

Notice of Extraordinary General Meeting and Explanatory Memorandum

Armour Energy Limited ACN 141 198 414

Date of Meeting: Monday, 4 April 2022

Time of Meeting: 11:00am (AEST)

Place of Meeting: Level 8, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000

Notice is hereby given that an Extraordinary General Meeting of Shareholders of Armour Energy Limited ACN 141 198 414 (the **Company** or **Armour**) will be held at the offices of HopgoodGanim on Level 8, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000 at **11.00 a.m. (AEST) on Monday, 4 April 2022.**

Terms used in this Notice of Meeting are defined in the “**Definitions**” section of the accompanying Explanatory Memorandum.

AGENDA

Ordinary Business

Resolution 1. Approval of issue of Securities

To consider and if thought fit, pass the following Ordinary Resolution with or without amendment:

“That subject to the passing of Resolutions 2 and 3, for the purposes of Listing Rule 7.1, 7.3 and for all other purposes, Shareholders approve the issue of:

- (a) 145,000,000 Shares and 24,166,666 Options to Talbragar River Holdings Pty Ltd; and*
- (b) 145,000,000 Shares and 24,166,667 Options to PECAL Pty Ltd,*
on the terms set out in the accompanying Explanatory Memorandum.”

See accompanying Explanatory Memorandum for further information about this Resolution.

VOTING EXCLUSION STATEMENT

In accordance with Listing Rule 14.11 the Company will disregard any votes cast in favour of Resolution 1 by:

- Talbragar River Holdings Pty Ltd and PECAL Pty Ltd;
- an associate of Talbragar River Holdings Pty Ltd or PECAL Pty Ltd; or
- a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, this does not apply to a vote cast in favour of Resolution 1 by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with directions given to the proxy or attorney to vote on Resolution 1 in that way; or
- the chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with a direction given to the chair to vote on Resolution 1 as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of the person excluded from voting, on the relevant Resolution; and
 - the holder votes on Resolution 1 in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 2. Approval of issue of Options

To consider and if thought fit, pass the following Ordinary Resolution with or without amendment:

*“That subject to the passing of Resolutions 1 and 3, for the purposes of Listing Rule 7.1, 7.3 and for all other purposes, Shareholders approve the issue of 48,333,334 Options (**Tribeca Options**) to Equity Trustees Limited (ABN 46 004 031 298) in its capacity as the trustee of the Tribeca Global Natural Resources Credit Fund (ABN 92 233 562 005) and Tribeca Global Natural Resources Credit Master Fund (together, **Tribeca**) on the terms set out in the accompanying Explanatory Memorandum.”*

See accompanying Explanatory Memorandum for further information about this Resolution.

VOTING EXCLUSION STATEMENT

In accordance with Listing Rule 14.11 the Company will disregard any votes cast in favour of Resolution 2 by:

- Equity Trustees Limited (ABN 46 004 031 298) in its capacity as the trustee of the Tribeca Global Natural Resources Credit Fund (ABN 92 233 562 005) and Tribeca Global Natural Resources Credit Master Fund;
- an associate of Equity Trustees Limited (ABN 46 004 031 298) in its capacity as the trustee of the Tribeca Global Natural Resources Credit Fund (ABN 92 233 562 005) and Tribeca Global Natural Resources Credit Master Fund; or
- a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, this does not apply to a vote cast in favour of Resolution 2 by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 2, in accordance with directions given to the proxy or attorney to vote on Resolution 2 in that way; or
- the chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 2, in accordance with a direction given to the chair to vote on Resolution 2 as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of the person excluded from voting, on the relevant Resolution; and
 - the holder votes on Resolution 2 in accordance with directions given by the beneficiary to the holder to vote in that way.

Special Resolution

Resolution 3. Provision of financial assistance

To consider and if thought fit, pass the following Special Resolution:

“That subject to the passing of Resolutions 1 and 2, for the purposes of sections 260B(2) of the Corporations Act and for all other purposes, approval is given for the provision of financial assistance by the Company in connection with the issue of shares to Talbragar River Holdings Pty Ltd and PECAL Pty Ltd in connection with the Tribeca Facility as described in the Explanatory Memorandum.”

See the accompanying Explanatory Memorandum for further information about this Resolution.

VOTING EXCLUSION STATEMENT

In accordance with Listing Rule 14.11 the Company will disregard any votes cast in favour of Resolution 3 by:

- Talbragar River Holdings Pty Ltd and PECAL Pty Ltd; and
- an associate of Talbragar River Holdings Pty Ltd or PECAL Pty Ltd.

However, this does not apply to a vote cast in favour of Resolution 3 by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with directions given to the proxy or attorney to vote on Resolution 3 in that way; or
- the chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with a direction given to the chair to vote on Resolution 3 as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of the person excluded from voting, on the relevant Resolution; and
 - the holder votes on Resolution 3 in accordance with directions given by the beneficiary to the holder to vote in that way.

General Business

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By Order of the Board
Natalie Climo
Company Secretary
4 March 2022

Explanatory Memorandum

This Explanatory Memorandum is provided to shareholders of Armour Energy Limited ACN 141 198 414 (the **Company** or **Armour**) to explain the Resolutions to be put to Shareholders at the Extraordinary General Meeting to be held at the offices of HopgoodGanim on Level 7, Waterfront Place, 1 Eagle Street, Brisbane QLD 4000 at **11.00 a.m. (AEST) on Monday, 4 April 2022**.

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions to be put to the Meeting. The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum are defined in the “**Definitions**” section of this Explanatory Memorandum.

ORDINARY BUSINESS

Resolution 1. Approval of issue of Securities

1. Background

On 26 July 2018, Armour Energy Limited (as guarantor) and its subsidiary, Armour Energy (Surat Basin) Pty Ltd (**Armour Surat**) (as borrower) entered into a credit facility agreement (**Tribeca Facility**) with Equity Trustees Limited (in its capacity as the trustee of the Tribeca Global Natural Resources Credit Fund) and Tribeca Global Natural Resources Credit Master Fund (together **Tribeca**) and Tribeca Global Resources Credit Pty Ltd for the provision of an environmental bonding finance facility, as amended from time to time including on 20 November 2019, 21 April 2021, 15 September 2021 and 29 December 2021 prior to the February 2022 amendment. The Facility is secured by a guarantee from the Company, a first ranking security interest over seven bank accounts controlled by Westpac Banking Corporation (the **Credit Accounts**) in the name of Armour Surat, and a second ranking featherweight security interest over all the present and after-acquired property of Armour Surat.

The Tribeca Facility has a 9% per annum coupon rate payable by Armour Surat quarterly in arrears on amounts drawn with the maturity date extended to 31 December 2021 and the principal owing is \$5,392,568.

On 29 December 2021, the parties to the Tribeca Facility entered into an amendment agreement to the Tribeca Facility (**Amendment Agreement**) to provide for a further term extension and facilitate the repayment of the Tribeca Facility by way of:

- a) Talbragar River Holdings Pty Ltd and PECAL Pty Ltd agreeing to assume the liability under the Tribeca Facility;
- b) the Company issuing a total of 290,000,000 Shares and 48,333,333 Options to Talbragar River Holdings Pty Ltd and PECAL Pty Ltd (**Resolution 1 Securities**);
- c) Talbragar River Holdings Pty Ltd and PECAL Pty Ltd agreeing to sell the Resolution 1 Securities (**Proceeds**);
- d) There are no current identified recipients of the Resolution 1 Securities;
- e) Talbragar River Holdings Pty Ltd and PECAL Pty Ltd remitting the Proceeds to Armour Surat; and
- f) Armour Surat paying an amount equal to the Proceeds to be applied first to reduce the principal outstanding under the Tribeca Facility, secondly to pay any accrued interest on the Tribeca Facility and thirdly to pay the Extension Fee (as defined in the Tribeca Facility) in complete and full satisfaction of all amounts owing under or in connection with the Tribeca Facility.

Upon repayment of the Tribeca Facility, Tribeca will release the security interest held over the Credit Accounts.

The above repayment arrangement has been structured in this manner for the following reasons:

- a) The Tribeca Facility has a current balance of \$5,392,568 and was due to mature on 31 December 2021. Prior to the current settlement proposal, the loan maturity had already been extended twice, initially to 30 September 2021 and then to 31 December 2021. Tribeca has advised the Facility would not be renewed and settlement would be required.
- b) In light of the aforementioned, Armour Energy Ltd investigated options, inclusive of an equity repayment mechanism, to paydown the Tribeca Facility.
- c) Commercial negotiation with Tribeca resulted in the arrangements, as described, being agreed while consideration was given to both the Armour Surat constraints and the Tribeca rights as the counter party.
- d) Talbragar River Holdings Pty Ltd and PECAL Pty Ltd will be contracted to provide a commercial service in receiving and selling the Resolution 1 Securities to parties who have not specifically been identified by Armour Energy Ltd or Armour Surat.
- e) The sale Proceeds will be remitted to Armour Surat who in turn will apply the Proceeds in settlement of amounts owing under the Tribeca Facility. The rights of Tribeca and the obligation of Armour Surat thus being fulfilled.

The Amendment Agreement was subject to a number of conditions that have been met, including:

- f) the consent of PT Limited to the amendment of the Tribeca Facility as requested by the Security Trustee under the Priority Deed;
- g) payment of an Administration fee to Tribeca of \$136,000 and Tribeca's legal fees in relation to this matter; and
- h) Talbragar River Holdings Pty Ltd and PECAL Pty Ltd agreeing to subscribe for the Resolution 1 Securities and to sell the Resolution 1 Securities to maximise the total proceeds and remit the Proceeds to Armour Surat to repay Tribeca.

2. Listing Rules 7.1 and 7.3

Listing Rule 7.1 prohibits a listed company, unless exceptions apply, from issuing in any Relevant Period new Equity Securities equivalent in number to more than 15% of the total number of ordinary securities on issue at the beginning of the Relevant Period (**15% Capacity**) without either the prior approval of a majority of disinterested shareholders, or the issue otherwise falls within one of the prescribed exceptions to Listing Rule 7.1 (**15% Rule**).

Equity Securities issued with shareholder approval under Listing Rule 7.1 do not count towards the 15% Capacity.

The Resolution 1 Securities are Equity Securities. The Company is seeking Shareholder approval in accordance with Listing Rule 7.1 so that the Resolution 1 Securities do not count towards the Company's 15% Capacity.

For the purposes of ASX Listing Rule 7.3, which prescribed certain information to be contained in the notice of meeting where approval is sought under ASX Listing Rule 7.1, the Company advises as follows:

7.3.1	The names of the persons to whom the entity will issue the securities or the basis upon which those persons were or will be identified or selected	Talbragar River Holdings Pty Ltd and PECAL Pty Ltd
7.3.2	The number and class of securities the entity will issue	290,000,000 Shares 48,333,333 Options
7.3.3	If the securities are not fully paid ordinary securities, a summary of the material terms of the securities.	The Shares are fully paid ordinary securities. The Options to be issued are in the same class of options already on issue in the Company (ASX: AJQOA). The Option terms are set out in full in Schedule 1.
7.3.4	The date or dates on which the entity will issue the securities.	Shares - Following shareholder and regulatory approval, the Company will issue the Shares no earlier than 14 days after lodgement with ASIC of notice that the financial assistance has been approved in accordance with section 260B of the Corporations Act. The current time frame is to issue the shares and options before 15 April 2022. In any event, no later than 3 months after the date of the Meeting.
7.3.5	The price or other consideration the entity will receive for the securities.	Shares – no cash consideration, Talbragar River Holdings Pty Ltd and PECAL Pty Ltd agreeing to assume the liability for the Tribeca Facility. Options – Nil.
7.3.6	The purpose of the issue, including the intended use of any funds raised by the issue.	The purpose of the issue of the Resolution 1 Securities is to facilitate the repayment of the Tribeca Facility. No funds will be raised by the issue, however, the proceeds of the subsequent sale of the Resolution 1 Securities will be used to repay the Tribeca Facility.
7.3.7	If the securities are being issued under an agreement a summary of any other material terms of the agreement.	The material terms of the agreement are set out above.
7.3.8	If the securities are being issued under, or to fund, a reverse takeover, information about the reverse takeover.	N/A
7.3.9	Voting exclusion statement	A voting exclusion statement is contained in Resolution 1 of the Notice of Meeting.

3. Outcome for voting for and against the Resolution.

If Resolutions 1, 2 and 3 are passed, the Resolution 1 Securities will be issued and will be excluded from the calculation of the Company's 15% limit in ASX Listing Rule 7.1, maintaining the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue of the Resolution 1 Securities.

If Resolutions 1, 2 and 3 are not passed, the Resolution 1 Securities will not be issued. Where the Securities are not issued, the Company will be required to enter into further negotiations with Tribeca with a view to negotiating a separate arrangement to repay the monies owing under the Tribeca Facility. Where an arrangement cannot be reached, the Company will be obliged to repay and otherwise discharge its obligations under the Tribeca Facility on current terms.

4. Directors' recommendation

The Directors recommend that Shareholders vote in favour of this Resolution.

Resolution 2. Approval of issue of Options

1. Background

In consideration of Tribeca entering into the Amendment Agreement, Armour will issue Tribeca a total of 48,333,334 listed options with ASX code AJQOA which are exercisable at \$0.05 and expire on 29 February 2024 within one business day of receiving all approvals for the issuance. Pursuant to the Amendment Agreement, the Company has agreed to issue Tribeca the Tribeca Options.

2. Listing Rules 7.1 and 7.3

As set out above in Resolution 1, Listing Rule 7.1 prohibits a listed company, except where exemptions under 7.2 apply, from issuing in any Relevant Period new Equity Securities equivalent in number to more than the 15% Capacity unless in accordance with the 15% Rule.

Equity Securities issued with shareholder approval under Listing Rule 7.1 do not count towards the 15% Capacity.

The Tribeca Options are Equity Securities.

The Company is seeking Shareholder approval in accordance with Listing Rule 7.1 so that the Tribeca Options do not count towards the Company's 15% Capacity.

For the purposes of ASX Listing Rule 7.3, which prescribed certain information to be contained in the notice of meeting where approval is sought under ASX Listing Rule 7.1, the Company advises as follows:

7.3.1	The names of the persons to whom the entity will issue the securities or the basis upon which those persons were or will be identified or selected	<ul style="list-style-type: none"> a) Equity Trustees Limited (ABN 46 004 031 298) in its capacity as the trustee of the Tribeca Global Natural Resources Credit Fund (ABN 92 233 562 005); and b) Tribeca Global Natural Resources Credit Master Fund.
7.3.2	The number and class of securities the entity will issue	48,333,334 Options
7.3.3	If the securities are not fully paid ordinary securities, a summary of the material terms of the securities.	The Tribeca Options to be issued are in the same class of options already on issue in the Company (ASX: AJQOA). The Tribeca Option terms are set out in full in Schedule 1.
7.3.4	The date or dates on which the entity will issue the securities.	Following all approvals and in any event, no later than 3 months after the date of the Meeting.

7.3.5	The price or other consideration the entity will receive for the securities.	Tribeca Options – Nil.
7.3.6	The purpose of the issue, including the intended use of any funds raised by the issue.	The Tribeca Options are to be issued as a component of the arrangements to settle the Tribeca Facility. The exercise of the options, will result in associated cash inflows.
7.3.7	If the securities are being issued under an agreement a summary of any other material terms of the agreement.	The material terms of the agreement are set out above under Resolution 1.
7.3.8	If the securities are being issued under, or to fund, a reverse takeover, information about the reverse takeover.	N/A
7.3.9	Voting exclusion statement	A voting exclusion statement is contained in Resolution 2 of the Notice of Meeting.

3. Outcome for voting for and against the Resolution

If Resolutions 1, 2 and 3 are passed, the Tribeca Options will be issued and will be excluded from the calculation of the Company's 15% limit in ASX Listing Rule 7.1, maintaining the number of equity securities it can issue without Shareholder approval over the 12-month period following the issue of the Tribeca Options.

If Resolutions 1, 2 and 3 are not passed, the Resolution 1 Securities will not be issued. Where the Securities are not issued, the Company will be required to enter into further negotiations with Tribeca with a view to negotiating a separate arrangement to repay the monies owing under the Tribeca Facility. Where an arrangement cannot be reached, the Company will be obliged to repay and otherwise discharge its obligations under the Tribeca Facility on current terms.

4. Directors' recommendation

The Directors recommend that Shareholders vote in favour of this Resolution.

SPECIAL BUSINESS

Resolution 3. Provision of financial assistance

1. Background

Pursuant to Resolution 1, the Company is seeking approval for the issue of the Resolution 1 Securities to Talbragar River Holdings Pty Ltd and PECAL Pty Ltd.

This section of the Explanatory Memorandum is given to members of the Company for the purposes of section 260B(4) of the Corporations Act and contains all the information known to the Company that is material to a Shareholder in determining whether to approve Resolution 3.

2. Tribeca Facility & Amendment Agreement

As described in Resolution 1, the Company entered into the Tribeca Facility and subsequently the Amendment Agreement.

If Resolution 1 and Resolution 3 are passed, Talbragar River Holdings Pty Ltd and PECAL Pty Ltd will be issued the Shares in two tranches of 145,000,000 Shares by 15 April 2022.

Once the above Shares are issued to Talbragar River Holdings Pty Ltd and PECAL Pty Ltd, Talbragar River Holdings Pty Ltd and PECAL Pty Ltd will dispose of the Shares. Talbragar River Holdings Pty Ltd and PECAL Pty Ltd will remit the proceeds from the sale of the above Shares to Armour Surat who will utilise the proceeds to satisfy the amounts owing to Tribeca under the Tribeca Facility (**Repayment**).

Accordingly, as Resolution 3 is subject to the passage of Resolution 1 and 2 and the issuance of the Resolution 1 Securities and Tribeca Options, if Resolution 1 and 2 are not passed then the Securities will not be issued in any event. Where the Securities are not issued, the Company will be required to enter into further negotiations with Tribeca with a view to negotiating a separate arrangement to repay the monies owing under the Tribeca Facility. Where an arrangement cannot be reached, the Company will be obliged to repay and otherwise discharge its obligations under the Tribeca Facility on current terms.

3. Background to the requirement for financial assistance – Part 2J of the Corporations Act

a) Restrictions on companies giving financial assistance

Section 260A(1) of the Corporations Act provides that a company may financially assist a person to acquire shares (or units of shares) in that company or a holding company of the company only if:

- (1) giving the financial assistance does not materially prejudice:
 - a. the interests of the company or its shareholders; or
 - b. the company's ability to pay its creditors; or
- (2) the assistance is approved by shareholders under section 260B of the Corporations Act; or
- (3) the assistance is exempted under the Corporations Act.

Section 260A(2) of the Corporations Act provides that financial assistance may be given before or after the acquisition of the shares.

Section 260A(3) extends the application of section 260A(1) to the acquisition of shares by issue or transfer.

b) Shareholder approval of financial assistance

Under section 260B(1) of the Corporations Act, shareholder approval for financial assistance by a company must be given by:

- (1) a special resolution passed at a general meeting of the company, with no votes being cast in favour of the resolution by the person acquiring the shares (or units of shares) or by their associates; or
- (2) a resolution agreed to, at a general meeting, by all ordinary shareholders.

4. Effect, Advantages, Disadvantages

The assessment of prejudice and the extent to which the prejudice may be "material" for the purposes of section 260A(1)(a) of the Corporations Act, necessarily involves consideration of the transaction as a whole and so brings into account its immediate consequences. The assessment of material prejudice has quantitative and qualitative elements, and considerations include:

- a. the recipient of financial assistance gaining a controlling interest in the company providing the financial assistance; and

- b. whether the acquisition is necessary and beneficial for the long-term future of the company.

The giving of the financial assistance is unlikely to have any adverse effect on the Company. The Board is of the view that the giving of the financial assistance will not materially prejudice:

- a. the interests of the Company or its Shareholders; or
- b. the Company's ability to pay its creditors.

This is because the Repayment will reduce the Company's principal outstanding debt and alleviate its obligation to pay interest on Tribeca Debt. Repayment of the Tribeca Debt will result in an improved Company financial position and that the Company discharges its debt facility obligations which is in the interests of the Company, its Shareholders and creditors.

A potential disadvantage of the proposed arrangement is that the total Sale Proceeds is insufficient to fully discharge the monies owing under the Tribeca Facility; which would require the Company to satisfy any balance from its cash reserves.

Accordingly, on balance the Board does not consider that agreeing to the Repayment will have any material adverse effect on the Company.

(3) Prior notice to ASIC

As required by section 260B(5) of the Corporations Act, a copy of the Notice of Meeting and this Explanatory Memorandum was lodged with ASIC prior to dispatch to Shareholders.

(4) Disclosure of all material information

The Board considers that this Explanatory Memorandum contains all information known to the Company that would be material to Shareholders in deciding how to vote on Resolution 3 (other than information that it would be unreasonable to require the Company to provide because that information had previously been disclosed to Shareholders).

(5) Directors' recommendation

The Directors recommend that Shareholders vote in favour of this Resolution.

Schedule 1 – Option Terms

The terms of the Options are set out below.

- (1) The Options shall be issued for no cash consideration.
- (2) The exercise price of each Option is \$0.05 (**Exercise Price**).
- (3) The Options will expire on 29 February 2024 (**Expiry Date**) unless earlier exercised.
- (4) The Options will be listed on the ASX.
- (5) The Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise (**Exercise Notice**) together with payment for the Exercise Price per Option to the Company at any time on or after the date of issue of the Options and on or before the Expiry Date. Payment may be made as directed by the Company from time to time, which may include by cheque, electronic funds transfer or other methods.
- (6) The number of Options that may be exercised at one time must be not less than 25,000, unless the holder of the Option (**Option Holder**) holds less than 25,000 Options in which case all Options must be exercised at one time.
- (7) Within 20 Business Days after the valid exercise of the Options and payment of the Exercise Price, the Company will:
 - (a) allot and issue the number of fully paid ordinary Shares ranking *pari passu* with the then issued Shares as required under these terms and conditions in respect of the number of Options specified in the Exercise Notice and for which cleared funds have been received by the Company; and
 - (b) if admitted to the official list of ASX at the time, apply for Official Quotation on ASX of Shares issued pursuant to the exercise of the Options.
- (8) Option Holders do not have any right to participate in new issues of securities in the Company made to Shareholders generally. The Company will, where and only to the extent required pursuant to the Listing Rules, provide Option Holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to Shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules.
- (9) Option Holders do not participate in any dividends unless the Options are exercised, and the resultant Shares of the Company are issued prior to the record date to determine entitlements to the dividend.
- (10) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
 - (a) the number of Options, the Exercise Price of the Options, or both will be reorganised (as appropriate) in a manner consistent with the Listing Rules as applicable at the time of reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on the Option Holders are not conferred on Shareholders; and
 - (b) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of the Options will remain unchanged.
- (11) If there is a pro rata issue (except a bonus issue), the Exercise Price of Option may be reduced according to the following formula:

$$O^n = \frac{O - E P - (S + D)}{N + 1}$$
 where,
 - O^n is the new exercise price of the Option;
 - O is the old exercise price of the Option;

E is the number of underlying securities into which one Option is exercisable;

P is the volume weighted average market price per security of the underlying securities during the 5 trading days ending on the day before the ex-right date or the ex-entitlements date;

S is the subscription price for a security under the pro rata issue;

D is dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue);

N is the number of securities with rights or entitlements that must be held to receive a right to one new security.

- (12) If there is a bonus issue to the Shareholders of the Company, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the Option Holder would have received if the Option had been exercised before the record date for the bonus issue.
- (13) The terms of the Options shall only be changed if Shareholders (whose votes are not to be disregarded) of in the Company approve of such a change. However, unless all necessary waivers of the Listing Rules are obtained, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options.
- (14) The Company intends to apply for listing of the Options on the ASX.

Definitions

Terms used in this Explanatory Memorandum shall have the meanings ascribed to them in the Listing Rules or the Corporations Act as appropriate, unless otherwise defined below, or in the body of the Explanatory Memorandum. The following terms shall have the meanings ascribed to the below:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ABN 98 008 624 691.

Board means the board of Directors of the Company.

Company means Armour Energy Limited ACN 141 198 414.

Corporations Act means the *Corporations Act 2001* (Cth) as amended, varied or replaced from time to time.

Director means a director of the Company.

Equity Securities has the meaning ascribed to that term in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum accompanying the Notice of Meeting.

Shareholder means Talbragar River Holdings Pty Ltd and PECAL Pty Ltd.

Issue Price the price per security at which the security to which it refers has been or will be issued.

Listing Rules means the listing rules of ASX as amended, varied or replaced from time to time.

Meeting or General Meeting means the general meeting of the Company to be held on 4 April 2022.

Notice of Meeting or Notice means the Notice of Meeting convening the Meeting and the accompanying Explanatory Memorandum.

Official List means the official list of the ASX.

Option means an option to subscribe for Shares granted by the Company.

Ordinary Resolution means a Resolution passed by more than 50% of the votes cast at a general meeting of Shareholders.

Relevant Period means:

(a) if the entity has been admitted to the Official List for 12 months or more, the 12-month period immediately preceding the date of the issue or agreement; or

(b) if the entity has been admitted to the Official List for less than 12 months, the period from the date the entity was admitted to the Official List to the date immediately preceding the date of the issue or agreement.

Resolution means a resolution to be proposed at the Meeting.

Securities means the securities to be issued pursuant to Resolution 1.

Share means an ordinary fully paid share in the issued capital of the Company.

Shareholder means a holder of Shares in the Company.

Special Resolution means a Resolution passed by more than 75% of the votes cast at a general meeting of Shareholders.

Tribeca means each of the following:

- c) Equity Trustees Limited (ABN 46 004 031 298) in its capacity as the trustee of the Tribeca Global Natural Resources Credit Fund (ABN 92 233 562 005); and
- d) Tribeca Global Natural Resources Credit Master Fund.

ENQUIRIES

Any enquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Natalie Climo (Company Secretary): email natalie.climo@boardroomlimited.com.au; postal address, Level 27/111

Eagle Street, Brisbane QLD 4000; or telephone (02)8016 2875.

Notes

Entitlement to Vote

For the purposes of determining those shareholders entitled to attend and vote at the General Meeting of the Company, shall be those persons recorded in the register of shareholders as at **6:00 p.m. (AEST) on Saturday, 2 April 2022**. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

How to Vote

You may vote by attending the General Meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the General Meeting on the date and at the place set out above.

Voting by Proxy

A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to vote on their behalf. Where a shareholder is entitled to cast two or more votes, they may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company. Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the *Corporations Act 2001* (Cth).

If a representative of the Company is to attend the meeting the appropriate “Certificate of Appointment of Corporate Representative” should be produced prior to admission. A form of the certificate may be obtained from the Company’s share registry.

Signing instructions

You must sign the proxy form as follows in the spaces provided:

Individual: Where the holding is in one name, the holder must sign.

Joint Holding: Where the holding is in more than one name, either security holder may sign.

Power of Attorney: To sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to Section 204A of the *Corporations Act 2001* (Cth)) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary.

Please indicate the office held by signing in the appropriate place.

To vote by proxy, the proxy form provided with this notice (and the original or a certified copy of any power of attorney under which it is signed) must be received by the Company’s Share Registry, an original or by facsimile, **no later than 11.00 a.m. (AEST) on Saturday, 2 April 2022**. Any proxy form received after that time will not be valid for the scheduled meeting. Please see proxy form for instructions on how to submit your voting intentions.

LODGE YOUR VOTE	
	ONLINE www.linkmarketservices.com.au
	BY MAIL Armour Energy Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia
	BY FAX +61 2 9287 0309
	BY HAND Link Market Services Limited Level 12, 680 George Street, Sydney NSW 2000
	ALL ENQUIRIES TO Telephone: 1300 554 474 Overseas: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Armour Energy Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **11:00am (Brisbane time) on Monday, 4 April 2022 at Level 8, Waterfront Place 1 Eagle Street, Brisbane QLD 4000**(the Meeting) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*
1 Approval of issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval of issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Provision of financial assistance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 2



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

STEP 3



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am (Brisbane time) on Saturday, 2 April 2022**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Armour Energy Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Level 12
680 George Street
Sydney NSW 2000

*During business hours Monday to Friday (9:00am - 5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE EXTRAORDINARY GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**