



## Armour Energy Limited

2 September 2016

### Armour Completes the Transfer of Tenements for its Kincora Project

Amour Energy Limited (Armour, ASX:AJQ) is pleased to announce that settlement has now been completed on the last of the tenements (exploration licence ATP647) of its Kincora Project as acquired from Origin under agreements entered into in September 2015.

Armour is now on title for all 17 production licences, 3 exploration licences and 4 pipeline licences. The tenement area covers over 3000km<sup>2</sup> of prospective acreage, and includes infrastructure connecting directly into the major gas hub on the east coast at Wallumbilla, Queensland. The overall replacement value of the Kincora infrastructure is estimated at more than \$250 million. This infrastructure includes the 100% owned Newstead gas storage facility with a capacity of 7.5 PJs and which has 2.3 PJs of sales quality gas currently stored in it.

As announced on 19 July 2016, Armour's 2C independently verified contingent resources in the Kincora project area are 105 PJs plus 1,011,978 bbls of condensate and 214,580 tonnes of LPG. These contingent resources will be converted to 2P reserves upon re-start of production facilities and relevant project approvals.

On 22 August 2016 the Company announced that it has already commenced oil production from the Emu Apple field at a rate of 50 barrels per day, upon which the company intends to build.

Robbert de Weijer, Armour's CEO commented: **"We are pleased that we have now completed the transfer of all tenements from Origin. We look forward to start gas production later this year and to provide an additional gas supply into the east coast market as well as condensate and LPG. The existing connection at the Wallumbilla gas hub provides Armour access to a market that will be short of gas going forward, and so represents a great opportunity for us."**

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.

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](http://www.armourenergy.com.au)

## **Competent Persons Statement**

### **Consents**

Reported resources are in accordance with the SPE Reserves Auditing Standards and the SPE-PRMS guidelines and under the supervision of Mr. Luke Titus, Chief Geologist, Armour Energy Limited. Mr. Titus qualifications include a Bachelor of Science from Fort Lewis College, Durango, Colorado, USA and he is an active member of AAPG and SPE. He has over 20 years of relevant experience in both conventional and unconventional oil and gas exploration & production in the US and multiple international basins. Mr. Titus meets the requirements of qualified petroleum reserve and resource evaluator as defined in Chapter 19 of the ASX Listing Rules and consents to the inclusion of this information in this release.

### **SPE-PRMS**

Society of Petroleum Engineer's Petroleum Resource Management System - Petroleum resources are the estimated quantities of hydrocarbons naturally occurring on or within the Earth's crust. Resource assessments estimate total quantities in known and yet-to-be discovered accumulations, resources evaluations are focused on those quantities that can potentially be recovered and marketed by commercial projects. A petroleum resources management system provides a consistent approach to estimating petroleum quantities, evaluating development projects, and presenting results within a comprehensive classification framework.

PRMS provides guidelines for the evaluation and reporting of petroleum reserves and resources.

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#### **Under PRMS**

“Contingent Resources” are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status.

The estimated quantities of petroleum that may potentially be recovered by the application of 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.

Previous reported information on the Contingent Resources in this release related to Armour Energy’s Surat Basin PLs and ATPs is based on an independent review conducted by RISC Operations Pty Ltd (RISC) 2015 Independent Technical Specialist Report Roma Shelf Sept 2015 and SRK Consulting (Australasia) Pty Ltd Myall Creek Contingent Resources Report PLs 227 and 511 July 2016 and SRK Consulting (Australasia) Pty Ltd PL 71 Contingent Resources Report- Parknook, Namarah and Warroon area July 2016 and Armour Energy Target Statement 7 October 2015 related to Armour Energy’s Surat Basin PLs and ATPs is based on the Annexure A - Independent Expert Report review conducted by BDO Corporate Finance (QLD) Ltd and fairly represents the information and supporting documentation reviewed. All the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.