



Armour Energy Limited

12 September 2018

Armour Awarded Further Roma Shelf Petroleum Acreage Near its Kincora Production Facilities for Domestic Gas Supply

Armour Energy Limited (**Armour**, ASX:AJQ) is pleased to update the market that it has been formally awarded the Authority to Prospect No. 2032 (ATP2032) on the Roma Shelf, in the Surat Basin. The Company has been notified by the Queensland Department of Natural Resources and Mines that it now holds 100% of ATP2032 which is located immediately to the north of Armour's PL22 and within close proximity to the Kincora Gas Plant.

The Authority to Prospect covers 318 square kilometres or 105 sub-blocks over the prospective Roma Shelf. The ATP was awarded with the condition that gas produced will be for supply to the Australian domestic market only, which aligns with Armour's current production from the Kincora Gas Plant in to the Roma to Brisbane Gas Pipeline.

ATP2032 is immediately adjacent to Armour's existing production licences and associated infrastructure, meaning that any commercial discovery within the tenure could be readily connected to Armour's Kincora Gas Plant and thus to into Queensland's domestic market.

Commenting on this announcement, Armour's CEO Roger Cressey said, "***Armour is pleased that we have been awarded ATP2032. This ATP will support ongoing exploration and development of the petroleum resources of this area within Surat Basin.***"

The Surat Basin has been recognised internationally as a part of a prolific oil and gas province which has been producing both oil and natural gas since the 1970's. Armour believes that ongoing innovation in seismic survey acquisition and reprocessing, together with improved drilling and completion techniques will help us to continue developing this oil and gas region.

Future production wells strategically drilled close to the Company's existing in-field infrastructure can be rapidly be connected into the east coast pipeline network, which is a big positive for the Company and all stakeholders, including investors and shareholders.

Armour 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 Australia's east coast market."

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 2 of its four phase growth plan.



Armour is currently in Phase 3, which involves the drilling of new wells and investigations into the workover and reperforation or stimulation of existing wells. This, together with any necessary further work on the Kincora Gas Plant, will allow gas production to be increased up to 20 TJ/day, targeted over the next 12 months.

Armour has successfully drilled the Myall Creek 4A well, which is currently shut-in on build-up in preparation for the installation of the 2-3/8" production tubing. Armour is awaiting the release of the workover rig from another operator, and once the tubing is installed, it is anticipated that the well will be on-line and in production later this month. The results of Myall Creek 4A well are still being received, and evaluation of the data is being progressed and will assist in the design of future drilling and completions operations in this field.

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.

On the following pages, **Figure 1** shows a map indicating Armour's Surat Basin leases including ATP2032, and **Table 1** shows Armour's holdings across its Roma Shelf interests.

A handwritten signature in blue ink, appearing to read "K. Schlobohm", written over a thin blue horizontal line.

On behalf of the board
Karl Schlobohm
Company Secretary

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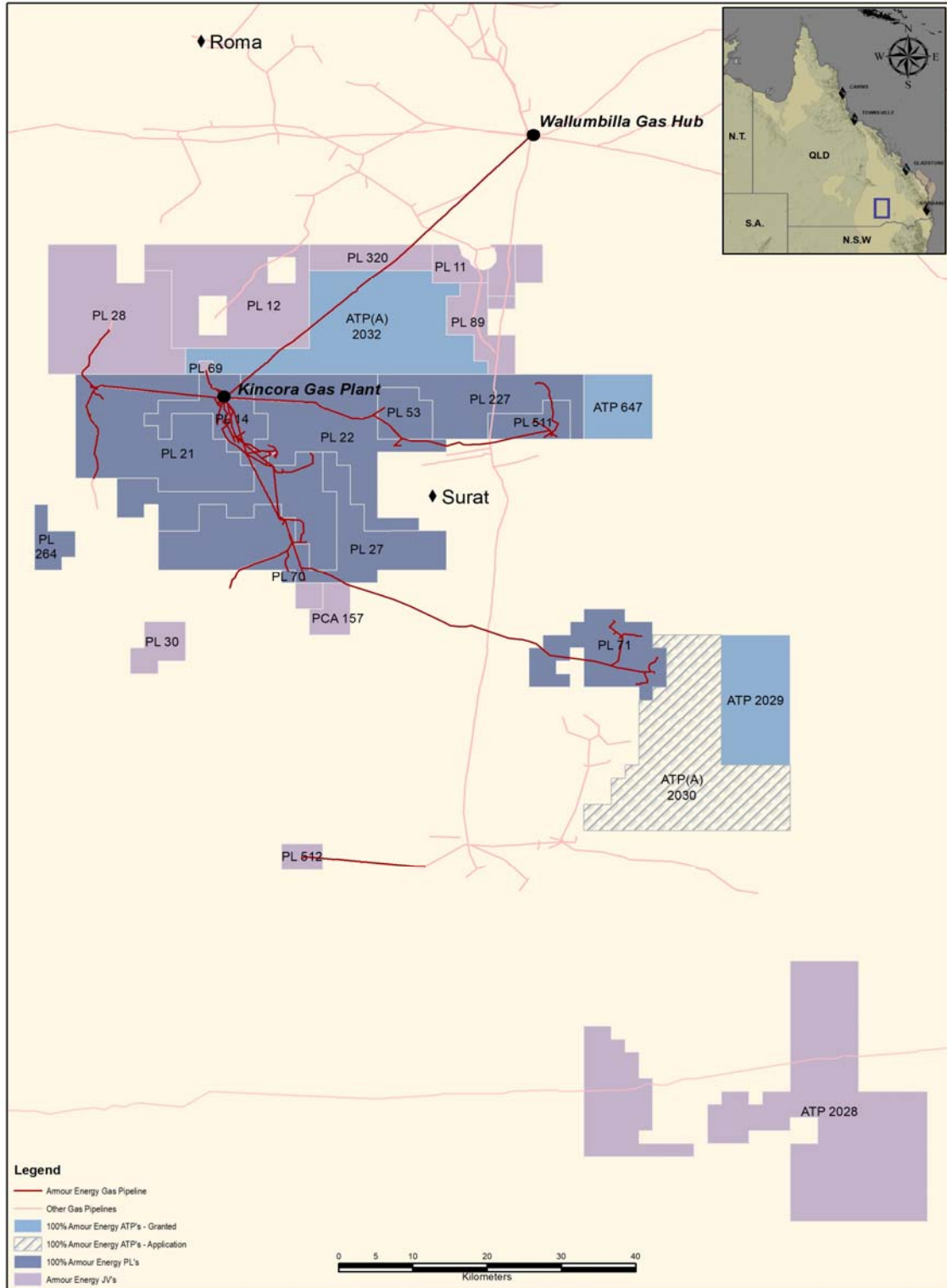


Figure 1: Map showing Armour's Roma Shelf, Surat Basin leases including ATP2032

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 2028	*	50%
ATP 2029	*	100%
ATP 647	*	100%
ATP 2032	*	100%
ATP(A) 2030	*	100%
PL 28		46.25%
PL 69		46.25%
PL 89		46.25%
PL 320W		46.25%
PL 11W		46.25%
PL 12W		46.25%
PL 11 Snake Creek East Exclusion Zone		25%
ATP 1190 (Bainbilla)		24.748%

Table 1: Armour Tenements in the Roma Shelf on the Surat Basin