



Update Summary

Entity name

ARMOUR ENERGY LIMITED

Announcement Type

Update to previous announcement

Date of this announcement

Wednesday March 24, 2021

Reason for update to a previous announcement

Update to maximum number of securities to be issued.

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

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

Update/amendment to previous announcement

1.4a Reason for update to a previous announcement

Update to maximum number of securities to be issued.

1.4b Date of previous announcement(s) to this update

Thursday March 18, 2021

1.5 Date of this announcement

Wednesday March 24, 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

330,383,437

Reason for the update of 'Maximum Number of +securities proposed to be issued'



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

82,595,885

Reason for the update of 'Maximum Number of +securities proposed to be issued'

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

7C.1 Proposed +issue date

Wednesday March 24, 2021

Part 7D - Listing Rule requirements

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



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