

Armour Energy Limited

ASX Announcement

18 July 2019

Authority to Prospect ATP2046 Formally Awarded to Armour Energy Limited and Australia Pacific LNG Pty Ltd Joint Venture

Further to its previous release of 3 June 2019, Armour Energy Limited (**Armour**, ASX:AJQ) is pleased to announce that the Queensland Department of Natural Resources, Mines and Energy (DNRME) has now formally awarded the Authority to Prospect – ATP2046 to a Joint Venture between Armour Energy Limited (10%) and Australia Pacific LNG Pty Ltd¹ (**APLNG**) (90% and Operator) – see **Figure 1**.

ATP2046 is an 18km² coal seam exploration tenure located 22km south-west of Chinchilla and adjoins APLNG's Talinga Project. The block was part of the first national tender where gas has been designated to be supplied *exclusively* to Australian domestic manufacturers, an initiative by the Queensland Government.

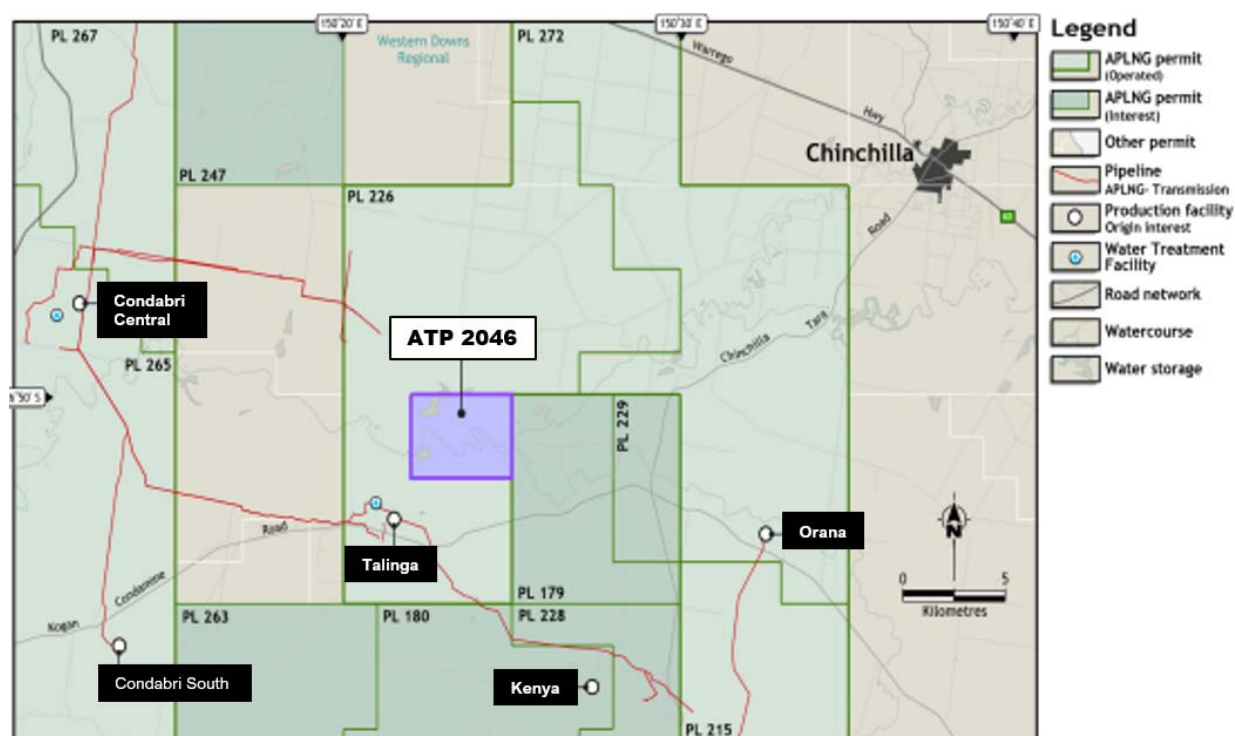


Figure 1 – Location of Authority to Prospect – ATP2046

¹ APLNG is a Joint venture between joint venture between ConocoPhillips Australia (37.5%), Origin Energy Limited (37.5%) and Sinopec (25%).

As a part of the the Joint Venture, APLNG will operate the tenure, however both parties are able to independently market their proportion of produced gas. Based on ATP2046's close proximity to APLNG's Talinga Gas Plant, it is anticipated that the gas will have an existing path to market, and Armour is in the process of identifying potential gas customers that satisfy the conditions of the tenures, specifically the classification of a "manufacturer" as set out in the bidding process.

Following notification by DNRME, Armour Energy's CEO, Mr Roger Cressey stated:

"Armour is extremely pleased that this project is rapidly moving ahead, and we are excited to support the Queensland Government in this unique approach to gas supply to Australian manufacturers. As 42% of Armour's shareholder base are fellow Queenslanders, we see this concept for local gas development as a tremendous boost to the State in terms of local energy supply, local manufacturing and local jobs, whether these jobs are a part of the gas field's development or within the downstream manufacturing sector which has clearly expressed a need for certainty around obtaining reliable and affordable long-term gas supply options for their business needs."

It is anticipated that first gas from this block will be delivered by mid-2021 and Armour looks forward to supplying the gas to local manufacturers as soon as possible with envisioned long-term secure GSA's.



On behalf of the Board
Karl Schlobohm
Company Secretary

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