



# QUARTERLY ACTIVITIES REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2016

## HIGHLIGHTS

- Kincora Project - Armour exercises its pre-emptive rights to acquire Santos' interests in Armour - operated assets.
- Kincora Project - restart program advanced.
- Gas Sales Agreements executed with Australia Pacific LNG for Armour's Kincora Project.
- Cornerstone Investor secured for comprehensive capital raising program of up to \$40m.
- Net oil production during the quarter of 2,744 bbls and revenue of approx \$134,000.
- Continue to investigate commercial opportunities regarding Newstead gas storage.

## PROJECT ACTIVITIES

### Oil production and sales

Quarterly oil production from the Emu Apple field and facility are as follows:

	Oil production (bbl)	Oil sales (bbl)
Gross	3,049	2,639
Armour's 90% share	2,744	2,375

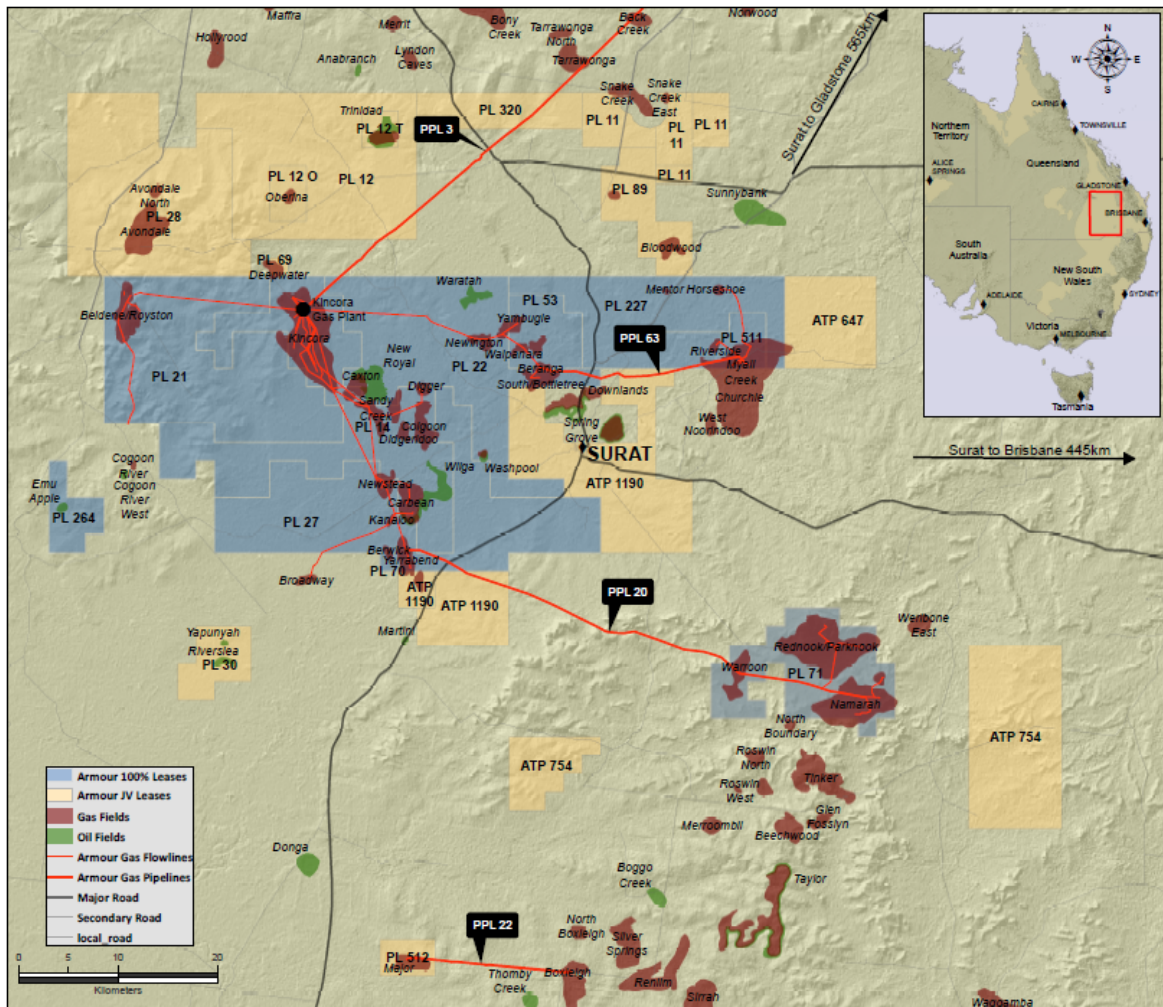
Table 1: Quarterly oil production and sales

Armour has entered into a Sale and Purchase Deed with Santos to acquire its interest in PL264 which includes the Emu Apple field and facility (more detail on this follows). On completion of the Sale and Purchase Deed, Armour's holding of Emu Apple will increase to 100%; expected Q1 2017.

## Armour exercises pre-emptive rights to acquire Santos’ interests in Armour-operated assets at the Kincora Project

As announced on 6 December 2016, Armour has entered into a Sale and Purchase Deed in respect of its pre-emptive rights with Santos’ interests in the Armour-operated tenements on the Company’s Roma Shelf, Surat Basin, Queensland. The Sale and Purchase Deed is subject to a number of conditions precedent, which have not yet been satisfied.

On completion of the Sale and Purchase Deed, Armour’s holding in five (5) petroleum leases around the Kincora Gas Plant will increase to 100% ownership, enabling the Company to more effectively operate its assets across these leases and enjoy 100% of the upside these tenements offer. Armour will also increase its percentage holding on another four (4) leases.



**Figure 1: Map showing Armour’s Kincora Project lease position after the expected completion of the Sale and Purchase Deed with Santos (blue shaded area)**

Table 2 shows the percentage holding that Armour will have after completion of the Sale and Purchase Deed with Santos. Figure 1 (above) shows a map indicating the Armour's Surat Basin leases including the 100% holdings post completion of the Sale and Purchase Deed.

Tenement	Field Name	Armour Operated	Armour Interest Prior to Pre-Empt	Armour Interest After Pre-Empt
PL 14	Kincora	*	100%	100%
PL 53	Kincora	*	100%	100%
PL 70	Kincora	*	100%	100%
PL 511 (formerly PL 174)	Kincora	*	100%	100%
PL 227	Horseshoe	*	100%	100%
PPL 3	n/a	*	100%	100%
PPL 20	n/a	*	100%	100%
PPL 63	n/a	*	100%	100%
Newstead Gas Storage	Newstead	*	100%	100%
PL 21 (see note)	Kincora	*	87.5%	100%
PL 22 (see note)	Kincora	*	87.5%	100%
PL 27 (see note)	Kincora	*	87.5%	100%
PL 71 (production) (see note)	Parknock	*	90.0%	100%
PL 264 (see note)	Emu Apple	*	90.0%	100%
PL 30 (see note)	Riverslea	*	75%	90%
PL 512 (formerly PL 74) (see note)	Major	*	69%	84%
PPL 22 (see note)	n/a	*	69%	84%
PL 71 (exploration) (see note)	Parknock	*	72%	80%
ATP 1190 (formerly ATP 471)	Weribone	*	50.64%	50.64%
ATP 754	ATP754	*	50%	50%
ATP 647 (Block 2656)	Myall Creek East		50%	50%
PL 28	Waldegrave		46.25%	46.25%
PL 69	Waldegrave		46.25%	46.25%
PL 89	Waldegrave		46.25%	46.25%
PL 320 (formerly PL 10W)	Waldegrave		46.25%	46.25%
PL 11W	Waldegrave		46.25%	46.25%
PL 12 W	Waldegrave		46.25%	46.25%
PL 11	Snake Creek East		25%	25%
ATP 1190 (formerly ATP 471)	Bainbilla		24.748%	24.748%

(Note: Leases the subject of the Sale and Purchase Deed with Santos.)

**Table 2: Armour tenements at the Company's Kincora Project, Roma Shelf, Queensland**

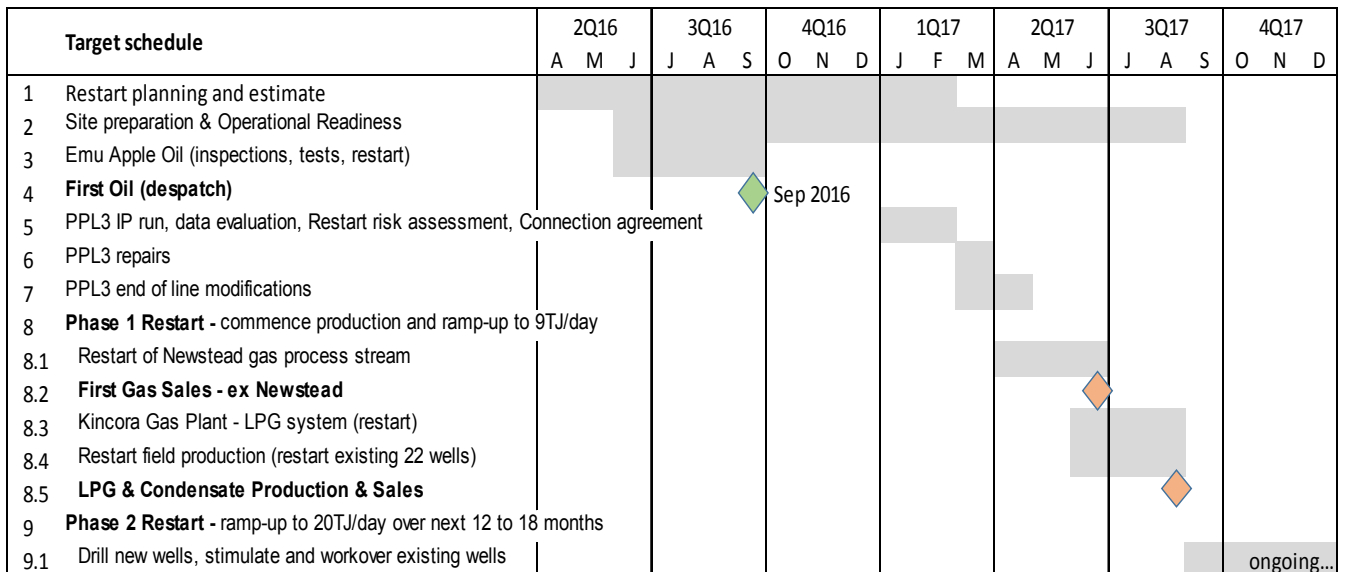
## Restart program advanced for the Kincora Project

Armour announced on 22 December 2016 that the Company had consolidated and updated its multi-phase restart program for gas production as announced on 21 July 2016, into a two-phase restart program.

The consolidated program is as a result of looking at optimisations in order to ramp up as rapidly as practically possible. The two-phase gas production restart program is now projected as follows:

- Phase 1 is the commencement of gas production (ie “the restart”), commissioning and then increase production rate to 9TJ per day (3.3PJs per annum) with production initially from the Newstead storage facility and then various wells across the fields that were last in operation by Origin in 2012. First gas production and commencement of gas sales is targeted to be achieved by June 2017, and the balance of the restart program (including commencement of associated liquids production) is planned to be completed by August/September 2017.
- Phase 2 will involve the drilling of new wells plus work-overs and stimulations of existing wells to achieve an increase in gas production to 20TJ per day (7.3PJs per annum) over a period of 12 to 18 months from first gas production. This production rate is 66% of the Kincora Gas Plant name plate capacity, and further production increase will be investigated to target 100% plant capacity. Associated liquids production from the project historically averaged 9,942 barrels of condensate per PJ of gas produced, and 2,066 tonnes of LPG per PJ of gas produced. Based on these historical production rates, at a gas production rate of 20TJ per day, liquids production is expected to reach 198 barrels of condensate and 41 tonnes of LPG per day in Phase 2. Projected condensate and LPG figures are based on the information contained in the Company’s ASX release of 19 July 2016.

The key activities and their expected timing for the Kincora Project restart program are set out in Figure 2 below.



**Figure 2: Kincora restart program schedule**

### Gas Marketing Strategy & Newstead Storage Facility

Armour has direct access to the Wallumbilla gas hub through its Kincora to Wallumbilla Pipeline (KWP) under Queensland Petroleum Pipeline Licence number 3 (PPL 3). As a result, Armour has access to the Australian east coast market, providing it with the opportunity to negotiate gas sales arrangements with a wide range of gas users across the market, including a range of industrial customers, wholesale customers, traders and LNG producers.

The Newstead storage facility currently holds approximately 2.3PJ of treated gas (sales quality) which is expected to require minimal re-processing (compression and dehydration) before sending to market at Wallumbilla. Newstead has a total capacity ~7.5PJs. The facility provides significant benefits through flexibility of operations plus commercial benefits through providing:

- back-up capacity when upstream production facilities experience both unplanned and planned shutdowns;
- capacity to store gas when prices are low, waiting for higher prices to maximise revenue;
- capacity to maximize sales opportunity during seasonal price cycle and trading activities, specifically sales into the peaking electricity market during the December to March period;
- opportunistic supply when spot cargoes for LNG and electricity producers experience price spikes.

Further, the injection and withdrawal rates can be improved through de-bottlenecking and augmentation, and Armour intends to commence detailed studies on this once gas sales has commenced.

Additional storage opportunities exist in a number of depleted reservoirs across the tenements. Armour will investigate the potential to create additional storage capacity from these depleted reservoirs.

## **Gas sales agreements executed with Australia Pacific LNG for Armour's Kincora Project**

On 22 December 2016, the Company announced it had executed gas sales agreements with Australia Pacific LNG Marketing Pty Limited (Australia Pacific LNG) for the supply of gas from Armour's Kincora Project to Australia Pacific LNG over a minimum of a five (5) year period.

The agreements provide Armour with a clearer path to cash flow certainty for 1.8PJ/a over the first five years and will bring confidence to the restart with strong known cash flows underpinning the early years of the project. The key benefits to Armour flowing from the agreements with Australia Pacific LNG are:

- Australia Pacific LNG is a strong counterparty gas buyer, being a joint venture between three leading oil and gas companies (Origin Energy, ConocoPhillips, and Sinopec);
- the agreement provides Armour delivery flexibility during the restart commissioning period;
- the agreed pricing provides Armour with cash flow certainty for gas delivered up to 1.8PJ/a over the first 5 years;
- Armour has retained the right to supply the broader gas market, including a wide range of industrial customers, wholesale customers and traders and other LNG producers, after commitments to Australia Pacific LNG have been met; and
- convenient delivery point at the Wallumbilla Gas Hub.

After the contractual commitments to Australia Pacific LNG have been met, Armour has retained the right to supply the broader gas market including a wide range of industrial customers, wholesale customers and traders, and LNG producers.

## **CORPORATE ACTIVITIES**

### **Comprehensive capital raising program of up to \$40m announced and being progressively implemented**

On 16 December 2016, the Company announced that leading private equity and alternative asset manager M.H. Carnegie, the Company's largest shareholder DGR Global Limited, Armour Directors Nick Mather and Stephen Bizzell, and Armour management had subscribed for in aggregate approximately \$13.3 million worth of Convertible Notes as part of Armour's comprehensive capital raising program for up to \$40m in funding.

On 16 December 2016 definitive agreements were executed with M.H. Carnegie & Co to be a cornerstone investor in the overall capital raising program to subscribe for up to \$18.25m in Convertible Notes, of which \$2.5 million was received on that day for its initial investment in the notes.

Pursuant to the definitive agreements executed, MH Carnegie & Co will be a lead investor in the multi-tranche Convertible Note issue by the Company to raise up to \$35 million via note financing. The Convertible Note issue is being lead managed and arranged by Bizzell Capital Partners Pty Ltd. The arrangements with MH Carnegie are for investment by funds managed by it, and / or its nominees.

M.H. Carnegie & Co is a leading venture capital, private equity and alternative asset manager based in Sydney Australia, established by Mark Carnegie in 2010. M.H. Carnegie & Co manages direct investments on behalf of institutional, wholesale and high net worth investors with approximately A\$500 million in committed capital across several funds, including the Carnegie Private Opportunities Funds 1 and 2, the Carnegie Innovation Funds 1 and 2 and the Australian Pub Fund.

Under the definitive agreements executed by the parties, the MH Carnegie Convertible Notes subscription may total up to \$18.25 million and will be subscribed for in several tranches:

- The initial 16 December 2016 tranche of \$2.5 million was subscribed for by MHC Fund Services 2A Pty Ltd as trustee for Carnegie Private Opportunities Fund No. 2A;
- A further tranche of \$5.0 million to be subscribed upon satisfaction of certain further conditions including pipeline access agreements and recommissioning milestones as detailed in Appendix B to the Company's ASX release of 16 December 2016;
- A first right of refusal to subscribe for up to 25% of Convertible Notes to be issued by Armour beyond \$22 million worth of Convertible Notes issuances. This further tranche of Convertible Notes that may be issued by Armour is for up to an additional \$3 million of Convertible Notes and therefore MH Carnegie will have the first right of refusal to subscribe for up to a further \$750,000 worth of Convertible Notes; and
- A further optional tranche of up to \$10.0 million (Armour may restrict MH Carnegie's additional investment in this tranche to \$5.0 million in certain circumstances).

The principal terms of the Convertible Notes to be issued by Armour are as follows:

Issue Amount:	Up to \$35 million
Issue Price:	Face value of \$0.11 per Convertible Note
Interest Rate:	15% per annum
Interest Payments:	Interest paid half yearly in arrears and the interest may be paid in certain circumstances at Armour's election by the issue of further Convertible Notes
Maturity Date:	30 September 2019

**Conversion Terms:** Convertible at any time at the Convertible Note holder's election into one ordinary share in Armour subject to usual adjustment mechanisms in certain circumstances

**Security:** The Convertible Notes will be secured over all assets of Armour and will have equal ranking security proportionally with the existing DGR Global Ltd Bridging Finance Facility

Further details of the terms of issue of the Convertible Notes are contained in Appendix A to the Company's ASX release of 16 December 2016.

Armour's largest shareholder, DGR Global Limited, subscribed for an initial \$9.4 million worth of Convertible Notes, in part repayment of the DGR Global Bridging Finance Facility following receipt of shareholder approvals at Armour's Annual General Meeting. DGR may subscribe to a further \$1.1m in Convertible Notes.

Also announced as part of the overall capital raising program, Armour will undertake in the first quarter of 2017 a pro-rata non-renounceable entitlement offer of ordinary shares to existing shareholders on a 1 for 6 entitlement basis at an issue price of 7.6c per share to raise approximately \$4.05 million (Entitlement Offer).

There will also be, separate and distinct from the Entitlement Offer, an overallotment facility available to sophisticated and professional investors who are sub-underwriters of the Entitlement Offer (**Overallotment Facility**). The Overallotment Facility will seek to raise up to a further \$1,000,000 (before costs).

The Entitlement Offer is to be fully underwritten by Bizzell Capital Partners Pty Ltd, an entity associated with Armour Director Stephen Bizzell.

Armour's largest shareholder, DGR Global Ltd, intends to subscribe for up to \$1 million in the Entitlement Offer, pursuant to making a firm commitment to subscribe for its pro-rata entitlement and by making a further sub-underwriting commitment. This subscription amount is expected to be via the conversion of the debt owing to DGR Global under its DGR Global Bridging Finance Facility. Armour's Chairman, Nick Mather, will also be sub-underwriting part of the Entitlement Offer.

Further details of the proposed Entitlement Offer including the offer timetable will be separately announced in due course.



On behalf of the Board  
Karl Schlobohm  
Company Secretary



## ABOUT ARMOUR ENERGY

Armour Energy is focused on the discovery and development of world class gas and associated liquids resources in an extensive and recently recognised hydrocarbon province in northern Australia. This region has only recently had its shale potential identified by Armour Energy. The domestic and global demand for gas, combined with the new shale extractive technologies and experienced personnel, provides Armour with an extraordinary opportunity to define and ultimately develop a new liquids rich gas province.

Armour Energy's permit areas are characterised by low population densities, cooperative stakeholders and aspects of the natural environment suited to the exploration and development of a future gas and liquids province. Armour places considerable importance on close liaison with traditional owners and all stakeholders.

Armour Energy is focusing on the exploration of the McArthur, South Nicholson and Georgina Basins in the Northern Territory and Queensland, and in the onshore Gippsland Basin in Victoria in joint venture with Lakes Oil, for gas and associated petroleum liquids.

Armour's recent acquisition of assets and resources on the Roma Shelf establish the company's future as a petroleum producer.

Further information regarding Armour Energy Limited is available on Armour's website at [www.armouenergy.com.au](http://www.armouenergy.com.au)

**ASX CODE: AJQ****SHARES ON ISSUE**

322,858,077

**MARKET CAPITALISATION**

\$24m (at 7.5 cents per share)

**DIRECTORS**

Nicholas Mather (Chairman)

William Stubbs

Roland Sleeman

Stephen Bizzell

**CHIEF EXECUTIVE**

Roger Cressey

**COMPANY SECRETARY**

Karl Schlobohm

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## Competent Persons Statement

### Consents

Reported resources are in accordance with the SPE Reserves Auditing Standards and the SPE-PRMS guidelines and under the supervision of Mr Luke Titus, Chief Geologist, Armour Energy Limited. 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. He has over 20 years of relevant experience in both conventional and unconventional oil and gas exploration & production in the US and multiple international basins. Mr Titus meets the requirements of qualified petroleum reserve and resource evaluator as defined in Chapter 19 of the ASX Listing Rules and consents to the inclusion of this information in this release.

### SPE-PRMS

Society of Petroleum Engineer's Petroleum Resource Management System - Petroleum resources are the estimated quantities of hydrocarbons naturally occurring on or within the Earth's crust. Resource assessments estimate total quantities in known and yet-to-be discovered accumulations, resources evaluations are focused on those quantities that can potentially be recovered and marketed by commercial projects. A petroleum resources management system provides a consistent approach to estimating petroleum quantities, evaluating development projects, and presenting results within a comprehensive classification framework.

PRMS provides guidelines for the evaluation and reporting of petroleum reserves and resources.

### Under PRMS

"Contingent Resources" are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

The estimated quantities of petroleum that may potentially be recovered by the application of 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.

Previous reported information on the Contingent Resources in this release related to Armour Energy's Surat Basin PLs and ATPs is based on an independent review conducted by RISC Operations Pty Ltd (RISC) 2015 Independent Technical Specialist Report Roma Shelf dated 30 September 2015 and SRK Consulting (Australasia) Pty Ltd Myall Creek Contingent Resources Report PLs 227 and 511 (19 July 2016) and SRK Consulting (Australasia) Pty Ltd PL 71 Contingent Resources Report- Parknook, Namarah and Warroon area (19 July 2016) and Armour Energy Target Statement dated 7 October 2015 related to Armour Energy's Surat Basin PLs and ATPs is based on the Annexure A - Independent Expert Report review conducted by BDO Corporate Finance (QLD) Ltd and fairly represents the information and supporting documentation reviewed. All the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

### **Forward Looking Statement**

This announcement may contain certain statements and projections provided by or on behalf of Armour Energy Limited (Armour) with respect to the anticipated future undertakings. These forward-looking statements reflect various assumptions by or on behalf of Armour. Accordingly, these statements are subject to significant business, economic and competitive uncertainties and contingencies associated with exploration and/or production which may be beyond the control of Armour which could cause actual results or trends to differ materially, including but not limited to price fluctuations, exploration results, resource estimation, environmental risks, physical risks, legislative and regulatory changes, political risks, project delay or advancement, ability to meet funding requirements, factors relating to property title, native title and aboriginal heritage issues, dependence on key personnel, share price volatility, approvals and cost estimates. Accordingly, there can be no assurance that such statements and projections will be realised.

Armour makes no representations as to the accuracy or completeness of any such statement of projections or that any forecasts will be achieved.

Additionally, Armour makes no representation or warranty, express or implied, in relation to, and no responsibility or liability (whether for negligence, under statute or otherwise) is or will be accepted by Armour or by any of their respective officers, directors, shareholders, partners, employees, or advisers as to or in relation to the accuracy or completeness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or any omission from this presentation or of any other written or oral information or opinions provided now or in the future to any interested party or its advisers. In furnishing this information, Armour undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in Armour Energy Limited.

## APPENDIX 1

### INTERESTS IN TENEMENTS FOR THIS QUARTER

TYPE	LOCATION	NAME	OWNER	INTEREST
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#### Acquired During Quarter

N/A

#### Relinquished During Quarter

N/A

#### Held Throughout Quarter

PL14	Queensland		AE (SB) P/L	100%
PL 53	Queensland		AE (SB) P/L	100%
PL70	Queensland		AE (SB) P/L	100%
PL 511	Queensland		AE (SB) P/L	100%
PL 227	Queensland		AE (SB) P/L	100%
PPL 3	Queensland		AE (SB) P/L	100%
PPL 20	Queensland		AE (SB) P/L	100%
PPL 63	Queensland		AE (SB) P/L	100%
PL 28	Queensland		AE (SB) P/L	46.25%
PL 69	Queensland		AE (SB) P/L	46.25%
PL 89	Queensland		AE (SB) P/L	46.25%
PL 320	Queensland		AE (SB) P/L	46.25%
PL 11W	Queensland		AE (SB) P/L	46.25%
PL 12W	Queensland		AE (SB) P/L	46.25%
PL 11(SCEE)	Queensland		AE (SB) P/L	25%
PL21	Queensland		AE (SB) P/L	87.5%
PL 22	Queensland		AE (SB) P/L	87.5%
PL 27	Queensland		AE (SB) P/L	87.5%
PL 71(P)	Queensland		AE (SB) P/L	90%
PL 71(E)	Queensland		AE (SB) P/L	72%
PL 264	Queensland		AE (SB) P/L	90%
PL 30	Queensland		AE (SB) P/L	75%
PL 512	Queensland		AE (SB) P/L	69%
PPL 22	Queensland		AE (SB) P/L	69%
ATP 647	Queensland		AE (SB) P/L	50%
ATP 754	Queensland		AE (SB) P/L	50%
ATP 1190	Queensland		AE (SB) P/L	50.64%
ATP1190(B)	Queensland		AE (SB) P/L	24.748%
EPP 171	Northern Territory	Abner Range	Armour Energy Ltd	100%
EPP 174	Northern Territory	Robinson River 2	Armour Energy Ltd	100%
EPP 176	Northern Territory	Ryans Bend	Armour Energy Ltd	100%
EPP 190	Northern Territory	Calvert	Armour Energy Ltd	100%

TYPE	LOCATION	NAME	OWNER	INTEREST
<b>Held Throughout Quarter</b>				
EPP 191	Northern Territory	Wallhollow	Armour Energy Ltd	100%
EPP 192	Northern Territory	Wollogorang	Armour Energy Ltd	100%
EPM 19833	Queensland	Bowthorn	Ripple Resources P/L	100%
EPM 19835	Queensland	Shadforth East	Ripple Resources P/L	100%
EPM 19836	Queensland	Shadforth	Ripple Resources P/L	100%
EPM 25410	Queensland	Bowthorn - Extended	Ripple Resources P/L	100%
EPM 25504	Queensland	Argyle Creek	Ripple Resources P/L	100%
EPM 25505	Queensland	Border	Ripple Resources P/L	100%
EPM 26018	Queensland	Kola South	Ripple Resources P/L	100%
EPM 26020	Queensland	Inca Creek	Ripple Resources P/L	100%
EPM 26022	Queensland	Yelvertoft	Ripple Resources P/L	100%
EPM 25802	Queensland	Walford East	Ripple Resources P/L	100%
EL 30810	Northern Territory	Sweetums	Ripple Resources P/L	100%
EL 30812	Northern Territory	Pepe the Prawn	Ripple Resources P/L	100%
EL 30813	Northern Territory	Camilla the Chicken	Ripple Resources P/L	100%
EL 30817	Northern Territory	Birringudu	Ripple Resources P/L	100%
EL 30818	Northern Territory	VRD	Ripple Resources P/L	100%
EL 30822	Northern Territory	Crazy Harry	Ripple Resources P/L	100%
EL 30823	Northern Territory	Scooter	Ripple Resources P/L	100%
EL 30836	Northern Territory	Western Creek	Ripple Resources P/L	100%
EL 30925	Northern Territory	Mt Lamb	Ripple Resources P/L	100%
EL 30926	Northern Territory	Alexandria	Ripple Resources P/L	100%
EL 30927	Northern Territory	Buchan Dam	Ripple Resources P/L	100%
EL 30943	Northern Territory	Calvert Hills	Ripple Resources P/L	100%
EL 30736	Northern Territory	Vutron	Ripple Resources P/L	100%
EL 30737	Northern Territory	Collider	Ripple Resources P/L	100%
EL 30750	Northern Territory	Hyperion	Ripple Resources P/L	100%
EL 30751	Northern Territory	Carrington	Ripple Resources P/L	100%
EL 30752	Northern Territory	Acheron	Ripple Resources P/L	100%
EL 30753	Northern Territory	Mondegreen	Ripple Resources P/L	100%
EL 30076	Northern Territory	Kermit	Ripple Resources P/L	100%
EL 30078	Northern Territory	Fozzie	Ripple Resources P/L	100%
EL 30079	Northern Territory	Scooter	Ripple Resources P/L	100%
EL 30080	Northern Territory	Miss Piggy	Ripple Resources P/L	100%
EL 29837	Northern Territory	Catfish Hole	Ripple Resources P/L	100%
EL 29951	Northern Territory	Eric Cartmen	Ripple Resources P/L	100%
EL 29952	Northern Territory	Kenny McCormick	Ripple Resources P/L	100%
EL 29953	Northern Territory	Secret Treasure	Ripple Resources P/L	100%
EL 29954	Northern Territory	Kyle Broflovski	Ripple Resources P/L	100%
EL 29955	Northern Territory	Stan Marsh	Ripple Resources P/L	100%
EL 30494	Northern Territory	Statler & Waldorf	Ripple Resources P/L	100%
EL 30774	Northern Territory	Same the Eagle	Ripple Resources P/L	100%

<b>TYPE</b>	<b>LOCATION</b>	<b>NAME</b>	<b>OWNER</b>	<b>INTEREST</b>
<b>Held Throughout Quarter</b>				
EL 30775	Northern Territory	Floyd Pepper	Ripple Resources P/L	100%
EL 70776	Northern Territory	Dr. Teeth	Ripple Resources P/L	100%
ATP 1087	Queensland	South Nicholson	Armour Energy Ltd	100%
PEP 169	Victoria	Moreys	Lakes Oil NL	51%
PEP 166	Victoria	Holdgate	Lakes Oil NL	25%
PRL2	Victoria		Lakes Oil NL	15%

**AE (SB) P/L = Armour Energy (Surat Basin) Pty Ltd**

<b>EPM</b>	<b>Exploration Permit - Minerals</b>
<b>EL</b>	<b>Exploration Licence</b>
<b>EPP</b>	<b>Exploration Permit - Petroleum</b>
<b>ATP</b>	<b>Authority to Prospect</b>
<b>PEP</b>	<b>Petroleum Exploration Permit</b>
<b>PL</b>	<b>Petroleum Lease</b>
<b>PPL</b>	<b>Petroleum Pipeline Licence</b>
<b>PRL</b>	<b>Petroleum Retention Lease</b>