

## Armour Energy Limited

30 May 2012

### Armour Energy Secures Further Queensland Tenement Position

The Directors of Armour Energy Limited (ASX: AJQ) (the **Company**) are pleased to advise that the Company has been successful in its tender for Queensland permit ATP 1107 which lies immediately south of, and adjacent to, the Company's existing Queensland tenement position ATP 1087 (refer location map below).

ATP 1107 and ATP 1087 cover the south Nicholson Basin and underlying Mt Isa Super Basin which extends westward into the Company's Northern Territory applications.

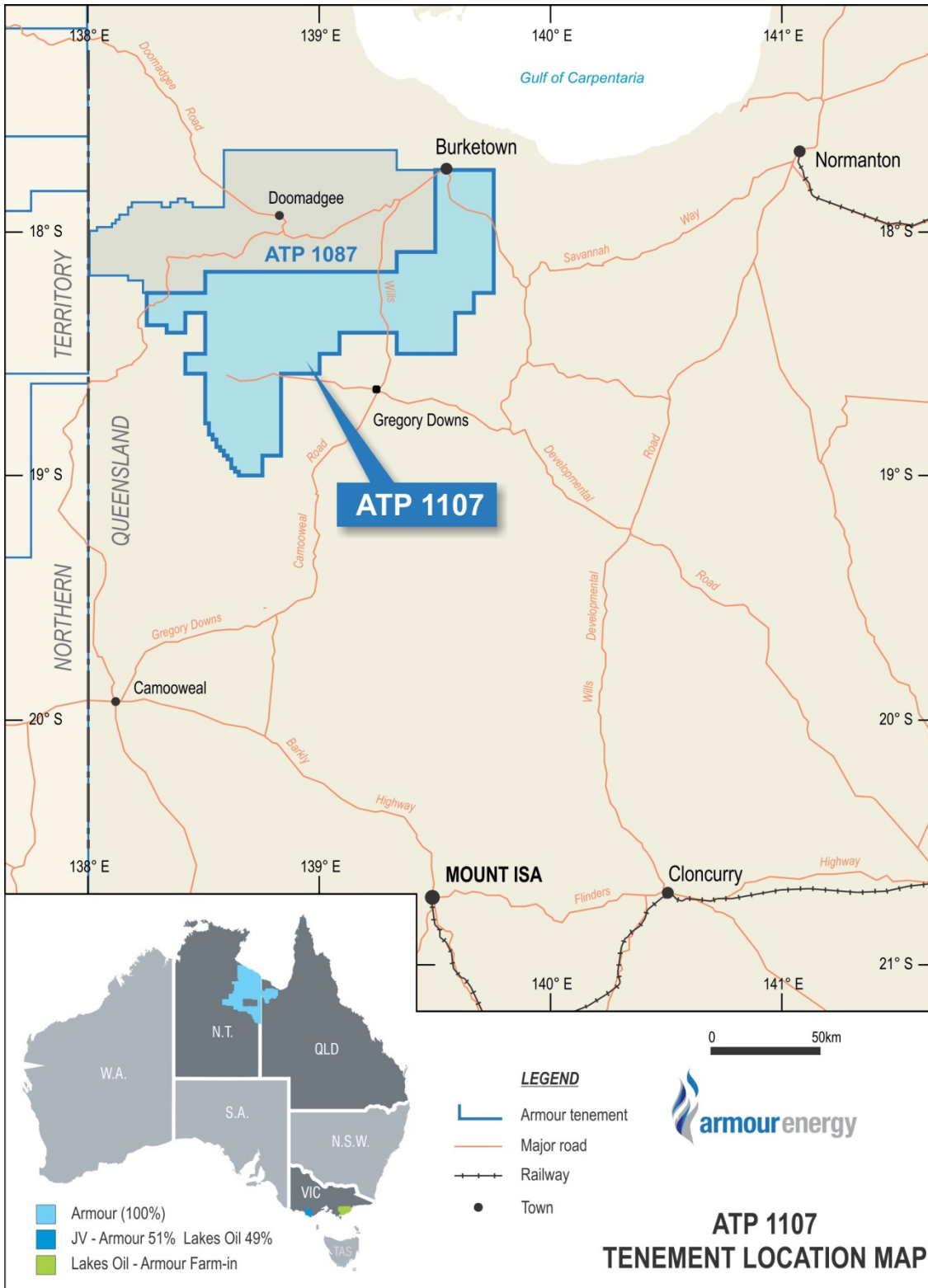
Armour Energy CEO Mr Phil McNamara said "being awarded preferred tenderer status for ATP 1107 is an exciting development for the Company as it effectively doubles Armour Energy's Queensland ground position from approximately 1.8 million acres to 3.6 million acres, increasing the Company's exposure to the South Nicholson Basin and in particular the Lawn Hill Formation within the underlying Isa Super Basin."

A Native Title Agreement and the relevant environmental clearances will be required before Armour Energy can be granted an exploration permit over ATP 1107. Considering the location of ATP 1107 however the Company expects that these processes will flow on from the on-going negotiations and assessments for ATP 1087.

Armour Energy and its independent consultants (MBA Petroleum Consultants) have determined a mean technically recoverable prospective resource estimate for ATP 1087 of 22.5 TCF of gas and 242 Million barrels of associated liquids. MBA Petroleum Consultants have now been commissioned to assess the resource potential in the adjoining ATP 1107 which is expected to extend the regional resource inventory.

The main evidence for prospectivity in the Basin is the very strong and consistent gas shows in the drilling mud across a 125 metre section of the Lawn 4 formation in the Egilabria 1 well which was drilled by Comalco in the 1990s in what is now ATP 1087. The Lawn 4 formation is interpreted to contain up to 8% Total Organic Carbon and a gas charged brittle shale suitable for lateral drilling and hydraulic fracturing to stimulate gas production.

Armour Energy intends to conduct an integrated exploration program across ATP 1087 in order to define commercial gas reserves by the end of 2013. ATP 1107 will provide an extension of this exploration opportunity.



**Location Map – ATP 1107 and ATP 1087 in Queensland**

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On behalf of the Board  
Karl Schlobohm - Company Secretary

*The resource estimates used in this announcement were, where indicated, compiled by MBA Petroleum Consultants, and detailed in the Independent Expert's Report, Replacement Prospectus dated 20 March 2012 for Armour Energy (Chapter 9). Raymond L Johnson Jr., General Manager Exploration and Production for Armour Energy, is qualified in accordance with the requirements of ASX listing rule 5.11 and has consented to the use of the resource figures in the form and context in which they appear in this announcement.*

### 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)