



2 March 2012

Dear Fellow Shareholder

**Re: *Armour Energy Limited***

Following approval granted at the DGR Global (formerly D'Aguilar Gold) EGM of 7 November 2011, I am extremely pleased to advise of the pending initial public offering (**IPO**) of Armour Energy Limited (**Armour Energy**) which will seek to raise \$60 million through the offer of 120 million shares at \$0.50 each. (**Issue**)

*About Armour Energy Limited*

Armour Energy is an emerging petroleum gas and liquids explorer in a new province in the Northern Territory and northern Queensland. Armour Energy's permit areas cover approximately 126,000 km<sup>2</sup> of the McArthur, South Nicholson and Georgina Basins. These basins have hosted important gas and oil shows including a significant free flow of gas from a historic mineral hole. The basins demonstrate analogous characteristics to US shale gas basins and we are optimistic that these characteristics will prevail across the permit areas and in turn imply potential for large scale gas and associated liquids fields.

To complement Armour Energy's prospective areas in Northern Australia, the Company recently made a strategic investment in Lakes Oil NL (ASX:LKO), an oil and gas explorer focused on the Otway and Gippsland Basins, Victoria. In conjunction with the investment the Company has the right to earn an interest in three project areas. This provides the Company with exposure to a potentially large gas province, immediate drill targets with a 12 month drilling window and geographical expansion.

The Issue will be underwritten to \$50 million by Samuel Holdings Pty Ltd, company associated with myself. There will be no public offer available.

*DGR Priority Offer Entitlement*

You will be eligible to participate in a special **Priority Offer** for up to 10% of Armour Energy's Issue (**Priority Offer**), provided you are registered as a holder of DGR Global shares on the record date (which is currently projected to be 9 March 2012) and are resident in Australia, New Zealand or other foreign jurisdiction in which it is lawful for the Offer to be made. However, you should note that the final allocation of shares across the Issue is subject to the discretion of the Directors, who will be working in conjunction with the lead managers for Armour Energy.

This letter does not constitute the offer of shares in Armour Energy; it simply serves to provide you with information in advance of the Offer to be made under a Prospectus, a copy of which will be made available to you once it is lodged with ASIC. (**Prospectus**)



**Head Office**  
Postal address: GPO Box 5261 Brisbane Q 4001  
Ptc: +61 7 3303 0699 | Fax: +61 7 3305 0688

**Exploration Office**  
Postal address: PO Box 611 Gympie Q 4570  
Ptc: +61 7 5485 6999 | Fax: +61 7 5483 6233

**ASX CODE: DGR**  
ACN: 052 354 837  
Email: [info@dgrglobal.com](mailto:info@dgrglobal.com)  
[www.dgrglobal.com](http://www.dgrglobal.com)

The Priority Offer for DGR Global shareholders is expected to operate as follows:

1. Once available, the Prospectus for the IPO of Armour Energy will be able to be downloaded from [www.armourenergy.com.au](http://www.armourenergy.com.au). You will receive further written confirmation once the Prospectus is published;
2. The Priority Offer period will close off **earlier** than the close of the Issue (**Priority Offer Period**);
3. You will only be able to apply for shares in Armour Energy pursuant to the Prospectus using the personalised application form available from the website after entering either your HIN or SRN applicable to your DGR Global shareholding, or by entering your entitlement number that will be printed on the next correspondence to be sent to you if you are eligible to participate in the Priority Offer;
4. You will not be limited to how many shares you apply for in Armour Energy under the Priority Offer (other than a minimum subscription amount), but payment in full will be required in full by the end of the Priority Offer Period;
5. The Prospectus will confirm how payment under the Priority Offer is required to be made. However, it is likely that payment options will be restricted to BPay. Payments will be required to be made, in full, by the end of the Priority Offer period. Due to the structure of the Offer, payments by cheque, EFT or any other method, and payments made after the close of the Priority Offer period, will all be rejected by the share registry.

In light of these payment arrangements, you may wish to liaise with your bank to adjust any “daily limit” threshold which may apply to your personal banking arrangements, if so required.

Should you be interested in participating in the Priority Offer, please:

- (i) Read the Prospectus in full, once available;
- (ii) Ensure you have your HIN or SRN details (for your DGR Global / D’Aguilar Gold shareholding) ready, or keep the entitlement number from the next correspondence to be sent to eligible holders;
- (iii) Make any arrangements necessary with your bank or financial institution to facilitate full payment of any application monies in accordance with paragraph 5 above.

In the interim, please feel free to contact myself or DGR Global Company Secretary Karl Schlobohm with any questions you may have.

Yours sincerely



Nicholas Mather  
Managing Director  
DGR Global Limited