

ASX Announcement

20 February 2023



Armour Signs Gas Sales Agreement with Shell

Armour Energy Limited, (**Armour**), is pleased to announce that it has signed a Master Sales Agreement (MSA) with Shell Energy Australia Pty Ltd (**SEAU**), a wholly owned subsidiary of the Shell Group, and has entered into an initial gas sales agreement pursuant to the MSA.

Highlights

- **Armour and SEAU 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 an uplift in the contract price in CY 2024 based on forecast 2024 market pricing improvements.**
- **Master Sales Agreement (MSA) signed with Shell Energy Australia to allow the bilateral trading of gas.**
- **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.**

The MSA entered into with SEAU provides the framework and general terms and conditions for any bilateral gas trading that is agreed for supply from Armour's conventional fields in the Surat Basin, Queensland.

Armour and SEAU have entered Transaction Notices (TN) under the MSA for a 13-month supply of gas by Armour to Shell from December 2023. The gas prices agreed under the TN are materially higher than that of Armour's current contract arrangements. The price for December 2023 is \$12/GJ, with an uplift in price for CY 2024 based on forecast 2024 market pricing improvements.

Additionally, Armour and SEAU are exploring initial opportunities, on a non-exclusive basis, for SEAU to utilise the 100% Armour owned and operated Newstead Gas Storage facility that has a licenced storage capacity of up to 7.9 petajoules.

Armour, with technical services augmented by SLB, is currently undertaking an extensive field optimisation and enhancement program where the initial focus will be across Armour's substantial Surat Basin portfolio. This includes wells, reservoir and production facilities focussing on data management, network de-bottlenecking, production enhancement, seismic reprocessing and acquisition, reservoir management, well intervention and drilling.



Mr Christian Lange, CEO of Armour, commented:

"This new gas sales agreement with Shell represents a significant improvement in value for Armour, providing certainty to develop and expand our conventional gas reserves. The potential to utilise the Newstead gas storage facility represents a significant opportunity for Armour, supporting a funnel of transactions which will further underpin development."

This Announcement has been authorised & approved by the Board of Armour Energy for ASX lodgement.

Geoff Walker

CFO & Company Secretary

For more information please email info@armouenergy.com.au

Nick Mather Executive Chair
Telephone: +61 7 3303 0680
nmather@armouenergy.com.au

Christian Lange CEO
Telephone: +61 7 3303 0620
clange@armouenergy.com.au

Geoff Walker CFO & Co Sec
Telephone: +61 7 3303 0680
gwalker@armouenergy.com.au

FORWARD LOOKING STATEMENT Statements & material contained in this ASX Release, particularly those regarding possible or assumed future performance, production levels or rates, commodity prices, resources or potential growth of AJQ, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events & expectations and, as such, involve known and unknown risks & uncertainties. Although reasonable care has been taken to ensure facts stated in this Release are accurate and/or that the opinions expressed are fair & reasonable, no reliance can be placed for any purpose whatsoever on the information contained in this document or on its completeness. Actual results & developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors. Nothing in this Release should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.