

Armour Signs Gas Supply Heads of Agreement

Armour Energy Limited, (**Armour**), is pleased to announce that it has signed a Heads of Agreement (HOA) with Australian Natural Diamonds Ltd, a wholly owned subsidiary of Lucapa Diamond Company Limited (ASX: LOM), for gas supply to the Merlin Diamond Project from its Glyde discovery in EP 171 in the McArthur Basin, Northern Territory.

HIGHLIGHTS

- HOA in place for 14 years supply of gas produced from the Glyde gas discovery to Merlin Diamond Project.
- The agreement reinforces the hydrocarbon potential of the McArthur Basin in the Northern Territory and Armour's ability to provide this valuable resource to the domestic market.
- Successful execution of the development plan will represent the first production from the Basin which lies within 20 km of the Merlin site.

The HOA contemplates the sale of gas produced from the Glyde Field from production start-up (mid-CY2025) for 14 years through to the end of CY2039 providing fuel to support the development of the Merlin Diamond Project which is currently undergoing a feasibility study. This is anticipated to be a minimum of 7 PJ of gross sales gas over the contract term. The terms set out in the HOA will form the basis of a fully termed Gas Sales Agreement ("GSA") once all the conditions precedent have been met.

Armour CEO, Mr Christian Lange, commented:

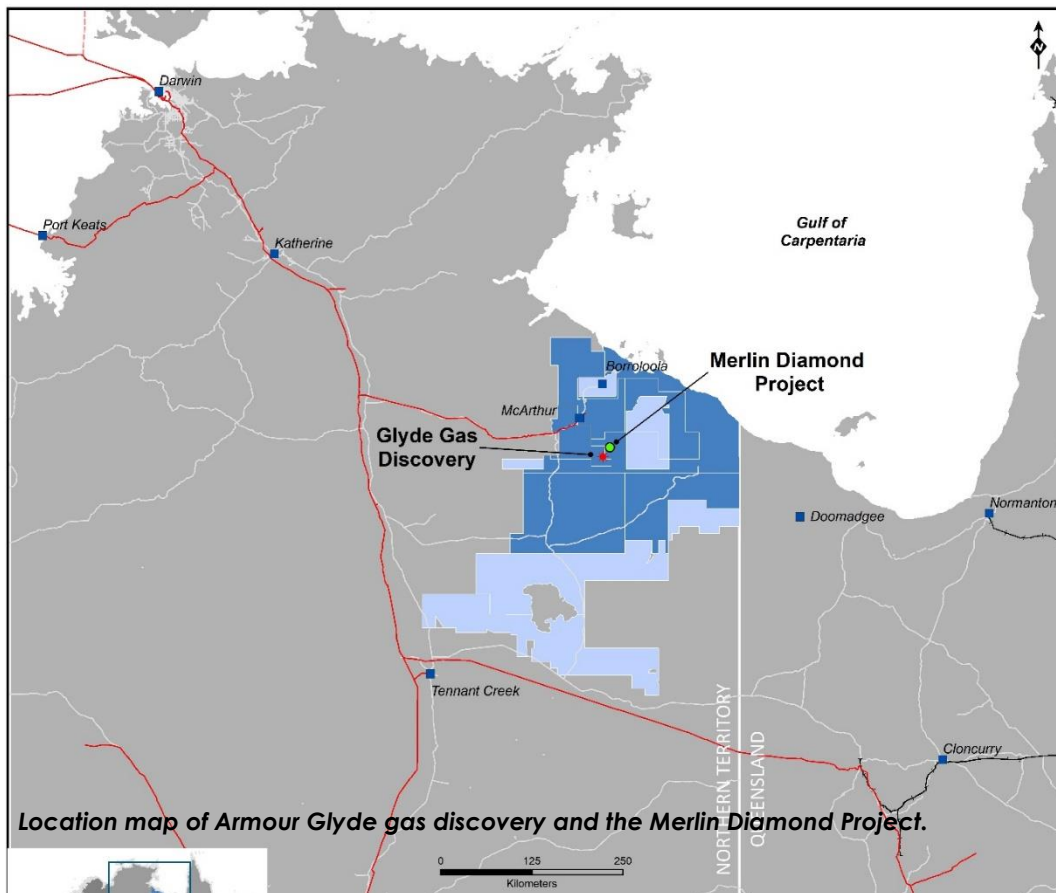
"This HOA with Lucapa represents a significant opportunity to further appraise, develop and commercialise the Glyde gas discovery in the Northern Territory. Recent technical work performed by Armour and SLB (Schlumberger) have validated the producibility of the existing well and plans are underway to reassess the resource potential and development feasibility. The agreement underpins the accelerated pathway to commercialisation of this shallow, conventional gas asset and reinforces the exciting conventional and unconventional hydrocarbon potential of the McArthur Basin in the Northern Territory and our ability to provide this valuable resource to the domestic market and represent first production from the Basin.

We are looking forward to working closely with the team at Lucapa and providing them with a reliable and sustainable supply of high-quality gas for the life of the mine."



Mr Stephen Wetherall, Managing Director of Lucapa Diamond Company Limited commented:

"The prospect of the availability of gas from a source less than 20 km from the Merlin Diamond Project rather than diesel trucked from Darwin, potentially as part of a solar-gas hybrid power solution, is of significant interest to Lucapa from both an environmental and project economics point of view. We look forward to working with Armour Energy on this exciting initiative."



About Armour

Armour Energy Limited is an ASX listed company within the oil and energy industry. The company is focused on the exploration, development and production of gas and other liquids resources across Australia in the Northern Territory, Queensland, Victoria and South Australia.

About Lucapa

Lucapa is an ASX listed diamond miner and explorer with assets in Africa and Australia. It has interests in two producing diamond mines in Angola (Lulo, in which LOM holds 40%) and Lesotho (Mothae, in which LOM holds 70%). The large, high-value diamonds produced from these two niche African diamond mines attract some of the highest prices per carat for rough diamonds globally.

In 2021, through its wholly owned subsidiary, Australian Natural Diamonds Pty Ltd, Lucapa completed the strategic and transformative acquisition of the Merlin Diamond Project, an historic Australian mine in the Northern Territory of Australia.

This Announcement has been authorised & approved by the Board of Armour Energy for ASX lodgement.

Geoff Walker

CFO & Company Secretary

For more information please email info@armourenergy.com.au

Nick Mather Executive Chair
Telephone: +61 7 3303 0680
nmather@armourenergy.com.au

Christian Lange CEO
Telephone: +61 7 3303 0620
clange@armourenergy.com.au

Geoff Walker CFO & Co Sec
Telephone: +61 7 3303 0421
gwalker@armourenergy.com.au

FORWARD LOOKING STATEMENT Statements & material contained in this ASX Release, particularly those regarding possible or assumed future performance, production levels or rates, commodity prices, resources or potential growth of AJQ, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events & expectations and, as such, involve known and unknown risks & uncertainties. Although reasonable care has been taken to ensure facts stated in this Release are accurate and/or that the opinions expressed are fair & reasonable, no reliance can be placed for any purpose whatsoever on the information contained in this document or on its completeness. Actual results & developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors. Nothing in this Release should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.