

Armour Energy Limited

2 October 2013

Armour Energy Granted EP191 and EP192 in Northern Territory

Highlights

- **Areas considered prospective for shale source rock based on historic oil shows**
- **Increases Armour's Northern Territory granted tenement footprint by 86%**

The Directors of Armour Energy are pleased to advise that the Company has been granted exploration tenements EP191 and EP192 over a combined area of 24,700km² (6.1 million acres) in the Northern Territory (Figure 1).

The granting of EP191 and EP192 will allow Armour to extend its exploration program into the southern portion of the McArthur Basin and east towards the Isa Superbasin in ATP 1087, Queensland, where the Company is completing its 2013 exploration program targeting the Lawn and Riversleigh shale formations.

Ongoing studies and reviewed core hole data have identified additional shale source rock prospectivity in the Wollgorang and McDermott Formations of the Tawallah Group in the newly granted tenements (Figure 2). Live oil was reported within the McDermott Formation in the GSD7 well drilled by BHP in northern EP191 in 1995. The oil was described as coming from carbonate veining within evaporitic dolostone and dolomitic mudstone between 550 and 620 metres depth.

The recognition of hydrocarbon generation from these formations demonstrates the potential for deeper hydrocarbon accumulations below the Barney Creek Shale in EP171 and EP176, also held by Armour.

Additionally, Armour believes the Wollgorang and McDermott Formations are key exploration targets in EP's 174, 190, 191 and 192. These 100% owned Armour tenements contain a number of large surface expressed basins, synclines and anticlines based on regional magnetics.

In 2014, Armour Energy will commence a series of feasibility and regional studies that will examine the hydrocarbon potential of the Wollgorang and McDermott Formations to generate leads and prospects and to high-grade areas for enhanced geophysical survey acquisition.



On behalf of the board
Karl Schlobohm
Company Secretary

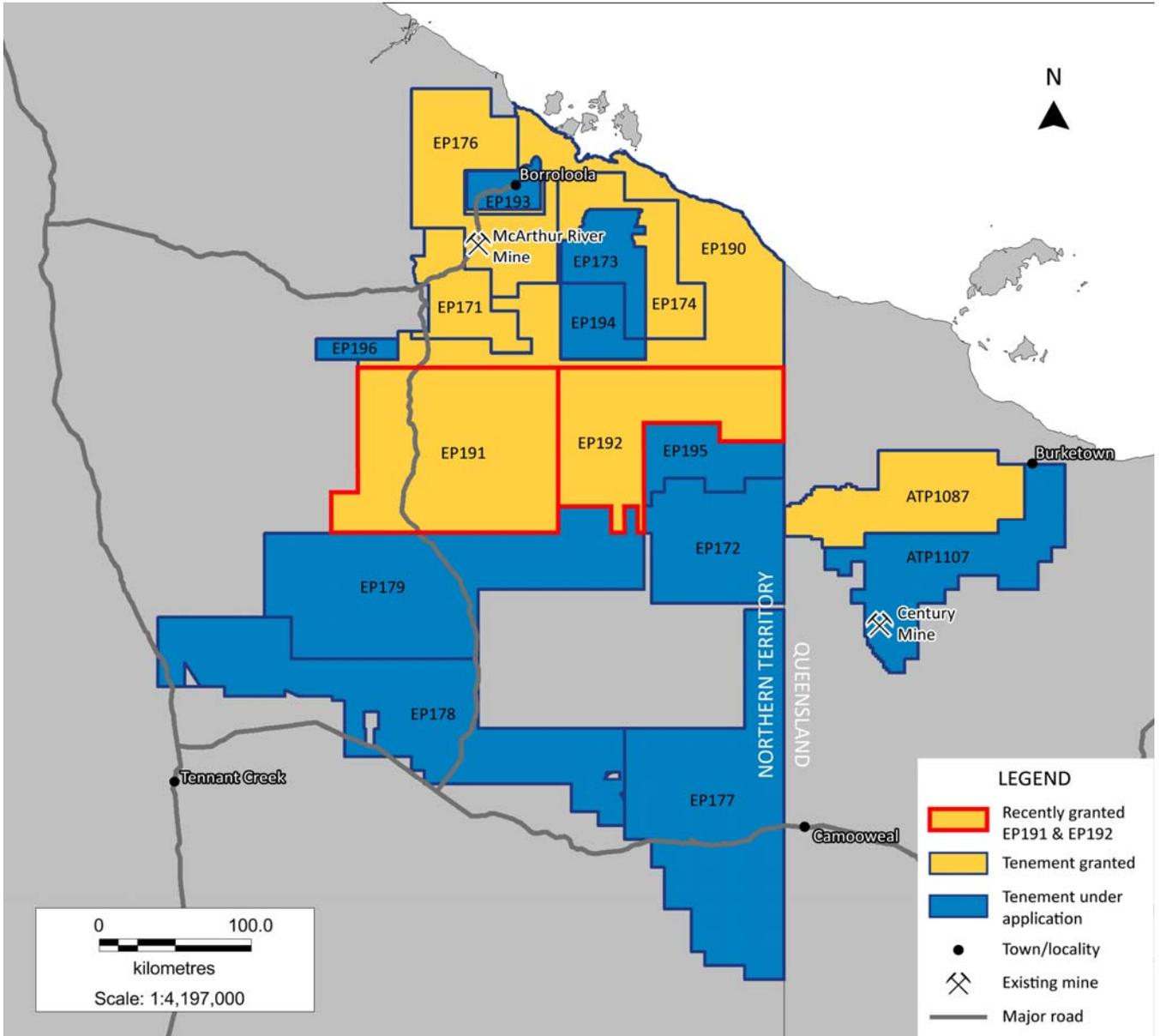


Figure 1: Location of EP192 and EP192, Northern Territory.

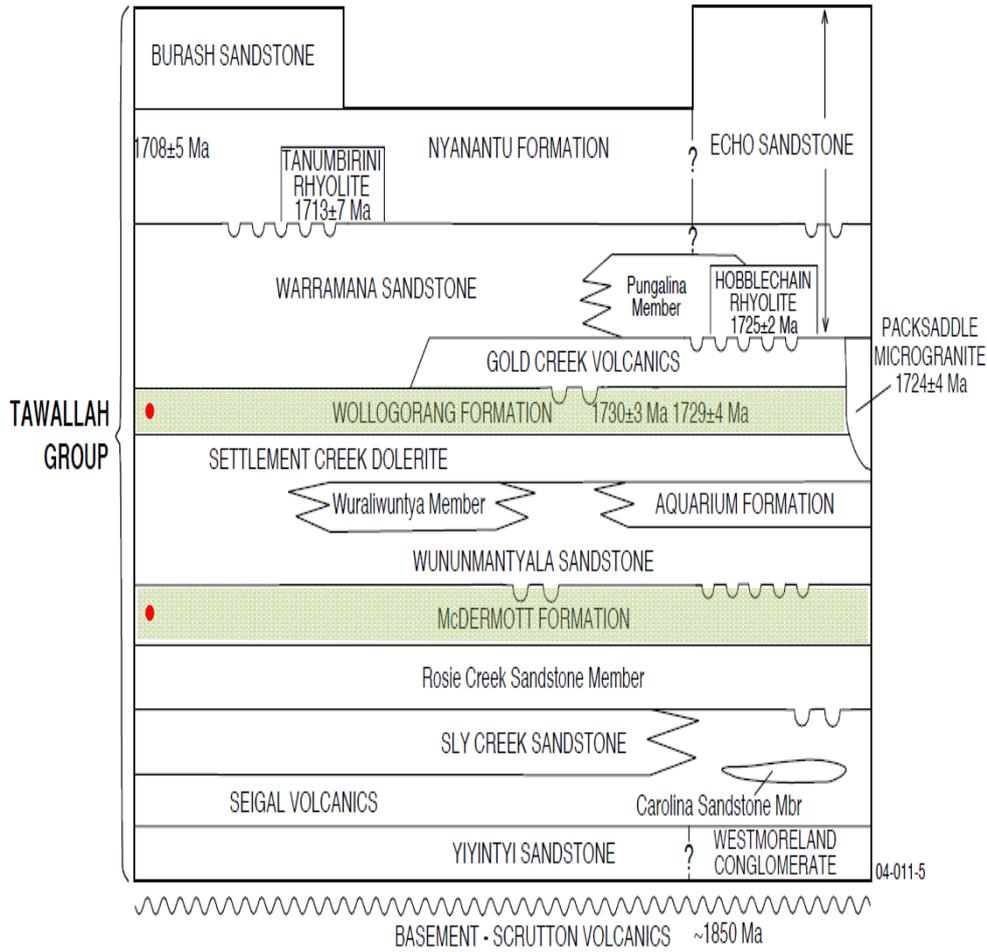


Figure 2: Stratigraphic column of the Tawallah Group- Wollogorang & McDermott Shale source rock intervals, modified after Rawlings, 2002.

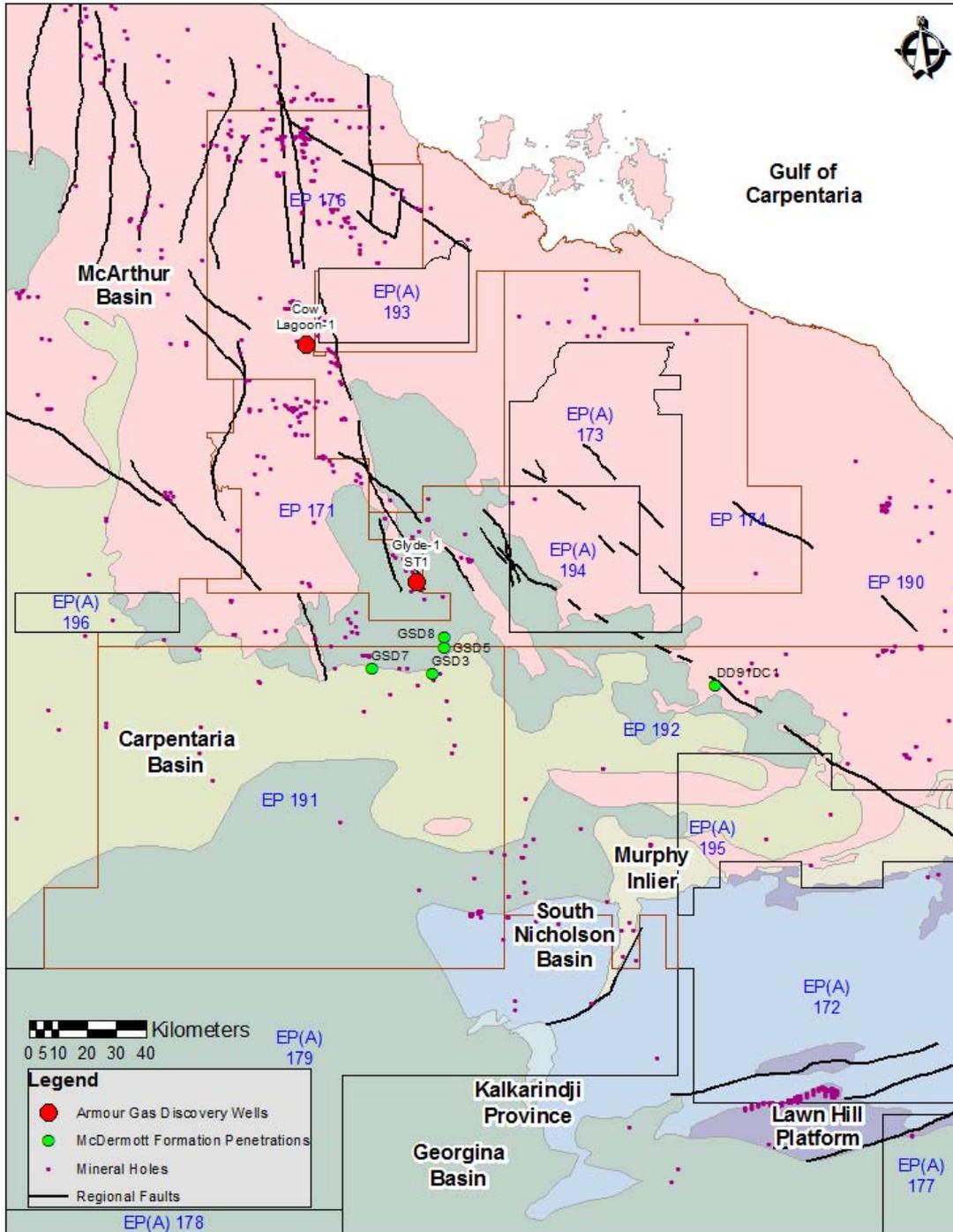


Figure 3: Prospective Armour Energy tenements with McDermott & Wollgorang Formation shale gas potential EP 171, 174, 176, 190, 191 & 192.



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

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