



Armour Energy Limited

1 March 2018

Armour awarded further Roma Shelf petroleum acreage near its Kincora production facilities for domestic gas supply

Amour Energy Limited (**Armour**, ASX:AJQ) is pleased to announce that it has been successful in the recent Queensland Government petroleum acreage release tender, and has been notified by the Queensland Department of Natural Resources and Mines that it is the preferred tenderer for tender area PLR201718-1-2 on the Roma Shelf, in the Surat Basin (**tender area**).

The tender area comprises 318 square kilometres and is to be awarded by the Queensland Government to Armour for an agreed work program, following a competitive tender process.

The tender area is contiguous with Armour's PLs 14, 21, 22 and 227 (refer map per **Figure 1**). Armour has recently restarted production through its Kincora Gas Plant. Existing production wells on these and other tenements are in the process of being brought on line. The tender area is immediately adjacent to Armour's existing production licences and associated infrastructure, meaning that resources identified on the tender area can be readily connected to Armour's Kincora Gas Plant and thus to Queensland's supply constrained domestic market. The Authority to Prospect over the tender area is to be awarded with the condition that gas produced will be for the supply to the Australian domestic market only.

Commenting on this announcement, Armour's CEO Roger Cressey said, ***"The Queensland Government continues to take positive steps to increase the supply of gas to the east coast gas market by facilitating the release of additional highly prospective acreage. Armour recently restarted production from its Kincora Gas Project, and is confident that the new acreage being acquired will provide further resources for long term gas production. The close proximity of this new tenement to Armour's Kincora Gas Plant means gas resources can be easily connected, processed and delivered to market. Whilst it is still early days in terms of gas production, Armour is already contributing significantly to the local region and more broadly to the east coast gas market as a steady and growing supplier. Armour is confident that this block will provide resources that will benefit the Company and gas supplies to the domestic market for the longer term. This is another step forward for Armour in achieving its aim to become the preeminent resource owner and producer in the Roma Region."***

Armour was also the successful tenderer for another tender area released by the Queensland Government last year¹ and the Armour Board is pleased to see the continued confidence that the Queensland Government has in the Company's ability to rapidly appraise and potentially develop these new project areas to provide part of required solution for new gas supply to domestic customers in the east coast market."

¹ refer ASX announcement of 30 October 2017



Armour is presently producing gas at 9 TJ/day from its existing wells across its 100% held tenements plus its Newstead gas storage facility. This gas is being sold under the Company's gas sales agreement with Australia Pacific LNG. Having achieved 9 TJ/day, the Company has completed Phase 1 of its three phase growth plan.

Armour is also enjoying significant liquids production of light oil or condensate and LPG in the restarted wells on the Kincora Project, and this is an important contributor to growing positive cash flows.

As previously reported, Phase 2 of the project will involve the drilling of new wells and investigations into the workover and stimulation of existing wells. This, together with any necessary further work on the Kincora Gas Plant, will allow gas production to be ramped up to 20 TJ/day over the next 12 to 18 months.

On the following pages, **Figure 1** shows a map indicating Armour's Surat Basin leases including tender area PLR201718-1-2, and **Table 1** shows Armour's holdings across its Roma Shelf interests.

A handwritten signature in blue ink, appearing to read "K. Schlobohm", with a long horizontal flourish extending to the right.

On behalf of the board
Karl Schlobohm
Company Secretary

For further information contact:

Roger Cressey – Acting CEO
07 – 3303 0620

Karl Schlobohm – Company Secretary
07-3303 0661

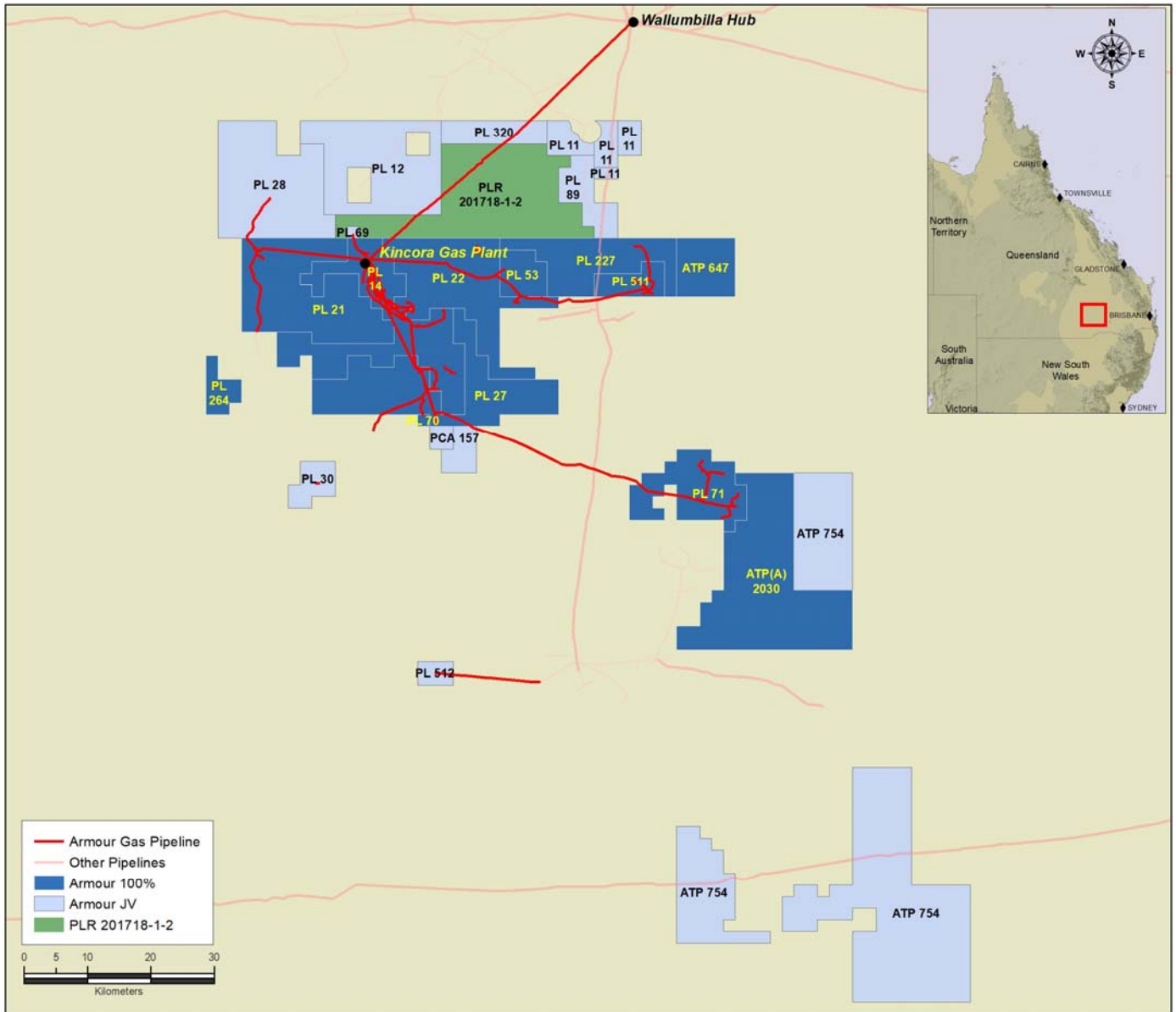


Figure 1: Map showing Armour’s Roma Shelf, Surat Basin leases including tender area PLR201718-1-2

Tenement	Armour Operated	Armour Interest
PL 14	*	100%
PL 53	*	100%
PL 70	*	100%
PL 511	*	100%
PL 227	*	100%
PPL 3	*	100%
PPL 20	*	100%
PPL 63	*	100%
Newstead Gas Storage	*	100%
PL 21	*	100%
PL 22	*	100%
PL 27	*	100%
PL 71 (production)	*	100%
PL 264	*	100%
PL 30	*	90%
PL 512	*	84%
PPL 22	*	84%
PL 71 (exploration)	*	80%
ATP 1190 (Weribone)	*	50.64%
ATP 754	*	50%
ATP 647	*	100%
PL 28		46.25%
PL 69		46.25%
PL 89		46.25%
PL 320W		46.25%
PL 11W		46.25%
PL 12 W		46.25%
PL 11 Snake Creek East Exclusion Zone		25%
ATP 1190 (Bainbilla)		24.748%
ATP(A) 2030	*	100%
PLR201718-1-2	*	100%

Table 1: Armour Tenements in the Roma Shelf