



Armour Energy Limited

11 February 2015

Armour Secures North Queensland Gas Project (ATP1087) Work Program Variation Approval

The Directors of Armour Energy Limited (ASX: AJQ; Armour) are pleased to advise that the Queensland Department of Natural Resources and Mines ("DNRM") has approved a variation to the minimum work program requirements for Armour's 100% owned ATP1087 North Queensland gas project.

Based on the significant investment in work undertaken by Armour in ATP1087 and the very positive results achieved to date, the DNRM recognised that a modification to the remaining work program is appropriate. The revised program will incorporate a greater emphasis on the trialling of gas extraction techniques and sweet spot delineation instead of drilling large numbers of expensive exploration wells.

The revised and significantly more manageable program demands a considerably lower level of operational activity than previously scheduled over the remaining licence term, while maintaining the objectives of achieving commercial gas flow rates, reserves definition and project development sooner and more efficiently. Armour has conditional Memoranda of Understanding (MOUs) in place for gas supply to both MMG Century's operations and Aeon Metal's Walford Creek project in North West Queensland (see Figure 1).

Armour CEO Robbert de Weijer said "the changes approved by the DNRM are expected to significantly enhance Armour's plans for orderly appraisal of the Company's Queensland gas and oil exploration projects and will facilitate further economic development in north west Queensland".

As announced on 2 June 2014, Armour also previously received a 2 year extension to ATP1087 extending the time available to undertake the ATP1087 work program and deferring mandatory relinquishment requirements for 2 years to 31 December 2018.

"The extension and recent variation recognise Armour's advances in the discovery of significant gas resources in the Isa Superbasin and overlying South Nicholson Basin between 2012 and 2014 in North Queensland. The new terms and conditions enable the continued application and focus of Armour's now considerable bank of technical, geological and engineering expertise gained during the programs to date" said Mr de Weijer.

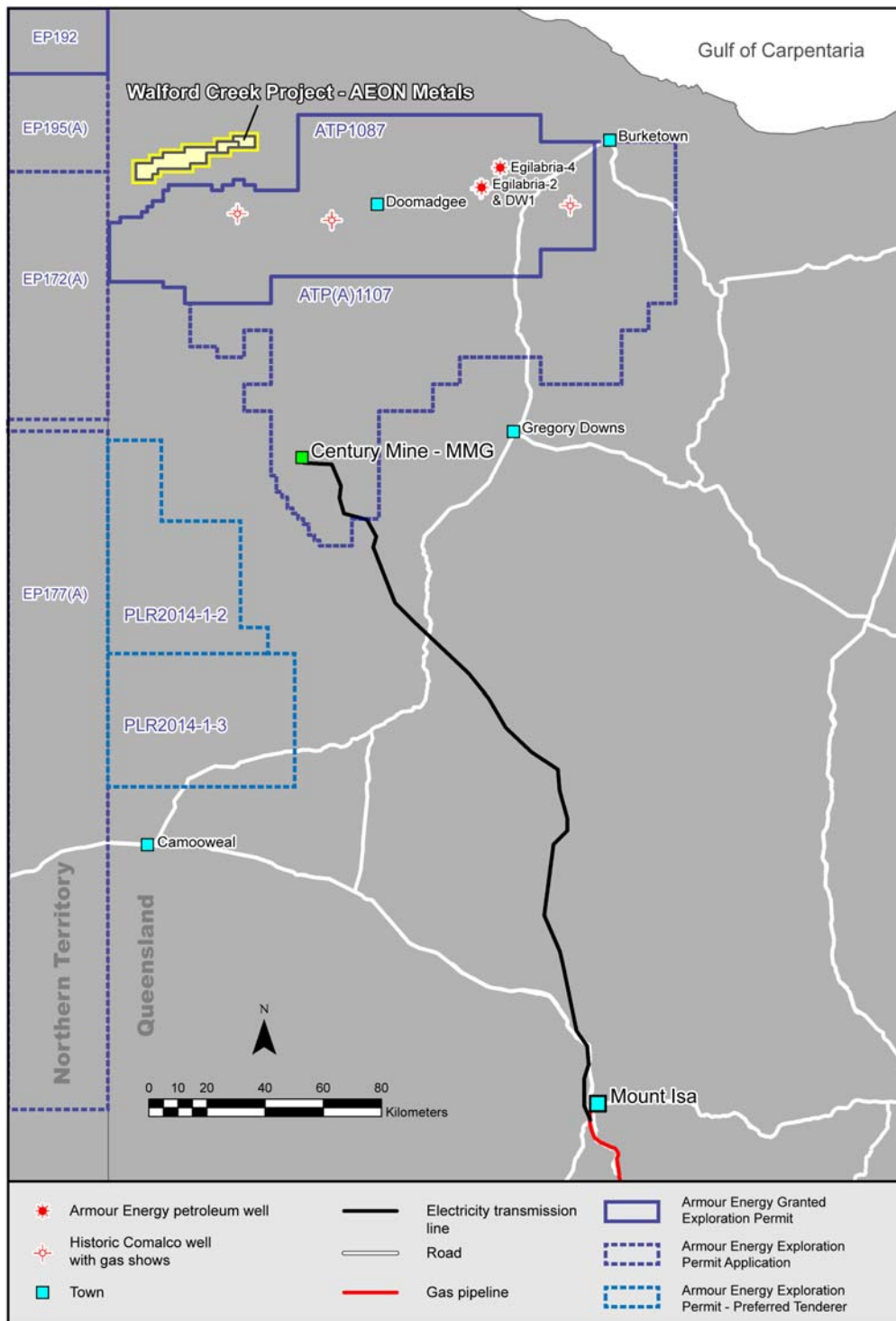


Figure 1 – Map of Armour's Queensland tenements



A handwritten signature in blue ink, appearing to read "K. Schlobohm", is positioned above the text.

On behalf of the board
Karl Schlobohm
Company Secretary

For further information contact:

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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.

Further information regarding Armour Energy Limited is available on Armour's website at www.armourenergy.com.au