

**Armour Energy Limited**

**28 June 2012**

**Kilgour North 1 Well – Drilling Underway  
Cow Lagoon 1 Log Interpretation Continues**

**Highlights:**

- **Proposed Depth of 2100 metres.**
- **Potential targets include Lynott, Reward, Barney Creek and Coxco Formations.**
- **Current depth of 319 metres with surface casing set and cemented.**
- **Seismic interpretation confirms the Kilgour Anticline as a conventional and shale target.**

The Directors of Armour Energy Ltd (**ASX: AJQ**) are pleased to report that the Kilgour North 1 well, located within EP 171 in the Northern Territory is currently preparing to drill out from the bottom of the surface casing that has been successfully set at 319m depth.

The Kilgour North 1 well is located on the Kilgour Anticline (see Figure 1) where the subsurface structure has now been confirmed by the processing and interpretation of the recent Kilgour-Abner seismic survey.

Drilling will progress through the Yalco, Lynott, Reward, Barney Creek and Coxco Formations using improved drilling techniques and streamlined formation evaluation methods developed at the previously drilled Cow Lagoon 1 well.

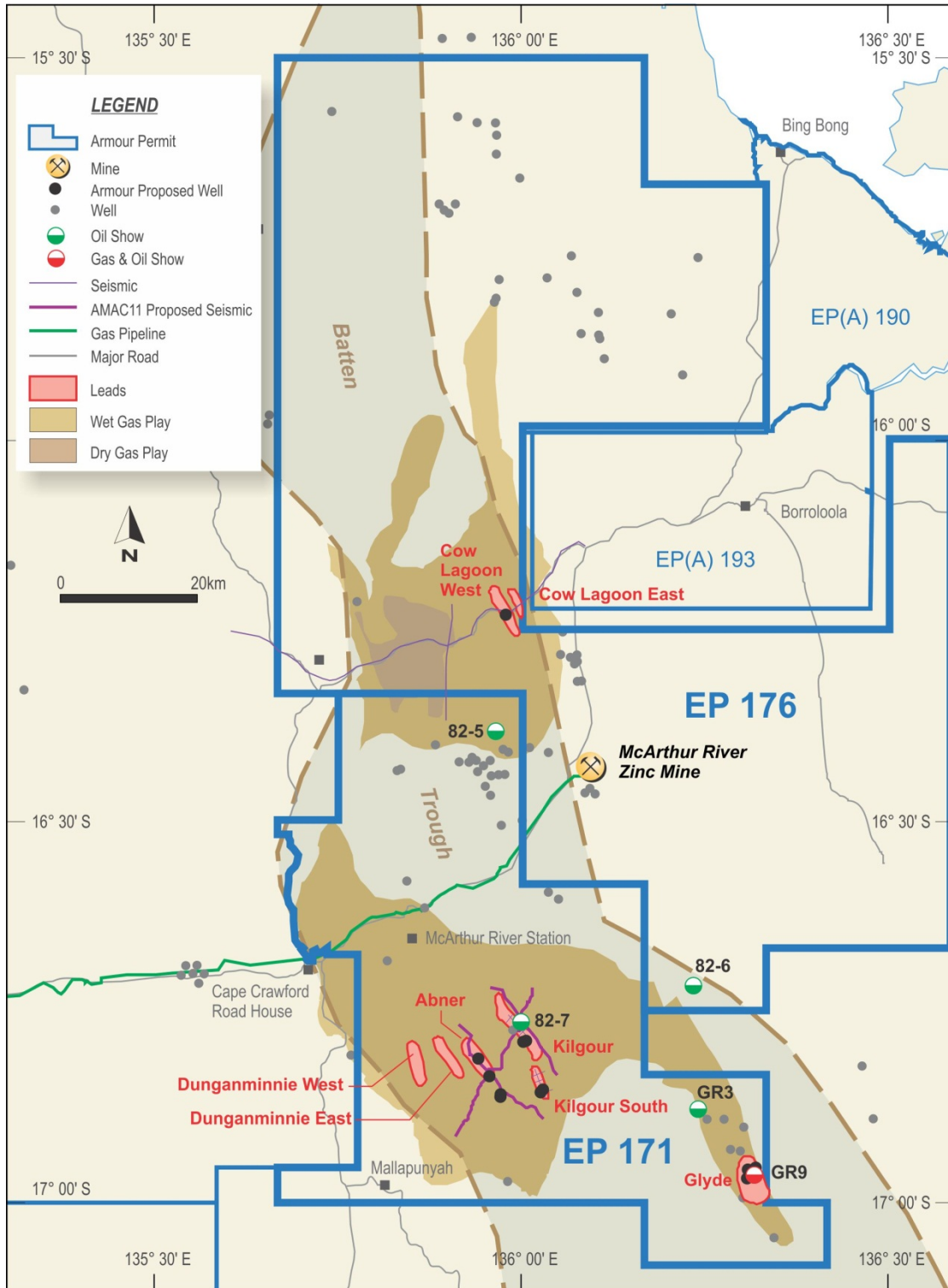
**Cow Lagoon 1 - Log Interpretation**

Formal notices of a petroleum discovery at Cow Lagoon 1 in the Lynott and Reward Formations have been filed with the Northern Territory Department of Mines and Energy. Several zones of gas charge are evident in log data that correlates with significant gas shows encountered during drilling of the well. The Company is currently conducting a detailed log interpretation with a view to establishing the gas resource potential in the Cow Lagoon structures. As previously announced, Cow Lagoon 1 has been cased and suspended and may be reentered for any future lateral drilling or well stimulation operations. Further information with respect to the results of Cow Lagoon 1 will be provided once the interpretation of the various data collected during the drilling of the well is completed.



On behalf of the board  
Karl Schlobohm  
Company Secretary

**Figure 1: Kilgour Location in EP 171**





## About Armour Energy

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](http://www.armourenergy.com.au)

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