

Armour Energy Limited

31 May 2017

Armour Acquires QGC's Interests in ATP 647 on the Roma Shelf, Surat Basin, Queensland

Amour Energy Limited (**Armour**, ASX:AJQ) is pleased to announce that it has acquired QGC's interest in ATP 647 on the Roma Shelf, Surat Basin. Armour now holds 100% of ATP 647 which is located immediately to the east of Armour's PL 227 and its Myall Creek field.

On 3 April 2017 the Company announced independently verified 2P petroleum reserves (net to Armour) of 56.8 PJ of gas, 565 kbbls of condensate and 117 kTonnes of LPG for its Roma Shelf, Surat Basin assets. ATP 647 is immediately adjacent to the Myall Creek field (see **Figure 1** over). Of note, the Myall Creek field contains estimated gas reserves of 42.1 BCF (or 44.4PJ), 441 kbbls of condensate and 92 kTonnes of LPG.

With Armour now holding 100% of ATP 647, the business will be able to further expand the mature, but undeveloped, wet gas conventional and tight wet gas plays in Permian and Triassic reservoirs of the Bowen-Surat Basin. The existing Myall Creek East 1 well, located in the southwest corner of block ATP 647, is currently suspended and is considered a candidate for stimulation and potential connection into the Myall Creek field gathering system and compressor station. This will provide Armour with another low cost operation to add to our growing portfolio on the Roma Shelf, and provide it with reserve growth and further production capacity to supply the domestic market.

On the following pages, **Figure 1** shows a map indicating the updated Armour's Surat Basin leases (including the 100% holdings post completion of the Sale and Purchase Deed with Santos), and **Table 1** shows the updated Armour holdings across its Roma Shelf interests, including after completion of the Sale and Purchase Deed with Santos.



On behalf of the board
Karl Schlobohm
Company Secretary

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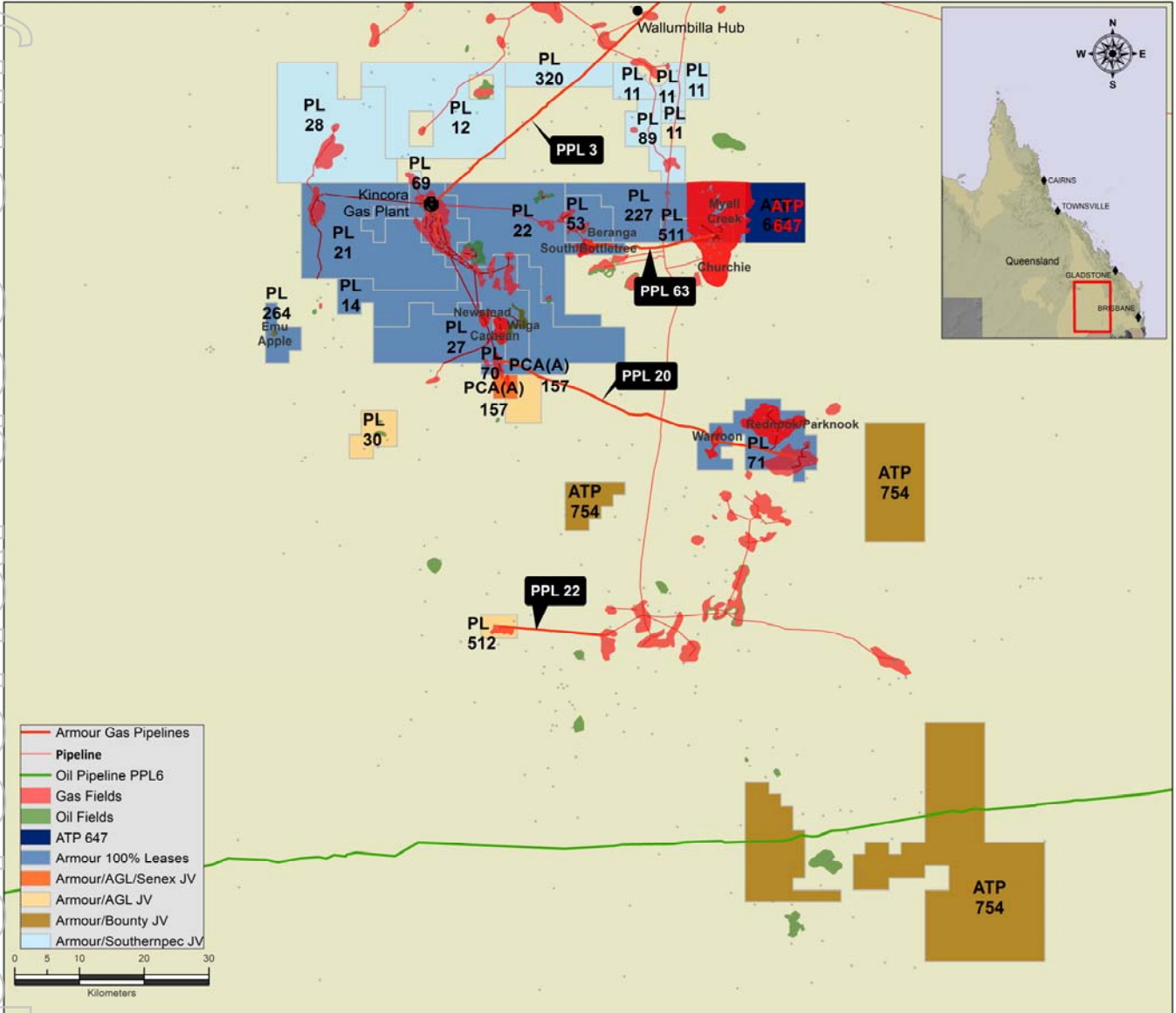


Figure 1: Map showing Armour's Roma Shelf, Bowen-Surat Basin leases including ATP 647

Tenement	Armour Operated	Armour Interest Prior to Pre-Empt	Armour Interest After Pre-Empt
PL 14	*	100%	100%
PL 53	*	100%	100%
PL 70	*	100%	100%
PL 511 (formerly PL 174)	*	100%	100%
PL 227	*	100%	100%
PPL 3	*	100%	100%
PPL 20	*	100%	100%
PPL 63	*	100%	100%
Newstead Gas Storage	*	100%	100%
PL 21 (see note 1)	*	87.5%	100%
PL 22 (see note 1)	*	87.5%	100%
PL 27 (see note 1)	*	87.5%	100%
PL 71 (production) (see note 1)	*	90.0%	100%
PL 264 (see note 1)	*	90.0%	100%
PL 30 (see note 1)	*	75%	90%
PL 512 (formerly PL 74) (see note 1)	*	69%	84%
PPL 22 (see note 1)	*	69%	84%
PL 71 (exploration) (see note 1)	*	72%	80%
ATP 1190 (formerly ATP 471)	*	50.64%	50.64%
ATP 754	*	50%	50%
ATP 647 (Block 2656) (see note 2)	*	50%	100%
PL 28		46.25%	46.25%
PL 69		46.25%	46.25%
PL 89		46.25%	46.25%
PL 320W (formerly PL 10W)		46.25%	46.25%
PL 11W		46.25%	46.25%
PL 12 W		46.25%	46.25%
PL 11 Snake Creek East Exclusion Zone		25%	25%
ATP 1190 (Bainbilla) (formerly ATP 471)		24.748%	24.748%

Notes:

1. Leases the subject of the Sale and Purchase Deed with Santos
2. QGC interest acquired on 10 May 2017

Table 1: Armour Tenements in the Roma Shelf