



ASX Announcement

Armour Energy Limited

18 June 2020

Armour Energy and Australia Pacific LNG Execute a Sale and Purchase Agreement for PL1084 (Murrungama)

The Board of Armour Energy ("Armour" or the "Company") wishes to advise that a sale and purchase agreement (**Agreement**) has been entered into with Australia Pacific LNG Pty Ltd¹ (**APLNG**) for the sale of Armour's 10% interest in Petroleum Lease 1084 known as the "Murrungama block" (**PL1084**) (see **Figure 1**) in the Surat Basin Queensland for a total of \$4 million.

Under the terms of the Agreement, APLNG will pay an initial deposit of \$0.5 million within 5 business days of execution of the Agreement with a further \$3.5 million payable to Armour upon satisfaction of certain customary completion conditions. In the event that completion does not occur within 6 months, Armour must refund the deposit to APLNG (if APLNG is not in default), the transfer of the 10% interest will not be effected and the joint venture will remain on foot.

Armour and APLNG were awarded Authority to Prospect – 2046 (**ATP 2046**) in July 2019 by the Queensland Department of Natural Resources, Mines and Energy (**DNRME**), after a successful joint tender bid. The award saw Armour gain a 10% non-operated interest and APLNG a 90% operated interest in the exploration licence. DNRME subsequently granted PL1084 over the former ATP 2046 in March 2020.

PL1084 is an 18km² coal seam gas exploration tenure located 22km south-west of Chinchilla and adjoins APLNG's Talinga Project (see **Figure 1**).

Armour's Chairman Nick Mather commented:

"While working with APLNG and the development of the Murrungama project was of interest to Armour, the Board has taken the decision to sell its interest in the project in order to focus its resources, both technical and financial on Armour's highly prospective 100% owned and operated assets and to allow for further debt reduction. We are thankful to APLNG for the opportunity to work together on the project, and look forward to continuing our relationship in the future including through the ongoing Gas Sales Agreement with APLNG from Armour's Kincora Gas Project."

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

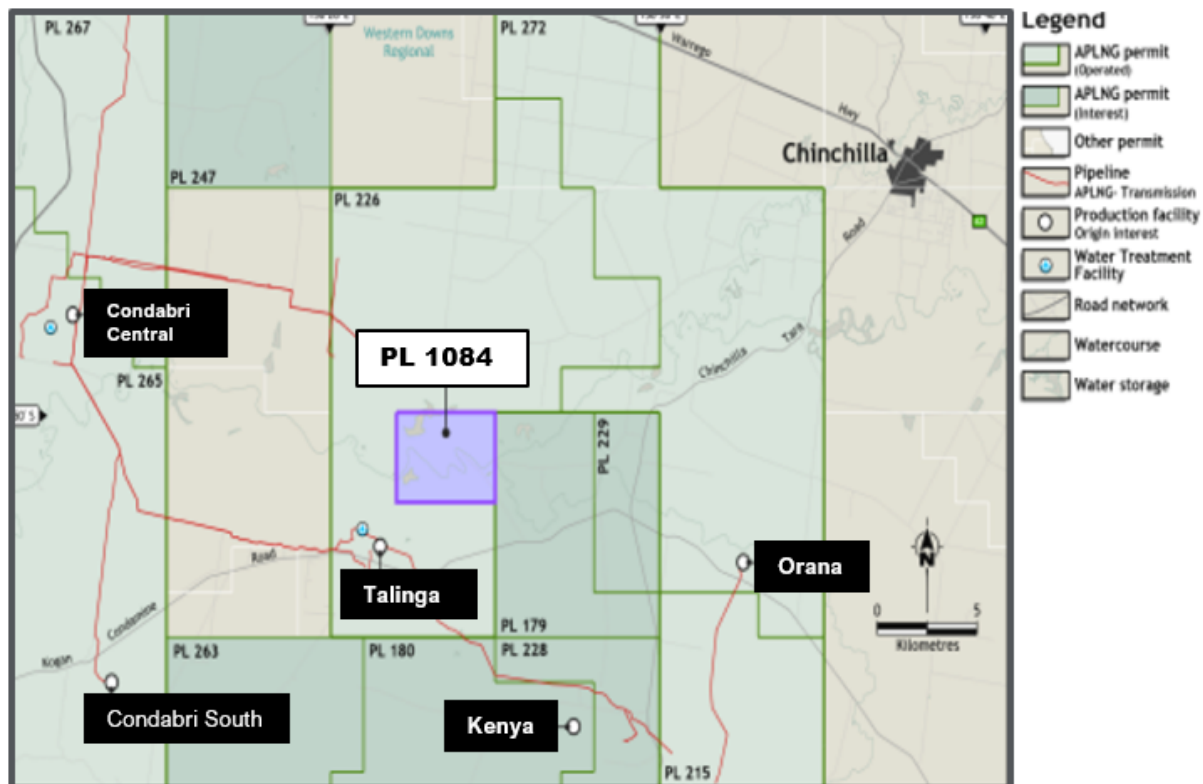


Figure 1 – Location of Petroleum Lease PL1084

This Announcement is Authorised by the Board of Directors

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