

Armour Energy Limited

23 August 2013

ATP 1087 Update

Armour Completes Airborne Geophysical Survey in ATP 1087 Ahead of Schedule

HIGHLIGHTS

- A 3,000km² airborne geophysical survey over the western portion of ATP 1087 in North Queensland has been completed two weeks ahead of schedule.
- The airborne gravity-magnetic-digital terrain survey will support the delineation of multiple play types and targets located throughout ATP 1087.
- Results of the survey will be used to high grade areas for further seismic and drilling, with an aim to increase prospective resources within ATP 1087.

The Directors of Armour Energy Limited (Armour Energy, ASX:AJQ) are pleased to advise that Fugro Airborne Surveys Pty Ltd has completed its 3,000km² airborne gravity-magnetic-digital terrain model survey across the western portion of ATP 1087 (**Figure 1**) in North Queensland two weeks ahead of schedule.

The objective of this airborne survey technique is to identify other target areas within the western portion of ATP 1087 that bear the same or similar gravity-magnetic characteristics to the prospective targets already identified by Armour in the eastern portion of ATP 1087, including the successful Egilabria 2 vertical well. This technique was also successfully used by Armour Energy in the Batten Trough, McArthur Basin, NT in early 2013, which resulted in the identification of 23 conventional hydrocarbon drilling targets with a combined Mean Prospective Resource of 264 Billion Cubic Feet (BCF) of gas.

The processed results of the data will be used to further define multiple play types including conventional, Lawn Shale, and Riversleigh Shale targets. This data, along with previous gas shows in the Riversleigh in the Argyle Creek 1 and Desert Creek 1 wells will support the prospectivity of the Lawn Shale and Riversleigh in the western portion of ATP 1087. The upcoming Egilabria 4 well is also targeting the Lawn Shale and Riversleigh in the eastern portion of ATP 1087. Armour is aiming to delineate prospective resources in the Riversleigh across ATP 1087 (**Figure 2**) by the end of October 2013.

The FALCON Airborne Gravity Gradiometer (AGG) collects the highest resolution gravity gradient data available, and is a valuable tool in defining subsurface structure, generating basement models and overall basin architecture for oil and gas exploration. FALCON AGG data allows correlation of structures between 2D seismic lines, and is a powerful tool for seismic survey planning and optimising.

For more information on Armour Energy [click here](#).



On behalf of the board
Karl Schlobohm
Company Secretary

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.

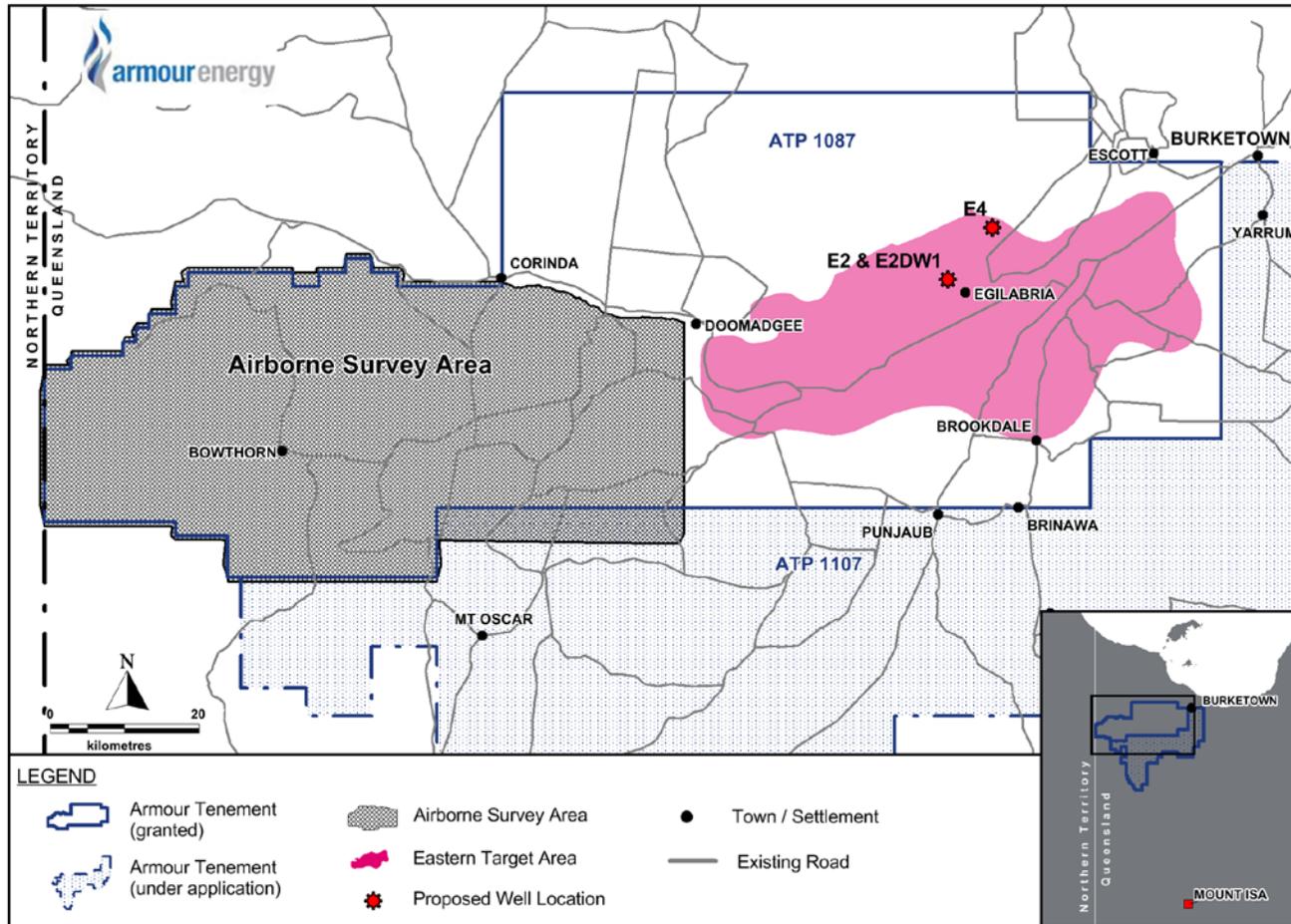


Figure 1 – Current Egilabria Locations and Completed Area of Airborne Geophysical Survey

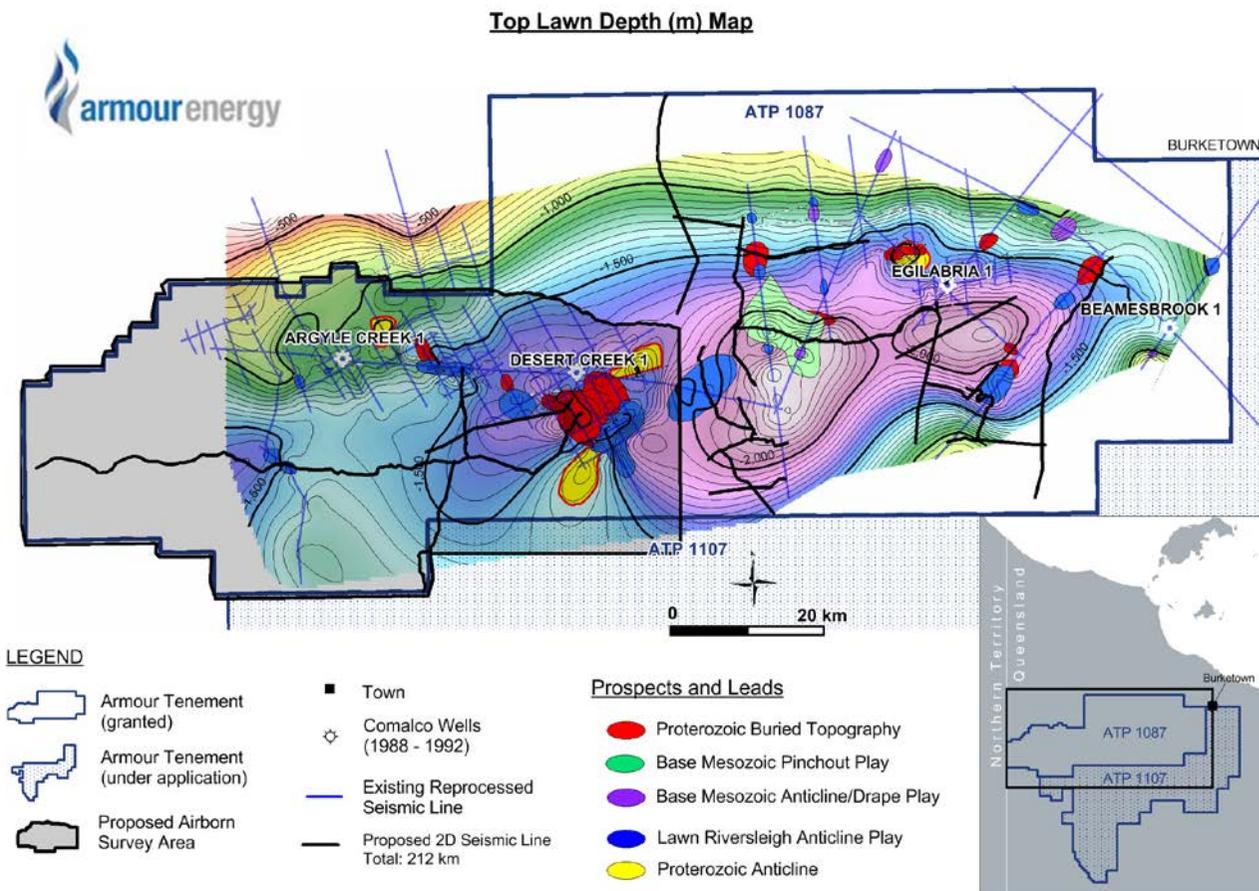


Figure 2: ATP 1087 Depth to Top of the Lawn Shale and other Play Types Based on current & proposed 2D Seismic.



About Armour Energy

Armour Energy is focused on the discovery and development of world class gas and associated liquids resources in an extensive hydrocarbon province in northern Australia which was first discovered in the early 1990s. This region has only recently had its shale potential identified by Armour Energy. Today's business environment with strong domestic and global demand for gas, gas prices trending towards LNG netback combined with proven shale extraction technologies and world class personnel, provides the Company with an extraordinary opportunity to define and ultimately develop a major new gas province.

Armour Energy's permit areas in northern Australia, which are all 100% owned, are characterised by low population densities, cooperative stakeholders and a natural environment suited to the exploration and development of a major future hydrocarbon province.

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 experienced Board of the Company includes four past Directors of Arrow Energy. The Company's technical and commercial team includes a range of industry experts and seasoned professionals who have been selected to help transform Armour Energy into a significant gas exploration and development company.

In its 2012 exploration program, Armour Energy encountered gas in the first two of its Northern Territory project areas, with both conventional and unconventional gas shows and flows encountered. The Glyde 1 well, which was drilled with an unfracted lateral, flowed at 3.3 million standard cubic feet per day during flow testing.

The Company has identified an independently certified prospective recoverable resource of 22 TCF of gas in the Lawn Shale within ATP 1087. An additional 18 TCF of conventional and unconventional targets have been identified by Armour in the overlying Carpentaria Basin and underlying Riverslea Shale

In June 2013, Armour Energy entered into a Heads of Agreement with APA to work towards transportation of up to 330 Petajoules a year of gas in the existing upgraded and future APA pipeline network to undersupplied coastal Queensland LNG and Sydney markets.

See www.armourenergy.com.au for more information.

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