



## Armour Energy Limited

2 July 2013

### Well Update

#### Additional Gas Flare From Egilabria 2 Well

The Directors of Armour Energy are pleased to advise that drilling at the Egilabria 2 gas exploration well has stopped at a depth of 1521 metres to change the hammer bit. A strong gas show, in addition to the show reported yesterday at 1098 metres, was encountered at 1519 metres producing a flare 6 to 8 metres long (refer Figure 1 below). The gas was predominantly methane, and two samples have been taken for detailed gas analysis.

Egilabria 2 is being drilled in Armour's 100% owned exploration licence ATP1087, 350 kms north of Mt Isa (refer Figure 2 below). The well has been designed to test strong gas shows of up to 8% gas in drilling mud in the Lawn Shale during drilling of Egilabria 1 by Comalco in 1991, located 500 metres south west of Egilabria 2.

Egilabria 2 is being drilled using air to avoid suppression of gas shows that occurred using drilling mud that occurred in Egilabria 1 in 1991.

The main target zone in Egilabria 2 is the Lawn Shale at a depth of 1640 to 1790 metres.

Armour 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. The Company has recently entered 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.

Armour holds 133,000 km<sup>2</sup> of granted licences and applications over North Queensland and the Northern Territory. The provincial holding covers four successive sedimentary basins, the Isa Superbasin, South Nicholson and parts of the Georgina and Carpentaria Basins in Queensland and the MacArthur Basin in the Northern Territory (refer Figure 3 below). In the Batten Trough, Macarthur Basin, Armour made the Glyde 1 discovery last year flowing gas at a rate of 3.3 million cubic feet per day.

Armour also recently appointed Mr Robbert de Weijer as its CEO. The appointment brings Mr De Weijer's considerable experience in oilfield exploration and development with Shell in the North Sea and Middle East and Arrow Energy's CBM projects in Queensland to Armour's exploration and future development projects.

**Head Office**  
Level 27  
111 Eagle Street  
Brisbane

GPO Box 5261  
Brisbane QLD 4001  
Facsimile: +61 7 3303 0681  
Phone: +61 7 3303 0680

**ASX CODE: AJQ**  
ACN: 141 198 414  
Email: [info@armourenergy.com.au](mailto:info@armourenergy.com.au)  
[www.armourenergy.com.au](http://www.armourenergy.com.au)



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.*



**Figure 1 - Flare from gas encountered at 1519 metres in the Egilabria 2 well.**

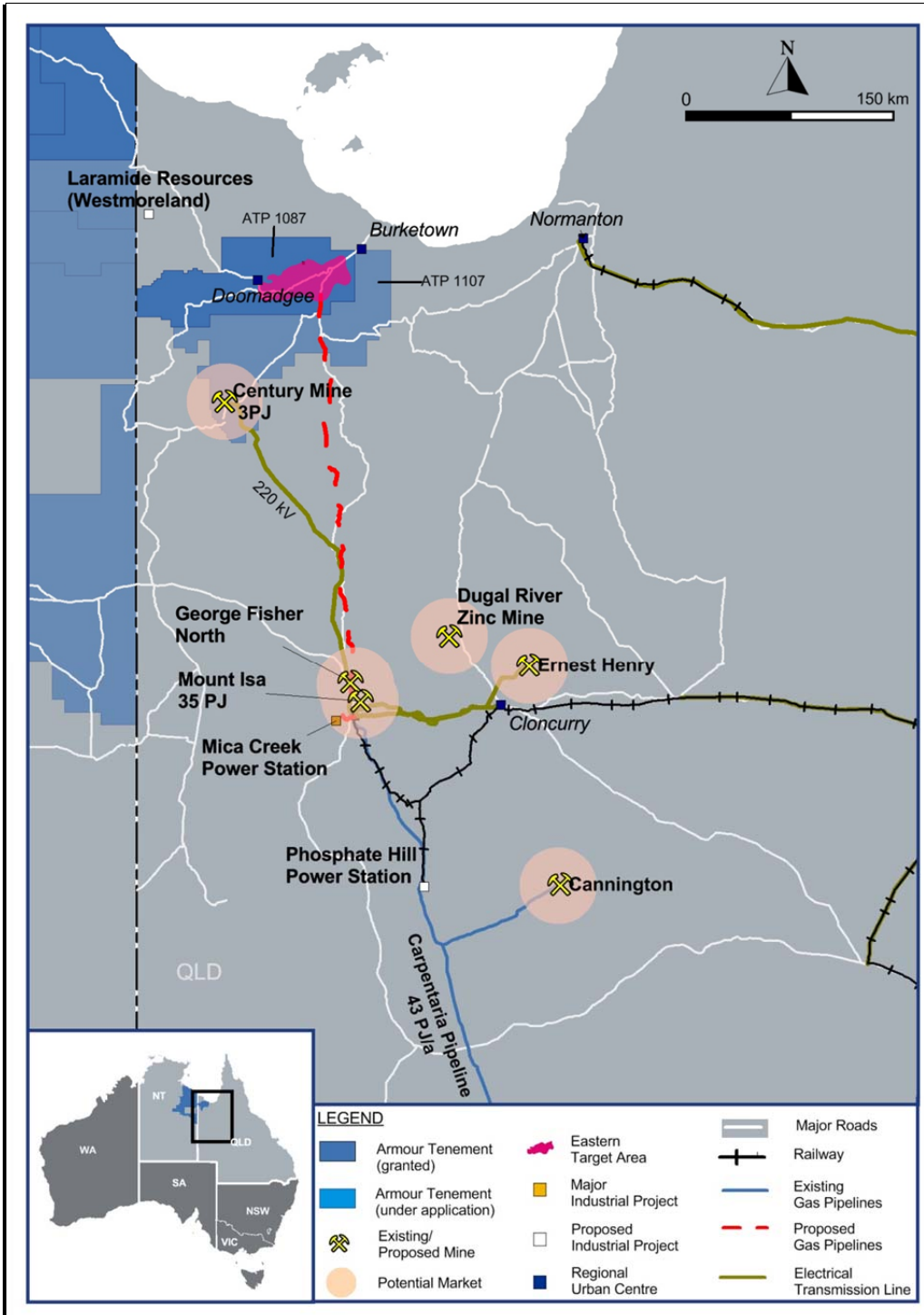
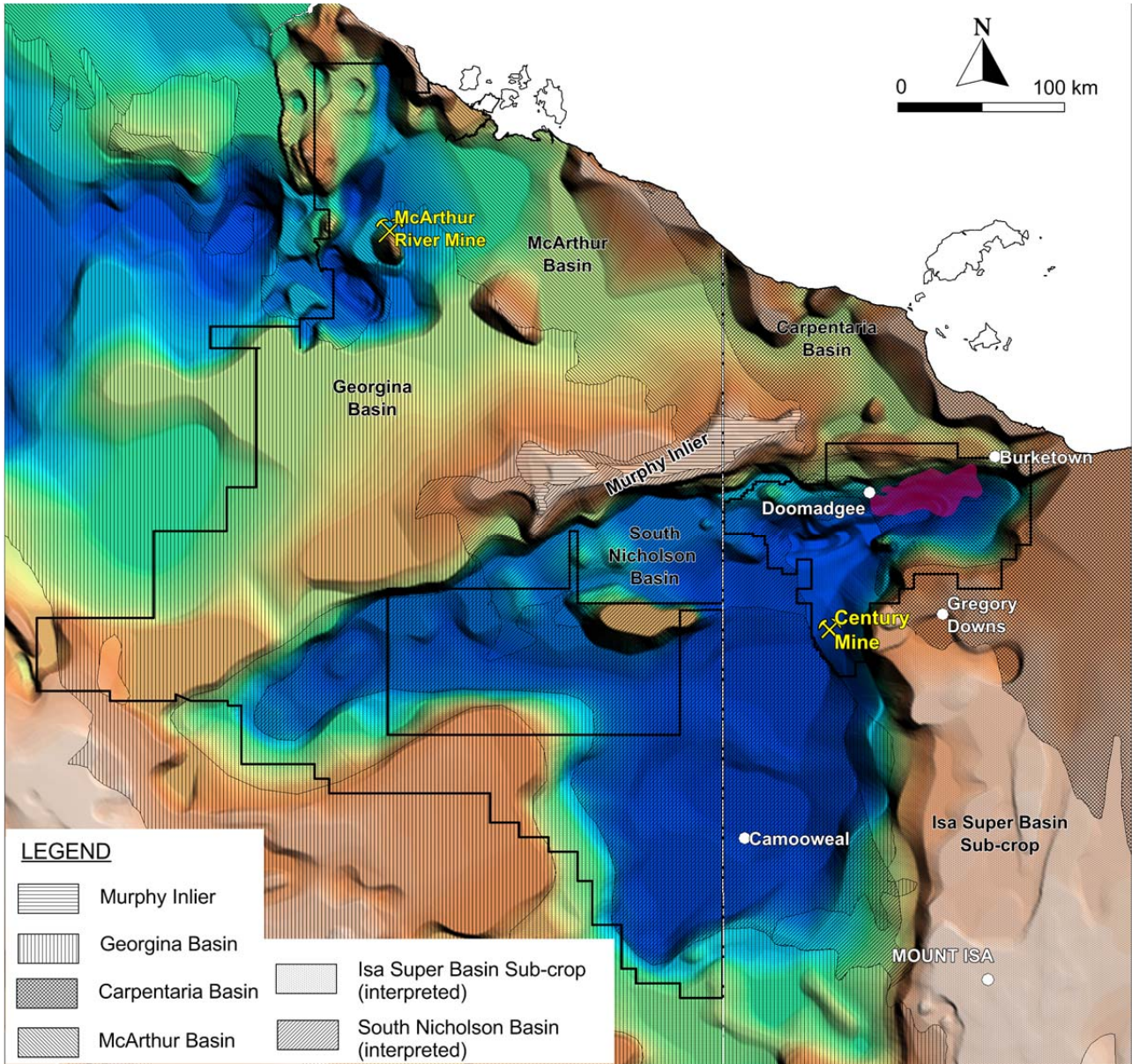


Figure 2 - Location map and pipeline / market infrastructure, ATP 1087 North Queensland





**Figure 3 - Basin Schematic**



## **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.

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 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)

**Head Office**  
Level 27  
111 Eagle Street  
Brisbane

GPO Box 5261  
Brisbane QLD 4001  
Facsimile: +61 7 3303 0681  
Phone: +61 7 3303 0680

**ASX CODE: AJQ**  
ACN: 141 198 414  
Email: [info@armourenergy.com.au](mailto:info@armourenergy.com.au)  
[www.armourenergy.com.au](http://www.armourenergy.com.au)