



# Noosa Mining and Exploration Conference 2015

Robbert de Weijer, CEO

July 2015

ASX:AJQ

# Disclaimer



This presentation is not a prospectus, disclosure document or offering document under Australian law or under any other law. It is for informational purposes only. This document does not constitute, and should not be construed as, an offer to issue or sell or a solicitation of an offer or invitation to subscribe for, buy or sell securities in Armour Energy Limited ACN 141 198 414 (Armour).

Any material used in this presentation is only an overview and summary of certain data selected by the management of Armour. The presentation does not purport to contain all the information that a prospective investor may require in evaluating a possible investment in Armour nor does it contain all the information which would be required in a disclosure document prepared in accordance with the requirements of the Corporations Act and should not be used in isolation as a basis to invest in Armour. Recipients of this presentation must make their own independent investigations, consideration and evaluation of Armour. Armour recommends that potential investors consult their professional advisor/s as an investment in Armour is considered to be speculative in nature.

Statements in this presentation are made only as of the date of this presentation unless otherwise stated and the information in this presentation remains subject to change without notice. Reliance should not be placed on information or opinions contained in this presentation.

To the maximum extent permitted by law, Armour disclaims any responsibility to inform any recipient of this presentation on any matter that subsequently comes to its notice which may affect any of the information contained in this document and presentation and undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in or derived from this presentation or any omission from this presentation or of any other written or oral information or opinions provided now or in the future to any person.

To the maximum extent permitted by law, neither Armour nor, any affiliates, related bodies corporate and their respective officers, directors, employees, advisors and agents (Relevant Parties), nor any other person, accepts any liability as to or in relation to the accuracy or completeness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or any omission from this presentation or of any other written or oral information or opinions provided now or in the future to any person.

This presentation contains certain "forward-looking statements". The words "expect", "should", "could", "may", "predict", "outlook", "guidance", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Armour and the Relevant Parties, that may cause actual results to differ materially from those predicted or implied by any forward-looking statements. Armour makes no representations as to the accuracy or completeness of any such statement of projections or that any projections will be achieved and there can be no assurance that any projections are attainable or will be realized or that actual outcomes will not differ materially from any forward-looking statements.

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.

# Armour Energy (AJQ)



## Who are we?

An ASX listed Energy and Resources company.

## Our Mission

To mature our vast resources into reserves and profitable production.



*The Australian Financial Review front page of 18-Feb-2015, "Not enough gas for LNG projects [for East Coast Australia]"*

# Summary



Assets  
secured ahead  
of time, very  
positive results

139,000 km<sup>2</sup>

Prospective, whole basin positions

“Data is our currency” (> \$65m spent)

Attractive address

The market  
opportunity is  
building

Strong Asian LNG demand

Queensland LNG export – gas market  
upheaval

North-west Queensland needs gas

NT to East Coast “NEG1” pipeline

A strong team  
and prudent  
capital  
management

Team with track record of major value  
creation

303 million shares on issue (300m at IPO)

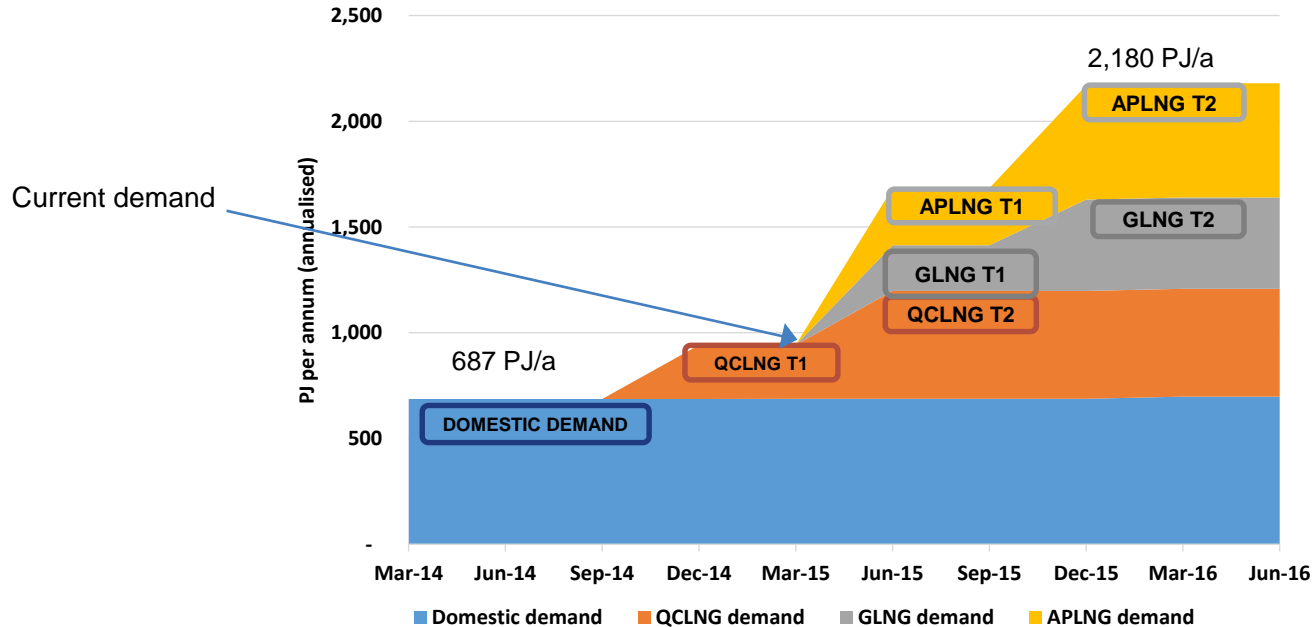
\$14m in cash and liquid securities

Focus on tenure security and cash flow  
opportunities

# Australian east coast market is undergoing rapid change

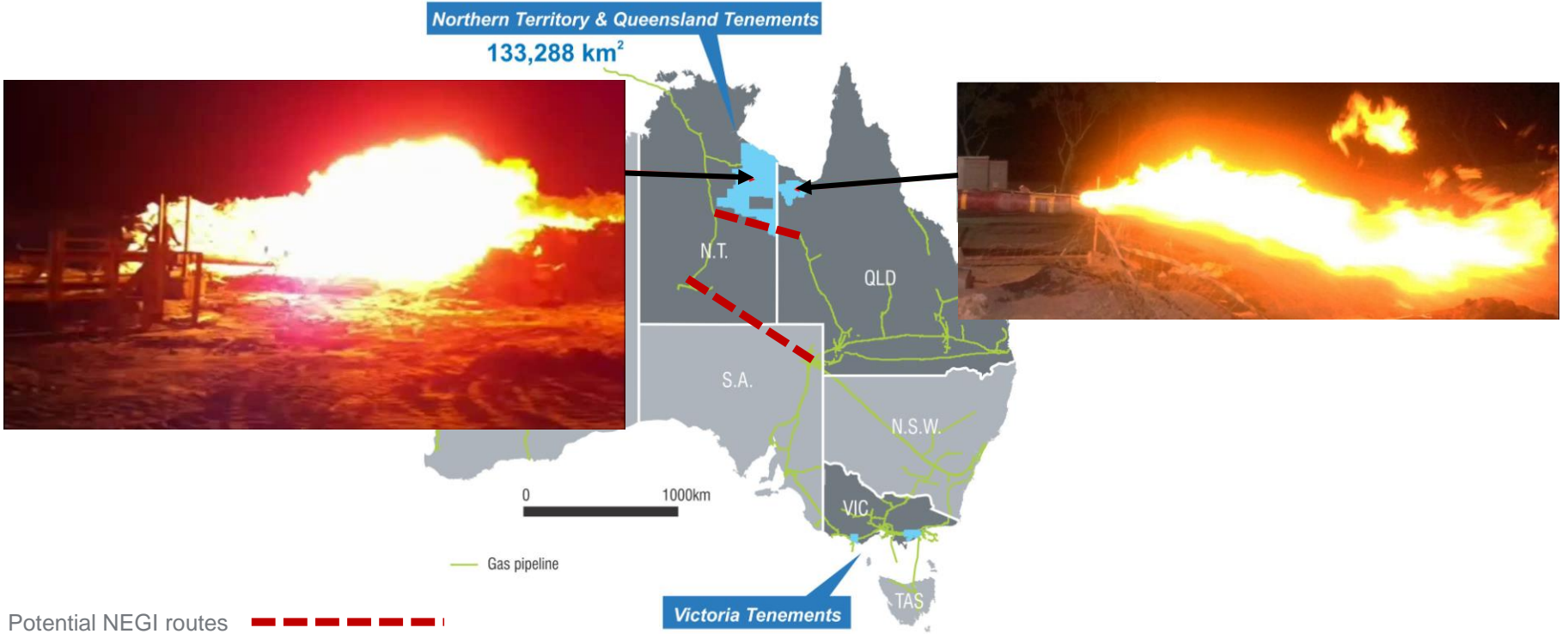


## East coast – gas demand outlook, significant shortfall projected



Source: Company Statements, AEMO (domestic demand), Armour estimates

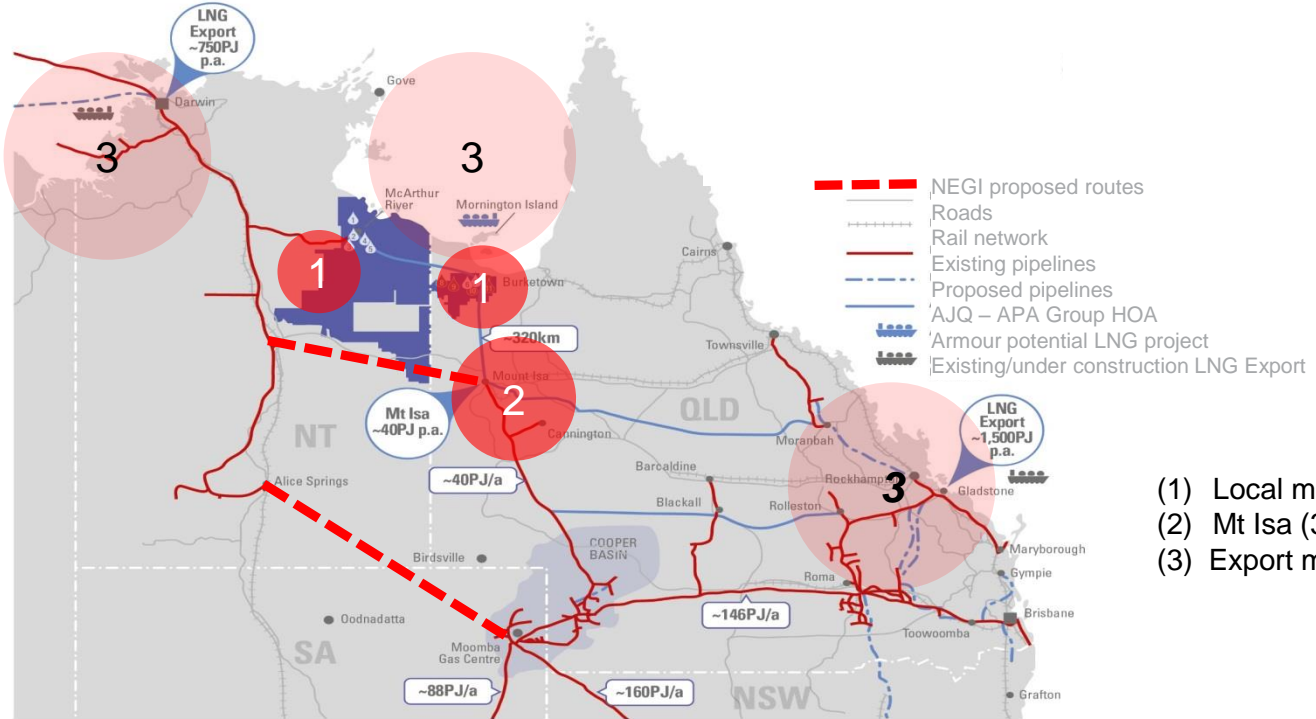
# Large acreage position and very positive results to date



# A track record of exploration success, prudent HSE management and strong external relationships



# Short and long term monetisation routes, HOA with APA Group



- (1) Local markets (5 – 10 PJ/a)
- (2) Mt Isa (30 – 60 PJ/a)
- (3) Export markets (60 – 180 PJ/a)



# 5 Key Projects in Australia



NT  
Deep oil and  
gas plays

NT  
Shallow  
conventional  
oil and gas  
plays

QLD  
Isa Super  
Basin gas  
play

Victoria  
Onshore  
Otway and  
Gippsland  
Basins

Ripple  
Resources  
100% owned  
Minerals  
Company

*Egilabria -2 well site in ATP1087, Queensland*

# NT : Deep Oil and Gas Plays (100% AJQ)



## Results to date

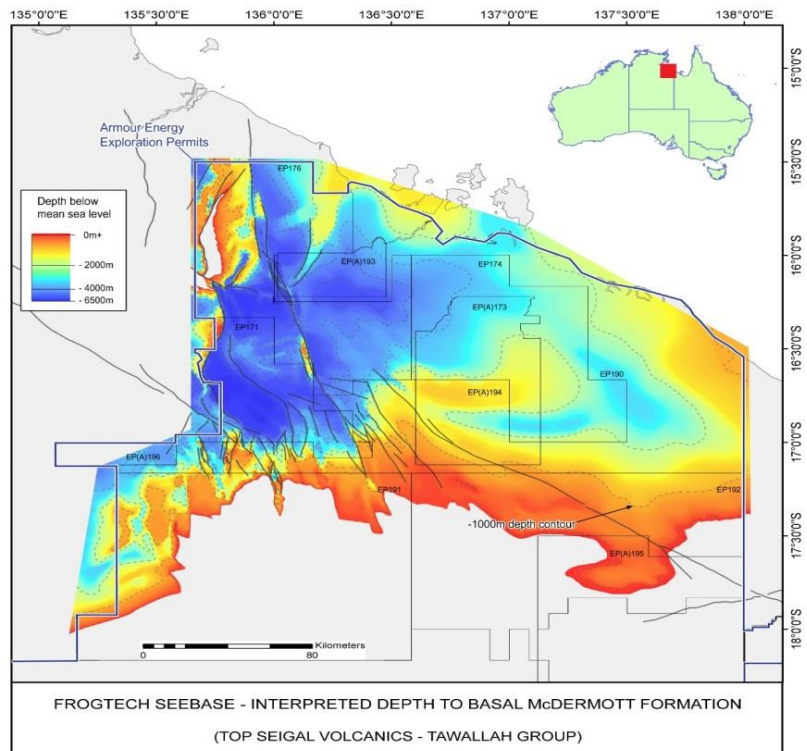
- Multiple basins, proven petroleum systems
- Recently discovered Tawallah Group in McArthur Basin
- Multiple shales present (oil and gas)

## Opportunity

- Large unexplored areas
- Stacked play opportunities
- Large scale production

## What's next?

- Regional seismic programme
- Drill and appraise deep stratigraphic well(s)



Recently discovered Tawallah Group in McArthur Basin

# NT : Deep Oil and Gas Plays (100% AJQ)



## McArthur Basin

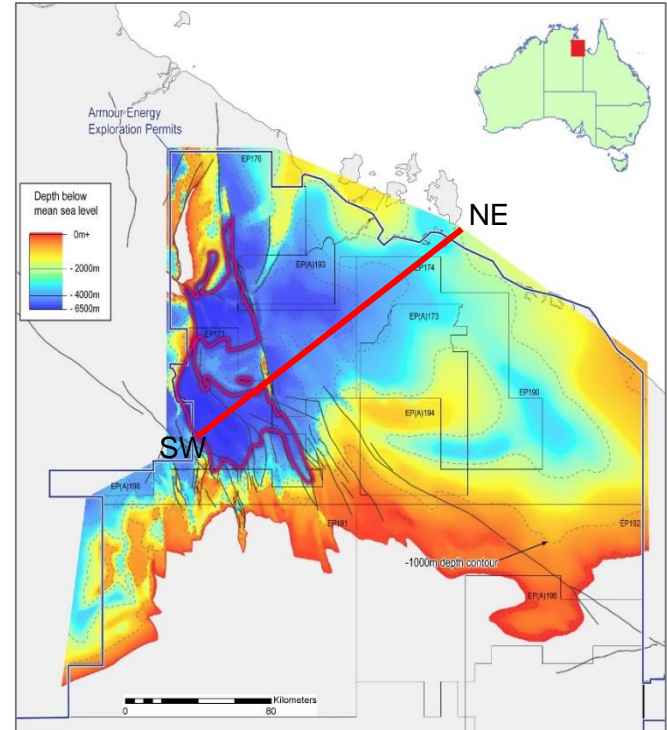
### ○ McArthur Group

- Barney Creek Formation
- 1.2 MMbbl, 13 TCF Prospective Resource <sup>(1)</sup>

### ○ Tawallah Group

- Recently discovered
- Underlying and beyond McArthur Group
- Large, thick formations with up to 7% TOC:
- Wollogorang Formation and
- McDermott Formation
- Prospective Resource under assessment.

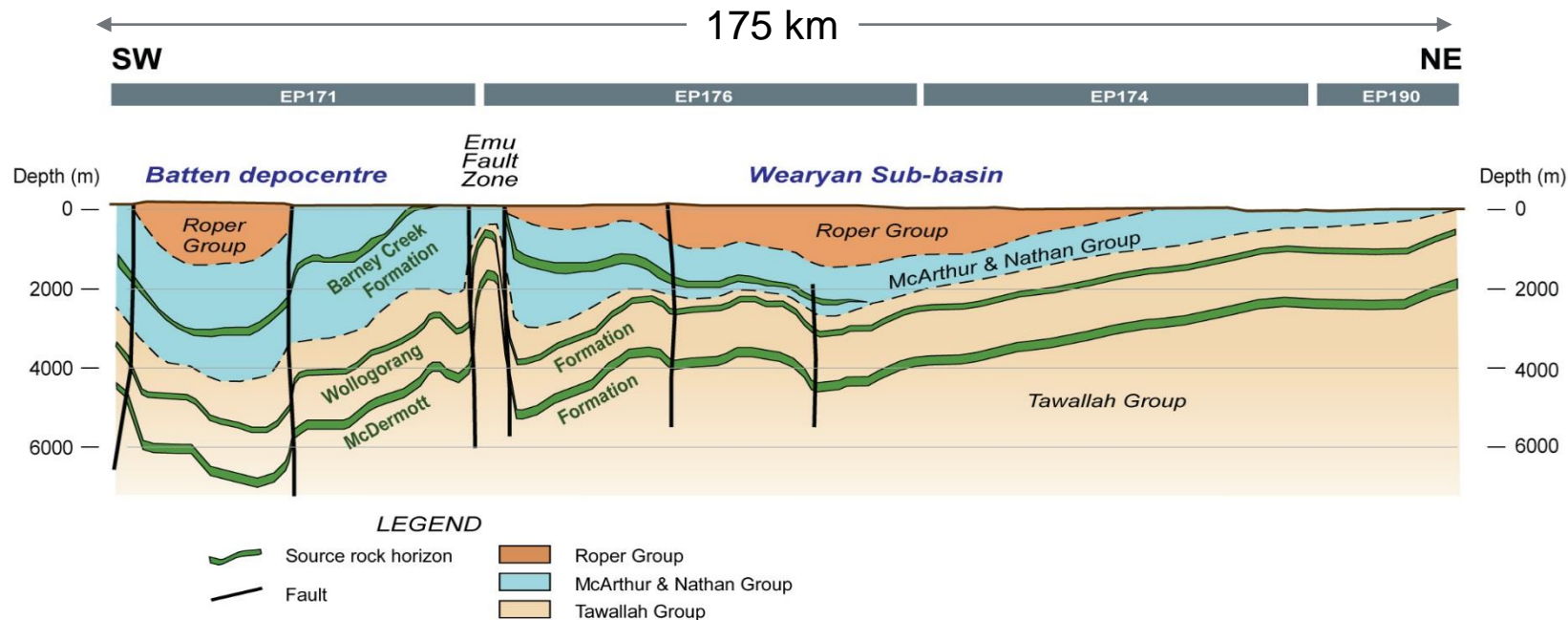
<sup>(1)</sup> Best estimate prospective resource: 13.0TCF in EP171/EP176, MBA 2012



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.

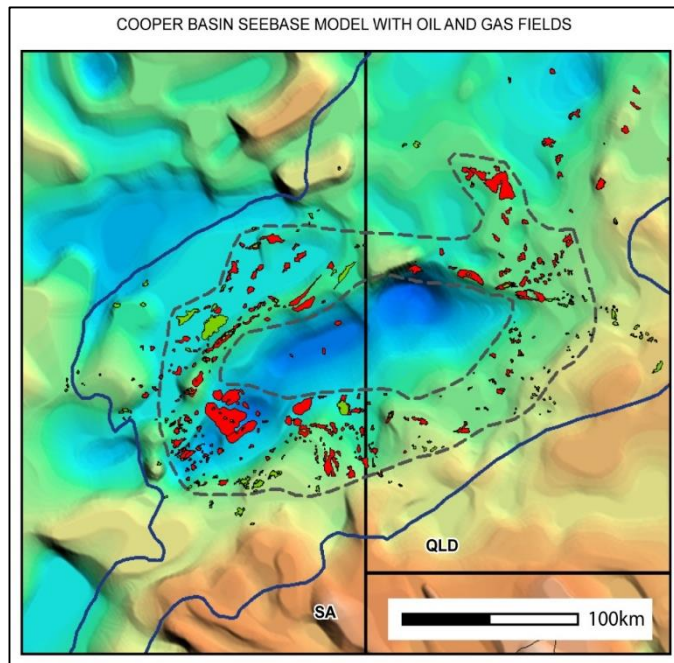
# NT : Deep Oil and Gas Plays

## Cross section SW - NE

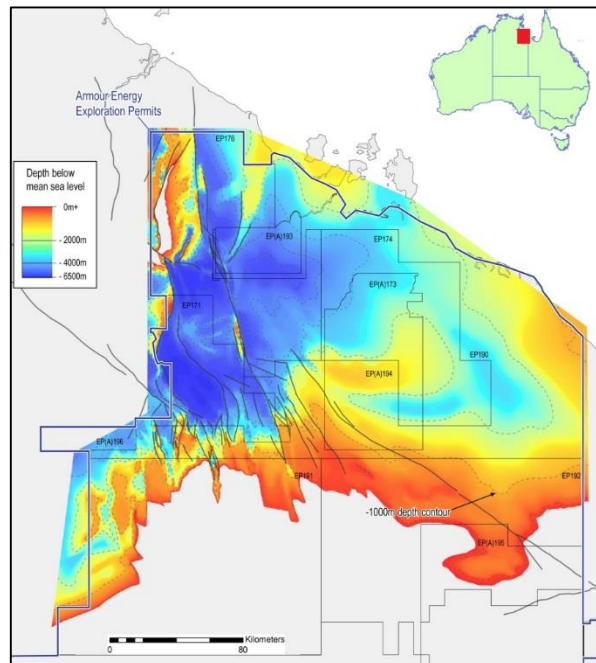


# Comparison of McArthur and Cooper Basins

Similar size kitchen areas (75,000 km<sup>2</sup>)



Cooper Basin, QLD,  
High CO<sub>2</sub> (6%-40%), TOC: 2%-4%



McArthur Basin, NT  
Low CO<sub>2</sub> (3%), TOC: 4%-7%

# NT : Shallow Conventional Oil and Gas Plays (100% AJQ)



## Results to date

- Glyde-1 (2012): 3.3 MMscf/d, 600m depth
- 5 wells drilled, low cost wells
- >80% exploration success
- Targeting Coxco Dolomite

## Opportunity

- 18 drill ready prospects along Batten Trough
- 77 prospects and leads
- Batten trough intersects pipeline to McArthur mine
- Early monetisation

## What's next?

- Further test Glyde-1
- De-risk drilling targets and appraise play
- Produce gas for domestic market (target 9 PJ p.a.)



# QLD: Isa Super Basin Gas Play (100%)



## Results to date

- 6 wells drilled in ATP1087 to date
- Extensive seismic data
- 18.7 TCF Prospective Resource<sup>(1)</sup>
- Highly prospective shale formations
- Egilabria-2 well - an Australian first: flows from a hydraulically stimulated lateral

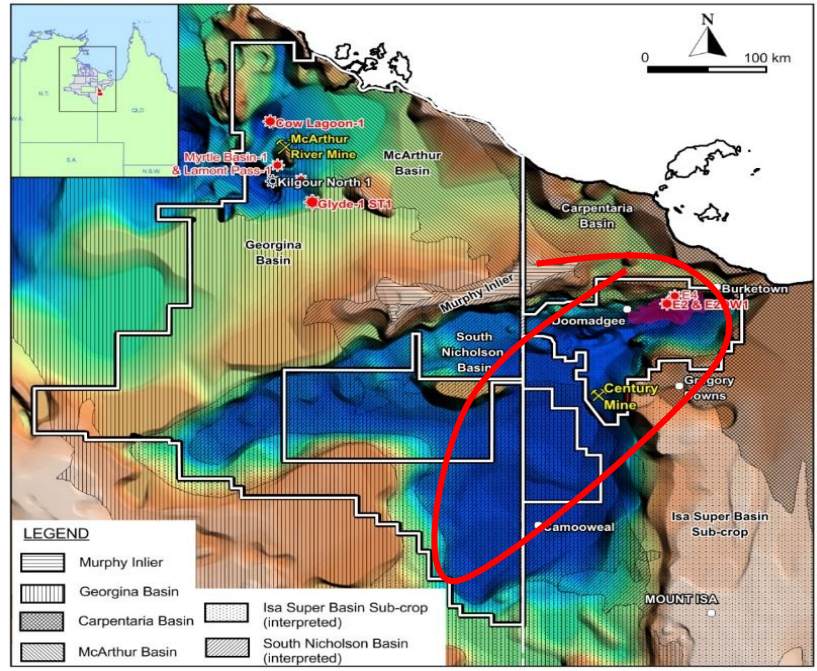
## Opportunity

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

## What's next?

- Appraisal to establish commercial flow rates
- Seismic plus well in deeper part of basin

<sup>(1)</sup> Best estimate prospective resource: 18.7TCF in ATP1087, MBA 2012 (excludes Riversleigh Shale)



(excludes Riversleigh Shale)

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. 15

# QLD: Isa Super Basin Gas Play



## Egilabria 2 and 4 wells showed very strong shale play potential

- ✓ Large volumes of gas
- ✓ World-class TOC\*
- ✓ Excellent gas composition
- ✓ Brittle shales
- ✓ Gas on - and off structure
- ✓ Multiple, large shale fairways
  - Lawn 1,500 km2
  - Riversleigh 4,000 km2
- ✓ Stacked play
- ✓ Favourable depth intervals
  - 1,500 – 3,500m
- ☐ Pressure regime

\* TOC: Total Organic Content

1C	2C	3C
33.1	154.4	364.0

(1) SRK Consulting, Nov 13 and Jul 14

Methane	Ethane	CO2	Helium	Other inerts
90%	0.5%	2%	1% (2)	6.5%

Typical min. TOC for viable shale play	World class TOC eg. Marcellus Shale (USA)	Armour Energy TOC Lawn/Riversleigh Shale
>2%	>5%	Up to 11%

(2) Gas isotubes taken while drilling showed up to 6% helium

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.



# Victoria: Onshore Otway and Gippsland Basins



## Results to date

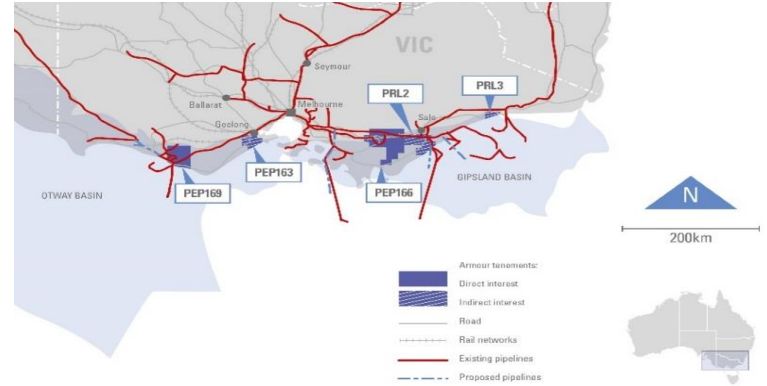
- Otway and Gippsland basins highly prospective
- AJQ : 51% in PEP169 and 25% in PEP166 (Otway)
- Farmin rights to PRL2 (Gippsland)
- Substantial shareholder in Lakes Oil

## Opportunity

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

## What's next?

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

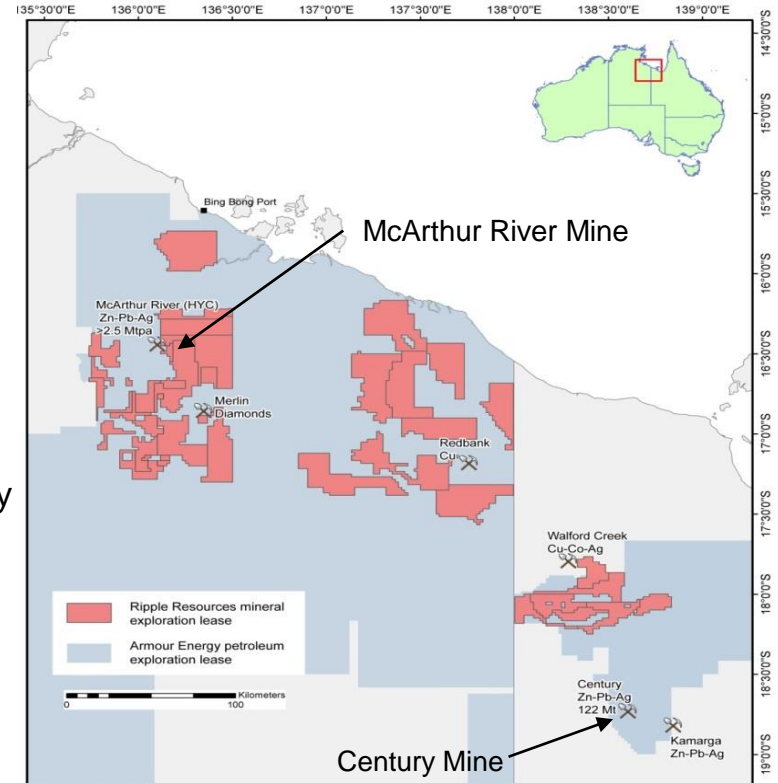


# Ripple Resources – a 100% AJQ owned Minerals Company



## Synergies for Armour

- Carpentaria Mineral Belt highly prospective for minerals
- Strong minerals expertise and track record within board and management team
- Low cost exploration for petroleum and minerals simultaneously
- Dual discovery potential in some areas
- Adopting exploration techniques inspired by the petroleum industry
- Mitigates overlapping tenure risk

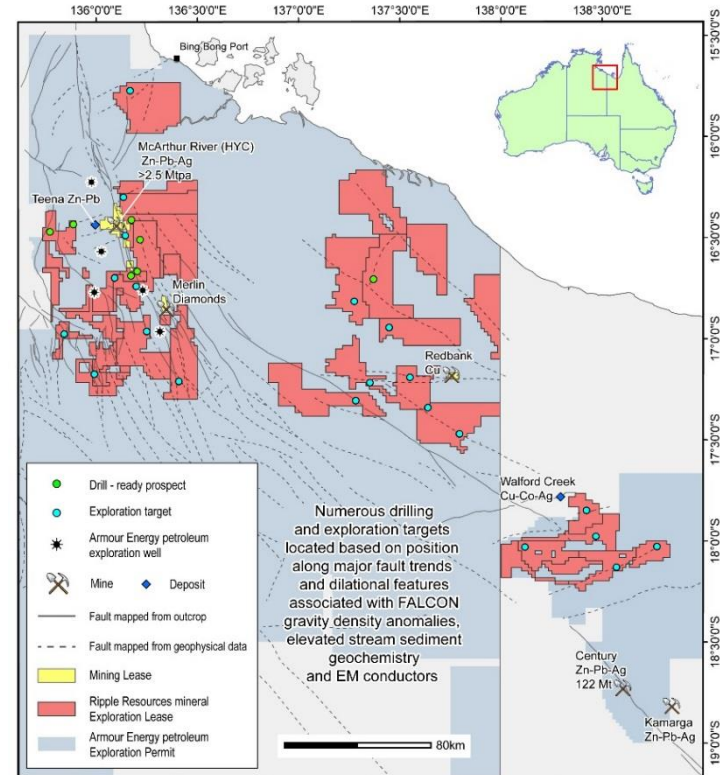


# Ripple Resources - Redefining a World Class Base Metal Province



## Current Portfolio

- ~ 20,000km<sup>2</sup> 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

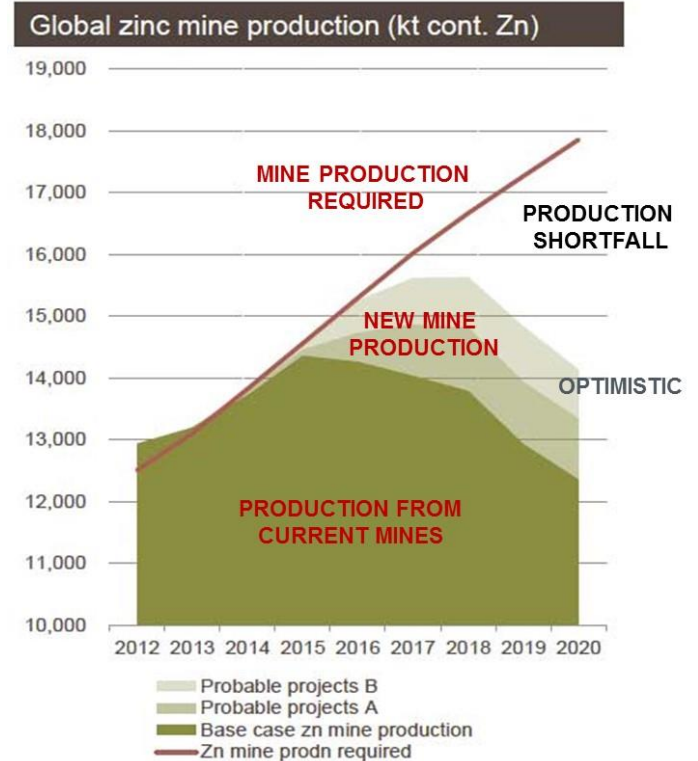


# Ripple Resources - Why Zinc, Lead and Copper ?



## New mines are needed

- Massive production shortfall is leading to higher prices over the next decade.
- Smelting and refining capacity is able to absorb new supplies but major mines such as Century are closing.
- Ripple well positioned to discover next Super Giant SEDEX deposit



# Summary



**Assets secured  
ahead of time, very  
positive results**

**The market  
opportunity is  
building**

**A strong team and  
prudent capital  
management**



# Thank you

Armour Energy is focussed on the discovery and development of world class resources in northern Australia.

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