets

This quarter, the company continued to focus on “in well bore” opportunities to enhance production in both the Myall Creek and Parknook fields leveraging knowledge from historical seismic, stimulation and production data. Identifying bypassed pay and low risk fracture stimulation opportunities within our existing well stock continues to be the primary focus of our reservoir and development teams. Off the back of the successful Myall Creek-2 Tinowon-C perforation, the reservoir team is also looking for opportunities to simply “add perforations” and access previously bypassed hydrocarbon pay across our entire acreage.

Arresting Decline

The Company also continued to focus on arresting production decline via enhancement of our existing production wells utilising plunger lift and flow intermitting units. The ongoing optimisation of these wells ensures the maximum achievable gas recovery by lifting liquids that would otherwise inhibit gas flow. It also provides more efficient liquids recovery including produced water and condensates that go to sales. The company plans to install more intermitting units throughout Quarters 2 and 3 2022.

KEY PERFORMANCE METRICS – PRODUCTION, SALES & REALISED GAS PRICE

Key performance metrics				Qtr. on	FY22 YTD
	Q3 FY22	Q2 FY22	Q3 FY21	Qtr. Change	
Total production (PJe)	0.5	0.6	0.7	(17%)	1.6
Total sales volume (PJe)	0.5	0.6	0.7	(17%)	1.6
Total sales revenue (\$ million)	4.1	4.7	4.5	(13%)	13.2
Average realised gas price (\$/GJ)	6.4	9.0	6.0	(29%)	8.4
Debt (\$ million) ¹	32.5	34.7	42.4	(6%)	32.5

FINANCIAL PERFORMANCE

Sales Revenue

This quarter's total sales revenues decreased by 13% to \$4.1 million due to natural decline of production.

\$ million				Qtr. on	FY22 YTD
	Q3 FY22	Q2 FY22	Q3 FY21	Qtr. Change	
Gas	2.8	3.1	3.0	(10%)	8.8
LPG	0.7	0.7	0.6	(0%)	2.0
Oil	0.1	0.2	0.2	(50%)	0.4
Condensate	0.5	0.7	0.7	(29%)	2.0
Total Sales Revenue	4.1	4.7	4.5	(13%)	13.2

¹ Includes Secured Amortising Notes and Tribeca Facilities

Sales Volume & Average Realised Prices

Sales volumes were lower than the prior quarter for Gas, LPG & Oil due to lower production.

Realised weighted average pricing across all products was \$7.9/GJe, a slight decrease on the prior quarter due to product mix.

	Q3 FY22	Q2 FY22	Q3 FY21	Qtr. on Qtr. Change	FY22 YTD
Volumes					
Gas (TJ)	433.1	485.3	562.6	(11%)	1,349.7
LPG (Tonnes)	685.4	711.0	860.0	(4%)	2,229.8
Oil (Bbl)	1,287.2	1,597.1	2,129.3	(19%)	4,341.1
Condensate (Bbl)	7,858.3	5,905.9	9,017.0	33%	21,656.4
Prices					
Sales Gas (\$/GJ)	6.5	9.0	6.0	(28%)	7.8
LPG (\$/tonne)	654.6	730.7	577.8	1%	705.9
Oil and Condensate (\$/Bbl)	134.0	109.3	78.8	47%	123.5
All products Weighted Average (\$/GJe)	7.9	8.3	6.7	(5%)	8.3

Capital Expenditure

Capital expenditure of \$2.1 million includes the ongoing costs of work programs and compliance costs across various permits such as rents and royalties.

\$ million	Q3 FY22	Q2 FY22	Q3 FY21	Qtr. on Qtr. Change	FY22 YTD
Exploration and Appraisal	0.7	1.0	0.9	(30%)	3.9
Development, Plant and Equipment	1.4	0.1	1.1	1300%	2.5

Payments to Related Parties

The March quarter payments to related party transactions for the purposes of 6.1 and 6.2 of the Appendix 5B totalled \$0.05 million.

Payments made to related parties relate to director fees, administrative overheads, charges for rent and IT expenses.

\$AUD millions	Q3 FY22	Q2 FY22	Q3 FY21	Qtr. on Qtr. Change	FY22 YTD
Director fees	0.05	-	0.1	-	0.1
Admin overheads	-	-	0.1	-	-

CORPORATE AND COMMERCIAL

Debt facilities

On the 4 March 2022 Armour issued a Notice of Extraordinary General Meeting and Explanatory Memorandum seeking Shareholder approval for resolutions relating to the settlement of the Tribeca Facility including the issue of 290,000,000 shares and 48,333,333 Options. These resolutions were passed at the Extraordinary General Meeting held on 4 April 2022.

The shares and options to be issued are to be sold and the proceeds are to be used to pay down the Tribeca Facility debt.

The Tribeca Facility has a current Principal balance of \$5,392,568 and an agreement has been entered into to extend the loan maturity to 20 June 2022.

Following the quarter end, Armour issued a Notice of Circulating Resolution with an attaching Explanatory Memorandum to holders (Noteholders) of the Company's Secured Amortising Notes (Notes) to seek approval by way of a special resolution of Noteholders (the Special Resolution) to amend the Conditions of the Notes, the granting of waivers and obtain Noteholder consent as outlined in the Company's ASX announcement of 11 April 2022.

The amortised face value of the Notes outstanding following the principal and interest payment that was made on 31 March 2022 is now \$27,117,200 (original face value of notes issued was \$55,000,000).

The Special Resolution was passed by the requisite majority of eligible Noteholders and the Company has finalised the required documentation to give effect to the amendments. In summary, the approved Amendments, Waiver and Consent obtained include the following:

- Waiver of any breach of certain Financial Undertakings including the Debt Service Cover Ratio and the Leverage Ratio that may have arisen prior to the date on which the Circulating Resolution is passed;
- Amendments to Financial Undertakings, including the Debt Service Cover Ratio and the Leverage Ratio Armour must maintain;
- Amendments to increase a certain limit on incurring Financial Indebtedness;
- Consent from Noteholders to extend the due date for the environmental bonding finance facility.

OTHER CORPORATE UPDATES

In addition to the McArthur demerger and IPO transaction, Armour is continuing to pursue a number of other corporate initiatives with the aim of realising near term value from its portfolio of projects together with providing potential funding arrangements to enable further work programs to be undertaken to increase production output.

Appointment of New Company Secretary

Boardroom Pty Limited was appointed in January as the Company's Corporate Secretarial provider. The Boardroom appointee is Ms Natalie Climo. Ms Climo has 12 years' experience working in the corporate sector, previously as an in-house lawyer for a global oil and gas company, and more recently as a Company Secretary for a portfolio of ASX listed and unlisted companies. She holds a Graduate Diploma in Legal Practice and a Bachelor of Laws and has extensive experience in Company Secretarial and governance management of ASX listed and unlisted companies.

Investor Relations

A copy of recent presentations can be found at:

<https://www.armourenergy.com.au/corporate-presentation>

Authorised by the Board of Directors
On behalf of the Board
Natalie Climo
Company Secretary

Competent Persons Statement

Forward Looking Statement

This announcement may contain certain statements and projections provided by or on behalf of Armour Energy Limited (Armour) with respect to the anticipated future undertakings. These forward-looking statements reflect various assumptions by or on behalf of Armour. Accordingly, these statements are subject to significant business, economic and competitive uncertainties and contingencies associated with exploration and/or production which may be beyond the control of Armour which could cause actual results or trends to differ materially, including but not limited to price fluctuations, exploration results, resource estimation, environmental risks, physical risks, legislative and regulatory changes, political risks, project delay or advancement, ability to meet funding requirements, factors relating to property title, native title and aboriginal heritage issues, dependence on key personnel, share price volatility, approvals and cost estimates. Accordingly, there can be no assurance that such statements and projections will be realised.

Armour makes no representations as to the accuracy or completeness of any such statement of projections or that any forecasts will be achieved.

Additionally, Armour makes no representation or warranty, express or implied, in relation to, and no responsibility or liability (whether for negligence, under statute or otherwise) is or will be accepted by Armour or by any of their respective officers, directors, shareholders, partners, employees, or advisers as to or in relation to the accuracy or completeness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or any omission from this presentation or of any other written or oral information or opinions provided now or in the future to any interested party or its advisers. In furnishing this information, Armour undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in Armour Energy Limited.

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 several 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 Energy, 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.

Appendix A

Interests in Tenements this Quarter

TYPE	LOCATION	OWNER	INTEREST
PL 14	Queensland	AE (SB) P/L	100.00%
PL 53	Queensland	AE (SB) P/L	100.00%
PL 70	Queensland	AE (SB) P/L	100.00%
PL 511	Queensland	AE (SB) P/L	100.00%
PL 227	Queensland	AE (SB) P/L	100.00%
PPL 3	Queensland	AE (SB) P/L	100.00%
PPL 20	Queensland	AE (SB) P/L	100.00%
PPL 63	Queensland	AE (SB) P/L	100.00%
PL 28	Queensland	AE (SB) P/L	46.25%
PL 69	Queensland	AE (SB) P/L	46.25%
PL 89	Queensland	AE (SB) P/L	46.25%
PL 320	Queensland	AE (SB) P/L	46.25%
PL 321 Waldegrave	Queensland	AE (SB) P/L	46.25%
PL 12	Queensland	AE (SB) P/L	46.25%
PL 321 Snake Creek	Queensland	AE (SB) P/L	25.00%
PL 21	Queensland	AE (SB) P/L	100.00%
PL 22	Queensland	AE (SB) P/L	100.00%
PL 27	Queensland	AE (SB) P/L	100.00%
PL 71	Queensland	AE (SB) P/L	100.00%
PL 264	Queensland	AE (SB) P/L	100.00%
PL 30	Queensland	AE (SB) P/L	90.00%
PL 512	Queensland	AE (SB) P/L	84.00%
PPL 22	Queensland	AE (SB) P/L	84.00%
ATP 647 (PCA 246)	Queensland	AE (SB) P/L	100.00%
Newstead Gas storage ¹	Queensland	AE (SB) P/L	100.00%
ATP 1190 (Weribone)	Queensland	AE (SB) P/L	50.64%
ATP 1190 (Bainbilla)	Queensland	AE (SB) P/L	24.75%
ATP 2029	Queensland	AE (SB) P/L	100.00%
ATP 2030	Queensland	AE (SB) P/L	100.00%
ATP 2032	Queensland	AE (SB) P/L	100.00%
ATP 2034	Queensland	AE (SB) P/L	100.00%
ATP 2035	Queensland	AE (SB) P/L	100.00%
ATP 2041	Queensland	AE (SB) P/L	100.00%
EP 171	Northern Territory	McArthur NT Pty Ltd	100.00%
EP 174	Northern Territory	McArthur NT Pty Ltd	100.00%
EP 176	Northern Territory	McArthur NT Pty Ltd	100.00%
EP 190	Northern Territory	McArthur NT Pty Ltd	100.00%
EP 191	Northern Territory	McArthur NT Pty Ltd	100.00%
EP 192	Northern Territory	McArthur NT Pty Ltd	100.00%
PEP 169 ²	Victoria	Armour Energy Ltd	51.00%
PEP 166 ²	Victoria	Armour Energy Ltd	25.00%
PRL 2 ²	Victoria	Armour Energy Ltd	15.00%
PEL 112	South Australia	Holloman Petroleum Pty Ltd	100.00%

TYPE	LOCATION	OWNER	INTEREST
PEL 444	South Australia	Holloman Petroleum Pty Ltd	100.00%
PRL 50	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 51	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 52	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 53	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 54	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 55	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 56	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 57	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 58	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 59	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 60	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 61	South Australia	Cordillo Energy Pty Ltd	100.00%
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PRL 67	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 68	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 69	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 70	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 71	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 72	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 74	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 75	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 124	South Australia	Cordillo Energy Pty Ltd	100.00%
PRL 248	South Australia	Cordillo Energy Pty Ltd	100.00%
Kanywataba Block	Uganda	AE (Uganda) SMC Ltd	16.82%

Notes:

1. The Newstead Storage Facility sits mostly within PL 27 and also straddles PL 14. It is a depleted underground natural gas reservoir that is currently utilised as a storage facility, i.e. it is used for injection and withdrawal of gas. The Newstead Storage Facility has a capacity of approximately 7.5PJ of gas
2. Joint Venture with Lakes Oil NL

Glossary

AE (SB) P/L	Armour Energy (Surat Basin) Pty Ltd
AE (Uganda) SMC Ltd	Armour Energy (Uganda) SMC Ltd
ATP	Authority to Prospect
Bbl	Barrels - the standard unit of measurement for all oil and condensate production. One barrel = 159 litres or 35 imperial gallons
EL	Exploration Licence
EPP	Exploration Permit - Petroleum
FY	Financial Year
GJ	Gigajoule = 10 ⁹ joules
GJe	Gigajoule equivalent
LPG	Liquid petroleum gas
PCA	Potential Commercial Area
PEL	Petroleum Exploration Licence
PEP	Petroleum Exploration Permit
PJ	Petajoule
PJe	Petajoule equivalent
PL	Petroleum Lease
PPL	Petroleum Pipeline Licence
PRL	Petroleum Retention Lease/Licence
Q, Qtr	Quarter
TCF	Trillions of standard cubic feet of gas
TJ	Terajoule
TJ/day	Terajoules per day
YTD	Year to date

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ARMOUR ENERGY LIMITED

ABN

60 141 198 414

Quarter ended ("current quarter")

31-Mar-22

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1.0 Cash flows from operating activities		
1.1 Receipts from customers	4,970	15,388
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development (capitalised)	(719)	(1,319)
(c) production (including COGS and Royalties)	(2,826)	(9,565)
(d) staff costs	(1,744)	(5,299)
(e) administration and corporate costs	(918)	(2,021)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	3
1.5 Interest and other costs of finance paid	(659)	(2,358)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,896)	(5,171)
2.0 Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(557)	(1,094)
(d) exploration & evaluation (if capitalised)	(700)	(2,656)
(e) investments	-	-
(f) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	275	275
(d) investments	1,564	1,836
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	582	(1,639)
3.0 Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	326	9,270
3.2 Proceeds from issue of convertible debt securities	2,540	3,180
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(627)
3.5 Proceeds from borrowings	(25)	-
3.6 Repayment of borrowings	(2,175)	(6,600)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material) Proceeds from joint venture funding partners	237	1,405
3.1 Net cash from / (used in) financing activities	903	6,628

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
4.0 Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2,587	2,358
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,896)	(5,171)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	582	(3,189)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	903	8,178
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	2,176	2,176

5.0 Reconciliation of cash and cash equivalents <i>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts</i>	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	2,176	2,587
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details) - see below	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,176	2,587

Other

The Company holds additional restricted and not immediately available cash which has not been included above. Armour holds an Interest Reserve Deposit Account with a balance of \$1.8m at 31 March 2022. This is a requirement under the terms of the amendments of the Senior Secured Amortising Notes. Following successful completion of the proposed demerger and IPO of McArthur, and retirement of debt, these funds would be returned to Armour. Armour also holds a further \$5.6m cash held on deposit as security for the Tribeca facility.

6.0 Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	-
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7.0 Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	5,393	5,393
7.2 Credit standby arrangements	-	-
7.3 Other (Secured & Amortising Notes)	27,117	27,117
7.4 Total financing facilities	32,510	32,510

7.5 Unused financing facilities available at quarter end

-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Tribeca

26 July 2018 | \$6.8 million (Secured Environmental Bond Facility) | 9.0% per annum Coupon rate payable (quarterly in arrears). An agreement has been entered into to extend the loan maturity to 20 June 2022. At 31 March 2022, the Tribeca facility is \$5.4 million. Armour still holds \$5.6m cash on deposit as security for this facility.

Senior Secured Amortised Notes

29 March 2019 | \$55 million (Secured and Amortising Notes) | 8.75% per annum Fixed Interest payable (quarterly in arrears). Maturing on 29 March 2024. Principal repayments of \$2.2 million was made in the March Quarter, bringing the outstanding facility to \$27.1 million. A further \$1.8m is being held on trust in an Interest Reserve Account under the current requirements of the Notes.

8.0 Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,896)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(700)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(2,596)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	2,176
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	2,176
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.84

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

The cash generating ability of the Kincora Plant is a continual focus with efforts having been made and proposals remain under consideration to uplift production where possible. The recovery of Gas, LPG, Oil and Condensate prices are also expected to continue, with very favourable prices in comparison to the prices we have realised in recent times. Gas production in excess of 5TJ/day will enable the Company to derive the advantage of the high spot gas price.

The Company is continuing its cost reduction and cash preservation initiatives including payments in shares, minimisation of field expenditures and administration costs and overheads.

In addition, the group have progressed various agreements to assist with production uplift and reduce levels of capital expenditure through various strategies.

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

Armour is continuing its focus on its core assets. Armour announced on 3 March 2021, plans to demerge and IPO a new company to unlock the value of its Northern Basin Exploration assets.

The Company can manage capital and liquidity by taking some or all of the following further actions:

- a. Raising additional capital or securing other forms of financing, as and when necessary to meet the levels of expenditure required to meet the Group's working capital requirements. In addition, Armour continued its focus on the issuance of McArthur pre-IPO Redeemable Exchangeable Notes;
- b. Seeking further opportunities to settle liabilities through an issuance of equity;
- c. Reducing its level of capital expenditure through farm-outs and/or joint ventures;
- d. Managing its working capital expenditure;
- e. Applying for Government incentives; and
- f. Disposing of non-core assets.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes, on the basis described above together with cost reduction initiatives, the disposal of non-core assets and the renegotiated terms of its funding facilities, Armour should be able to continue its operations and its ability to meet business objectives if these activities are realised.

Compliance statement

- 1.0 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2.0 This statement gives a true and fair view of the matters disclosed.

Date: **29-Apr-22**

Author: **The Board of Directors**

(Name of body or officer authorising release – see note 4)

Notes

- 1.0 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
- 2.0 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 3.0 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 4.0 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
- 5.0