



Extraordinary General Meeting

BRISBANE

30 OCTOBER 2015

ASX:AJQ

5 Key Projects in Australia



Northern
Territory
MCARTHUR
BASIN

NW QLD
ISA SUPER
BASIN

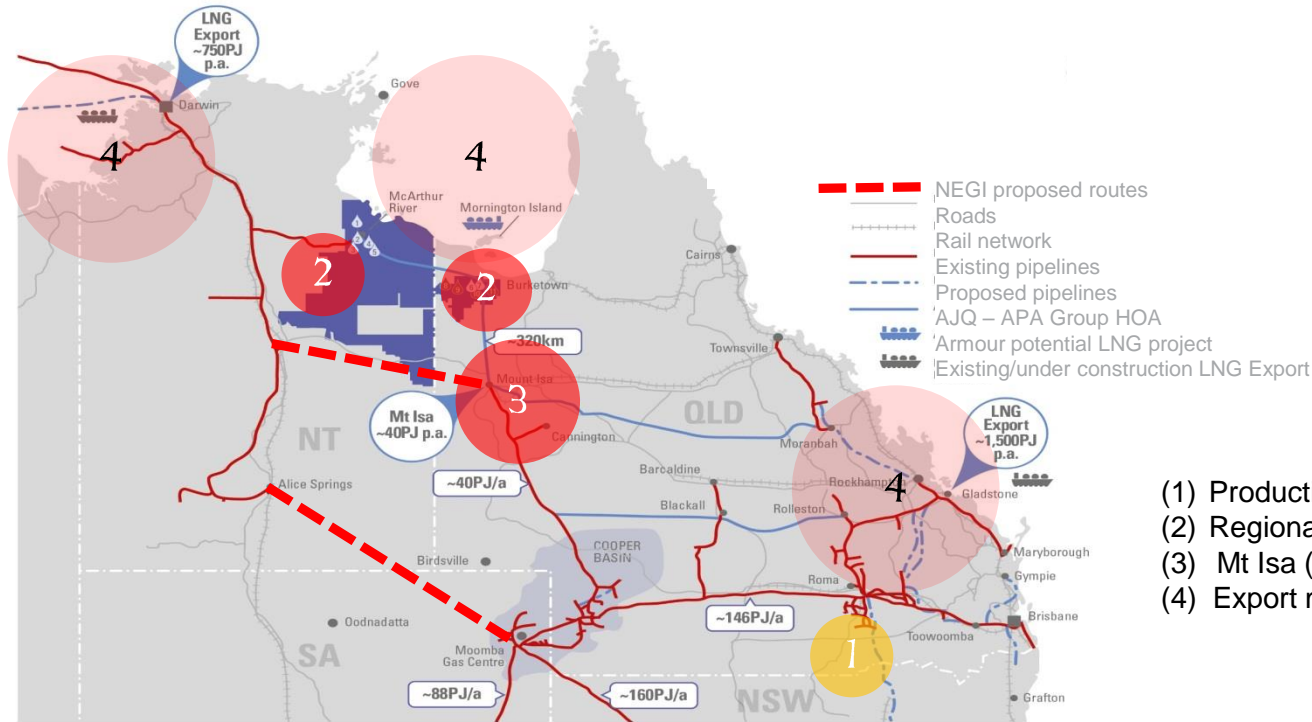
Roma Shelf
QLD
SURAT BASIN
PROJECT

Victoria
ONSHORE
OTWAY AND
GIPPSLAND
BASINS

Ripple
Resources
MINERALS
COMPANY

Egilabria -2 well site in ATP1087, Queensland

Northern Australia - Short and long term monetisation routes, HOA with APA Group



- (1) Production from Roma shelf
- (2) Regional markets (5 – 10 Pj/a)
- (3) Mt Isa (30 – 60 Pj/a)
- (4) Export markets (60 – 180 Pj/a)



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AEP to help Armour unlock the Macarthur Basin



Northern Territory - McArthur Basin project – a deep hole full of organic shales



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MCARTHUR BASIN

○ McArthur Group

- Barney Creek Shale
- Prospective Resources 1.2 MMbbl, 13 TCF ⁽¹⁾

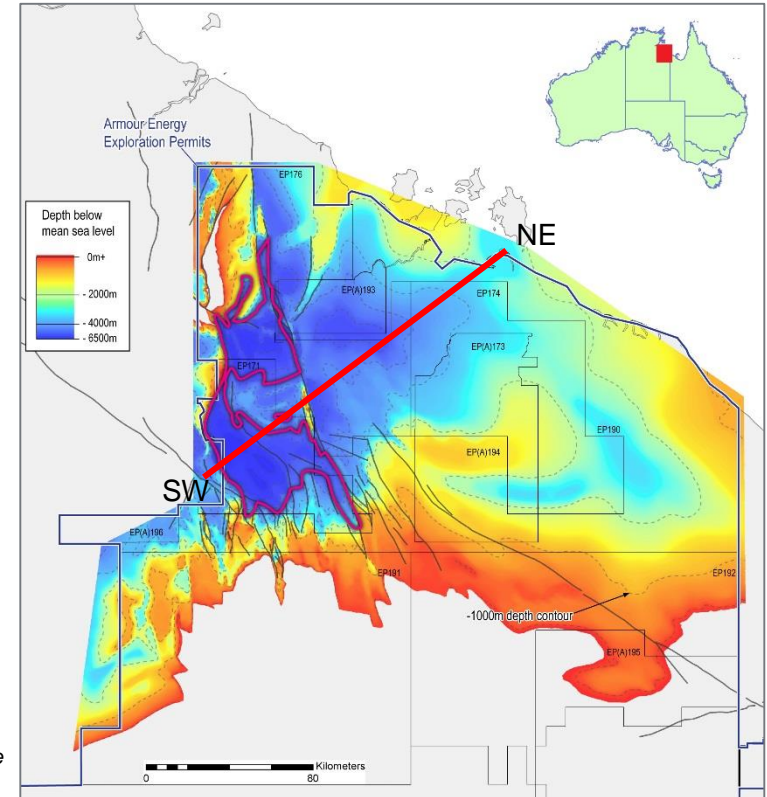
○ Tawallah Group

- Recently discovered
- Underlying and beyond McArthur Group
- Large, thick formations with up to 7% TOC:
 - Wologorang Shale
 - McDermott Shale
- Prospective Resources 17 TCF ⁽²⁾

⁽¹⁾ Barney Creek best estimate prospective resource: EP171/EP176, MBA 2011

⁽²⁾ Tawallah Group best estimate prospective resource: SRK 2015

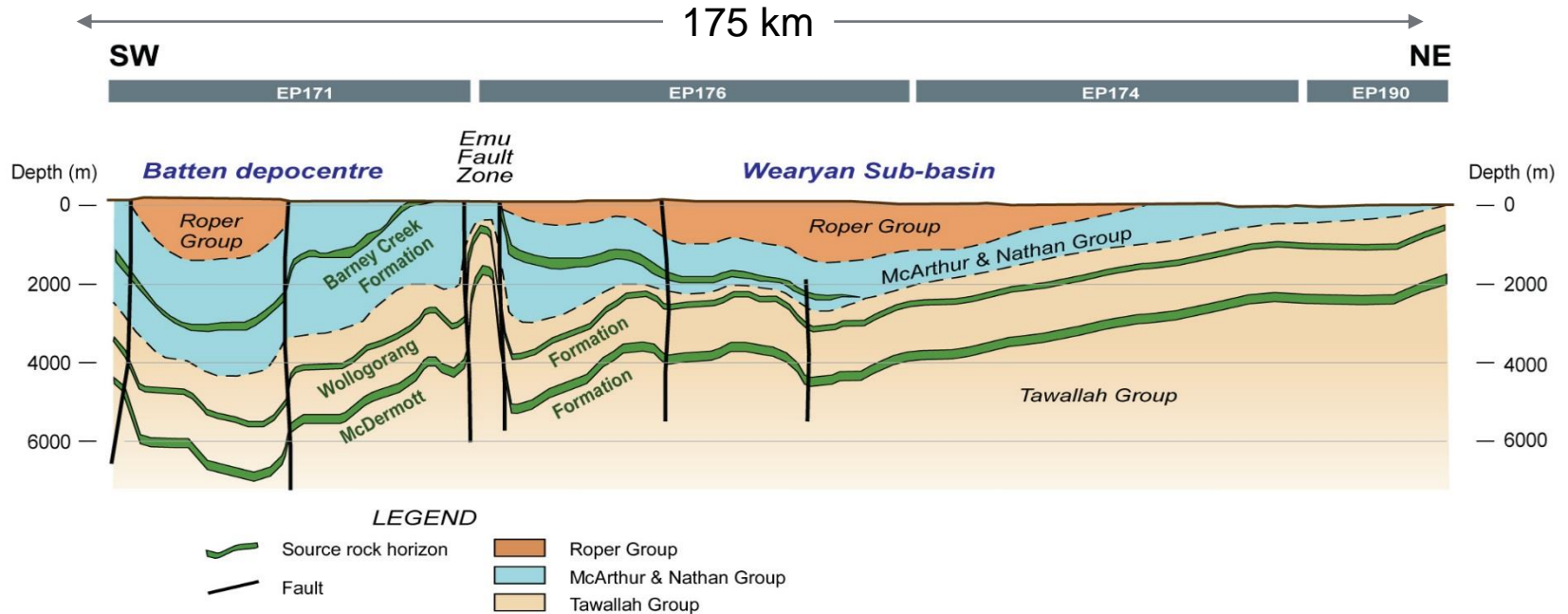
Cautionary statement: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.





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Armours Macarthur. Stacked plays across a vast area



Schematic SW-NE cross-section of the recently discovered Tawallah Group Unconventional Reservoirs

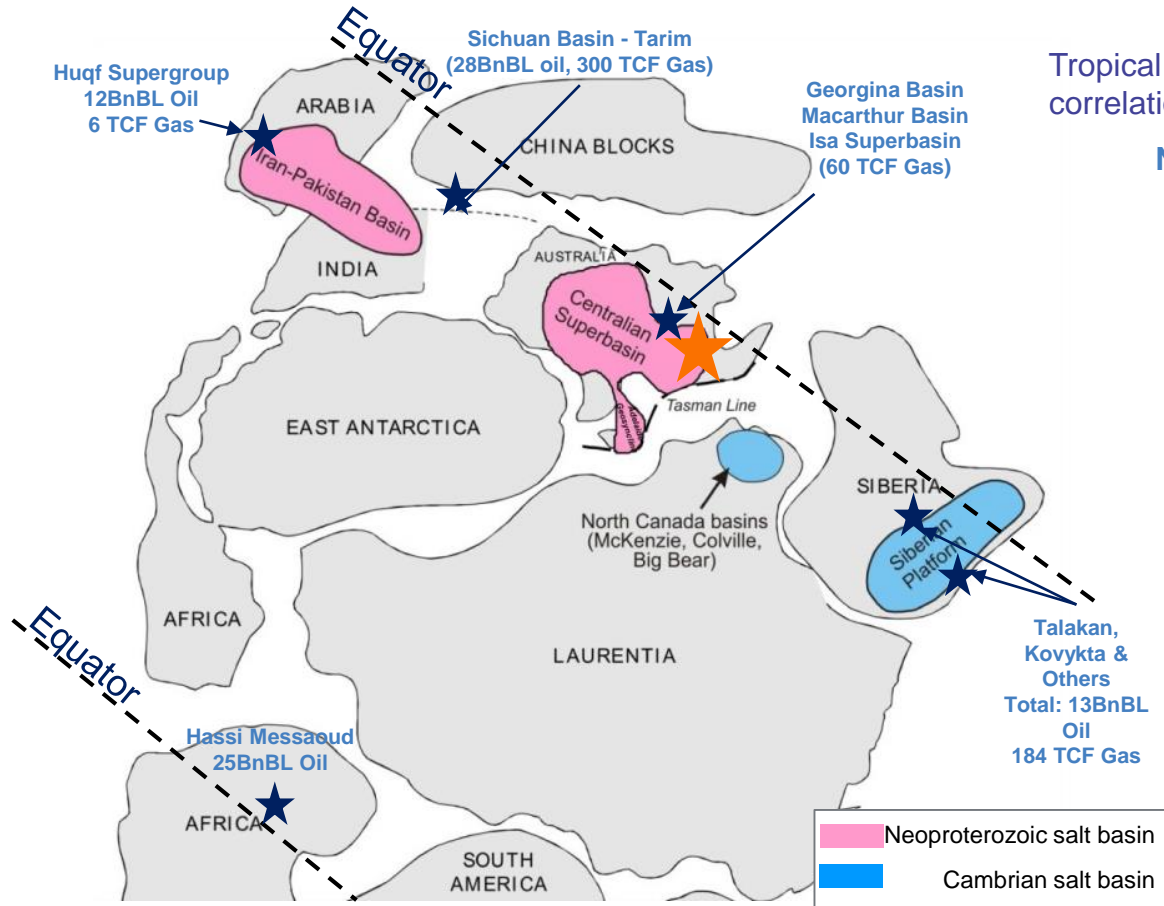
Macarthur Basin sits on a 53 Billion Barrel Palaeoglobal trend Oman - China - Siberia



Tropical reef systems 500 to 1.2bn years ago – correlation with commercial accumulations

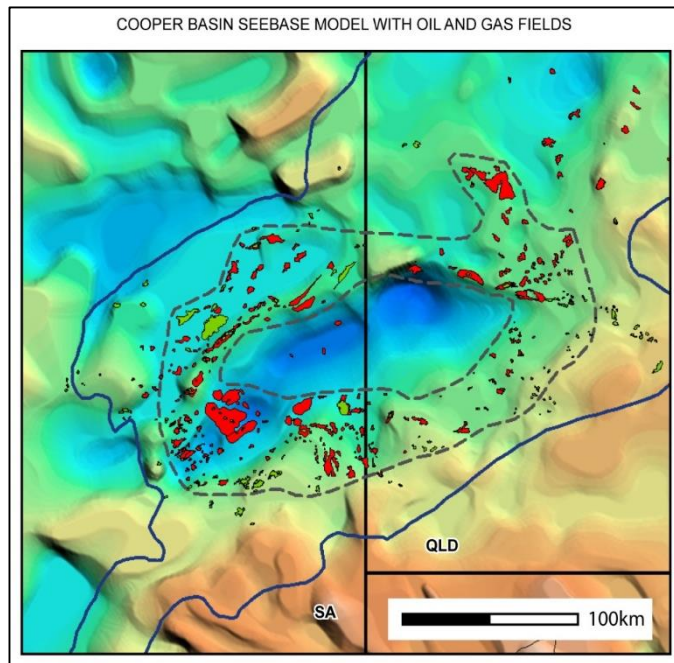
Neoproterozoic

- Global correlations with Neoproterozoic shale sequences
- Prolific hydrocarbon production from equivalent systems in Russia, Oman & China
- Hydrocarbons sourced from very organic rich Late Proterozoic shales sediments and reservoirs under younger salt
- Potential for both conventional and unconventional may have been underestimated



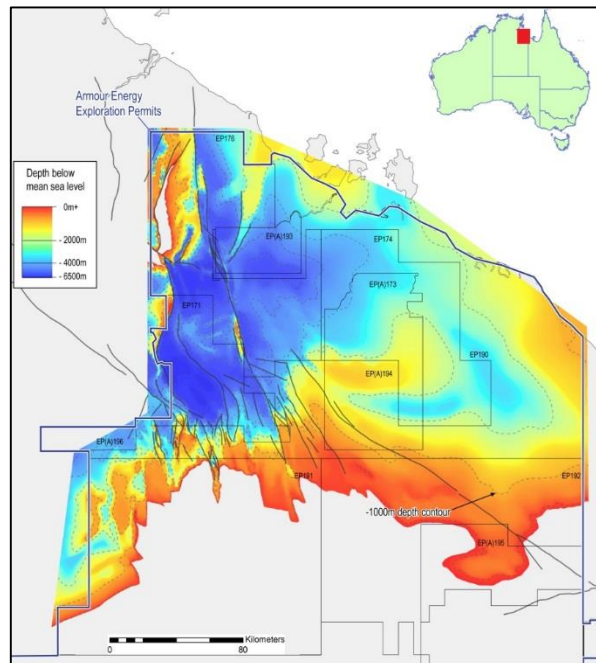
The Macarthur is as extensive as the Cooper Basin

SIMILAR SIZE KITCHEN AREAS (75,000 KM²)



COOPER BASIN, QLD,

High CO₂ (6%-40%), TOC: 2%-4%



MCARTHUR BASIN, NT

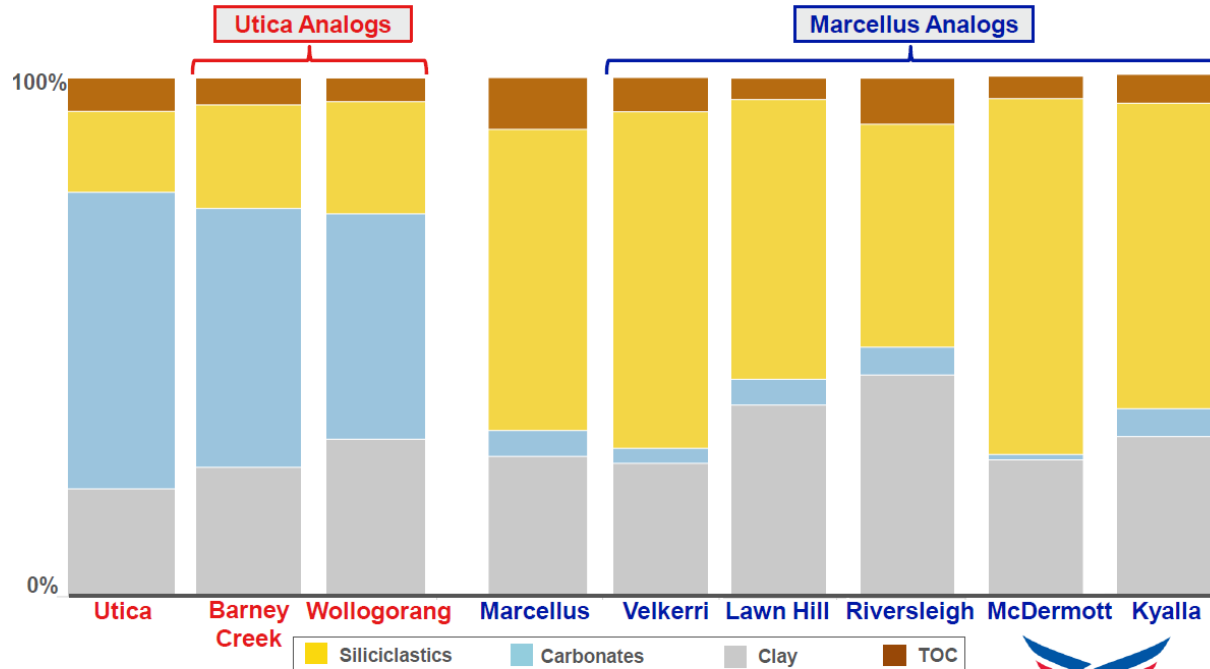
Low CO₂ (3%), TOC: 4%-7%

The Macarthur Basin Shales are highly prospective



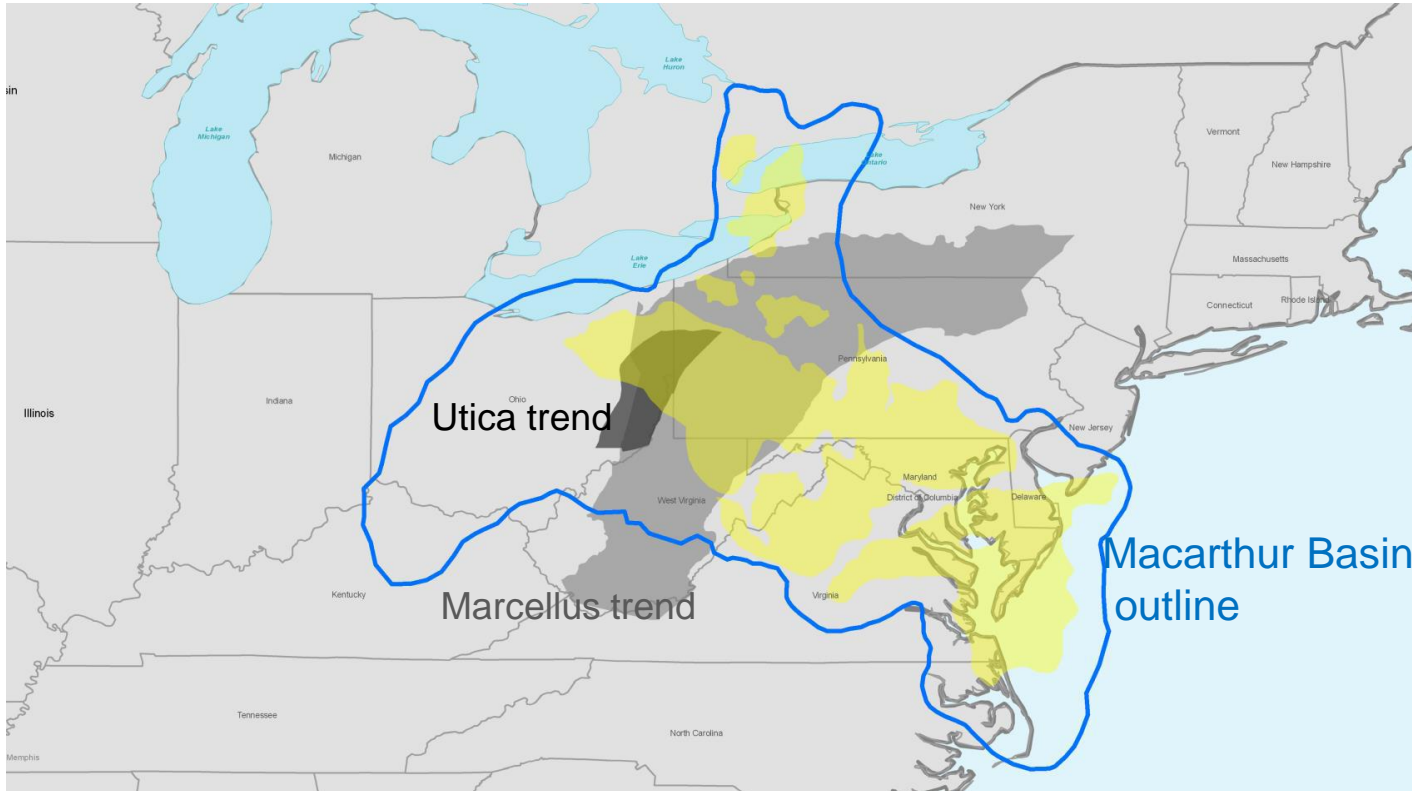
McArthur Basin – The Seven Shale Mineralogy

A mineralogical analysis reveals two distinct shale classes with clearly-identified U.S. analogs



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The Macarthur is 10X larger than the productive Utica and Marcellus Shale trends in the north eastern USA



American Energy – a strong qualified and experienced partner





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American Energy Partners – a strong partner



- AEP was founded by Aubrey McClendon to capitalise on unconventional resource play opportunities in the US and internationally.
- Aubrey McClendon previously co-founded and was chairman and CEO of Chesapeake Energy Corporation from 1989 to 2013.
- Under his leadership, Chesapeake grew from a start-up to the 2nd largest producer of natural gas and the 11th largest oil producer in the US.
- AEP draws on an unrivaled heritage of drilling > 15,000 horizontal shale wells in the USA.
- Under McClendon, the company was widely credited with leading the US energy oil and natural gas unconventional resource revolution.
- In AEP, McClendon has built a best-in-class management and technical team, well suited to developing the McArthur Basin project.
- AEP has raised over US\$15 billion in equity and debt across non direct investment vehicles.
- More than 450 employees - based in Oklahoma City, Oklahoma, USA.



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American Energy Partners – unlocking Armour’s Macarthur interests



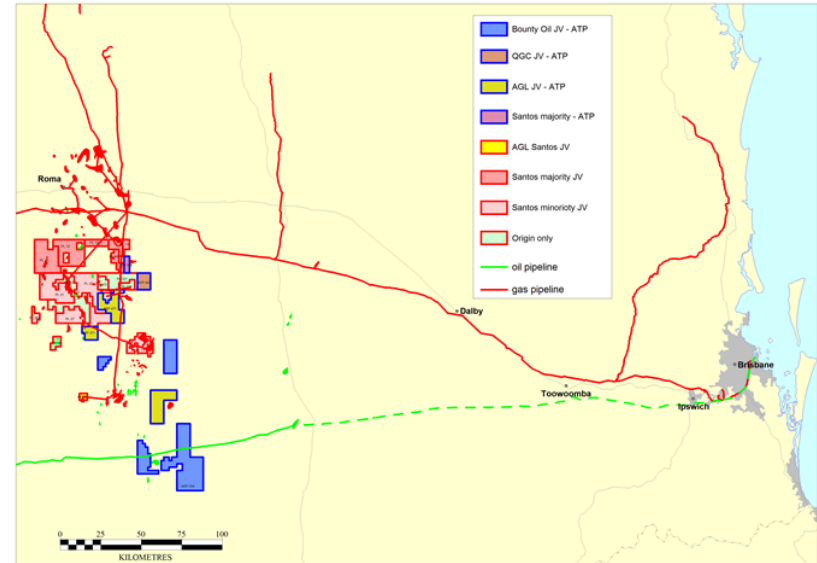
- AEP will spend up to US\$130m over a maximum of five years to earn a working interest of up to 75%
- Cash payment to Armour Energy of US\$13m on closing the Farm-Out Agreement, to assist in funding Roma Shelf Assets acquisition and other projects
- Armour will receive bonus payments of:
 - US\$3m on grant and transfer of interests in EP177 and EP178 to American Energy
 - US\$7m on grant of one million acres of production licences or grant and transfer of farm-in interests in remaining NT tenements to American Energy
- American Energy will assist Armour to access up to US\$130m of debt funding for Armour’s share of Phase Two appraisal and development costs
- American Energy will be granted 24 million Armour options exercisable at 25c, 40c and 50c and expiring after three, five and five years respectively, issued on closing of Farm-out agreement (subject to pro rata adjustment)
- Cash proceeds to Armour Energy of A\$6.7m from Placement to American Energy of 33.7 million new Shares at \$0.20 per Share

Roma Shelf project, Surat Basin



Transitioning to become a significant petroleum producer

- Acquiring petroleum resources, tenures, production and transportation infrastructure.
- Consideration \$10m cash plus \$3m in deferred consideration over 4 years.
- Kincora gas, LPG and condensate processing facilities, pipeline to the RBP, gas storage.
- Over 3,000km² of highly prospective western flank of the Taroom Trough of the Surat Basin.
- Key operational staff to be retained.
- Planned program to bring on production as soon as possible.



Early Production upside



Creation of diversified E&P company

- Creation of a diversified exploration and production company closely linked to the East Coast Australian gas market.
- Brings near term production and cash flow to enhance Armour's sustainability and risk profile, while maintaining access to significant exploration upside.

Increases exposure to rising gas prices

- Further increases the company's exposure to rising gas prices from Gladstone LNG plants coming on stream.
- Assets are strategically located close and connected to Queensland's East Coast gas hub at Wallumbilla.
- Storage to grow and optimise profitability as a participant in the emerging gas trading business.

Leverages Armour's capability and cost base

- Armour's strong production operations and project management capability leveraged across a larger asset platform.
- Opportunity to enhance asset value through increased focus and applying lower operating and G&A costs.

ORIGIN ENERGY:

"WE RECOGNISE THAT THE SURAT ASSETS WILL BE A BETTER FIT WITH A SMALLER SCALE OWNER SEEKING EAST COAST AUSTRALIA ONSHORE RESOURCES, PRODUCTION AND GAS MARKET EXPOSURE"

Resources and cash flow impact on Armour



Category	Estimate
Cash flow timing	<ul style="list-style-type: none"> • Oil – shortly following completion • Gas/liquids – 6 to 12 mths
Independently verified 2C contingent resources (net) (1)	<ul style="list-style-type: none"> • Gas – 28.3 PJ gas • Condensate - 294,400 bbls • LPG - 62,000 tonnes • Oil - 152,800 barrels
Storage	<ul style="list-style-type: none"> • Newstead facility - 7.5 PJ • Contains 2.3 PJ sales gas • Potential for a further 19 PJ capacity
Conventional unrisks prospective resources	<ul style="list-style-type: none"> • Gas - 110 bcf • Oil - 1 million barrels • both best estimated, unrisks
Unrisks prospective resources exploration upside	<ul style="list-style-type: none"> • Unconventional gas and condensate in Permian reservoirs - in excess of 500 bcf (best estimate) • Gas in Permian Coals and shallower Walloon Coal Measures - up to 3 Tcf (best estimate)

(1): Can be reclassified to 2P reserves following the recommissioning of the Kincora Gas Plant and necessary infrastructure and approval of the required well activities

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NW Queensland project - Isa Super Basin – another one in Queensland!

RESULTS TO DATE

- 6 wells drilled in ATP1087 to date
- Extensive seismic data
- 22.1 TCF gas prospective resource⁽¹⁾
- Highly prospective shale formations
- Egilabria-2 well - an Australian first: flows from a hydraulically stimulated lateral

⁽¹⁾ Best estimate gas prospective resource: ATP1087, SRK 2015

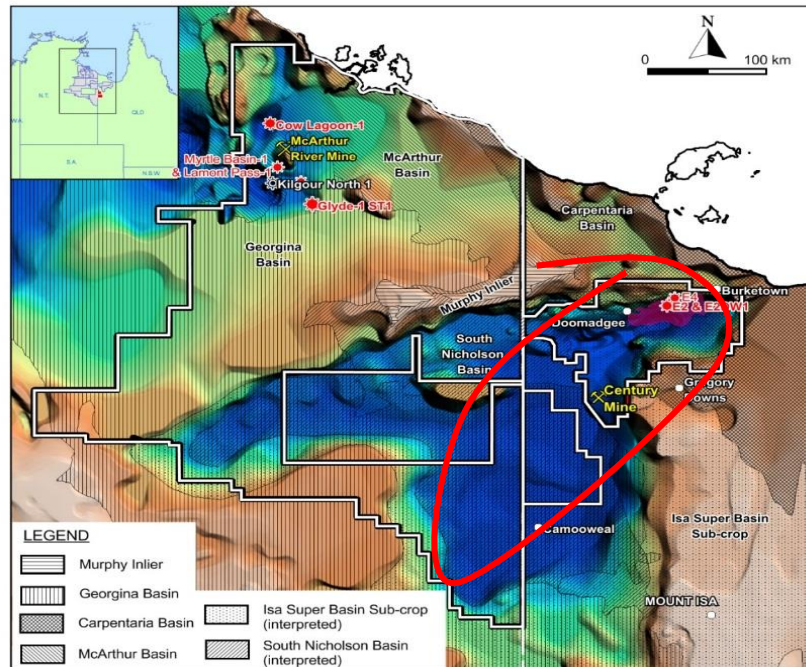
OPPORTUNITY

- Stacked play opportunities
- Play potentially extends into NT
- Large scale production

FUTURE PLANS

- Further definition of the resource fairway and sweet-spots for the Lawn Hill and Riversleigh Shales
- Appraisal to establish commercial flow rates
- Additional seismic plus well in deeper part of basin

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Victoria: Onshore Otway and Gippsland Basins – Australia's best endowed and still the most productive



RESULTS TO DATE

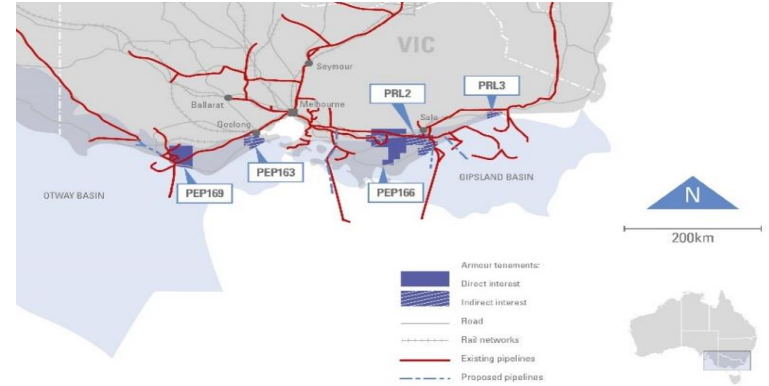
- Otway and Gippsland basins highly prospective
- AJQ : 51% in PEP169 and 25% in PEP166 (Otway)
- Farmin rights to PRL2 (Gippsland)
- Substantial shareholder in Lakes Oil

OPPORTUNITY

- Conventional and unconventional plays
- Stacked play opportunities
- Near existing infrastructure and major gas users

FUTURE PLANS

- Continue work programs upon lifting of moratorium
- Pursue commercial monetisation opportunities

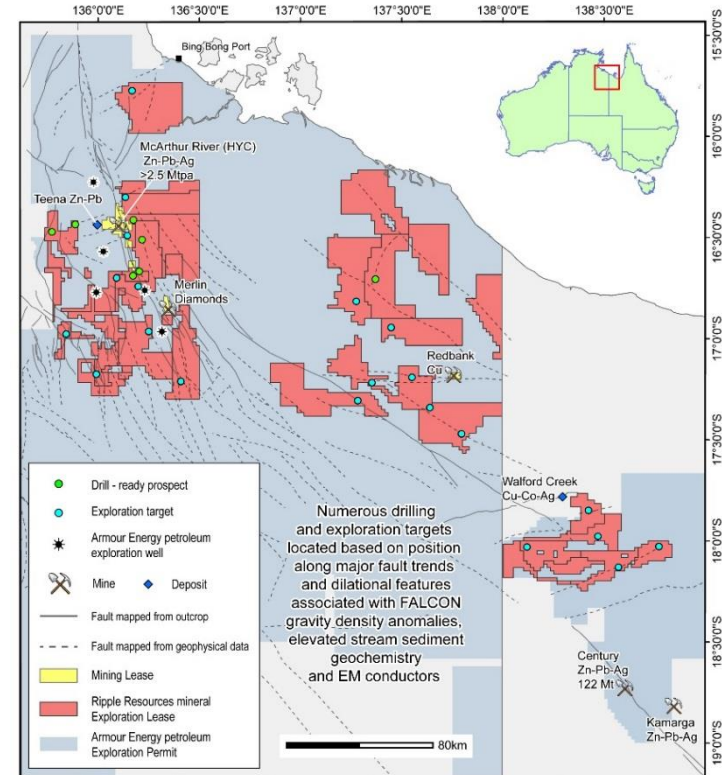


Ripple Resources - redefining a world class base metals province



CURRENT PORTFOLIO

- ~ 20,000km² of prospective exploration licences
- Potential for zinc, lead, copper and other base metals
- On trend with existing McArthur River (NT) and Century (QLD) mines
- 15 high graded areas for shallow drilling campaign
- 8 drill ready holes; 20 exploration targets
- Targeting 8 metal prone source rock packages, in addition to diamond-bearing kimberlites
- Central to concentrate ship loader at Bing Bong Port



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Luke Titus, Chief Geologist for Armour Energy, is qualified in accordance with the requirements of ASX listing rule 5.11 and has consented to the use of the resource figures in the form and context in which they appear in this presentation.



THANK YOU.

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