

## Armour Energy Limited

1 March 2019

### Convertible Notes Redemption and Refinancing

Armour Energy Ltd (ASX: AJQ, the **Company** or **Armour**) refers to its announcement of 3 January 2019 in relation to the early redemption of the Convertible Notes (the **MHC Notes**) held by funds managed by MH Carnegie & Co (**MHC**).

Armour is making good progress towards a wider financing transaction which will enable it to both redeem the MHC Notes together with an early redemption of the balance of the Convertible Notes currently on issue which are due to mature on 30 September 2019.

In order to facilitate this wider financing transaction, Armour has:

- entered into an agreement with MHC with respect to new redemption arrangements for the MHC Notes;
- obtained approval from the requisite majority of Convertible Noteholders to make amendments to the Convertible Note Trust Deed to enable the early redemption of all Convertible Notes currently on issue;
- entered into a mandate letter with an arranger in relation to a proposed new issue of secured notes; and
- obtained cornerstone investor support for \$20 million of the proposed new issue of secured notes.

### MHC Redemption Arrangements

Armour is pleased to announce that Armour and MHC have agreed the terms of the redemption arrangements of the MHC Notes (the **new redemption arrangements**).

The material terms of the new redemption arrangements with respect to the MHC Notes are:

1. Armour will redeem the MHC Notes (the **Redemption**) by the earlier of (the **New Redemption Date**):
  - (a) 7 May 2019; and
  - (b) the date of a refinancing of all outstanding Convertible Notes.
2. Armour has paid MHC an extension fee of \$50,000, and will pay a further extension fee of \$100,000 if the Redemption has not occurred by 7 April 2019.
3. Armour will pay 20% interest on 110% of the face value of the MHC Notes as and from 7 March until and including the New Redemption Date.

### Amendments to the Convertible Notes Deed

The Company has sought and obtained approval from the requisite majority of Noteholders holding 75% of the principal amount of all outstanding notes to a Special Resolution in favour of amendments

to the Note Trust Deed which would allow Armour to redeem any outstanding Convertible Notes (other than those in respect of which a conversion notice or redemption notice has already been issued), at any time prior to the Maturity Date, at a premium of 3.25% of their face value.

These proposed amendments to the Convertible Note Trust Deed are still subject to the execution of an amending deed with the Note Trustee, Perpetual Trustee Corporate Trust Limited which is currently being progressed.

### **Proposed New Issue of Secured Notes**

Armour has executed a mandate letter for a proposed new issue of secured notes.

Armour has also obtained cornerstone investor support for \$20 million of the proposed new issue of secured notes.

The proposed new issue of secured notes is still subject to completion of due diligence and final note documentation.

The Company will continue to update the market as to the progress of its funding initiatives as developments occur.



On behalf of the Board  
Karl Schlobohm  
Company Secretary

### **For further information contact:**

Roger Cressey – CEO  
07 – 3303 0620

Karl Schlobohm – Company Secretary  
07-3303 0661