



Armour Energy Limited

1 September 2016

Sale of Shares from Settlement Agreement with AEGP Australia Raises \$3m for Armour

The Directors of Armour Energy Limited (ASX: AJQ, Armour, the Company) advise that Armour's wholly owned subsidiary AEGPAS Pty Ltd has entered into agreements for the sale of the 40 million Armour shares that were held by AEGPAS. The ownership of AEGPAS had recently been transferred to Armour in settlement of AEGP Australia Pty Ltd's (AEGP) obligations to Armour following the judgements in favour of Armour in its recent Supreme Court case against AEGP, as advised in Armour's ASX announcement of 16 August 2016.

The resale of the 40,063,785 Armour shares has been completed at 7.6 cents per share and will realise proceeds of approximately \$3.05m to Armour. The shares were acquired by a number of institutional and sophisticated investors including existing shareholders of the Company.

Armour will apply the funds raised from the resale to: settling the final payments due to Origin Energy Limited to complete the current obligations under various Sale and Purchase agreements between Armour Energy Surat Basin Pty Ltd (a wholly owned subsidiary of Armour Energy) and Origin; and working capital.

A handwritten signature in blue ink, appearing to read "K. Schlobohm".

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.

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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 September 2015 acquisition of assets and resources on the Roma Shelf is helping to establish the Company's future as a petroleum producer.

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

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