



ASX Announcement

Armour Energy Limited

15 June 2020

Capital Raising

Private Placement and Accelerated Non-Renounceable Rights Issue

Armour Energy Limited (ASX:AJQ – **Armour Energy** or the **Company**) is pleased to announce a capital raising, comprising a share placement (**Placement**) and an accelerated non-renounceable entitlement offer (**Entitlement Offer**). The capital raising is being managed by Bizzell Capital Partners Pty Ltd (associated with Armour Energy Director, Stephen Bizzell) in conjunction with JB Advisory Partners Pty Ltd as acting as Joint Lead Managers, with the Entitlement Offer being fully underwritten by Bizzell Capital Partners Pty Ltd.

The capital raising consists of:

- an initial placement to raise approximately \$3.36 million;
- an underwritten non-renounceable, pro rata entitlement offer to raise approximately \$4.53 million; and
- the Company may undertake an additional Conditional Placement to raise up to \$2.1 million.

The Company intends that the funds raised will be used for the purposes of: progressing the Kincora Project area well intervention and work program; payment of interest and scheduled amortisation reductions in respect of the Company's Amortising Notes for the balance of 2020, and to otherwise ensure continued compliance with the financial covenants of the Notes; exploration expenditure; the costs of the Offer; and general working capital.

The Entitlement Offer will be made to both institutional and retail eligible shareholders, on the basis of 1 new fully paid ordinary share for every 3 shares held at an issue price of \$0.023 per share (**New Shares**), to raise approximately \$4,527,948 before costs. The Entitlement Offer consists of an entitlement offer to institutional shareholders (**Institutional Entitlement Offer**), and an entitlement offer to retail shareholders (**Retail Entitlement Offer**). The Institutional Entitlement Offer will be conducted from Monday 15 June 2020 to Thursday 18 June 2020. The Retail Entitlement Offer will be open to all retail shareholders who hold shares at 7:00 pm Sydney time on 19 June 2020 (**Record Date**) with registered addresses in Australia, New Zealand, Hong Kong, Singapore, and Jersey (Channel Islands) (**Eligible Retail Shareholders**).

Taking into consideration the number of shares held outside the jurisdictions noted above, as well as the costs of complying with the legal requirements and the requirements of the regulatory authorities relating to the shareholders with registered addresses in various jurisdictions outside of those jurisdictions, the Company has formed the view that it is unreasonable to extend the Entitlement Offer to those shareholders. Accordingly, shareholders outside of Australia, New Zealand, Hong Kong, Singapore, and Jersey will not be entitled to participate in the Offer.



Where not all eligible shareholders take up all of their respective entitlements (**Shortfall**), the Shortfall will be offered to eligible shareholders who have taken up all of their entitlements, and have also applied for additional New Shares, before calling on the underwriter.

The Placement will be made to a range of sophisticated and professional investors, raising up to approximately \$3,362,485, and will be conducted alongside the Institutional Entitlement Offer at the same price of \$0.023 per New Share. This placement is being made under the Company's existing ASX listing rule 7.1 and 7.1A capacity.

For every two (2) New Shares issued under the Entitlement Offer and / or Placement, the holder will also receive one (1) attaching option exercisable at \$0.05 and expiring 29 February 2024 (**New Option**). The New Options for participants in the Placement will be issued subject to Armour Energy shareholder approval, at an Extraordinary General Meeting to be convened following the completion of the Entitlement Offer. The Company intends to apply to the ASX for quotation of the New Options.

A Prospectus was lodged by the Company with ASIC and ASX on 15 June 2020 and is available on the Company's website (<https://www.armouenergy.com.au/>). The Prospectus together with personalised entitlement and acceptance forms will be dispatched by the Company's share registry Link Market Services Limited on 24 June 2020. It is important to note that this will include via **electronic distribution** for those Eligible Retail Shareholders who have previously supplied the registry with their email address. Should any Eligible Retail Shareholder require a replacement copy of their paperwork, they should contact the Company Secretary (Karl Schlobohm; kschlobohm@armouenergy.com.au).

An investor presentation has also been lodged with ASX today.

Assuming no existing options on issue in the Company are exercised, approximately 196,867,318 New Shares will be made available under the Entitlement Offer, and the Placement will issue up to a maximum of 146,195,009 New Shares. All New Shares issued pursuant to the capital raising will rank equally with the Company's existing shares on issue.

Further information

An Appendix 3B applying for quotation of the New Shares has been lodged with ASX, together with a "Proforma" Appendix 2A for the New Shares and the New Options to be issued as a result of the capital raising.

The Company anticipates that approximately 343,062,327 New Shares will be issued under the capital raising (Placement: 146,195,009, Offer: 196,867,318). This number may have to be increased by up to 31,916,667 New Shares if existing option holders exercise their options prior to the Record Date. Upon completion of the Offer, and assuming it is fully subscribed and that existing options are not exercised, the issued capital of the Company will comprise approximately 933,664,281 shares and 194,183,659 options, with a further 73,097,505 New Options to be issued subject to shareholder approval as outlined above.

If an Eligible Shareholder's entitlement results in a fraction of a New Share, the entitlement will be rounded down to the nearest whole number. Allotment of New Shares is expected to occur on 22 June 2020 for the Placement and Institutional Entitlement Offer, and 22 July 2020 for the Retail Entitlement Offer. Trading in the New Shares is expected to commence on or around 23 June 2020 for the Placement and Institutional Entitlement Offer, and 23 July 2020 for the Retail Entitlement Offer.

The proposed timetable for the capital raising is set out in the table below.

Event	Date
Enter Trading Halt and announce details of capital raising program	15 June 2020
Lodgement of Prospectus with ASIC and ASX and Appendix 3B with ASX; Institutional Entitlement Offer opens	15 June 2020
Institutional Entitlement Offer closes	18 June 2020
Announcement of results of Institutional Entitlement Offer	Before market open 19 June 2020
Trading Halt lifted	19 June 2020
Record Date for the Retail Entitlement Offer	19 June 2020 (7:00 pm AEST)
Issue of New Shares under the Placement and Institutional Entitlement Offer and New Options under the Institutional Entitlement Offer	22 June 2020
Prospectus and Entitlement and Acceptance Form despatched to Eligible Retail Shareholders	24 June 2020
Opening Date of Retail Entitlement Offer (9am AEST)	24 June 2020
Last day to extend Retail Entitlement Offer close date	10 July 2020
Closing Date of Retail Entitlement Offer	15 July 2020 (5:00 pm AEST)
Announcement of results of the Retail Entitlement Offer	20 July 2020
Issue of New Shares pursuant to Retail Entitlement Offer	22 July 2020
New Shares under Retail Entitlement Offer commence trading on ASX on a normal basis	23 July 2020

This timetable is indicative only and may be subject to change subject to the requirements of the Corporations Act and the ASX Listing Rules.

The Directors of Armour Energy encourage all Eligible Shareholders to participate in the Entitlement Offer.

This Announcement is Authorised by the Board of Directors

Karl Schlobohm

Company Secretary

Nicholas Mather – Executive Chairman
07 3303 0680

Karl Schlobohm – Company Secretary
07 3303 0661