



## Armour Energy Limited

26 July 2018

### **\$6.8 million Environmental Bonding Funding Facility obtained from Tribeca Global Natural Resources Fund**

The Directors of Armour Energy Ltd (ASX: AJQ) are pleased to provide this update on the Company's financing activities.

#### **Tribeca Facility**

The Company and an Armour subsidiary, Armour Energy (Surat Basin) Pty Ltd (**Armour Surat**) have entered into a credit facility agreement (**Tribeca Facility Agreement**) with Tribeca Investment Partners Pty Ltd, Equity Trustees Limited (in its capacity as the trustee of the Tribeca Global Natural Resources Credit Fund) and Tribeca Global Natural Resources Credit Master Fund (**Tribeca**) for the provision by Tribeca of an environmental bonding finance facility to Armour Surat (the **Tribeca Facility**).

Pursuant to the terms of the Tribeca Facility, Tribeca will lend up to A\$6,800,000 on a second ranking secured basis to Armour Surat.

The Company's ability to draw down funds under the Tribeca Facility is subject to a number of conditions precedent which are customary for a facility of this nature which should be satisfied in the coming week.

The Tribeca Facility will provide the Company with a source of further working capital to facilitate its continued development of its Kincora Gas Project.

The Tribeca Facility has a 9% per annum coupon rate payable by the Company quarterly in arrears on amounts drawn and in addition, the Company has agreed to grant to Tribeca 41,000,000 unlisted options to subscribe for ordinary shares (**Options**) with an exercise price of A\$0.166. The Options will expire on the third anniversary of the first drawdown date under the Tribeca Facility.

The Options will be granted on the earlier of the drawdown date under the Tribeca Facility or 10 business days after the date of the Tribeca Facility Agreement.

#### **Amendments to the Convertible Note Trust Deed**

The Company is a party to the convertible redeemable notes trust deed (**Note Trust Deed**) with Perpetual Trustee Corporate Trust Limited dated 9 December 2016, which was subsequently varied by an amending deed dated 26 May 2017. In this regard the Company makes reference to its announcement to the ASX on 16 December 2016.

MHC Fund Services 2A Pty Ltd (**MHC Fund**) is a major Noteholder under the Note Deed, and an entity associated with M.H. Carnegie & Co Pty Limited (**MHC**).

A dispute arose between the Company and MHC and MHC Fund in respect of certain provisions in the Note Deed providing MHC with an early redemption right in certain specific circumstances.

The Company, MHC and MHC Fund have resolved the dispute and entered into a settlement deed. Pursuant to the terms of the settlement deed, the Company has agreed to seek approval of Noteholders to vary the Note Trust Deed so as to extend the time which MHC Fund has to determine whether or not to exercise its early redemption right, from 30 June 2018 to 31 December 2018. In consideration of the Company agreeing to this extension MHC Fund and MHC have agreed to support the Company in seeking to obtain approval under the Note Trust Deed to enter into the Tribeca Facility. Approval is required from Noteholders holding 75 % of the principal amount of all outstanding Notes.

The Company is in the process of obtaining approval of the requisite majority of Noteholders on the following matters:

(a) to make certain amendments to the Note Trust Deed to:

- enter into the Tribeca Facility;
- provide the Company with future flexibility in respect of debt capital raisings, if required, to repay the Tribeca Facility; and
- to extend the time which MHC Fund has to determine whether or not to exercise its early redemption right, from 30 June 2018 to 31 December 2018; and

(b) to facilitate the raising of further equity from shareholders in the future.

Commenting on the Tribeca Facility, Armour's Executive Chairman Mr Nick Mather said "We are pleased to see the continued support of the Tribeca team to assist in funding Armour's ongoing growth plans as it continues its successful transition from an exploration to production company at a time of significant gas demand growth both domestically and internationally."



On behalf of the Board  
Karl Schlobohm  
Company Secretary



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**Forward Looking Statement**

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