

## Armour Energy Limited

13 August 2013

### Well Update

#### Egilabria 2DW1 Casing Cemented at Total Depth within Lawn Shale

##### HIGHLIGHTS

- **Egilabria 2DW1 lateral well drilled to 2102 metres measured depth (MD), 1747 metres true vertical depth (TVD) with a horizontal offset of 568 metres from the Egilabria 2 vertical well.**
- **Egilabria 2DW1 had gas flows and shows during drilling above and through the Lawn Shale.**
- **Logging while drilling confirms good correlation to Egilabria 1 and Egilabria 2 vertical wells with remaining logs to be acquired through casing.**
- **Casing completion string is cemented and readied to perform an eight stage hydraulic stimulation treatment by the end of August, with production test results expected by the end of September.**
- **Rig to move to Egilabria 4 to further test Lawn Shale as well as underlying Riversleigh sequence and overlying Mesozoic Sand targets in the Carpentaria Basin.**

The Directors of Armour Energy are pleased to advise that the Egilabria 2DW1 lateral gas appraisal well has reached a total depth at 2102 metres and that casing was successfully cemented in place to appraise the lateral section of the highly prospective Lawn Shale. This interval correlated well with projections from the Egilabria 1 and 2 vertical wells. The Lawn Shale Formation contains a prospective resource of 22.5 Tcf of high quality gas, which could potentially feed 2 trains of LNG production.

As reported earlier, the fractured and brecciated dolomitic section at the base of the Lawn Shale indicated flows and shows on Egilabria 2 vertical well and maintained background gas on Egilabria 1 after drilling through the Lawn Shale. Egilabria 2DW1 is testing the Lawn Shale, as well as the fractured and brecciated dolomitic section at the base of the Lawn Shale and fractured gas bearing zones above the shale.

The Company considers the results to be very encouraging, and is readying contractors to perform an eight stage hydraulic stimulation treatment within these highly prospective intervals over the next month.

Over the coming weeks, the rig will move to Egilabria 4, which is 9.2 km northeast of Egilabria 2, to further test the Lawn Shale as well as the underlying Riversleigh sequence, targeting a further 18 Tcf of gas Prospective Resources, and a conventional target interval at the base of the Mesozoic sediments in the Carpentaria Basin (above the Lawn Shale).



On behalf of the board  
Karl Schlobohm  
Company Secretary

### **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. The Company 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](http://www.armourenergy.com.au) for more information.

*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.*