



ASX Announcement

27 April 2011

Institutional Participation in Capital Raising

The Boards of Directors of Armour Energy Limited (Armour Energy) and its parent D'Aguilar Gold Limited (D'Aguilar) are pleased to advise that Armour Energy has finalised a seed capital raising and agreement for cornerstone IPO participation by investment funds affiliated with Och-Ziff Capital Management Group LLC (the Och-Ziff funds).

Under the terms of the agreement, the Och-Ziff funds have contributed \$4 million in pre-IPO equity as a placement on terms identical to the recent \$10 million seed raising successfully closed by Armour Energy last month (\$0.20 per share with a 1:4 attaching \$0.50 option exercisable through to 31 August 2014).

In addition, the Och-Ziff funds have committed, subject to the terms of a subscription agreement, to the subscription of \$7.5 million in the Armour Energy capital raising and ASX listing currently planned to be at 75 cents per share in Q3 calendar 2011.

Commenting on the placement, Mr Nicholas Mather, CEO of D'Aguilar and Chairman of Armour Energy, said "Having a cornerstone investor of the calibre of Och-Ziff is an important milestone in the corporate development of Armour Energy. The Company regards Och-Ziff's experience in energy investments to underscore Armour Energy's potential."

D'Aguilar currently holds 75.3 million shares and 18.8 million \$0.50 options in Armour Energy.

About Armour Energy

New Shale Gas Province in Northern Australia

Armour Energy is dedicated to the discovery and development of world class gas resources in an extensive new province in Northern Australia. The area currently under application covers 118,814km² of the McArthur, South Nicholson and Georgina Basins. The area is host to numerous shows of gas, condensate, oil and bitumen in the proterozoic aged McArthur Group and Roper Group sediments as encountered by previous explorers including Amoco in the 1980s.

The area is also prospective for large shale gas resources which are expected to be comparable to or rival shale gas resources contained within known shale gas basins in the USA.

Armour Energy has identified a core target area located within and adjacent to the fault bounded trough structure known as the Batten Trough. The target sediments are the thickened sections of the gas rich Barney Creek Shale which has scope to host up to 40TCF of gas in the area. Armour Energy is targeting 20TCF, equivalent to 21,100 Peta Joules (PJ), of shale gas in the Batten Trough.

Market Opportunities Identified

Several short term and lower volume market domestic industrial and power generation opportunities have been identified in and near to the exploration area, or adjacent pipeline infrastructure. Early exploration targets and ultimately reserve definition and production plans have been selected to address these opportunities. The project area is well positioned to service the Northern Economic Triangle of Queensland and local markets in the Northern Territory.

Early Gas Flow Potential in Conventional Targets

In its Northern Territory project areas, Armour Energy has identified potential for shale gas plays in the Barney Creek Shale and potential to discover conventional gas accumulations in the Coxco Dolomite abutting the Barney Creek Shale along the Emu Fault Zone both North and South of the McArthur River Zinc Mine. A mineral exploration hole drilled at the Glyde River prospect in this area by Amoco in 1979 flowed gas and condensates at 140psi for 6 months before it was sealed at the surface.

Mineral exploration drill holes in the area frequently encountered bitumen, residual oil, gas shows and gas flows further substantiating the presence of a mature petroleum system in the area. Armour Energy has identified several targets adjacent to the Emu Fault Zone near both Glyde and Caranbirini along with other anticline related targets adjacent to the Abner Range. These targets provide immediate potential for approximately 200 Billion cubic feet or approximately 210 PJ of conventional gas with further potential to be identified in similar trap sites.

Experienced Board and Management in Major Projects and Gas Exploration

Armour Energy's CEO, Mr Phil McNamara is highly experienced in the field of major project feasibility and development having recently headed the feasibility study and then successful negotiations with major Chinese constructors, financiers and customers for Waratah Coal. His previous appointments also saw him managing large coal development projects for Yanzhou Coal Australia, and prior to that Xstrata Coal.

Armour Energy is well supported by a team of highly experienced and successful petroleum exploration experts and consultants and draws relevantly on the coal seam methane experience of its chairman and D'Aguilar CEO, Mr Nicholas Mather, who was instrumental in the early business development strategy, project acquisition and exploration programs for Arrow Energy and Bow Energy. He is currently a Non Executive Director of Bow Energy.

Mr Bill Stubbs, Chairman of D'Aguilar was also Chairman of Arrow Energy between 1998 and 2005, during its emergence as a major coal seam methane company, and his experience will be particularly relevant to the emergence of Armour Energy as a major gas company.

Proposed IPO and ASX Listing

Armour Energy is targeting an IPO and ASX listing later this year. Activities leading up to the IPO will focus on tenement granting, identification of specific drill targets, gas market development, engagement of drilling and completions contractors and financial scoping studies.



On behalf of the Board
KM Schlobohm
Company Secretary

About D'Aguilar Gold

D'Aguilar Gold Limited is focused on generating exploration and development companies in a wide array of minerals.

Projects are conceived directly through the skills and experience of D'Aguilar's accomplished team of exploration geoscientists (with an enviable track record), not by the costly purchase of properties. Each project or exploration strategy is held in a separate subsidiary.

Focused and specialist management is then engaged in the subsidiary, with project specific finance raised in the subsidiary – faster and less dilutive to D'Aguilar. As the subsidiary project develops and starts to derisk the subsidiary is separately capitalised (seed raisings followed by an IPO).

Investors can choose to invest specifically in a particular project/commodity, or by investing in D'Aguilar, invest in the resource company generating business which retains a significant carried interest in each project.

D'Aguilar projects tend to be very large, targeting new provinces with the potential to make world-class discoveries. The exploration concepts are often novel. While increased metal prices and advances in technology can turn former sub-economic deposits into viable projects, D'Aguilar subsidiary projects frequently emerge from detailed reassessment and reinterpretation of large databases – looking at things from a new angle and with a different focus using state of the art techniques. The D'Aguilar Directors and Managers have in the past applied new exploration models to extensive tenement areas which have led to identification of new mineral provinces and the discovery of nationally significant resources. Similar efforts are now being dedicated to D'Aguilar.

D'Aguilar currently holds 52 million shares (33%) in **Mt Isa Metals Limited** (ASX: MET) currently exploring for gold in Burkina Faso, 35.2 million shares (12.5%) in **Solomon Gold plc** (LSE: SOLG) and 58.85 million shares (53%) in **AusNiCo Limited** (ASX: ANW), and 27 million shares (29%) in **Navaho Gold Limited** (ASX: NVG) exploring for gold and silver in Nevada (USA) and Queensland.

D'Aguilar is also progressing the corporate development of **Archer Resources Limited** which is focussing on the discovery and development of previously overlooked copper-molybdenum-gold porphyry systems in Queensland. Having recently appointed Dr Matt White as CEO, and finalising its \$2 million seed raising, Archer Resources is also preparing for an IPO and ASX listing later in 2011.

D'Aguilar is also progressing the corporate and project development of **Armour Energy Limited** which has just completed a \$10 million seed raising. Armour Energy is dedicated to the discovery and development of world class gas resources in an extensive new province in Northern Australia. The area currently under application covers 118,814km² of the McArthur, South Nicholson and Georgina Basins. An IPO is planned for Q3 2011.

D'Aguilar Gold currently has 322,202,760 shares on issue.

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Electronic copies and more information are available on the Company website: www.daguilar.com.au

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