

## Notice of Annual General Meeting and Explanatory Memorandum

### **Armour Energy Limited**

Date of Meeting: 26 November 2019

Time of Meeting: 11:00am (Brisbane time)

Place of Meeting: Level 7, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000

Notice is hereby given that the 2019 Annual General Meeting of shareholders of Armour Energy Limited ABN 60 141 198 414 (the **Company, Armour**) will be held at the offices of HopgoodGanim on Level 7, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000 on 26 November 2019, at 11:00 am (Brisbane time).

## Agenda

### ORDINARY BUSINESS

#### Annual Financial Reports

To receive and consider the Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, and notes to and forming part of the financial statements for the Company and its controlled entities for the financial year ended 30 June 2019.

See Explanatory Statement below for further information.

#### Resolution 1. Remuneration Report

To consider and, if thought fit, pass the following Advisory Resolution:

***"That the Remuneration Report for the year ended 30 June 2019 (as set out in the Directors' Report) is adopted."***

##### **VOTING RESTRICTION PURSUANT TO SECTION 250R(4) OF THE CORPORATIONS ACT**

Terms used in this Notice of Meeting are defined in the "Interpretation" section of the accompanying Explanatory Memorandum.

The vote on Resolution 1 is advisory only and does not bind the Directors of the Company.

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- a member of the Key Management Personnel ("KMP") details of whose remuneration are included in the Remuneration Report; or
- a Closely Related Party of a KMP.

However, the above persons **may** cast a vote on Resolution 1 if:

- the person does so as a proxy appointed in writing;
- the vote is not cast on behalf of a member of the KMP details of whose remuneration are included in the Remuneration Report or a Closely Related Party of a KMP; and
- either:
  - the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
  - the voter is the Chairman of the Meeting and the appointment of the Chairman as proxy:
    - does not specify the way the proxy is to vote on the resolution; and
    - expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a KMP for the Company or, if the Company is part of a consolidated entity, for the entity.

##### **VOTING INTENTION OF CHAIRMAN**

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1, subject to compliance with the Corporations Act.

**See Explanatory Memorandum for further information.**

## Resolution 2. Re-Election of Stephen Bizzell as a Director

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

***“That Stephen Bizzell, who retires by rotation in accordance with Article 38 of the Company’s Constitution and, being eligible and offering himself for re-election, be re-elected as a Director of the Company.”***

See Explanatory Memorandum for further information.

## Resolution 3. Ratification of Securities Previously Issued

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

***“That for the purposes of Listing Rule 7.4, and for all other purposes, shareholders ratify the previous issue of a total of 121,560,174 securities, including:***

- (i) 300,000 fully paid ordinary shares issued at \$0.10 each on 8 November 2018, as part of the over demand for the Entitlement Offer shortfall;***
- (ii) 1,260,174 fully paid ordinary shares issued at prices ranging from \$0.074 to \$0.096 each, which represented part-payment of employee remuneration, and issued on various dates during the last 12 months;***
- (iii) 80,000,000 fully paid ordinary shares issued at \$0.05 each to sophisticated investors as part of a private placement on 30 September 2019; and***
- (iv) 40,000,000 unlisted options exercisable at \$0.08 each through to 30 September 2023, issued to sophisticated investors as part of a private placement on 30 September 2019;***

***in those proportions and otherwise on terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”***

### NOTES:

- The rights attaching to shares that were issued are identical in all aspects to the existing ordinary shares on issue in the Company.
- Where shares were issued for cash, the funds raised were (and will continue to be) used to finance the ongoing oil & gas exploration and production activities at the Kincora Project, additional growth initiatives, corporate costs and general working capital.

Further details of the shares are contained within the Explanatory Memorandum.

### VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast in favour of the Resolution by or on behalf of:

- any person who participated in or directly benefit from the issues excluded from voting; or
- any associate of those persons.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

See Explanatory Memorandum for further information.

## Resolution 4. Approval of Employee Share Option Plan

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

***"That for the purposes of Exception 9(b) to Listing Rule 7.2, and for all other purposes, the Company be authorised to issue securities under the Armour Energy Limited Employee Share Option Plan (ESOP) as an exception to Listing Rule 7.1."***

### VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on this Resolution by:

- a Director of the entity (except one who is ineligible to participate in any employee incentive scheme in relation to the entity); and
- an associate of that person (or those persons).

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction.

### PROXY APPOINTMENT RESTRICTION

In accordance with Section 250BD of the Corporations Act, the Company will disregard any votes cast on this Resolution by a member of the KMP or their Closely Related Parties who has been appointed as a proxy unless:

- the appointed proxy votes for a person who is permitted to vote and in accordance with a direction on the proxy form (directed proxy); or
- the appointed proxy is the Chairman and the appointment of the Chairman as proxy:
  - does not specify the way the proxy is to vote on the resolution; and
  - expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

See Explanatory Memorandum for further information.

## Resolution 5. Approval for the Allotment of Options to Bizzell Capital Partners Pty Ltd

To consider and, if thought fit, pass the following Ordinary Resolution, with or without amendment:

***"That in accordance with Section 208(1) of the Corporations Act and for the purposes of Listing Rule 10.11, and for all other purposes, Shareholders approve the issue of 8,000,000 options (exercisable at \$0.08, expiring on 30 September 2023) to Bizzell Capital Partners Pty Ltd, on the terms summarised in the Explanatory Memorandum, and pursuant to a capital raising mandate executed on 17 September 2019, under which the issue of options is subject to obtaining Shareholder approval."***

### VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on this Resolution by:

- Bizzell Capital Partners; and
- any associate of Bizzell Capital Partners, including Stephen Bizzell.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction.

See Explanatory Memorandum for further information.

## SPECIAL BUSINESS

### Resolution 6. Approval to Issue an Additional 10% of the Issued Capital of the Company over a 12-Month Period Pursuant to Listing Rule 7.1A

To consider and, if thought fit, pass the following Resolution, as a Special Resolution, of the Company:

***“That pursuant to and in accordance with Listing Rule 7.1A, and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, over a 12 month period from the date of the Meeting, at a price not less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions described in the Explanatory Memorandum (Placement Securities).”***

#### VOTING EXCLUSION STATEMENT FOR THIS SPECIAL RESOLUTION

The Company will disregard any votes cast in favour of this Special Resolution by a person and any associates of that person who:

- may participate in the issue of the Placement Securities; and
- might obtain a material benefit, except a benefit solely in their capacity as a holder of Shares if the resolution is passed.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Annual General Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

#### IMPORTANT NOTE

The proposed allottees of any Placement Securities are not as yet known or identified. In these circumstances, for a person's vote to be excluded, it must be known that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Placement Securities), shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

See Explanatory Memorandum for further information.

## GENERAL BUSINESS

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By Order of the Board



Karl Schlobohm  
Company Secretary  
11 October 2019

## Explanatory Memorandum

This Explanatory Memorandum is provided to shareholders of Armour Energy Limited ABN 60 141 198 414 (the **Company, Armour**) to explain the Resolutions to be put to Shareholders at the Annual General Meeting to be held at the offices of HopgoodGanim on Level 7, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000 on 26 November 2019 at 11:00 am (Brisbane time).

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions to be put to the Meeting as contained in the Notice of Meeting material. The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum are defined in the "Interpretation" section of the Explanatory Memorandum.

## ORDINARY BUSINESS

### Consider the Company's Annual Report

The Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and the notes to and forming part of the financial statements for the Company and its controlled entities for the financial year ended 30 June 2019. The Company's Annual Report for the financial year ended 30 June 2019 was released on 27 September 2019 and is available on the Company's website: [www.armourenergy.com.au](http://www.armourenergy.com.au).

No voting is required for this item.

### Resolution 1. Remuneration Report

The Board has submitted its Remuneration Report (included in the 2019 Annual Report) to Shareholders for consideration and adoption by way of a non-binding Advisory Resolution in accordance with Section 250R of the Corporations Act. The Remuneration Report is set out in the Directors' Report section of the 2019 Annual Report. The Report, amongst other things:

- explains the Board's policy for determining the nature and amount of remuneration of Key Management Personnel of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each member of the Company's Key Management Personnel including details of performance related remuneration and options granted as part of remuneration; and
- details and explanations of any performance conditions applicable to the remuneration of Key Management Personnel of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report. A vote on this Resolution is advisory only and does not bind the Directors of the Company. There are restrictions on members of the Key Management Personnel and their Closely Related Parties and their proxies voting on Resolution 1, details of which are set out in the Voting Restriction Statement included in Resolution 1 of the Notice of Meeting.

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1, subject to compliance with the Corporations Act.

## Resolution 2. Re-Election of Stephen Bizzell as a Director

Mr Bizzell was originally appointed to the Board of the Company on 9 March 2012. In accordance with the Company's Constitution, Mr Bizzell will retire at the Annual General Meeting, and will stand for re-election.

Mr Bizzell is the Chairman of boutique corporate advisory and funds management group Bizzell Capital Partners Pty Ltd. Mr Bizzell was previously an Executive Director of Arrow Energy Ltd from 1999 until its acquisition by Shell and Petro China, for \$3.5 billion in August 2010. He was instrumental in Arrow Energy's corporate and commercial success and its growth from a junior explorer to a large integrated energy company. He was also a co-founder and Non-Executive Director of Bow Energy Ltd until its takeover \$0.55 billion in January 2012. He has further current experience in the resources sector as a Director of Laneway Resources Ltd, Renascor Resources Ltd, Stanmore Coal Ltd, and Strike Energy Ltd.

Mr Bizzell qualified as a Chartered Accountant and early in his career was employed in the Corporate Finance division of Ernst & Young and the Corporate Tax division of Coopers & Lybrand. He has had considerable experience and success in the fields of corporate restructuring, debt and equity financing, and mergers and acquisitions and has over 20 years' corporate finance and public company management experience in the resources sector in Australia and Canada with various public companies.

Mr Bizzell is Chair of the Company's Audit and Risk Committee, and a member of the Remuneration and Health & Safety Committees.

The Directors (with Mr Bizzell abstaining) recommend that Shareholders vote in favour of this Resolution.

## Resolution 3. Ratification of Securities Previously Issued

The Company is seeking Shareholders to ratify the previous issue of a total of 121,560,174 securities made by the Company in the last 12 months, being:

- (i) 300,000 fully paid ordinary shares issued at \$0.10 each on 8 November 2018, as part of the over demand for the Entitlement Offer shortfall;
- (ii) 1,260,174 fully paid ordinary shares at prices ranging from \$0.074 to \$0.096 each, which represented part-payment of employee remuneration, and which were issued on various dates during the last 12 months;
- (iii) 80,000,000 fully paid ordinary shares issued at \$0.05 each to sophisticated investors as part of a private placement on 30 September 2019; and
- (iv) 40,000,000 unlisted options exercisable at \$0.08 each through to 30 September 2023, and issued to sophisticated investors as part of a private placement on 30 September 2019.

Further details of the securities issued are outlined below.

### Listing Rule 7.4

As noted above, in accordance with Listing Rule 7.4, the Company is seeking Shareholders to ratify the previous issue of securities, being issues of securities made by the Company during the previous 12 months for which Shareholder approval has not already been obtained.

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in any 12-month period without the prior approval of its Shareholders. The Company seeks Shareholder approval to ratify the issue of the securities outlined above in accordance with Listing Rule 7.4 in order to refresh the Company's ability to issue up to 15% of its share capital (in a 12-month period) under Listing Rule 7.1.

Under Listing Rule 7.4, an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with approval if the issue:

- did not breach Listing Rule 7.1 (ie. the issue did not exceed the 15% limit under Listing Rule 7.1); and
- holders of the ordinary securities subsequently approve the issue.

Listing Rule 7.4 provides that a Company may reinstate its additional placement capacity under Listing Rule 7.1A where any securities issued during the relevant period are subsequently ratified by the Company's Shareholders.

#### **Terms of the Securities issued:**

For the purpose of Listing Rules 7.4 and 7.5, the Company advises as follows:

- The shares were issued at various times from 8 November 2018 to 30 September 2019 as outlined in **Table 1**.
- The shares were all issued to the recipient parties outlined in **Table 1**, at prices ranging from \$0.05 to \$0.10 per Share.
- The shares rank *pari passu* with the existing shares on issue, are not subject to escrow restrictions and are subject to the rights and obligations set out in the Company's Constitution.
- Where the shares were issued for cash, the funds raised were (and will continue to be) used to finance the ongoing oil & gas exploration and production activities at the Kincora Project, and to fund additional growth initiatives, corporate costs and general working capital.
- The unlisted options were issued to parties that participated in the private placement to sophisticated investors raising gross proceeds of \$4,000,000 for the Company. The options have an exercise price of \$0.08 each and expire on 30 September 2023. The options were issued for no consideration, meaning no funds were raised by the allotment of the options themselves. However, if the options are all exercised before their expiry, it will raise the Company proceeds of \$3,200,000.
- The recipient parties, and the number of securities issued to each, are as outlined in **Table 1** on the following page.

A Voting Exclusion Statement in relation to this Resolution is set out in the Notice of Meeting.

The Directors recommend that Shareholders vote in favour of this Resolution.



**Table 1**

Subscriber	Share Price	Number of Shares	Number of Options	Investment Amount
<b>Shares Issued on 8 November 2018</b>				
Mario Investment Corporation Pty Ltd	\$ 0.10	300,000	-	\$ 30,000
<b>Shares Issued on 18 January 2019</b>				
Richard John Aden	\$ 0.084	238,095	-	\$ 20,000
Luke Titus	\$ 0.084	119,048	-	\$ 10,000
Nathan Rayner	\$ 0.084	34,798	-	\$ 2,923
Richard Fenton	\$ 0.084	151,099	-	\$ 12,692
		<b>543,040</b>	-	<b>\$ 45,615</b>
<b>Shares Issued on 1 May 2019</b>				
Richard John Aden	\$ 0.096	96,154	-	\$ 9,231
Luke Titus	\$ 0.096	48,077	-	\$ 4,615
Nathan Rayner	\$ 0.096	208,333	-	\$ 20,000
		<b>352,564</b>	-	<b>\$ 33,846</b>
<b>Shares Issued on 25 June 2019</b>				
Richard John Aden	\$ 0.074	145,828	-	\$ 10,769
Luke Titus	\$ 0.074	145,828	-	\$ 10,769
Nathan Rayner	\$ 0.074	72,914	-	\$ 5,385
		<b>364,570</b>	-	<b>\$ 26,923</b>
<b>Shares &amp; Options Issued 30 September 2019</b>				
Rookharp Capital Pty Limited	\$ 0.050	20,000,000	10,000,000	\$ 1,000,000
Macquarie River Holdings Pty Ltd	\$ 0.050	1,400,000	700,000	\$ 70,000
Bam Coolabah Investments Pty Ltd	\$ 0.050	1,500,000	750,000	\$ 75,000
Bam Opportunities Fund Pty Ltd	\$ 0.050	7,080,000	3,540,000	\$ 354,000
Tenstar Trading Limited	\$ 0.050	20,000,000	10,000,000	\$ 1,000,000
Pineapple Projects Pty Ltd	\$ 0.050	200,000	100,000	\$ 10,000
Ventoux Pty Ltd	\$ 0.050	400,000	200,000	\$ 20,000
Rickirk Pty Ltd	\$ 0.050	200,000	100,000	\$ 10,000
Equity Trustees Superannuation Limited	\$ 0.050	400,000	200,000	\$ 20,000
I&E Gone Pty Ltd	\$ 0.050	800,000	400,000	\$ 40,000
JL Gibson Investments Pty Ltd	\$ 0.050	1,250,000	625,000	\$ 62,500
Nambia Pty Ltd	\$ 0.050	300,000	150,000	\$ 15,000
Mr Pa Purdie & Mrs Ca Purdie	\$ 0.050	1,500,000	750,000	\$ 75,000
Mr Benjamin Dunn & Mrs Renee Dunn	\$ 0.050	1,000,000	500,000	\$ 50,000
Row Boat Pty Ltd	\$ 0.050	700,000	350,000	\$ 35,000
Finn Air Holdings Pty Ltd	\$ 0.050	2,000,000	1,000,000	\$ 100,000
Timothy McManus & Elizabeth McManus	\$ 0.050	100,000	50,000	\$ 5,000
GGJ One Assets Pty Ltd	\$ 0.050	400,000	200,000	\$ 20,000
Rocket Science Pty Ltd	\$ 0.050	2,000,000	1,000,000	\$ 100,000
Beirne Trading Pty Ltd	\$ 0.050	1,000,000	500,000	\$ 50,000
Jayart Funds Management Pty Ltd	\$ 0.050	1,000,000	500,000	\$ 50,000
Mr Paul Cozzi	\$ 0.050	4,000,000	2,000,000	\$ 200,000
Mr Hamish Dee & Ms Julianne Dee	\$ 0.050	600,000	300,000	\$ 30,000
R & A Super Co Pty Ltd	\$ 0.050	500,000	250,000	\$ 25,000
Limits Pty Limited	\$ 0.050	1,000,000	500,000	\$ 50,000
Dubsvegas Pty Limited	\$ 0.050	600,000	300,000	\$ 30,000
Interprac Financial Planning Pty Ltd	\$ 0.050	1,000,000	500,000	\$ 50,000
Mr Benjamin William Buchanan	\$ 0.050	500,000	250,000	\$ 25,000
Rose Kelly	\$ 0.050	500,000	250,000	\$ 25,000
Pivot Point 60 Pty Ltd	\$ 0.050	400,000	200,000	\$ 20,000
Canceler Pty Ltd	\$ 0.050	1,000,000	500,000	\$ 50,000
Adam Chadburn & Sonia Chadburn	\$ 0.050	60,000	30,000	\$ 3,000
Michael Laurent	\$ 0.050	500,000	250,000	\$ 25,000
Mr Stuart Fletcher	\$ 0.050	150,000	75,000	\$ 7,500
Haydn Counsell & Kathryn Counsell	\$ 0.050	120,000	60,000	\$ 6,000
Szygy 168 Pty Ltd	\$ 0.050	200,000	100,000	\$ 10,000
Mr Brent Norman Fisher	\$ 0.050	1,040,000	520,000	\$ 52,000
1215 Capital Pty Ltd	\$ 0.050	2,000,000	1,000,000	\$ 100,000
The Millennial Fund Pty Ltd	\$ 0.050	500,000	250,000	\$ 25,000
Mr Peter Braund & Mrs Stella Braund	\$ 0.050	400,000	200,000	\$ 20,000
Mr I Thompson & Mr P Thompson	\$ 0.050	400,000	200,000	\$ 20,000
Matthew Qi	\$ 0.050	800,000	400,000	\$ 40,000
James Richard Morison	\$ 0.050	500,000	250,000	\$ 25,000
		<b>80,000,000</b>	<b>40,000,000</b>	<b>\$ 4,000,000</b>
<b>OVERALL TOTALS</b>		<b>81,560,174</b>	<b>40,000,000</b>	<b>\$ 4,136,385</b>

## Resolution 4. Approval of Employee Share Option Plan

### Background

Pursuant to Resolution 4 the Company is seeking Shareholder approval for the potential future issue of securities under the Company's Employee Share Option Plan (**ESOP**) as an exception to Listing Rule 7.1.

The Board of the Company implemented the ESOP in 2012 as a means of rewarding its key employees and aligning the interests of employees with those of the Company's existing Shareholders. A summary of the terms of the ESOP are set out in **Schedule 1** of this Explanatory Memorandum.

### Listing Rule 7.1

Subject to certain exemptions (none of which are relevant here) Listing Rule 7.1 restricts a listed company from issuing or agreeing to issue Equity Securities (including shares or options) in any 12-month period which amounts to more than 15% of the Company's ordinary securities on issue without shareholder approval.

As a result, any issue of securities by the Company to eligible employees under the ESOP would reduce the Company's 15% capacity to issue Shares under Listing Rule 7.1.

Exception 9(b) to Listing Rule 7.2 however, allows a company to issue securities without specific shareholder approval and without reducing the 15% capacity under Listing Rule 7.1 where Shareholders of a company have approved the issue of securities under an ESOP as an exception to Listing Rule 7.1 within three (3) years prior to the issue of the securities. Resolution 4 is being put to the Shareholders for this purpose and will allow the Company to utilise Exception 9(b) to Listing Rule 7.2 for three (3) years from the date of the Resolution being passed.

### Information for Shareholders

In accordance with Exception 9(b) to Listing Rule 7.2 the Company advises as follows:

- A summary of the terms of the ESOP is set out in **Schedule 1**;
- There is a total of 19,375,000 unlisted options currently on issue to eligible employees pursuant to the ESOP (and issued since the ESOP was last approved by shareholders) including the following:
  - 8,825,000 unlisted options in three tranches, vesting immediately consisting of:
    - 2,941,664 unlisted options exercisable price at \$0.215, expiring 14 December 2019;
    - 2,941,668 unlisted options exercisable price at \$0.265, expiring 14 December 2019; and
    - 2,941,668 unlisted options exercisable price at \$0.315, expiring 14 December 2019.
  - 2,000,000 unlisted options in three tranches, vesting immediately consisting of:
    - 666,666 unlisted options exercisable price at \$0.215, expiring 29 May 2020;
    - 666,667 unlisted options exercisable price at \$0.265, expiring 29 May 2020; and
    - 666,667 unlisted options exercisable price at \$0.315, expiring 29 May 2020.
  - 8,550,000 unlisted options issued in three tranches, which one third of each tranche of options is subject to vest over a three (3) year period.
    - 3,150,000 unlisted options exercisable price at \$0.195, expiring 29 March 2021;
    - 3,150,000 unlisted options exercisable price at \$0.345, expiring 29 March 2021; and
    - 2,250,000 unlisted options exercisable price at \$0.495, expiring 29 March 2021.

The Directors recommend that shareholders vote in favour of this Resolution.

## **Resolution 5. Approval for the Allotment of Options to Bizzell Capital Partners Pty Ltd**

### **Background**

Resolution 5 seeks the approval of Shareholders for the grant of 8,000,000 options over ordinary shares to Bizzell Capital Partners Pty Ltd, an entity associated with Stephen Bizzell, a Director of the Company. The options are to be issued pursuant to a capital raising mandate agreed between the parties and executed on 17 September 2019 in connection with lead managing a private placement for the Company (**BCP Mandate**) as announced by the Company on 23 September 2019. The options are to be exercisable at \$0.08 each, vest immediately on their allotment, and expire on 30 September 2023 (**BCP Options**).

Approval for the issue of the BCP Options is sought in accordance with the provisions of Listing Rule 10.11. As approval is being sought under Listing Rule 10.11, approval will not be required under Listing Rule 7.1. The non-conflicted Directors of Armour Energy (Messrs Mather, Uliel and Sleeman) have satisfied themselves that the fees payable under the BCP Mandate (which includes the BCP Options) are on arm's length terms. Accordingly, Armour can rely on an exception to Section 208 of the Corporations Act, and therefore the consent of ASIC has not been sought in relation to Resolution 5.

### **Listing Rule 10.11**

Listing Rule 10.11 requires shareholder approval for a company to issue equity securities to a related party. Equity securities are defined to include convertible securities and options.

A "related party" for the purposes of the Listing Rules is defined widely and, in relation to a public company, includes a Director of that public company or an entity controlled by a Director of that public company. Bizzell Capital Partners Pty Ltd is an entity controlled by Stephen Bizzell, a Director of the Company.

### Information Specified Under Listing Rule 10.13

- (i) From a related party perspective, the intended recipient of the BCP Options is Bizzell Capital Partners Pty Ltd, an entity controlled by Armour Director Stephen Bizzell.
- (ii) The Company is advised that some of the BCP Options may be directed by Bizzell Capital Partners Pty Ltd to third parties who participated in the private placement. None of the potential recipients are "related parties" of the Company for the purposes of the Corporations Act or the ASX Listing Rules. Hence, the maximum number of BCP Options to be issued to a related party is 8,000,000.
- (iii) Subject to approval, the BCP Options are intended to be issued within one (1) month of the Meeting.
- (iv) No money consideration is being paid for the issue of the BCP Options, as they form part of the non-cash consideration payable to Bizzell Capital Partners Pty Ltd pursuant to a capital raising mandate agreed between the parties and executed on 17 September 2019 in connection with lead managing a private placement for the Company.
- (v) The specific Terms and Conditions for the BCP Options are outlined below.
- (vi) No new funds will be raised as a result of the issue of the BCP Options. However, if the all of the BCP Options are exercised prior to their expiry, the Company will receive consideration of \$640,000. These funds would form part of the Company's working capital at that point in time, and be used for its continued exploration and project development initiatives.
- (vii) A Voting Exclusion statement for this resolution has been included in the Notice of Meeting. Essentially, the Company will exclude any votes received from Bizzell Capital Partners Pty Ltd and any associates of Bizzell Capital Partners Pty Ltd, including Mr Stephen Bizzell.

## Option Terms

A summary of the material terms of the BCP Options is set out below:

- The securities to be issued are unlisted options to subscribe for fully paid Shares.
- The BCP Options are to be issued for no consideration.
- The exercise price of the BCP Options is \$0.08 each (**Exercise Price**).
- The BCP Options will vest on the date of allotment.
- The BCP Options will expire on 30 September 2023 (**Expiry Date**).
- Shares issued on exercise of the BCP Options will rank equally with all existing Shares from the date of issue.
- The BCP Options may be exercised wholly or in part by notice in writing to the Company received at any time on or before the Expiry Date together with a cheque for the Exercise Price for each BCP Option multiplied by the number of Shares in respect of which BCP Options are being exercised.
- The BCP Options shall be unlisted but shall be transferable with the Company's written consent.
- Upon allotment of Shares pursuant to the exercise of BCP Options, the Company shall use its best endeavours to have such Shares quoted and listed on the Official List of ASX.
- The BCP Options do not have any right to participate in new issues of securities in the Company made to Shareholders generally. The Company will, where required pursuant to the Listing Rules, provide advance notice prior to the record date (to determine entitlements to any new issue of securities made to Shareholders generally) to exercise the BCP Options, in accordance with the requirements of the Listing Rules.
- The BCP Options have no rights of participation in dividends or in bonus issues unless the Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend or bonus issue.
- In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
  - the number of Underwriting Options, the exercise price, or both will be reconstructed (as appropriate) in a manner consistent with the Listing Rules, but with the intention that such reconstruction will not result in any benefits being conferred on the holder which are not conferred on Shareholders; and
  - subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of Shareholders of the Company approving a reconstruction of capital, in all other respects the terms for the exercise of the BCP Options will remain unchanged.
- If there is a bonus issue to the holders of Shares, the number of Shares over which a BCP Option is exercisable will be increased by the number of Shares which the holder would have received if the Options had been exercised before the record date for the bonus issue.
- If, during the life of any BCP Option, there is a pro rata issue (except a bonus issue), the Exercise Price of an Underwriting Option may be reduced according to the following formula:

$$O^1 = O - \frac{E [P - (S + D)]}{N + 1}$$

where

O<sup>1</sup> is the new exercise price of the options

O is the old exercise price of the options

E is the number of underlying securities into which one option is exercisable

- P is the average market price per security (weighted by reference to volume) of the underlying securities during the five (5) trading days ending on the day before the ex right date or the ex entitlements date
- S is the subscription price for a security under the pro-rata issue
- D is the dividend due but not yet paid on existing underlying securities (except those to be issued under the pro-rata issue)
- N is the number of securities with rights or entitlements that must be held to receive a right to one new security
- The terms of the BCP Options shall only be changed if holders (whose votes are not to be disregarded) of Shares approve of such a change. However, the terms of the BCP Options shall not be changed to reduce the Exercise Price, increase the number of BCP Options or change any period for exercise of the BCP Options.

The Company believes that all information required pursuant to Listing Rule 10.13 is contained in the Notice of Meeting and this Explanatory Memorandum.

Messrs Mather, Sleeman and Stubbs recommend that shareholders vote in favour of this resolution. Mr Bizzell has abstained from making a recommendation.

## SPECIAL BUSINESS

### Resolution 6. Approval to Issue an Additional 10% of the Issued Capital of the Company over a 12 Month Period Pursuant to Listing Rule 7.1A

#### Introduction

Pursuant to Resolution 6, the Company is seeking Shareholder approval to issue an additional 10% of its issued capital over a 12-month period pursuant to Listing Rule 7.1A. If passed, this Resolution will allow the Company to allot and issue up to the number of new Equity Securities calculated in accordance with Listing Rule 7.1A.2 (**Placement Securities**) each at an issue price of at least 75% of the volume weighted average price (**VWAP**) for the Company's Equity Securities in that class (calculated over the last 15 days on which trades in the Equity Securities are recorded immediately before the date on which the price at which the Placement Securities are to be issued is agreed, or if the Placement Securities are not issued within five trading days of that date, the date on which the Placement Securities are issued) (**Issue Price**).

This approval is sought pursuant to Listing Rule 7.1A, under which small and mid-cap listed entities that meet the eligibility threshold and have obtained the approval of their ordinary shareholders by Special Resolution at the Annual General Meeting, are permitted to issue an additional 10% of the issued capital over a 12-month period from the date of the Annual General Meeting (**Additional 10% Placement**).

The Additional 10% Placement under Listing Rule 7.1A is in addition to the ability of the Company to issue 15% of its issued capital without shareholder approval over a 12-month period pursuant to Listing Rule 7.1. The Company may issue the Placement Securities to raise funds for the Company and as non-cash consideration (further details of which are set out below).

Funds raised from the issue of Placement Securities, if undertaken, would be applied towards the acquisition of new assets or investments (including expenses associated with such acquisitions), continued exploration and feasibility study expenditure on the Company's current assets and general working capital.

The Directors unanimously recommend that Shareholders vote in favour of this Special Resolution.

## **Listing Rule 7.1A**

### Eligibility

An entity is eligible to undertake an Additional 10% Placement if at the time of its Annual General Meeting it has a market capitalisation of \$300 million or less and it is not included in the S&P/ASX300 Index.

For illustrative purposes only, on 10 October 2019, the Company's market capitalisation was approximately \$30.6 million based on the closing share price on that date. The calculation of market capitalisation will be based on the Closing Price of the Shares, on the last Trading Day on which trades in the Shares were recorded before the date of the Annual General Meeting, multiplied by the number of Shares on issue (excluding restricted securities and securities quoted on a deferred settlement basis).

The Company is also not included in the S&P/ASX300 Index as at the time of this Annual General Meeting, however, it should be noted that the S&P/ASX300 Index is rebalanced twice a year in March and September.

The Company is therefore an Eligible Entity and able to undertake an Additional 10% Placement under Listing Rule 7.1A. In the event that the Company for any reason ceases to be an Eligible Entity after the Company has already obtained Shareholder approval pursuant to this Resolution, the approval obtained will not lapse and the Company will still be entitled to issue the Placement Securities during the 12-month period following this AGM.

### Special Resolution

Listing Rule 7.1A requires this Resolution to be passed as a Special Resolution, which means that it must be passed by at least 75% of the votes cast by members entitled to vote on the Resolution. Pursuant to Listing Rule 7.1A, no Placement Securities will be issued until and unless this Special Resolution is passed at the Meeting.

### Shareholder Approval

The ability to issue the Placement Securities is conditional upon the Company obtaining Shareholder approval by way of a Special Resolution at the Meeting.

#### **10% Placement Period – Listing Rule 7.1A.1**

Assuming Resolution 6 is passed, Shareholder approval of the Additional 10% Placement under Listing Rule 7.1A is valid from the date of the AGM and expires on the earlier to occur of:

- the date that is 12 months after the date of the AGM; or
- the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking); or
- such longer period if allowed by ASX.

If the approval is given for the issue of the Placement Securities then the approval will expire on 26 November 2020 unless Shareholder approval is granted pursuant to Listing Rules 11.1.2 or 11.2 prior to that date.

#### **Formula for calculating 10% Placement Facility – Listing Rule 7.1A.2**

Listing Rule 7.1A2 provides that eligible entities which have obtained shareholder approval at an AGM may issue or agree to issue, during the 12-month period after the date of the AGM, a number of the Equity Securities calculated in accordance with the following formula:

**(A x D) – E**

**A** is the number of shares on issue 12 months before the date of issue or agreement:

**plus** the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;

**plus** the number of partly paid shares that became fully paid in the 12 months;

**plus** the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;

**less** the number of fully paid shares cancelled in the 12 months.

*Note that A is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

**Listing Rule 7.1A.3**

Equity Securities

The ability of an entity to issue the Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% capacity under Listing Rule 7.1.

At the date of this Notice of Meeting, the Company has on issue 589,437,570 Shares. Subject to the passing of Resolutions 3 and 6 at this Meeting, the Company will have the capacity to issue the below Equity Securities immediately following the Meeting:

- 88,415,635 Equity Securities under Listing Rule 7.1; and
- subject to Shareholder approval being obtained under Resolution 6, a further 58,943,757 Placement Securities under Listing Rule 7.1A.

The actual number of the Placement Securities that the Company will have the capacity to issue under Listing Rule 7.1A will be calculated at the date of the issue of the Placement Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as described above).

**Information to be given to ASX – Listing Rule 7.1A.4**

If Resolution 6 is passed and the Company issues any Placement Securities under Listing Rule 7.1A, the Company will give to ASX:

1. a list of allottees of the Placement Securities and the number of the Placement Securities allotted to each placee (this list will not be released to the market); and
2. the following information required by Listing Rule 3.10.5A, which will be released to the market on the date of the issue:
  - details of the dilution to the existing holders of Ordinary Securities caused by the issue;
  - where the Placement Securities are issued for cash consideration, a statement of the reasons why the Company issued the Placement Securities as a placement under Listing Rule 7.1A and not as (or in addition to) a pro rata issue or other type of issue in which existing Shareholders would have been eligible to participate;
  - details of any underwriting arrangements, including any fees payable to the underwriter; and
  - any other fees or costs incurred in connection with the issue.



## Specific Information required by Listing Rule 7.3A

### 1. Minimum Price of securities issued under Listing Rule 7.1A – Listing Rule 7.3A.1

Pursuant to and in accordance with Listing Rule 7.1A.3, the Placement Securities issued pursuant to approval under Listing Rule 7.1A must have an issue price of not less than 75% of the VWAP for the Equity Securities over the 15 trading days immediately before:

- the date on which the price at which the Placement Securities are to be issued is agreed; or
- if the Placement Securities are not issued within five trading days of the date in paragraph (1) above, the date on which the Placement Securities are issued.

The Company will disclose to the ASX the issue price on the date of issue of the Placement Securities.

### 2. Risk of Economic and Voting Dilution – Listing Rule 7.3A.2

As provided by Listing Rule 7.3A.2, if this Resolution is passed and the Company issues the Placement Securities, there is a risk of economic and voting dilution to the existing Shareholders. The Company currently has on issue 589,437,570 Shares. Subject to the passing of this Special Resolution, the Company could issue pursuant to Listing Rule 7.1A will be 58,943,757 Shares (however, it is important to note that the exact number of Placement Securities which may be issued will be calculated in accordance with the formula contained in Listing Rule 7.1A.2, details of which are set out above). Any issue of the Placement Securities will have a dilutive effect on existing Shareholders.

There is a specific risk that:

- the Market Price for the Company's Equity Securities may be significantly lower on the date of the issue of any Placement Securities than it is on the date of the Meeting; and
- the Placement Securities may be issued at a price that is at a discount to the Market Price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue or the value of the Placement Securities.

As required by Listing Rule 7.3A.2, Table 2 below shows the potential economic and voting dilution effect, in circumstances where the issued share capital has doubled and the Market Price of the shares has halved. Table 2 also shows additional scenarios in which the issued share capital has increased (by both 50% and 100%) and the Market Price of the shares has:

- (1) decreased by 50%; and
- (2) increased by 100%.

**Table 2:**

Issued Share Capital	50% Decrease in Market Price \$0.026		Current Market Price \$0.052		100% Increase in Market Price \$0.104	
	10% Voting Dilution	Capital Raised	10% Voting Dilution	Capital Raised	10% Voting Dilution	Capital Raised
Present Issued Share Capital = 589,437,570	58,943,757	\$ 1,532,538	58,943,757	\$ 3,065,075	58,943,757	\$ 6,130,151
50% Increase in Share Capital = 884,156,355	88,415,636	\$ 2,298,807	88,415,636	\$ 4,597,613	88,415,636	\$ 9,195,226
100% Increase in Share Capital = 1,178,875,140	117,887,514	\$ 3,065,075	117,887,514	\$ 6,130,151	117,887,514	\$ 12,260,301



### Assumptions and Explanations for Table 2

- The Market Price is \$0.052, based on the closing price of the Shares on ASX on 10 October 2019.
- The above table only shows the dilutionary effect based on the issue of the Placement Securities (assuming only Shares are issued), and not any Shares issued under the 15% capacity under Listing Rule 7.1.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. It shows the number of shares that the Company's share capital will increase by.
- The Company issues the maximum number of Placement Securities.
- The issued Share capital has been calculated in accordance with the formula in Listing Rule 7.1A.2 as at 10 October 2019.
- The issue price of the Placement Securities used in the table is the same as the Market Price and does not take into account the discount to the Market Price (if any).
- The table above does not show the potential dilutionary effect to a particular shareholder.

### 3. Final Date for Issue – Listing Rule 7.3A.3

As required by Listing Rule 7.3A.3, the Company will only issue and allot the Placement Securities during the 12 months after the date of this Meeting which the Company anticipates will end on 26 November 2020. The approval under this Resolution for the issue of the Placement Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities of the Company) or Listing Rule 11.2 (the disposal of the main undertaking of the Company) before the anniversary of the Annual General Meeting.

### 4. Purpose – Listing Rule 7.3A.4

As noted above, the purpose for which the Placement Securities may be issued include to raise funds for the Company and as non-cash consideration (further details of which are set out below). Funds raised from the issue of Placement Securities, if undertaken, would be applied towards the acquisition of new assets or investments (including expenses associated with such acquisitions), continued exploration and feasibility study expenditure on the Company's current assets and general working capital.

### 5. Shares Issued for Non-Cash Consideration – Listing Rule 7.3A.4

The Company may issue Placement Securities for non-cash consideration, such as the acquisition of new assets or investments. If the Company issues Placement Securities for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the Placement Securities complies with Listing Rule 7.1A.3.

### 6. Company's Allocation Policy – Listing Rule 7.3A.5

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue of the Placement Securities. The identity of the allottees of Placement Securities will be determined on a case-by-case basis having regard to a number of factors including but not limited to the following:

- (1) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issue in which existing shareholders can participate;
- (2) the effect of the issue of the Placement Securities on the control of the Company;
- (3) the financial situation and solvency of the Company; and
- (4) advice from corporate, financial and broking advisers (if applicable).

The allottees of the Placement Securities have not been determined as at the date of this Notice but may include existing substantial Shareholders and new Shareholders who are not related parties or associates of a related party of the Company.

Furthermore, if the Company is successful in acquiring new assets or investments for which Placement Securities are issued as consideration, it is likely that the allottees of some of the Placement Securities will be the vendors of the new assets or investments.

7. Details of all Equity Securities issued where shareholder approval under Listing Rule 7.1A previously obtained – Listing Rule 7.3A.6

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the previous Annual General Meeting held on 27 November 2018. As the Company previously obtained Shareholder approval under Listing Rule 7.1A, the following information is provided to Shareholders, in accordance with Listing Rule 7.3A.6 regarding the total number of Equity Securities (quoted and unquoted) issued in the past 12 months preceding the date of the Meeting (that is, since 27 November 2018).

(vii) Number of Equity Securities on issue at commencement of 12-month period	507,749,841 FPO 54,825,000 Unlisted Options 374,225,359 Convertible Notes
(viii) Equity securities issued in prior 12-month period	81,987,729 FPO 40,000,000 Unlisted Options
(ix) Percentage previous issues represent of total number of Equity Securities on issue at commencement of 12-month period	13.02%

## **SCHEDULE 1**

### **ARMOUR ENERGY LIMITED**

#### **SUMMARY OF TERMS AND CONDITIONS OF THE EMPLOYEE SHARE OPTION SCHEME**

1. The Scheme is to extend to Eligible Employees of Armour Energy Limited (the Company) or an associated body corporate of the Company as the Board may in its discretion determine.
2. The total number of Shares to be issued by the Company to Eligible Employees in respect of which either Shares or Options have been issued under the Scheme shall not at any time exceed five percent (5%) of the Company's total issued ordinary Share capital in that class at that time when aggregated with:
  - (a) the number of Shares in the same class which would be issued with each outstanding offer with respect to Shares or Options under any share option scheme of the Company accepted and exercised; and
  - (b) the number of Shares in the same class issued during the previous five (5) years pursuant to:
    - (1) the *Scheme* to an Eligible Employee; or
    - (2) any employee share option scheme of the Company,but excluding for the purposes of the calculation, any offer made, or Option acquired or Share issued by way of or as a result of:
    - (3) any offer to a person situated at the time of receipt of the offer referred to in paragraphs 2(a) and 2(b) outside of this jurisdiction; or
    - (4) an offer that did not require disclosure to investors because of Section 708 of the *Corporations Act 2001* (Cth); or
    - (5) an offer that did not require the giving of a product disclosure statement because of Section 1012D of the *Corporations Act 2001* (Cth); or
    - (6) an offer made under a disclosure document or product disclosure statement within the meaning of those terms in the *Corporations Act 2001* (Cth).
3. The Shares are to be issued at a price determined by the Board.
4. The Options are to be issued for no consideration.
5. The exercise price of an Option is to be determined by the Board at its sole discretion.
6. The Option Commencement Date will be any such date or dates with respect to the Options or tranches of Options (as the case may be) as may be determined by the Board prior to the issuance of the relevant Options.
7. The Option Period commences on the Option Commencement Date and ends on the earlier of:
  - (a) the expiration of such period nominated by the Board at its sole discretion at the time of the grant of the Option but being not less than two (2) years; or
  - (b) the Business Day after the expiration of three months, or any longer period which the Board may determine, after the Eligible Employee ceases to be employed by the Company or an associated body corporate of the Company; or
  - (c) the Eligible Employee ceasing to be employed by the Company or an associated body corporate of the Company due to fraud or dishonesty.

8. Eligibility to participate is determined by the Board. Eligibility is restricted to Eligible Employees of the Company or an associated body corporate of the Company. The Board is entitled to determine:
  - subject to paragraph 2, the total number of Shares and Options to be offered in any 1 year to Eligible Employees;
  - the Eligible Employees to whom offers will be made; and
  - the terms and conditions of any Shares and Options granted, subject to the Scheme.
9. Participants do not participate in dividends or in bonus issues unless the Options are exercised.
10. Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules.
11. In the event of a pro rata issue (except a bonus issue) made by the Company during the term of the Options the Company may adjust the exercise price for the Options in accordance with a specific formula.
12. The Board has the right to vary the entitlements of participants to take account of the effect of capital reorganisations, bonus issues or rights issues.
13. The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of Shares in the Company approve of such a change. However, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options.
14. The Board may impose as a condition of any offer of Shares and Options under the Scheme any restrictions on the transfer or encumbrance of such Shares and Options as it determines.
15. The Board may vary the Scheme.
16. The Scheme is separate to and does not in any way form part of, vary or otherwise affect the rights and obligations of a participant under the terms of his or her employment or arrangement.
17. At any time from the date of an Offer until the Acceptance Date of that Offer, the Board undertakes that it shall provide information as to:
  - the Current Market Price of the Shares; and
  - the acquisition price of the Shares or Options offered where this is calculated by reference to a formula, as at the date of the Offer,to any Participant by mail (or such other form of notification as agreed by the Company and the Participant) within 3 Business Days of a written request to the Company from that Participant to do so.

Specific details that are required to be provided for each issue of Equity Securities in the prior 12-month period are outlined below.

Securities	Terms	Details of Issue	Issue Date	Number Issued	Name of recipient or basis on which recipient determined	Issue price of Equity Securities	If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds.
							If issued for non-cash consideration – a description of the consideration and the current value of the consideration
FPO	FPO	Remaining shortfall component of Entitlement Offer	07/11/2018	6,894,520	Institutional and eligible retail shareholders	\$0.10	\$689K cash raised. Funds to be used, together with operational cash flows, to support the drilling of the Company's 2018/19 Kincora area development well program, commencing with Myall Creek Well 4A, and also to be used to meet an element of corporate costs, Kincora operating costs, creditor payments and the costs associated with the Entitlement Offer.
FPO	FPO	Placement (over demand for the Entitlement Offer underwritten shortfall)	08/11/2018	300,000	Eligible retail shareholders	\$0.10	\$30,000 cash raised. Used to progress the Company's ongoing business plans associated with its Kincora oil and gas project and provide additional working capital
FPO	Unlisted Convertible Notes converted to FPO	Unlisted Convertible Notes Convert to FPO based on the adjusted conversion ratio of 1.0047 due to previous Accelerated Non-renounceable Entitlement Offers in 2017 and 2018	17/12/2018	427,555	Existing noteholders	1 convertible note being adjusted to 1.0047 FPO as a result of previous Accelerated Non-Renounceable Entitlement Offers	Unlisted Convertible Notes has been converted in accordance with the terms & conditions of the issue of Notes. The consideration of this conversion issue is \$36K based on the closing share price of \$0.085 as at 17 December 2018.
FPO	FPO	Part of employee remuneration	18/01/2019	543,040	Part pay of employee remuneration	\$0.084	Nil
FPO	FPO	Part of employee remuneration	01/05/2019	352,564	Part pay of employee remuneration	\$0.096	Nil
FPO	FPO	Part of employee remuneration	25/06/2019	364,570	Part pay of employee remuneration	\$0.074	Nil
FPO	FPO	Private placement	30/09/2019	80,000,000	Sophisticated investors	\$0.05	\$4,000,000 received for the Company's 2019 field program and working capital reserves.
Options	Unlisted. 8 cent strike price, 4 year exercise period.	Private placement	30/09/2019	40,000,000	Sophisticated investors	N-A	No consideration provided on allotment. Options were provided as inducement for parties to participate in the \$4,000,000 private placement.

## Interpretation

**Additional 10% Placement** means the additional 10% of issued capital over a 12-month period from the date of the Annual General Meeting under Listing Rule 7.1A;

**ASX** means ASX Limited ABN 98 008 624 691;

**Board** means the board of Directors of the Company;

**Closely Related Party** (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependant of the member or the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- (e) a company the member controls; or
- (f) a person prescribed by the regulations for the purposes of this paragraph;

the **Company** means Armour Energy Limited ABN 60 141 198 414;

**Corporations Act** means the *Corporations Act 2001* (Cth) as amended, varied or replaced from time to time.

**Director** means a director of the Company.

**Explanatory Memorandum** means this explanatory memorandum accompanying the Notice of Meeting.

**Issue Price** the price per security the Placement Securities may be issued.

**Key Management Personnel** or **KMP** has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity.

**Listing Rules** means the listing rules of ASX as amended, varied or replaced from time to time.

**Meeting or Annual General Meeting** means the annual general meeting to be held on 26 November 2019;

**Notice of Meeting** means this Notice of Meeting convening the Meeting and the Explanatory Memorandum;

**Ordinary Resolution** means a Resolution passed by more than 50% of the votes cast at a general meeting of shareholders;

**Placement Securities** means the new Equity Securities for the purposes of Listing Rule 7.1A;

**Resolution** means a resolution proposed at the Meeting;

**Share** means an ordinary fully paid share in the issued capital of the Company;

**Shareholder** means a holder of Shares in the Company; and

**Special Resolution** means a Resolution passed by more than 75% of the votes cast at a general meeting of shareholders;

**VWAP** means volume weighted average price.

## ENQUIRIES

Any enquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Karl Schlobohm (Company Secretary), at Level 27/111 Eagle Street, Brisbane QLD 4000, or on (07) 3303 0620.

## Notes

### ***Entitlement to Vote***

For the purposes of determining those shareholders entitled to attend and vote at the Annual General Meeting of the Company, shall be those persons recorded in the register of shareholders as at 6:00 pm (Brisbane Time) 24 November 2019. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

### ***How to Vote***

You may vote by attending the Annual General Meeting in person, by proxy or authorised representative.

### ***Voting in Person***

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

### ***Voting by Proxy***

A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to vote on their behalf. Where a shareholder is entitled to cast two or more votes, they may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company. Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the *Corporations Act 2001* (Cth).

If a representative of the Company is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

### ***Signing instructions***

You must sign the proxy form as follows in the spaces provided:

- Individual:** Where the holding is in one name, the holder must sign.
- Joint Holding:** Where the holding is in more than one name, either security holder may sign.
- Power of Attorney:** To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to Section 204A of the *Corporations Act 2001* (Cth)) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.

Please indicate the office held by signing in the appropriate place.

To vote by proxy, the proxy form provided with this notice (and the original or a certified copy of any power of attorney under which it is signed) must be received by the Company not less than forty eight (48) hours before the scheduled time for the meeting. Any proxy form received after that time will not be valid for the scheduled meeting.

Completed proxies can be returned to the Company Secretary by either mail to GPO Box 5261, Brisbane QLD 4001, facsimile to (07) 3303 0681, or scanned and emailed to [kschlobohm@armouenergy.com.au](mailto:kschlobohm@armouenergy.com.au)

## Proxy Form

### STEP 1: APPOINTMENT OF PROXY

<u>Name of Shareholder</u>	<u>Number of Shares</u>

I/We being Shareholder(s) of Armour Energy Limited (Company) hereby appoint as my proxy for the Annual General Meeting of the Company to be held at 11:00 am (Brisbane time) on **26 November 2019** and any adjournment thereof:

☐ the Chairman of the Meeting **OR**  Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting (mark with an "X")

The Chairman intends to vote any undirected proxies in favour of each resolution. If you do not wish for this to be the case, please direct your votes for each resolution in Step 2 below.

If you have not appointed a proxy, and you have not directed your proxy how to vote, your votes will not be cast on any resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution. If the Chairman is appointed as your proxy, or may be appointed by default, you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

If no directions are given, the Proxy may vote as the Proxy thinks fit or may abstain, subject to compliance with the Corporations Act. By signing this appointment you acknowledge that the Proxy (whether voting in accordance with your directions or voting in their discretion under an undirected Proxy) may exercise your proxy even if he/s he has an interest in the outcome of the resolution and even if votes cast by him/her other than as proxy holder will be disregarded because of that interest, subject to compliance with the Corporations Act. If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is .....%. (An additional proxy form will be supplied by the Company on request). If you wish to appoint the proxy to exercise voting power over only some of your Shares, the number of Shares in respect of which this proxy is to operate is ..... Shares (Note: proxy will be over all Shares if left blank).

### STEP 2: VOTING DIRECTIONS

I/we direct my/our proxy to vote as indicated below:

Resolutions	For	Against	Abstain
1. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Stephen Bizzell as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Ratification of Placement Shares issued	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of ESOP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval to issue options to Bizzell Capital Partners Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval to issue additional 10% of issued share capital pursuant to Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Sole Director and Secretary (if appointed)	Director	Director/Company Secretary

Contact Name	Contact Daytime Telephone	Date
Email Address (Optional)		



## How to Complete this Proxy Form

### 1 Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your Shares using this form.**

### 2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Section A. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

### 3 Votes on Items of Business

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your Shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of Shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses, except in relation to Resolution 1 where you have appointed a member of the Key Management Personnel of the Company (other than the Chairman) or their closely related parties as your proxy, in which case there are additional restrictions explained below. If you mark more than one box on an item your vote on that item will be invalid.

### 4 Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of Shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) Return both forms together.

### 5 Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual:** where the holding is in one name, the holder must sign.
- Joint Holding:** where the holding is in more than one name, either security holder may sign.
- Power of Attorney:** To sign under Power of Attorney, you must have already lodged the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to Section 204A of the *Corporations Act 2001* (Cth)) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### 6 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below by 11:00 am (Brisbane time) on 24 November 2019. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Completed proxies can be returned to the Company Secretary by either mail to GPO Box 5261, Brisbane QLD 4001, facsimile to (07) 3303 0681, or scanned and emailed to [kschlobohm@armourenergy.com.au](mailto:kschlobohm@armourenergy.com.au)