



Armour Energy Limited

30 October 2017

Armour awarded further Roma Shelf petroleum acreage near its Kincora production facilities

Armour Energy Limited (**Armour**, ASX:AJQ) is pleased to announce that it has been successful in the recent Queensland Government petroleum acreage release tender and has been notified by the Queensland Department of Natural Resources and Mines that it is the preferred tenderer for tender area PLR2016/2017-1-2 on the Roma Shelf, in the Surat Basin (**tender area**).

The tender area comprises 365 square kilometres and is to be awarded to Armour for nil consideration by the Queensland Government following a competitive tender process.

The tender area is contiguous with Armour's PL71 and the Ungabilla block on ATP754 (refer map per **Figure 1**). Existing production wells and compression facilities on PL71 are in the process of being tested and prepared for the restart of operations, planned to occur in December 2017. The tender area being immediately adjacent to Armour's PL71 and associated infrastructure means that resources identified on the tender area can be readily connected to Armour's Kincora Gas Plant and thus to market. The Ungabilla block on ATP754 is considered very promising with the Ungabilla 1 well having intersected over 5 metres of overpressured gas-condensate saturated net pay across two reservoir intervals along the perimeter of a large structural high. Gas produced in this region has historically provided an average LPG yield of approximately 2066 tonnes/petajoule and an average condensate yield of approximately 9942 barrels/petajoule (as advised in the Company's previous market release of 3 April 2017).

Commenting on this announcement, Company CEO Roger Cressey said, "We are excited to be awarded this block at a time of significant demand growth for east coast gas and applaud the steps being taken by the Queensland Government to release high quality acreage to assist in delivering new gas supply to the east coast of Australia. The block adds to our Kincora Gas Project assets and is a natural extension to our petroleum lease PL71 where we are about to restart production. Being appointed as preferred tenderer on this block is another step by the Company toward becoming a significant oil and gas producer in the Roma region. We recently restarted production from our Kincora Gas Project and we are confident that this new acreage will provide further resources for long term gas production. These are early days for Armour in terms of gas production, and we look forward to contributing to the local region and more broadly to the east coast gas market as a steady and growing supplier for the long term. We are confident that this block will provide resources that will benefit the Company and gas supplies to the region for the longer term. This is another step forward for Armour in achieving our aim to become the preeminent resource owner and producer in the Roma Region."

Armour is presently producing gas from the Newstead gas storage facility at 5 TJ/day, being sold under the Company's gas sales agreement with Australia Pacific LNG. The Newstead storage facility currently holds approximately 2.2 PJ of treated gas that currently requires only minimal re-processing (dehydration) to ensure compliance with the sales gas specification.

The next stage of the Kincora Gas Project restart involves ramp-up of gas production from existing wells which are currently shut-in. This gas will be treated by the wet gas circuit (ie. the LPG and condensate systems) at the Kincora Gas Plant. Restart work on the wet gas circuit is underway and is expected to be completed by December 2017. Once the commissioning of the wet gas circuit at Kincora and the balance of field infrastructure (ie. gathering flowlines and field compressors) is completed, the Company plans to increase gas production to around 9 TJ/day.

As previously reported, Phase 2 of the restart project will involve drilling of new wells plus workovers and stimulations of existing wells. This, together with any necessary further work on the Kincora Gas Plant, will allow gas production to be ramped up to 20 TJ/day over the next 12 to 18 months.

On the following pages, **Figure 1** shows a map indicating Armour's Surat Basin leases including tender area PLR2016/2017-1-2, and **Table 1** shows Armour's holdings across its Roma Shelf interests.



On behalf of the board
Karl Schlobohm
Company Secretary

For further information contact:

Roger Cressey – Acting CEO
07 – 3303 0620

Karl Schlobohm – Company Secretary
07-3303 0661

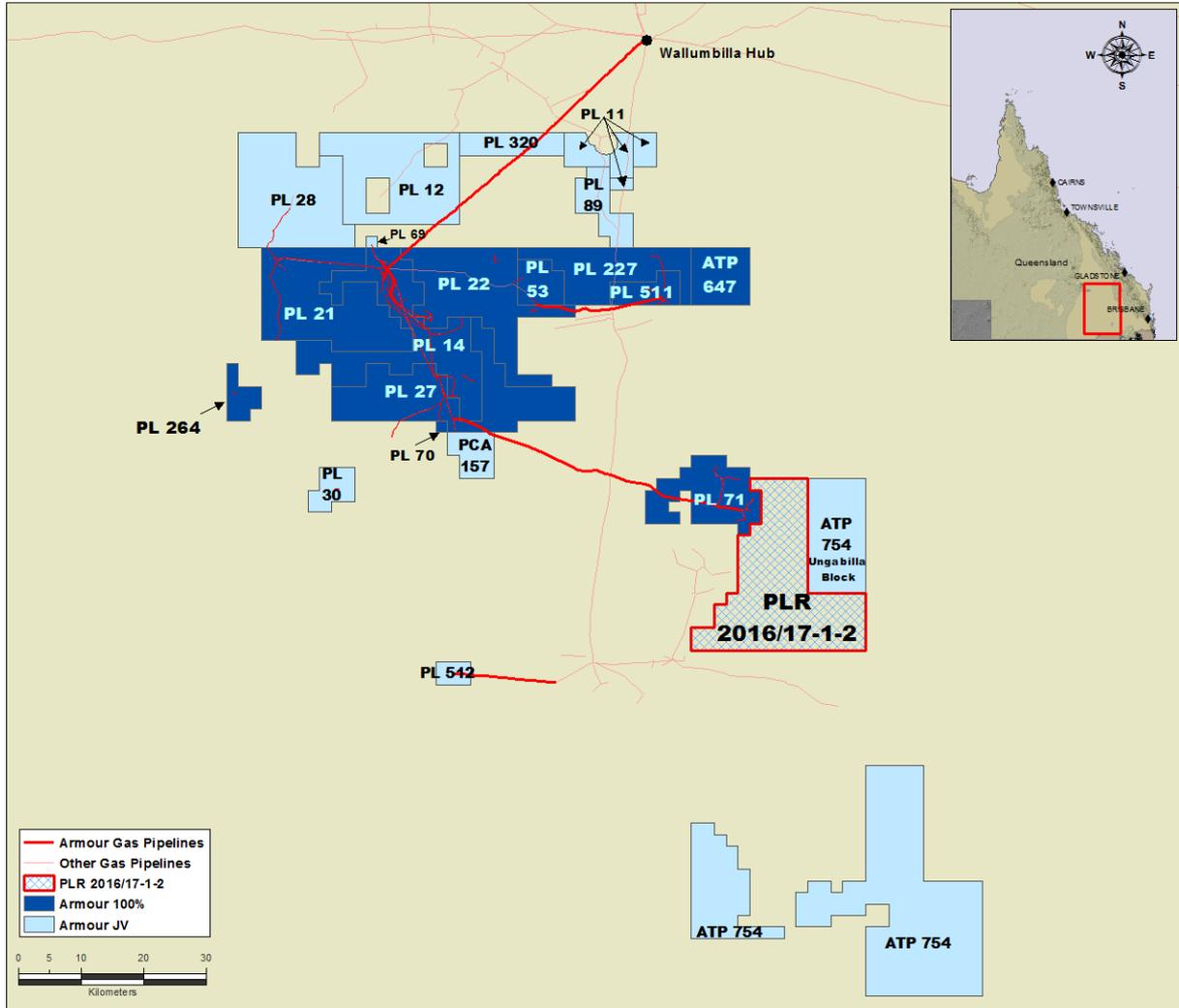


Figure 1: Map showing Armour's Roma Shelf, Surat Basin leases including tender area PLR2016/2017-1-2

Tenement	Armour Operated	Armour Interest
PL 14	*	100%
PL 53	*	100%
PL 70	*	100%
PL 511	*	100%
PL 227	*	100%
PPL 3	*	100%
PPL 20	*	100%
PPL 63	*	100%
Newstead Gas Storage	*	100%
PL 21	*	100%
PL 22	*	100%
PL 27	*	100%
PL 71 (production)	*	100%
PL 264	*	100%
PL 30	*	90%
PL 512	*	84%
PPL 22	*	84%
PL 71 (exploration)	*	80%
ATP 1190 (Weribone)	*	50.64%
ATP 754	*	50%
ATP 647	*	100%
PL 28		46.25%
PL 69		46.25%
PL 89		46.25%
PL 320W		46.25%
PL 11W		46.25%
PL 12 W		46.25%
PL 11 Snake Creek East Exclusion Zone		25%
ATP 1190 (Bainbilla)		24.748%
PLR2016/2017-1-2 (preferred tenderer)	*	100%

Table 1: Armour Tenements in the Roma Shelf