

## Armour Energy (ASX:AJO)

### ASX Announcement

4 February 2021

## Completion of sale and purchase agreement for the sale of additional South Nicholson Basin Permit Interests to Santos.

### HIGHLIGHTS:

- Completion of the sale and purchase agreement between Armour and Santos QNT Pty Ltd (Santos) to sell Armour's remaining interest in several South Nicholson Basin Permits to Santos.
- Armour has received approximately \$12.16 million in cash payments plus re-acquired 100% ownership of ATP(A) 1107.
- Armour retains a material exposure to the South Nicholson Basin play of approximately 7,906 km<sup>2</sup>.

The Directors of Armour Energy Limited (ASX: AJO; "Armour", or "the Company") refer to the Company's previous announcement of 6 January 2021 and wish to advise that completion of the sale and purchase agreement (SPA) with Santos has now occurred.

As previously disclosed, Santos has acquired 100% ownership of: ATP 1087 (of which Santos previously held a 70% interest and was operator); the application permit areas in Queensland ATP(A) 1192 and 1193; and the Northern Territory tenements EP(A) 172 and 177. As consideration, Armour has received total cash payments of approximately \$12.16 million and will re-acquire full ownership and operatorship of ATP(A) 1107. ATP(A) 1107 covers 7,906 km<sup>2</sup> of the South Nicholson Basin Exploration Project.

With the completion of this additional transaction, over the last 12-months, the Company has received approximately \$33.16 million in cash proceeds in relation to the South Nicholson Basin Project, whilst retaining 100% ownership and operatorship of ATP(A) 1107.

As a result of these sale proceeds, the Company will further reduce its outstanding long-term debt by approximately \$6.08 million by way of an unscheduled amortisation payment on the Secured Amortising Notes. Since 30 June 2020, the Company has reduced its outstanding long-term debt by 28% in total from \$62 million to \$44 million as a result of the sale of its South Nicholson Basin assets.

### Armour Energy's CEO, Brad Lingo said:

"The completion of the South Nicholson Basin sales to Santos and the further long-term debt reduction is a good way to start 2021 and a clear indication of the Company's commitment to strengthen the balance sheet. The Company is fully focussed on delivering on the strategic priorities we outlined in August 2020 – both and the delivering increased production in our core Kincora Gas Project and debt reduction."

This Announcement is Authorised by the Board of Directors  
Karl Schlobohm  
Company Secretary

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**ASX Code: AJQ**

**Executives**

Bradley Lingo - Chief Executive Officer  
Karl Schlobohm – Company Secretary  
Michael Laurent – Chief Operating Officer  
Toni Hawkins – Chief Financial Officer

**Directors**

Nicholas Mather – Executive Chairman  
Stephen Bizzell - Non-Executive Director  
Roland Sleeman – Non-Executive Director  
Eytan Uliel – Non-Executive Director

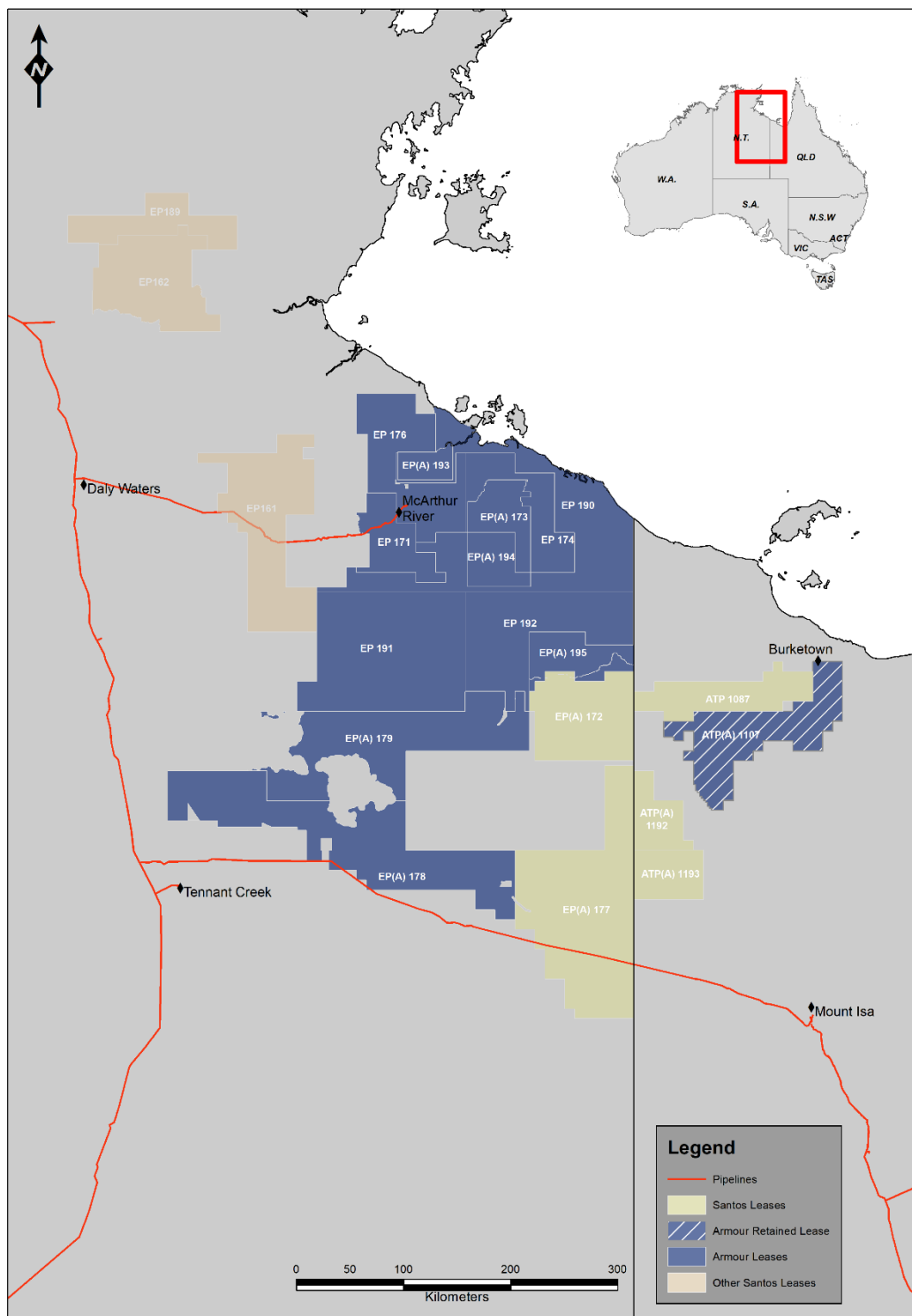
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Map showing the Santos Farmin Permits within the green border