



DGR Global Limited

14 September 2017

DGR Interest in Ugandan Oil Project

The Board of Directors of international resource company creator, DGR Global Limited (**the Company; ASX: DGR**), is pleased to announce that Armour Energy Limited (**Armour; ASX: AJQ**) and DGR Global have entered into an agreement over Armour's application for the Ugandan Oil Project, 'Kanywataba Block'.

The Kanywataba Block is to be initially granted to Armour, and subsequently placed into a Specific Project Company ("SPC") for the purposes of the agreement, subject to Ugandan Government consent. Under these arrangements, Armour will retain 16.82% while DGR will meet the tenement expenditure and work program commitments for the first two year period and indemnify Armour for these costs. Until the transfer is completed, Armour shall hold DGR Global's 83.18% interest in trust beneficially for DGR Global.

Armour has recently concluded negotiations with the Government of Uganda which should enable an exploration licence for the Kanywataba block to be granted to Armour in September 2017.

The exploration licence will be current for a 2 year period from grant, and subject to completing the work program for that period, the licence is renewable for a further 2 year period. The first period work program involves undertaking geological and geophysical works, reviewing existing data, reprocessing seismic data, and the acquisition of 100 line kilometres of 2D seismic. On completion of the work in the first period, the tenement can be renewed for a second 2 year period. In the event that the tenement is renewed for the second 2 year program, the SPC will be committed to further expenditure on a minimum work program of undertaking geological, geophysical and geochemical studies plus drilling one exploration well. Armour and DGR Global will have pro-rata entitlements to participate in new capital issues in the SPC.

DGR Global has agreed to spend up to:

- US\$837,000 for a performance guarantee;
- US\$442,000 to complete the grant of the licence; and
- US\$1,980,000 exploration commitments over the first two years.

The Kanywataba block is located at the southern end of Lake Albert in the Albertine Graben where approximately 115 wells have been drilled, and 101 wells encountered hydrocarbons delivering an 88% success rate on economic discoveries. To date, discoveries in the Albertine Graben total approximately 6.5 billion barrels of oil initially in place, with estimated recovery being 1.5 billion barrels and oil being light to medium gravity (30-35 API) with associated wet and dry gas.¹

The Albertine Graben is a Rift Basin, a geological formation known to host a third of the world's oil reserves and similar geology to the Gippsland Basin in Victoria, Australia. The Albertine Graben is considered to provide world class reservoir qualities, multiple reservoirs and less than 40% of the Albertine Graben has been evaluated. Production licences have been awarded to Total, Tullow and CNOOC on blocks to the north of the Kanywataba block, on the east coast of Lake Albert. Armour considers the Kanywataba block to be a highly prospective oil play.

¹ Source: *Uganda Ministry of Energy and Mineral Development (MEMD) 2016*

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As outlined by Armour in its 13 September 2017 market release, and based on its “Highly Prospective Oil Columns Kanywataba Block” internal report dated 13 September 2017, Armour has assessed the prospectivity of the block and estimates low, best and high unrisks prospective oil resource to range from 646 to 969 MMBLS of oil in place across 7 prospects each with stacked reserves. Armour considers the main resource risk to be potential loss of hydrocarbon charge, and on that basis considers prospects 2 and 3 to represent the most prospective targets (highlighted below).

Kanywataba Block	Unrisks Prospective Oil Resource Estimate (MMBLS)		
	Low	Best	High
Prospect Number			
Stacked 1	479	599	719
Stacked 2	86	107	128
Stacked 3	59	74	89
Stacked 4	1	2	2
Stacked 5	2	2	3
Stacked 6	13	16	19
Stacked 7	7	9	11
SUM ALL PROSPECTS	646	808	969

Cautionary Statement - The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Uncertainty in the resource estimate is captured as a range of values with different levels of confidence being achieved and in this instance a probabilistic aggregation of all the estimated prospects in the Kanywataba Block into a Low-Best-High estimation category. Chance of success is a function of geological parameters including source, hydrocarbon generation, hydrocarbon migration, hydrocarbon charge, reservoir, trap and seal. Chance of commerciality is a function of technical and commercial parameters, volume discovered, future development and operating costs, production profiles, markets, prices and economics.

A crude oil export pipeline is under construction from the Hoima District (centrally located in the Ugandan oil discoveries region) to the port of Tanga in Tanzania with completion targeted in 2020. Also, the Government of Uganda is negotiating the construction of a refinery to provide petroleum products for Uganda and its regional neighbours.

The Board of DGR Global will update the market further as this opportunity progresses.



On behalf of the Board
 Karl Schlobohm
 Company Secretary

Competent Persons Statement

Statements in this release as to gas resources have been compiled from data provided by Armour's Chief Geologist, Mr Luke Titus. Mr Titus' qualifications include a Bachelor of Science from Fort Lewis College, Durango, Colorado, USA and he is an active member of AAPG and SPE. Mr Titus' has over 20 years of relevant experience in both conventional and unconventional oil and gas exploration in various international hydrocarbon basins. Mr Titus has sufficient experience that is relevant to the reserves and resources to qualify as a Reserves and Resources Evaluator as defined in the ASX Listing Rules 5.11. Mr Titus consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Armour Energy has consented to the use of its internal reports, presentations and technical information in relation to the Kanywataba Block Project.

Electronic copies and more information are available on the Company website: www.dgrglobal.com
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About DGR Global Limited

DGR Global's business is the creation of resource exploration development and mining companies.

The business uses the skills of a core team of talented geoscientists to identify resource projects capable of yielding world class discoveries of attractive commodities.

This is achieved through:

- The identification of commodities with a favorable 20 year price outlook.
- Geological terranes with:
 - A demonstrated strong endowment for that commodity;
 - An under-explored history;
 - Opportunity for the application of recently developed exploration techniques;
 - Jurisdictions with improving socio-economic and regulatory frameworks;
 - Extensive available tenures.

DGR provides initial seed funding and management support to secure these assets in subsidiaries and develop these assets to more advanced funding stages. The Company has a pipeline of projects in daughter companies at various stages of emergence, and in 2015 crystallised a significant return through the sale of its 15% holding in Orbis Gold for \$26million. Further development of its holdings in AIM-listed SolGold and IronRidge Resources and ASX-listed AusTin Mining, Dark Horse Resources and Armour Energy, and unlisted Auburn Resources, are expected over the coming years.

DGR Global has commenced an intended program of judicious dividend payments to its shareholders. The future of the dividend program will depend on circumstances from time to time. The previous resource exploration and funding activities of DGR's key personnel underscore the opportunities provided by the DGR business model.

Get regular news from DGR Global on social media

As a valued shareholder, you can now stay up to date of forces influencing the value of your investment in DGR Global by following us on Twitter.

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We regularly post information about the operations of us and the DGR companies as well as what is happening in our sectors around Australia and around the world - with links to documents in the media, brokers, and other authoritative sources so you can stay up to date.

As well, our posts on Twitter will alert you to our latest ASX announcements. Join the hundreds who follow us on Twitter **@DGRGlobal**.

We've also added to our website a corporate newsroom with monthly news flow concerning DGR and the DGR sponsored companies. Located under News Bank in the investor section of the DGR website: www.dgrglobal.com.au

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