

Armour Energy Limited

5 August 2013

ATP 1087 Update

Airborne Geophysical Survey to Identify New Targets in ATP 1087

HIGHLIGHTS

- **Armour contracts Fugro Airborne Surveys Pty Ltd to perform a 3000km² airborne survey over the western portion ATP 1087 in North Queensland.**
- **Airborne gravity-magnetic-digital terrain model survey to delineate multiple play types including conventional, Lawn Hill Shale and Riversleigh Shale targets located throughout ATP 1087.**
- **Results of the survey to high grade area 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 the Company has contracted Fugro Airborne Surveys Pty Ltd to perform a 3000km² airborne gravity-magnetic-digital terrain model survey across the western portion of ATP 1087 (**Figure 1**) in North Queensland.

This survey, scheduled to commence in late-August 2013, is planned to further define multiple play types including conventional, Lawn Shale, and Riversleigh Shale targets with an aim to increase prospective resources within ATP 1087 (**Figure 2**).

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.

FALCON provides fast and efficient data acquisition and, with no requirement for ground access, has no ground impact (Image 1). Armour Energy believes this technology provides a strategic tool for high grading potential areas for further seismic, play and prospect analysis as well as defining drilling targets.

This technology was 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.

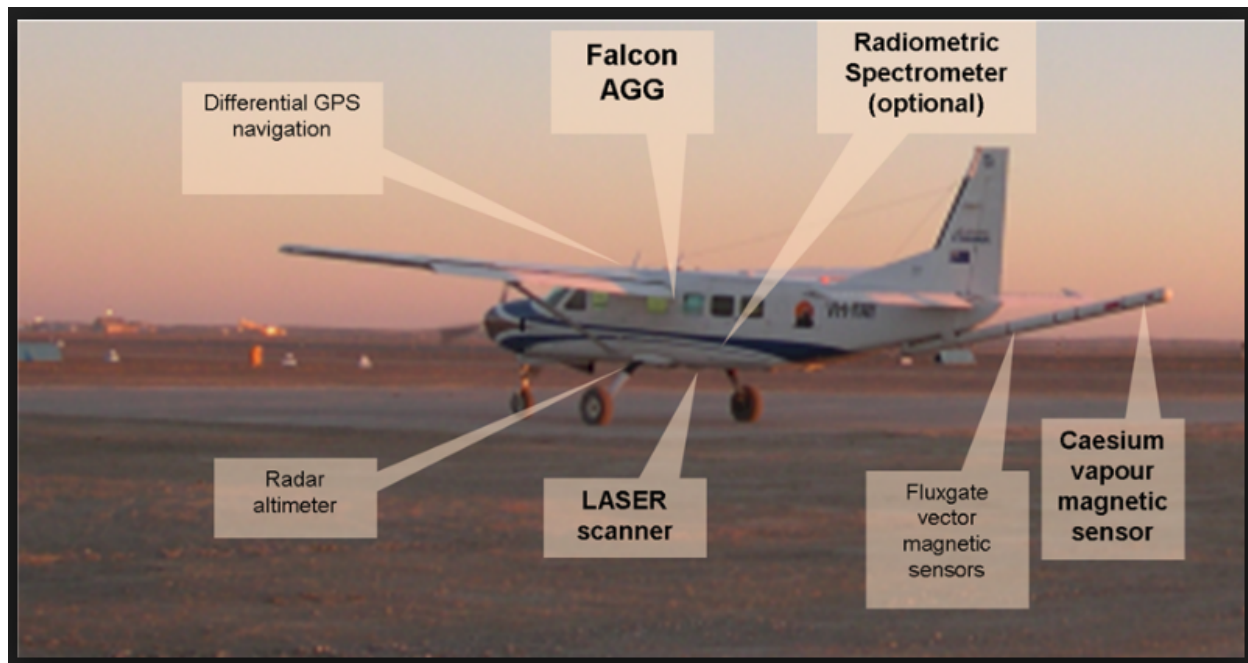


Image 1- Fugro Airborne Surveys FALCON Aircraft

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.

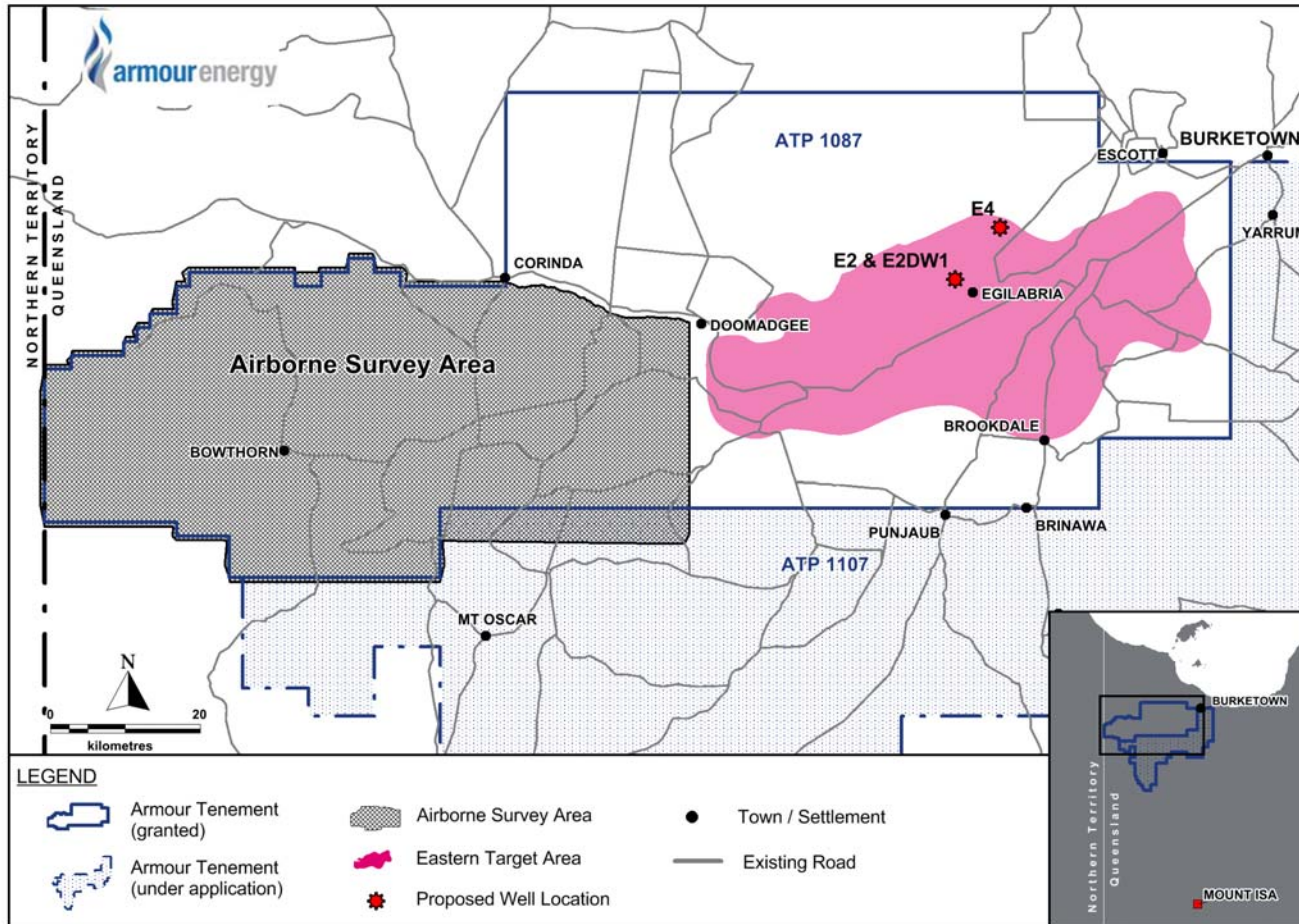


Figure 1 – Current Egilabria Locations and Proposed Area for Airborne Geophysical Survey

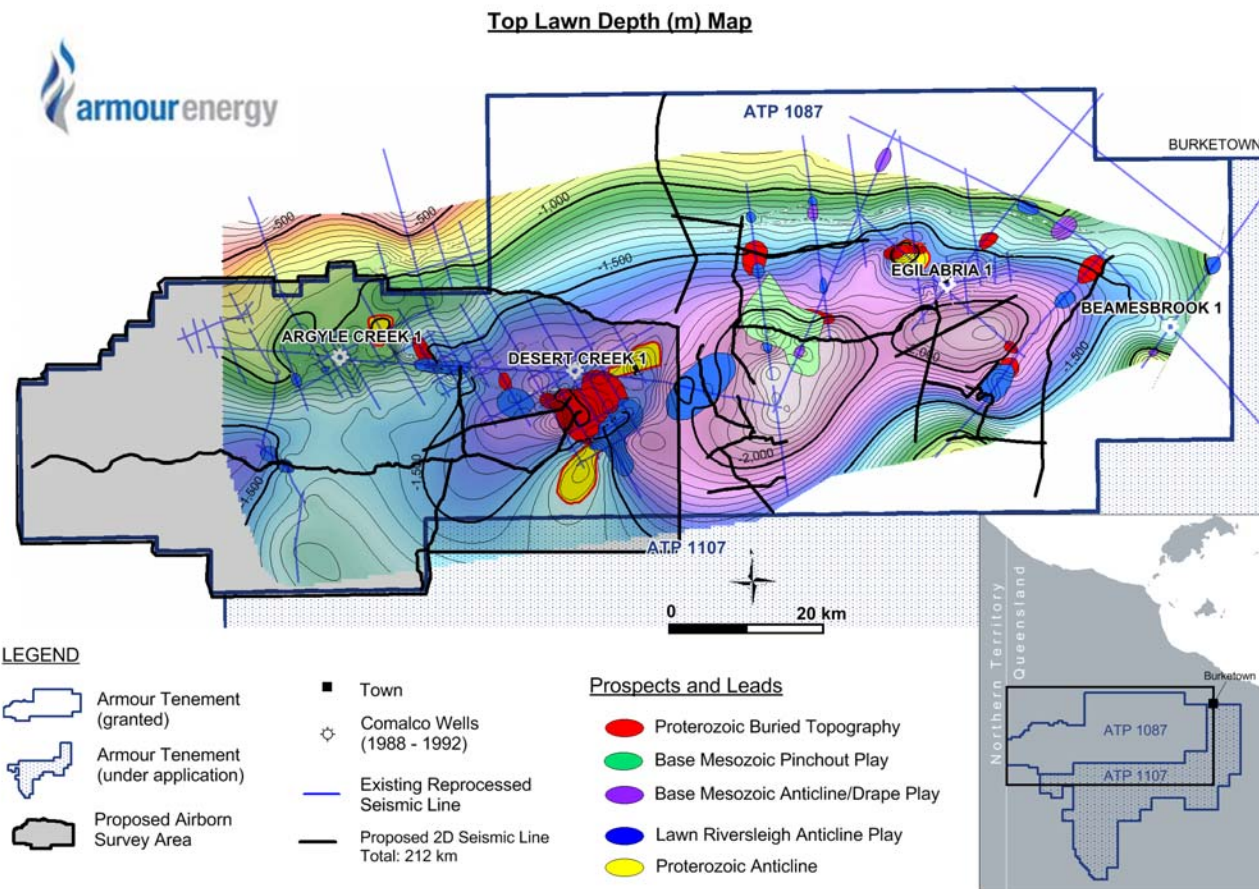


Figure 2: ATP 1087 Depth to Top of the Lawn Shale and other Play Types Based on current & proposed 2D Seismic.



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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