



## Announcement Summary

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**Entity name**

ARMOUR ENERGY LIMITED

**Announcement Type**

New announcement

**Date of this announcement**

Thursday March 18, 2021

**The Proposed issue is:**

☒ A placement or other type of issue

**Total number of +securities proposed to be issued for a placement or other type of issue**

ASX +security code	+Security description	Maximum Number of +securities to be issued
AJQOA	OPTION EXPIRING 29-FEB-2024	82,142,857
AJQ	ORDINARY FULLY PAID	328,571,428

**Proposed +issue date**

Wednesday March 24, 2021

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

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**1.1 Name of +Entity**

ARMOUR ENERGY LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

**1.2 Registered Number Type**

ABN

**Registration Number**

60141198414

**1.3 ASX issuer code**

AJQ

**1.4 The announcement is**

☒ New announcement

**1.5 Date of this announcement**

Thursday March 18, 2021

**1.6 The Proposed issue is:**

☒ A placement or other type of issue



## Part 7 - Details of proposed placement or other issue

## Part 7A - Conditions

## 7A.1 - Are any of the following approvals required for the placement or other type of issue?

- +Security holder approval
- Court approval
- Lodgement of court order with +ASIC
- ACCC approval
- FIRB approval
- Another approval/condition external to the entity

☒ Yes

## 7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	Thursday May 20, 2021	<input checked="" type="checkbox"/> Estimated	

## Comments

AUD 2.7 million of Conditional Placement with attaching options are subject to shareholder approval. The Conditional Placement includes commitments to subscribe by Directors and the Company's largest shareholder DGR Global Ltd. This meeting will be held around mid-May 2021.

## Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

☒ Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

☒ Yes

## Details of +securities proposed to be issued

## ASX +security code and description

AJQ : ORDINARY FULLY PAID

## Number of +securities proposed to be issued

328,571,428

## Offer price details



**Are the +securities proposed to be issued being issued for a cash consideration?**

☒ Yes

**In what currency is the cash consideration being paid?**

AUD - Australian Dollar

**What is the issue price per +security?**

AUD 0.03500

**Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?**

☒ Yes

#### Attaching +Security

**Is the proposed attaching security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional +securities in a class that is already quoted or recorded by ASX)?**

☒ Existing class

Attaching +Security - Existing class (additional +securities in a class that is already quoted or recorded by ASX)

#### Details of attaching +securities proposed to be issued

##### ASX +security code and description

AJQOA : OPTION EXPIRING 29-FEB-2024

##### Number of +securities proposed to be issued

82,142,857

##### Offer price details

**Are the +securities proposed to be issued being issued for a cash consideration?**

☒ No

##### Please describe the consideration being provided for the +securities

Nil. For every four (4) New Shares issued under the Placement, the holder will also receive one (1) free attaching option.

##### Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

**Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?**

☒ Yes



## Part 7C - Timetable

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### 7C.1 Proposed +issue date

Wednesday March 24, 2021

## Part 7D - Listing Rule requirements

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**7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?**

☒ No

**7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?**

☒ Yes

**7D.1b ( i ) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?**

186754211

**7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?**

☒ Yes

**7D.1c ( i ) How many +securities are proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A?**

127531503

**7D.1c ( ii ) Please explain why the entity has chosen to do a placement rather than a +pro rata issue or an offer under a +security purchase plan in which existing ordinary +security holders would have been eligible to participate**

This approach has been taken as the Company considers that this method of capital raising is the most cost-efficient and expedient method available at the time for raising, at an appropriate price, the funds required by the Company to achieve its objectives, given the funding certainty, strong investor enquiry and the pricing achieved under the Placement. Further, the Company offered shareholders the opportunity to participate in a pro rata issue in June 2020.

**7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?**

☒ Yes

**7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?**

☒ No

**7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?**

☒ No

## Part 7E - Fees and expenses

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**7E.1 Will there be a lead manager or broker to the proposed issue?**

☒ Yes



#### 7E.1a Who is the lead manager/broker?

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.

#### 7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

- a) A management fee of 1.0% of the value of all funds raised under the Offers by each Lead Manager.
- b) A selling fee of 5.0% of the value of all funds raised under the Placement and Conditional Placement by each Lead Manager.
- c) Subject to obtaining shareholder approval, issue of options (exercisable at 5c, expiring 29 February 2024), to each Lead Manager or their nominee(s) representing 4 options for every \$1 raised under the Offers by that Lead Manager.

#### 7E.2 Is the proposed issue to be underwritten?

☒ No

#### 7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

### Part 7F - Further Information

#### 7F.01 The purpose(s) for which the entity is issuing the securities

- Costs associated with progressing the proposed Northern Basin Business demerger and IPO of McArthur Oil and Gas
- Exploration expenditure
- Working capital requirements and costs of the Offer

For more information refer announcements of 18 March 2021

#### 7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

☒ No

#### 7F.2 Any other information the entity wishes to provide about the proposed issue