



Armour Energy Limited (AJQ)

3 May 2012

Moreys 1 Well Update



Moreys 1 drill rig on site

The site is approximately 8kms west of Timboon in Victoria's Western District

Armour Energy wishes to provide an update in relation to the drilling of the Moreys 1 well in PEP 169, located onshore in the Otway Basin, Victoria.

At 8:00am this morning the Moreys 1 well was at a depth of 2005 metres. A drill stem test (DST) will be conducted later today at a depth of 1989 – 1997 metres.

Moreys 1 is being funded by Armour Energy to a cost of \$2.5M to earn a 51% interest in PEP169.



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