



ASX Announcement

24 April 2012

Armour Energy to Commence ASX Trading on 26th April 2012

The Directors of Armour Energy Limited (ASX: AJQ) (the **Company**) wish to advise that the Company has been admitted to the official list of the ASX with official quotation of securities in the Company to commence at 11:00am AEST on Thursday, 26th April.

The Company has successfully raised \$75,000,000 in an oversubscribed offer with the issue of 150,000,000 fully paid ordinary shares at an issue price of \$0.50 and 37,500,000 free attaching options exercisable at \$0.50 expiring on 31st August 2014 issued on the basis of one option for every four new shares issued.

The non-escrowed securities to be quoted will be:

- 221,050,000 fully paid ordinary shares (ASX code : AJQ)
- 57,687,500 options exercisable at \$0.50 expiring on 31st August 2014 (ASX code : AJQO)
- Escrow conditions will apply to further shares and options in the Company for a period of 24 months from the commencement of official quotation.

Armour Energy's business will focus on the discovery and development of gas and associated liquids resources in a hydrocarbon province in Northern Australia where the Company has two granted exploration permits EP171 and EP176. These granted permits are located in the Northern Territory along with an additional thirteen applications for exploration permits in the Northern Territory. The Company is also the preferred tender applicant for ATP1087 in the Gulf of Carpentaria region of North Queensland, and is pursuing the grant of that tenement and an active drill program thereafter.

The Company also holds a 13% interest in ASX-listed Lakes Oil NL (ASX:LKO) and will progress the exploration and development of gas and associated liquids resources in the Otway and Gippsland basins in Victoria. This will be achieved through the Company's farm in agreements with Lakes to acquire a 51% ownership and operatorship of PEP 166 (Gippsland Basin) and PEP 169 (Otway Basin) and its option to acquire 50% of the Lakes interests in PRL2 covering the Trifon Gangell and Wombat gas fields.

For further information please refer to the Company's replacement prospectus dated 30th March 2012, supplementary prospectus dated 13th April 2012 and ASX circular dated 20th April 2012.

In the Northern Territory, Armour Energy has established a base accommodation facility at the Cape Crawford Roadhouse located on the intersection of the Tablelands and Carpentaria highways. This provides an efficient base from which to carry out the planned exploration activities across EP171 and EP176.

Over 100km of access roads have been completed in preparation for the acquisition of 67km of 2D seismic on EP171 to provide additional information in relation to several surface defined four way

closure anticlines in the Abner Range area. The seismic acquisition commenced on 21st April 2012 and is expected to be completed in the first week of May 2012. This work is being carried out by Geokinetics (Australasia) Pty Ltd.

AJ Lucas Coal Technologies Pty Ltd are currently mobilising a Soilmech 100 drilling rig (see figure 1) and associated support equipment to the Northern Territory in preparation for the drilling of the Cow Lagoon #1 well. This will be the first of several Armour Energy wells to be drilled in the area during the 2012 dry season exploration campaign. Weatherford Laboratories have been retained to carry out comprehensive well testing while Schlumberger Australia Pty Ltd have been retained to provide well cementing services.

The Cow Lagoon #1 well is located on a four way closure anticline that is traversed by an existing 2D seismic line. The well is planned to spud in the first week of May 2012 and is aimed at targeting the Barney Creek Shale at a depth of approximately 800m to collect drill core for testing of gas and liquids content and provide a comprehensive analysis of the formation in this depth range.

Access road and drill pad construction are also continuing to progress in preparation for the drilling of the Kilgour #1 and Glyde #1 wells that will immediately follow Cow Lagoon #1.



Figure 1: Lucas Soilmech 100 drill rig to be used at Cow Lagoon #1 well

In Victoria, the Moreys 1 well located within PEP169 in the Otway basin was spudded on 19th April and is being drilled by the Hunt Energy and Mineral Co Australia Pty Ltd. (See figure 2)

The Moreys well is planned to be drilled to a total depth of 2000m with depth to the primary target estimated at 1740m. It is expected the well will take 10 days to drill. Armour Energy is funding the drilling the Moreys 1 well to a cost of \$2,500,000 to earn a 51% interest in PEP169. For further information refer to the Lakes Oil NL (ASX Code: LKO) announcement on 12th April 2012.

Moreys 1 is targeting the Waarre C sands at a depth of approximately 1740m and subsidiary units. The prospect exhibits similarly encouraging seismic signatures to producing units at a number of gas fields operated by Origin Energy in the area.

Following the drilling of Moreys 1 in the Otway basin it is Armour Energy's intention to then mobilise the same drill rig to the Gippsland basin to drill the planned Holdgate #1 well located in PEP166. This well will test the tight gas potential of the Strzelecki group within the Baragwanath anticline. This will be the first of three wells to be funded by Armour Energy to earn a 51% interest in PEP166.



Figure 2: Hunt Energy and Mineral Co drill rig on site at Moreys #1 well



On behalf of the board
Karl Schlobohm
Company Secretary

About Armour Energy Limited

Armour Energy is focused on the discovery and development of world class gas and associated liquids resources in an extensive and recently recognised hydrocarbon province in northern Australia. This region has only recently had its shale potential identified by Armour Energy. The domestic and global demand for gas, combined with the new shale extractive technologies and experienced personnel, provides Armour with an extraordinary opportunity to define and ultimately develop a new liquids rich gas province.

Armour Energy's permit areas are characterised by low population densities, cooperative stakeholders and aspects of the natural environment suited to the exploration and development of a future gas and liquids province. Armour places considerable importance on close liaison with traditional owners and all stakeholders and this approach has led to speedy grant of its key tenements in the Northern Territory. The Company intends to continue to invest this effort.

Armour Energy is focusing on the exploration of the McArthur, South Nicholson and Georgina Basins in the Northern Territory and Queensland, and in the onshore Gippsland Basin in Victoria in joint venture with Lakes Oil, for gas and associated petroleum liquids.

The Board of the Company includes four past Directors of Arrow Energy, and the same expansive approach to exploration and development that drove Arrow's evolution is planned for Armour Energy. The CEO Mr Philip McNamara has been involved in the development of large coal projects, including most recently as managing Director of Waratah Coal, where he was instrumental in securing \$5.5 billion of financing for the proposed development of the Galilee Basin coal projects. The Company's technical team includes a range of industry experts and seasoned professionals who have been selected to support the Board and the CEO in our goal to build Armour Energy into a significant gas exploration and development company.

Further information regarding Armour Energy Limited, its projects, management team and a copy of its Prospectus are available on the Company's website at www.armourenergy.com.au