

## Armour Energy (ASX:AJQ)

### ASX Announcement

18 March 2021

## Successful Completion of \$11.5 million Equity Raising

### HIGHLIGHTS:

- Armour has received firm commitments for a total of \$11.5 million by way of a private placement to institutional and sophisticated investors.
- Funds will be used for the Northern Basin Business demerger and IPO costs as well as exploration expenditure, Kincora project production well interventions and gas processing facilities maintenance, servicing and ensuring compliance with debt facilities, the costs of the offer and general working capital.

**The Directors of Armour Energy Limited (ASX: AJQ; “Armour”, or “the Company”) are pleased to announce the completion of a \$11.5 million capital raising undertaken by way of a private placement to institutional and sophisticated investors.**

The capital raising comprises the following components:

- \$8.8 million of New Shares with attaching options which utilises the Company's placement capacity under Listing Rule 7.1 & 7.1A.
- \$2.7 million of Conditional Placement with attaching options that will be subject to shareholder approval. The Conditional Placement includes commitments to subscribe by Directors and the Company's largest shareholder DGR Global Ltd.

The capital raising was managed by Bizzell Capital Partners Pty Ltd (associated with Armour Energy Director, Stephen Bizzell) and JB Advisory Partners Pty Ltd as Joint Lead Managers.

The placement shares are at an issue price of \$0.035 which represents a discount of 12.5% to the last traded price of \$0.040 on 15 March 2021 and a 10.2% discount to the 15 day volume weighted average price. All New Shares issued pursuant to the capital raising will rank equally with the Company's existing shares on issue.

For every four (4) New Shares issued under the Placement, the holder will also receive one (1) free attaching option. The options are the existing listed option series (ASX:AJQOA) which are exercisable at \$0.05 and expiring 29 February 2024.

The funds raised will be used for the purposes of:

- Transaction costs associated with progressing the proposed Northern Basin Business demerger and IPO of McArthur Oil & Gas;
- Ongoing exploration expenditures including exploration costs associated with the Northern Basin Business required to progress activities associated with the recent PRL applications;

- Well interventions work at Kincora Gas field;
- Kincora Gas Processing Plant production assurance maintenance capital;
- Payment of interest and scheduled amortisation reductions in respect of the Company's Amortising Notes for the balance of FY2021; and
- General working capital requirements and costs of the Offer.

An investor presentation has also been lodged with ASX today.

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

"This is a very good result and the Company has seen very significant support for this equity capital raise in support of the proposed demerger and IPO of the Northern Basin Business, McArthur Oil & Gas. In engaging with institutional investors there has been a great deal of interest in the proposed IPO of McArthur Oil & Gas and investors positioning themselves to participate in and support the demerger."

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

**Karl Schlobohm**

**Company Secretary**

**For further information contact:**

Nicholas Mather – Executive Chairman  
07-3303 0680

Brad Lingo – CEO  
07-3303 0680

Karl Schlobohm – Company Secretary  
07-3303 0661

Sarah Schuiringa – Marketing & Communications  
07 – 3303 0619

**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

**Contact Details**

Level 27, 111 Eagle Street  
Brisbane Qld 4000  
Tel: +61 7 3303 0620

**Website:** [ArmourEnergy.com.au](http://ArmourEnergy.com.au)

**Twitter:** @armour\_energy

**Linkedin:** [linkedin.com/company/armour-energy](https://www.linkedin.com/company/armour-energy)