



## ASX Announcement

### Armour Energy Limited

11 August 2020

#### Update on Asset Transactions and Amortisation of Notes Facility

##### Highlights:

- **\$10 million in asset transactions progressing:**
  - **\$6 million received from acceleration and crystallisation of Santos Farmin contingent payments;**
  - **\$4 million from the Sale of Armour's interest in PL1084 scheduled to complete on 17 August 2020.**
- **\$5.3 million in early principal amortisation payments to be made on the Secured Amortising Notes.**

The Board of Armour Energy ("Armour" or the "Company") wishes to provide an update on the recent asset transaction process, and the subsequent additional principal amortisation repayments to be made on the Secured Amortising Notes arranged by FIIG Securities.

As part of the recent Entitlement Offer to shareholders, Armour outlined its intention to realise \$10 million through the divestment of non-core assets and accelerating payments under existing agreements. The Company has now received the first \$6 million, through the acceleration and crystallisation of contingent farmin payments from Santos QNT Pty Ltd (Santos)<sup>1</sup>. The Company also expects to receive the balance of the \$4 million from the Sale and Purchase Agreement with Australia Pacific LNG Pty Ltd (APLNG)<sup>2</sup> of Armour's interest in Murrungama on 17 August 2020. Thereby Armour will have completed the proposed \$10 million in asset transactions before the end of August 2020.

As a result of these asset transactions, by next week Armour will have made additional principal amortisation repayments of \$5.3 million on the Secured Amortising Notes, which will bring the total principal amortisation payments in the past 6 months to \$9.15 million.

Armour Energy's CEO, Brad Lingo said:

***"In the recent Entitlement Offer documentation, Armour outlined its intentions to raise \$8 million in equity and \$10 million through asset transactions to fund its 2020 work programs and to make significant debt reduction payments. By virtue of the completed placement and, fully-underwritten Entitlement Offer and conditional placement, the Company is in the process of delivering on the equity raise target and will shortly complete the \$10 million in asset transactions. Armour is also well progressed on preparations for the well intervention work, which is targeted to commence in the next months.***

1. ASX release "Acceleration of Contingent Farmin Payments to Armour Energy" 27 July 2020

2. ASX release "Armour Energy and Australia Pacific LNG Execute a Sale and Purchase Agreement for PL1084" 18 June 2020



***As a result of these asset transaction payments, by next week Armour will have made a further \$5.3 million in accelerated principal amortisation payments, bringing the total principal reduction payments to \$9.15 million in the past 6 months, and the outstanding balance of Secured Amortising Notes down to \$45.85 million.***

***Armour has identified a number of other commercial opportunities that the Company is actively pursuing, which have the potential to provide additional funds for further development and appraisal activities and enable further material principal reductions to the Secured Amortising Notes.”***

*This Announcement is Authorised by the Board of Directors*  
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Company Secretary

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