



Retail Offer Booklet

1 for 1 accelerated non-renounceable pro rata entitlement offer of New Shares at \$0.004 per New Share to raise approximately \$9.3 million (before costs)

Armour Energy Limited
(ACN 141 198 414)

The Retail Entitlement Offer closes at 5.00pm (AEDT) on 20 April 2023*

IMPORTANT NOTICES:

If you are an Eligible Retail Shareholder, this is an important document that requires your immediate attention. This document and the accompanying personalised Entitlement and Acceptance Form should be read in their entirety.

This document is not a prospectus under the Corporations Act and has not been lodged with the ASIC. This document does not purport to contain all the information that a prospective investor may require in connection with any potential investment in the Company. Each recipient must make its own independent assessment of the Company before acquiring any Shares in the Company

You should consult your stockbroker, solicitor, accountant or other professional adviser if you have any questions.

*The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the Closing Date.

This Retail Offer Booklet may not be released to US wire services or distributed or released in the United States

IMPORTANT NOTICES

This Retail Offer Booklet is dated Monday, 27 March 2023.

Capitalised terms in this section have the meaning given to them in this Retail Offer Booklet. This Retail Offer Booklet has been issued by Armour Energy Limited (ACN 141 198 414) (**Company**).

The Retail Entitlement Offer is made in accordance with section 708AA of the Corporations Act (as notionally modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*). This Retail Offer Booklet does not contain all of the information which an investor may require to make an informed investment decision, nor does it contain all the information which would be required to be disclosed in a prospectus. The information in this Retail Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Retail Offer Booklet should be read in its entirety before you decide to participate in the Retail Entitlement Offer. This Retail Offer Booklet is not a prospectus or other disclosure document under the Corporations Act and has not been lodged with ASIC.

By paying for your New Shares through BPAY® or, if you are unable to pay using BPAY® (for example if you are foreign shareholder without an Australian bank account), by direct transfer, in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Retail Offer Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Retail Offer Booklet.

Neither the Lead Manager, any of its related bodies corporate and affiliates, nor any of its respective directors, officers, partners, employees, representatives or agents (together, the **Lead Manager Parties**) have authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Retail Offer Booklet and there is no statement in this Retail Offer Booklet which is based on any statement made by the Lead Manager Parties. To the maximum extent permitted by law, the Lead Manager Parties expressly disclaim all liabilities in respect of, and make no representations or warranties regarding, and take no responsibility for, any part of this Retail Offer Booklet other than references to their names and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Retail Offer Booklet. The Lead Manager does not guarantee any return or any particular rate of return on the New Shares offered under the Entitlement Offer, the performance of the Company generally, the repayment of capital from the Company or any particular tax treatment.

Foreign shareholders

This Retail Offer Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Retail Offer Booklet does not constitute an offer to Ineligible Retail Shareholders and may not be distributed in the United States and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States.

The Company has decided that it is unreasonable to make offers under the Retail Entitlement Offer to retail Shareholders with registered addresses outside of Australia and New Zealand having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Retail Entitlement Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to retail Shareholders

having registered addresses outside Australia and New Zealand.

The Company has not made any investigation as to the regulatory requirements that may prevail in the countries, outside of Australia and New Zealand, in which the Company's Shareholders may reside. It is the responsibility of the overseas Applicants to ensure compliance with all laws of any country relevant to their Acceptance. The Entitlement Offer may only be accepted by Eligible Shareholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

None of the information in this Retail Offer Booklet or the Entitlement and Acceptance Form that will accompany this Retail Offer Booklet when it is despatched to Eligible Retail Shareholders (as set out in the 'Key dates' section of this Retail Offer Booklet) constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this booklet (or any part of it), the accompanying ASX announcement nor the Entitlement and Acceptance Form when that is available, may be released or distributed directly or indirectly, to any person in the United States.

The New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. The New Shares may not be offered or sold in the United States or to, or for the account or benefit of, a person in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws of any state or other jurisdiction in the United States. The New Shares to be offered and sold in the Retail Entitlement Offer described in this Retail Offer Booklet may only be offered and sold outside the United States in "offshore transactions" (as defined in Regulation S under the US Securities Act) in reliance on Regulation S under the US Securities Act.

The distribution of this Retail Offer Booklet in other jurisdictions outside Australia and New Zealand may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021. The offer of New Shares is non-renounceable in favour of members of the public.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Definitions, currency and time

Defined terms used in this Retail Offer Booklet are contained in section 8.1. All references to time are to the Australian Eastern Daylight Time (**AEDT**), unless otherwise indicated.

Foreign exchange

All references to 'A\$' or '\$' are to Australian dollars, unless otherwise noted.

Taxation

The taxation consequences of any investment in New Shares will depend upon your particular circumstances. Potential investors must make their own enquiries concerning the

taxation consequences of an investment in the Company. Applicants should consult their tax adviser for advice applicable to their individual needs and circumstances.

Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in the Company.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or through the Share Registry). The Company collects, holds and will use that information to assess your Application. The Company collects your personal information to process and administer your shareholding in the Company and to provide related services to you. The Company may disclose your personal information for purposes related to your shareholding in the Company, including to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that the Company holds about you. To make a request for access to your personal information held by (or on behalf of) the Company, please contact the Company through the Share Registry.

Governing law

This Retail Offer Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the laws of Queensland, Australia. Each Applicant submits to the exclusive jurisdiction of the courts of Queensland, Australia.

No representations

No person is authorised to give any information or to make any representation in connection with the Retail Entitlement Offer which is not contained in this Retail Offer Booklet. Any information or representation in connection with the Retail Entitlement Offer not contained in the Retail Offer Booklet may not be relied upon as having been authorised by the Company or any of its officers. Except as required by law, and only to the extent so required, none of the Company, its related bodies corporate or any of its respective directors, officers, employees, agents, advisers or representatives, or any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Retail Offer Booklet.

Past performance

Investors should note that the Company's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) the Company's future performance including the Company's future financial position or share price performance.

Future performance and forward looking statements

This Retail Offer Booklet contains certain statements that constitute "forward-looking statements". These statements can be identified by the use of terminology such as "will", "anticipate", "believe", "expect", "project", "continue", "assume", "forecast", "estimate", "likely", "intend", "outlook", "should", "could", "may", "target", "plan" or comparable terminology. Indications of, and guidance on, future earnings, financial position, dividends and distributions and performance are also forward-looking statements, as are statements regarding the Company's intent, belief or current expectations with respect to the timetable, conduct and outcome of the Entitlement Offer and Institutional Placement and the use of proceeds thereafter, statements about the plans, objectives and strategies of the management of the Group, statements about the industry and markets in which the Company operates, statements about the future

performance of the Company's business and its financial condition, and forecasted economic indicators.

Such forward-looking statements are provided as a general guide only, should not be relied on as an indication or guarantee of future performance, and involve known and unknown risks, including (without limitation) the risks set out in the Company's Investor Presentation included in section 5, uncertainties and other factors, many of which are beyond the control of the Company, its officers, employees, agents and advisors, that may cause the Company's actual results and performance to be materially different from any future results or performance expressed or implied in such statements. Forward-looking statements may also assume the success of the Company's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond the Company's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward-looking statements may have been prepared or otherwise.

There can be no assurance that actual outcomes will not differ materially from the forward-looking statements in this Retail Offer Booklet. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecasted and their differences may be material. Refer to the Company's Investor Presentation included in Section 5 for a non-exhaustive summary of certain key risk factors.

Neither the Company or any other person gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will occur.

To the maximum extent permitted by law, the Company, the Lead Manager and their respective advisors, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any responsibility and undertake no obligation for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise. The Company and the Lead Manager each disclaim any responsibility to update or revise any forward-looking statement to reflect any change in the Company's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by Australian law.

Risks

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Company. The Company does not guarantee any particular rate of return or the performance of the Company, nor does it guarantee any particular tax treatment.

Shareholders should refer to the Company's Investor Presentation included in section 5 for a summary of general and specific risk factors that may affect the Company.

Trading New Shares

The Company and the Lead Manager Parties will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by the Company or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt, as to these matters you should first consult with your stockbroker, solicitor, accountant or other professional adviser.

Chairman's letter

27 March 2023

Dear Shareholder

On 23 March 2023, the Company announced its intention to undertake a capital raising program consisting of:

- an institutional placement to raise approximately \$2.7 million before costs (**Placement**); and
- an accelerated non-renounceable 1 for 1 pro rata entitlement offer to raise approximately \$9.3 million before costs. (**Entitlement Offer**).

The Company also intends to seek Shareholder approval and consent from holders of Armour's existing Secured Amortising Notes, to issue Armour Notes to raise up to approximately \$20 million before costs (**Armour Notes Issue**).

The Company will prepare a notice of meeting containing additional information on the Armour Notes Issue, which will be released to ASX in due course. The board of the Company also intends to seek approval to consolidate the Company's securities at the general meeting. Further information on the Armour Notes Issue is set out in section 2.6.

The Placement and Entitlement Offer are managed and fully underwritten by Wilsons Corporate Finance Limited ACN 057 547 323 (**Lead Manager**). In addition, Bizzell Capital Partners Pty Ltd ACN 118 741 012 (**BCP**) (an entity associated with Non-Executive Director, Mr Stephen Bizzell), DGR Global Limited ACN 052 354 847 (**DGR**) (a substantial shareholder in the Company with an interest of 16.1%), Nicholas Mather (Executive Chairman), Eytan Uliel (Non-Executive Director) and William Ovenden (proposed Director) have each entered into a sub-underwriting agreement or commitment letter to sub-underwrite the Shortfall. A summary of the key terms of the underwriting agreement with the Lead Manager and the relevant sub-underwriting arrangements is set out in sections 6.8 and 6.9, respectively.

It is expected that, as part of the Placement and Entitlement Offer, up to approximately \$4.7 million of debt owing under the MOG Notes will be set off and converted into Shares.

The Armour Notes Issue will be managed and fully underwritten by BCP. DGR has agreed to also sub-underwrite a portion of the Armour Notes Issue. A summary of the key terms of the underwriting agreement with BCP and the relevant sub-underwriting arrangements is set out in section 6.10.

The proceeds from the capital raising program will be used for:

- approximately \$24.6 million of funds will be used to pay down debt under the Company's Secured Amortising Notes and refinance the maturing MOG Notes;
- approximately \$4.4 million will be used for Surat Basin production enhancement and optimisation; and
- approximately \$3.0 million will be used in connection with corporate, technical operating costs, costs of the offer and general working capital.

The Company intends to complete its recapitalisation program through the repayment of the balance of the outstanding Secured Amortising Notes prior to their scheduled maturity in March 2024 through a combination of some or all of the following: further Armour Notes issues; gas prepayment arrangements; proceeds from joint venture funding arrangements; and a future equity issue.

The Placement and institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) were successfully completed on Friday, 24 March 2023 and trading in the Company's shares recommenced on Monday, 27 March 2023. The Placement and Institutional Entitlement Offer raised in aggregate approximately \$5.6 million before costs.

This booklet (**Retail Offer Booklet**) relates to the retail component of the Entitlement Offer (**Retail Entitlement Offer**). The Retail Entitlement Offer will raise approximately \$6.4 million before costs.

Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders have the opportunity to invest at the same price as Institutional Investors who participated under the Placement and the Eligible Institutional Shareholders who participated in the Institutional Entitlement Offer.

The number of New Shares for which you are entitled to subscribe for under the Retail Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that will accompany this Retail Offer Booklet when it is despatched to Eligible Retail Shareholders.

If you take up your full Entitlement, you may also apply for additional New Shares in excess of your Entitlement, at the Offer Price (**Top Up Facility**). The allocation of additional New Shares in the Top Up Facility will be subject to the availability of New Shares under the Retail Entitlement Offer, and otherwise in accordance with the terms and conditions set out in sections 2.2 and 2.4. The Company reserves the right to scale back applications for additional New Shares at its absolute discretion.

The Entitlement Offer is non-renounceable and therefore your Entitlement will not be tradeable on the ASX, cannot be sold and is not otherwise transferable.

Other information

This Retail Offer Booklet contains important information, including:

- ASX announcements relating to the Offer, including the Investor Presentation, were released to the ASX on Thursday, 23 March 2023, which provide information on the Company, the Entitlement Offer and key risks for you to consider;
- instructions on how to participate in the Retail Entitlement Offer if you choose to do so, and a timetable of key dates;
- information regarding the personalised Entitlement and Acceptance Form that will accompany this Retail Offer Booklet when it is despatched to Eligible Retail Shareholders, which will detail your Entitlement, to be completed in accordance with the instructions in this Retail Offer Booklet and your personalised Entitlement and Acceptance Form; and
- instructions on how to take up all or part of your Entitlement via BPAY® or, if you are unable to pay using BPAY® (for example if you are foreign shareholder without an Australian bank account), by direct transfer.

You should carefully read this Retail Offer Booklet in its entirety and consult your stockbroker, accountant or other professional financial adviser before making your investment decision. In particular, you should read and consider the Company's Investor Presentation included in section 5, which contains a summary of some of the key risks associated with an investment in the Company. If you are uncertain about taking up your Entitlement you should consult your stockbroker, solicitor, accountant or other professional financial adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

For further information on the Entitlement Offer you may contact the Company on (07) 3303 0620 (within Australia) or +61 7 3303 0620 (outside Australia) between 8.30am to 5.00pm (AEDT) Monday to Friday during the Retail Entitlement Offer period.

Participation by Directors and management

All directors and executive management have also indicated that they intend to participate and take up their Entitlements under the Entitlement Offer in full.

Other information

The Retail Entitlement Offer is scheduled to close at 5.00pm (AEDT) on Thursday, 20 April 2023.

If you decide to take this opportunity to increase your investment in the Company please ensure that, before 5.00pm (AEDT) on Thursday, 20 April 2023, you have paid your Application Monies, via BPAY® pursuant to the instructions in the personalised Entitlement and Acceptance Form that will accompany this Retail Offer Booklet when it is despatched to you, or if you are unable to pay using BPAY® (for example if you are a foreign Shareholder without an Australian bank account), your Application Monies are sent by direct transfer and received in cleared funds by the Share Registry by 5.00pm (AEDT) on the Closing Date.

If you do not wish to take up any of your Entitlement, you do not have to take any action.

On behalf of the board of the Company, I have pleasure in inviting you to consider this investment opportunity and thank you for your ongoing support of the Company.

Yours sincerely



Nicholas Mather
Executive Chairman
Armour Energy Limited

Summary of the Placement and Entitlement Offer

Entitlement Offer	
Ratio	1 New Share for every Existing Share held as at the Record Date
Offer Price	\$0.004 per New Share
Size (subject to rounding)	Approximately 2.33 billion New Shares
Renounceability	The Entitlement Offer is non-renounceable
Gross proceeds	Approximately \$9.3 million (before costs), comprising approximately \$2.9 million under the Institutional Entitlement Offer and approximately \$6.4 million under the Retail Entitlement Offer
Placement	
Offer Price	\$0.004 per New Share
Size	Approximately 663.4 million New Shares
Gross proceeds	\$2.7 million
Post-offer position	
Number of Shares on issue following completion of the Placement and Entitlement Offer (subject to rounding)	Approximately 5.3 billion Shares

Offer key dates

Activity	Date
Announcement of the Placement and Entitlement Offer	Thursday, 23 March 2023
Institutional Entitlement Offer / Placement launch	Thursday, 23 March 2023
Results of Institutional Entitlement Offer and Placement announced and trading halt lifted	Monday, 27 March 2023
Record Date for eligibility under the Entitlement Offer	7.00pm (AEDT) on Monday, 27 March 2023
Retail Offer Booklet lodged with the ASX	Monday, 27 March 2023
Settlement of New Shares issued under the Institutional Entitlement Offer and Placement	Wednesday, 29 March 2023
Retail Entitlement Offer opens	Wednesday, 29 March 2023
Allotment of New Shares under the Institutional Entitlement Offer and Placement	Thursday, 30 March 2023
New Shares issued under the Institutional Entitlement Offer and Placement commence trading on ASX	Friday, 31 March 2023
Last day to extend Retail Entitlement Offer Closing Date	Monday, 17 April 2023

Retail Entitlement Offer closes	5.00pm (AEDT) on Thursday, 20 April 2023
Results of Retail Entitlement Offer announced	Wednesday, 26 April 2023
Settlement of New Shares issued under the Retail Entitlement Offer	Thursday, 27 April 2023
Allotment of New Shares issued under the Retail Entitlement Offer	Friday, 28 April 2023
New Shares issued under the Retail Entitlement Offer commence trading on ASX	Monday, 1 May 2023
Date of EGM to approve the Armour Notes Issue	Tuesday, 2 May 2023

The timetable above (and each reference to or to dates in this Retail Offer Booklet) is indicative only. The Company, in consultation with the Lead Manager, reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the Listing Rules and other applicable laws. Any extension of the Closing Date will have a consequential effect on the allotment date of New Shares. The commencement of quotation of the New Shares is subject to confirmation from ASX.

The Company also reserves the right not to proceed with the Retail Entitlement Offer in whole or in part at any time prior to allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants. Cooling-off rights do not apply to an investment in New Shares. You cannot withdraw your Application. Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens.

Enquiries

If you have any doubt about whether you should participate in the Retail Entitlement Offer, you should seek professional financial advice from your stockbroker, solicitor, accountant or other suitably qualified professional financial adviser before making any investment decision. For further information on the Entitlement Offer, if you have questions on how to complete the Entitlement and Acceptance Form, or have lost your Entitlement and Acceptance Form and would like a replacement form, you may contact the Company on (07) 3303 0620 (within Australia) or +61 7 3303 0620 (outside Australia) between 8.30am to 5.00pm (AEDT) Monday to Friday during the Retail Entitlement Offer period.

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1. Summary of options available to you

If you are an Eligible Retail Shareholder, you may take one of the following actions:

- (a) take up all of your Entitlement and if you do so, you may also apply for additional New Shares under the Top Up Facility (see sections 2.2 and 2.4 for further information);
- (b) take up part of your Entitlement and allow the balance to lapse, in which case you will receive no value for the lapsed part of your Entitlement; or
- (c) do nothing, in which case your Entitlement will lapse and you will receive no value for the lapsed Entitlement.

If you are a retail Shareholder that is not an Eligible Retail Shareholder, you are an **"Ineligible Retail Shareholder"**. Ineligible Retail Shareholders are not entitled to participate in the Entitlement Offer.

Options available to you	Key considerations	For further information
Option One: Take up all of your Entitlement	<p>You may elect to take up your Entitlement and subscribe for New Shares at the Offer Price (see section 4 "How to Apply" for instructions on how to take up your Entitlement). The number of New Shares you are entitled to subscribe for is set out in your Entitlement and Acceptance Form.</p> <p>The Retail Entitlement Offer closes at 5.00pm (AEDT) on Thursday, 20 April 2023.</p> <p>The New Shares will be fully paid and rank equally in all respects with Existing Shares (including rights to dividends and distributions).</p> <p>If you take up all of your Entitlement, you may also apply for additional New Shares under the Top Up Facility. There is no guarantee that you will be allocated any additional New Shares under the Top Up Facility.</p>	<p>See Section 4.4</p> <p>Details of the Top Up Facility and the allocation policy under the Top Up Facility are included in sections 2.2 and 2.4.</p>
Option Two: Take up part of your Entitlement	<p>If you only take up part of your Entitlement, the part not taken up will lapse. You will not be entitled to apply for additional New Shares under the Top Up Facility and the New Shares not subscribed for may be acquired by Eligible Retail Shareholders under the Top Up Facility or by the Lead Manager.</p> <p>If you do not take up your Entitlement in full the balance not taken up will lapse and you will not receive any payment or value for</p>	<p>See section 4.6</p>

Options available to you	Key considerations	For further information
	<p>that part of your Entitlement not taken up.</p> <p>If you do not take up your Entitlement in full, you will have your percentage holding in the Company reduced as a result of dilution by the shares issued under the Entitlement Offer.</p>	
<p>Option Three: Do nothing, in which case your Entitlement will lapse, and you will receive no value for your lapsed Entitlement</p>	<p>If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlement will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable, which means it is non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can it be privately transferred.</p> <p>If you do not take up your Entitlement you will not receive any payment or value for your Entitlement not taken up.</p> <p>If you do not take up your Entitlement, you will have your percentage holding in the Company reduced as a result of dilution by the New Shares issued under the Entitlement Offer.</p>	<p>See Section 4.5</p>

2. Overview of the Entitlement Offer

2.1 Overview

- (a) The Company intends to raise up to approximately \$9.3 million (before costs) under the Entitlement Offer via an offer of approximately 2.33 billion New Shares (subject to rounding) at an Offer Price of \$0.004 per New Share. The Company will use the proceeds of the Entitlement Offer in accordance with the use of funds outlined in the Chairman's Letter.
- (b) The Entitlement Offer has two components:
 - (i) the **Institutional Entitlement Offer** – Eligible Institutional Shareholders will be invited to take up all or part of their entitlement at the Offer Price. New Shares not taken up by eligible institutional shareholders, together with those New Shares which would otherwise have been offered to ineligible institutional shareholders if they had been entitled to participate in the Institutional Entitlement Offer, will be offered under a bookbuild at the Offer Price to certain Institutional Investors.; and
 - (ii) the **Retail Entitlement Offer** (to which this Retail Offer Booklet relates) – Eligible Retail Shareholders will be sent various offer materials and invited to take up all or part of their entitlement at the Offer Price. New Shares not taken up by eligible retail shareholders, together with those New Shares which would otherwise have been offered to ineligible retail shareholders if they had been entitled to participate in the Retail Entitlement Offer, will be offered to Institutional Investors nominated by the Lead Manager at the Offer Price. The Retail Entitlement Offer is expected to raise approximately \$6.4 million. Eligible Retail Shareholders who take up their full Entitlement may also participate in the Top Up Facility by applying for additional New Shares in excess of their Entitlement at the Offer Price. Refer to sections 2.2 and 2.4 for further information regarding the Top Up Facility and the allocation policy under the Top Up Facility.
- (c) Both the Institutional Entitlement Offer and the Retail Entitlement Offer are non-renounceable. Accordingly, Entitlements do not trade on the ASX nor can they be sold, transferred or otherwise disposed of. New Shares issued under the Retail Entitlement Offer are to be issued at the same price as New Shares issued under the Institutional Entitlement Offer. In addition, Shareholders' Entitlements under the Institutional Entitlement Offer and the Retail Entitlement Offer are calculated based on the same ratio.
- (d) The Entitlement Offer is fully underwritten by the Lead Manager. The material terms of the Underwriting Agreement are summarised in slide 34 to 38 of the Investor Presentation.
- (e) As set out in section 6.9, BCP (an entity associated with Mr Stephen Bizzell, a Non-Executive Director of the Company), DGR (a substantial shareholder in the Company with an interest of 16.1%), Nicholas Mather (Executive Chairman), Eytan Uliel (Non-Executive Director) and William Ovenden (proposed Director) have committed to sub-underwriting arrangements. The material terms of the sub-underwriting are summarised in section 6.9.

2.2 Institutional Entitlement Offer and Placement

The Company has already raised approximately \$2.9 million from Eligible Institutional Shareholders as part of the Institutional Entitlement Offer, at the Offer Price. New Shares are expected to be issued under the Institutional Entitlement Offer on Thursday, 30 March 2023.

Concurrently with the Institutional Entitlement Offer, the Company undertook a Placement under which approximately 675 million New Shares were offered to new and existing

Institutional Investors at the Offer Price per New Share, raising approximately \$2.7 million. New Shares are expected to be issued under the Placement on Thursday, 30 March 2023.

2.3 The Top Up Facility

- (a) The Top Up Facility will allow Eligible Retail Shareholders that have fully subscribed for their Entitlements under the Retail Entitlement Offer to subscribe for additional New Shares (**Top Up Shares**).
- (b) Any Top Up Shares will be limited to the extent there are sufficient New Shares from Eligible Retail Shareholders who do not take up their Entitlements. The allocation of Top Up Shares will be subject to the allocation policy described in section 2.4 below. The issue of Top Up Shares (if any) will occur on the same date as the issue of New Shares under the Retail Entitlement Offer, and in any event no later than two months after the Closing Date.
- (c) In addition, the Board may elect to cap the number of Top Up Shares that are allotted to Eligible Retail Shareholders under the Top Up Facility, having regard to:
 - (i) the number of New Shares that an Eligible Retail Shareholder is entitled to subscribe for pursuant to its Entitlement relative to the number of Top Up Shares that it has applied for;
 - (ii) the total number of Top Up Shares available for subscription; and
 - (iii) the number of Shares held by an Eligible Retail Shareholder after the completion of the Entitlement Offer.
- (d) The Board may scale back allocations of Top Up Shares prior to allotting and issuing those New Shares. The Board anticipates that should it receive applications for Top Up Shares in excess of the number of New Shares made available for subscription under the Top Up Facility, it will cap or scale back allocations of Top Up Shares on a pro-rata basis having regard to each Eligible Retail Shareholder's holding in Shares as at the Record Date.
- (e) In any event:
 - (i) no Top Up Shares will be issued to an Eligible Retail Shareholder which would, if issued, result in them increasing their voting power in the Company above 20%; and
 - (ii) no Top Up Shares will be issued if their issue would contravene any law or ASX Listing Rule.
- (f) There is no guarantee that Eligible Retail Shareholders will receive the number of Top Up Shares applied for. The Company's decision on the number of New Shares and Top Up Shares to be allocated to an Applicant will be final.
- (g) In the event of a scale back, the difference between the Application Monies received, and the number of New Shares and Top Up Shares allocated to the Applicant multiplied by the Offer Price, will be refunded by the Company, without interest, following allotment.

2.4 Allocation policy

- (a) In the event that there is a shortfall following the issue of New Shares under the Retail Entitlement Offer, the Directors reserve the right to issue and allocate New Shares under the shortfall at their sole discretion, and otherwise in accordance with the allocation policy in this section 2.4 and the Listing Rules.

- (b) The shortfall is to be allocated by the Directors in the following priority (and in each case where required the Lead Manager will consult with and take under consideration any comments provided by the Company).
- (c) In allocating the shortfall (if any) under the Retail Entitlement Offer, the Directors may have regard to the following (non-exhaustive) factors:
 - (i) the number of New Shares bid for by particular Eligible Shareholders or investors;
 - (ii) identifying any Eligible Shareholders or investors who are potential long term or cornerstone investors of the Company;
 - (iii) the timelines of the bid by particular Eligible Shareholders or investors;
 - (iv) the overall level of demand under the Entitlement Offer;
 - (v) recognising the ongoing support of longer standing Eligible Shareholders or investors; and
 - (vi) ensuring an appropriate Shareholder base for the Company going forward.
- (d) Shares issued under a shortfall will not have an issue price less than the Offer Price under the Entitlement Offer.
- (e) No Shares will be issued to an applicant under a shortfall if the issue of Shares would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Shares will be issued via a shortfall offer to any related parties of the Company.

2.5 Ranking of New Shares

The New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally with Existing Shares. The rights attaching to the New Shares are set out in the Company's constitution and are regulated by the Corporations Act, Listing Rules and general law.

2.6 Armour Notes Issue

The Company intends to seek Shareholder approval as well as approval from the holders of Secured Amortising Notes for the Company to undertake the Armour Notes Issue.

The Company will, under the Armour Notes Issue, issue convertible notes to institutional investors to raise up to approximately \$20 million before costs, on the following key terms:

- face value: \$1.00 per Note;
- security:
 - (a) initially the notes will constitute direct and unsecured obligations of the Company and will rank subordinated and be junior to the Secured Amortising Notes issued by the Company;
 - (b) it is the intention that the Secured Amortising Notes will be repaid and upon repayment, the Armour Notes will be secured obligations of the Company (subject to any required tenement level security requirements to support Gas Sale Agreements and prepayments);
 - (c) subject to the initial subordination of the Secured Amortising Notes, each Armour Note otherwise ranks for payment in a winding up of the Company:
 - (i) equally and proportionally with each Armour Note; and
 - (ii) ahead of all subordinated debts of the Company and ordinary shareholders.

- coupon: a coupon of 10% per annum on the Armour Notes will be payable half yearly for the half year periods to 30 September and 31 March on the following dates:
 - (a) 15 October 2023;
 - (b) 15 April 2024;
 - (c) 15 October 2024;
 - (d) 15 April 2025; and
 - (e) 15 October 2025
- conversion ratio: each Armour Note (and any accrued and unpaid interest due and capitalised) will be convertible at the Armour Noteholder's election into Shares at 0.6 cents per Share; and
- maturity date: 31 March 2026,

(Armour Notes).

It is proposed that as part of the Armour Notes Issue, holders of remaining MOG Notes would be issued Armour Notes, such that all of the MOG Notes would be deemed repaid and cancelled.

The Company will release a notice of meeting in due course to ASX which will include full details regarding the Armour Notes Issue.

3. Effect of the Entitlement Offer

3.1 Capital structure

The proposed capital structure of the Company following the issue of the New Shares in connection with the Placement and Entitlement Offer will be as follows:

Event	Shares
Existing securities on issue	2,331,998,158
New Shares to be issued under the Placement	663,364,020
New Shares to be issued under the Entitlement Offer (if the Entitlement Offer is fully subscribed, subject to rounding)	2,331,998,158
TOTAL¹	5,327,360,336

Notes:

1. Excludes any Armour Notes to be issued, which will be subject to Shareholder approval at a general meeting to be called by the Company. The Company expects that on completion of the Armour Notes Issue, there will be no MOG Notes outstanding.
2. Excludes any issue of Shares to employees under the Company's ESOP and the conversion of any existing options on issue. The Company has 748,547,084 listed options and 50,000,000 unlisted options currently on issue.

3.2 Director interests

The relevant interest of each of the Directors in Securities as at the date of this Retail Offer Booklet, together with their Entitlement under the Entitlement Offer are set out below:

Director	Existing Shares	Percentage holding	Existing options ¹	Existing notes ²	Entitlement
Stephen Bizzell	27,620,399	1.18%	60,204,432	725,100	27,620,399
Nicholas Mather	9,019,912	0.39%	4,613,166	-	9,019,912
Eytan Uliel	-	-	-	-	-

Notes:

1. Includes both listed and unlisted options currently on issue.
2. Includes both unlisted Secured Amortising Debt Notes and MOG Notes.

4. How to apply

4.1 Retail Entitlement Offer

- (a) The Retail Entitlement Offer constitutes an offer to Eligible Retail Shareholders, who are invited to apply for 1 New Share for every Existing Share held on the Record Date. Please refer to sections 6.2 and 6.3 regarding your eligibility to participate in the Retail Entitlement Offer.
- (b) The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on the ASX, nor can they be sold, transferred or otherwise disposed of.
- (c) The Retail Entitlement Offer opens on Wednesday, 29 March 2023. The Retail Offer Booklet will be made available by that date, along with a personalised Entitlement and Acceptance Form, to Eligible Retail Shareholders. The Retail Entitlement Offer is expected to close at 5.00pm (AEDT) on Thursday, 20 April 2023.
- (d) The Retail Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*) which allows rights issues to be offered without a prospectus, provided certain conditions are satisfied.
- (e) As a result, the Retail Entitlement Offer is not being made under a prospectus and it is important for Eligible Retail Shareholders to read and understand the information on the Company and the Retail Entitlement Offer made publicly available by the Company, prior to taking up all or part of their Entitlement. In particular, please refer to the materials enclosed in section 5, the Company's interim and annual reports, other announcements made available at www.asx.com.au and all other parts of this Retail Offer Booklet carefully before making any decisions in relation to your Entitlement.

4.2 Your Entitlement

Your Entitlement is calculated as 1 New Share for every Existing Share held on the Record Date with fractional entitlements rounded down to the nearest whole number of New Shares. If you have more than one registered holding of Shares, you will be sent more than one personalised Eligible Shareholder Letter and you will have a separate Entitlement for each separate holding. A copy of your personalised Entitlement and Acceptance Form can be accessed at: <https://events.miraqle.com/ajq-offer>.

4.3 Options available to you

- (a) The number of New Shares to which Eligible Retail Shareholders are entitled is shown on the Entitlement and Acceptance Form found at <https://events.miraqle.com/ajq-offer>. Eligible Retail Shareholders may:
 - (i) take up their Entitlement in full by the Closing Date and, if they do so, they may apply for additional New Shares under the Top Up Facility (refer to section 4.4 for further information);
 - (ii) take up part of their Entitlement by the Closing Date, in which case the balance of the Entitlement would lapse (refer to section 4.6 for further information);
 - (iii) do nothing and allow their Entitlement to lapse (refer to section 4.5 for further information).
- (b) The Retail Entitlement Offer is an offer to Eligible Retail Shareholders only. Ineligible Retail Shareholders may not take up any of their Entitlements.

- (c) The Company reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.
- (d) The expected Closing Date for acceptance of the Retail Entitlement Offer is **5.00pm (AEDT) on Thursday, 20 April 2023** (however, that date may be varied by the Company, in accordance with the Listing Rules, applicable laws and the Underwriting Agreement).

4.4 Taking up all of your Entitlement or taking up all of your Entitlement and participating in the Top Up Facility

- (a) If you wish to take up all of your Entitlement, payment must be made by following the instructions on the personalised Entitlement and Acceptance Form. Please read the instructions carefully. Payments can be by the methods set out in section 4.8 and 4.9.
- (b) Payment must be received by no later than 5.00pm (AEDT) on the Closing Date. If you apply to take up all of your Entitlement, you may also apply for additional New Shares under the Top Up Facility. Amounts received by the Company in excess of the Offer Price, may be treated as an Application to apply for as many additional New Shares as your Application Monies will pay for in full.
- (c) In the event there is a shortfall under the Retail Entitlement Offer, additional New Shares may be allotted under the Top Up Facility at the sole discretion of the Company, and otherwise in accordance with the terms and conditions in sections 2.2 and 2.4. If you apply for additional New Shares under the Top Up Facility and if your application is successful (in whole or in part), your additional New Shares will be issued to you at the same time that other New Shares are issued under the Retail Entitlement Offer. If you apply for additional New Shares, there is no guarantee that you will be allocated any additional New Shares.
- (d) Any New Shares referable to Entitlements not taken up by the Closing Date may be made available to those Eligible Retail Shareholders who took up their full Entitlement and applied for additional New Shares under the Top Up Facility. There is no guarantee that such Shareholders will receive the number of New Shares applied for under the Top Up Facility, or any New Shares applied for under the Top Up Facility. New Shares referable to Entitlements not taken up by the Closing Date will only be allocated to Eligible Retail Shareholders if available and then only if and to the extent that the Company so determines, in its absolute discretion, and otherwise in accordance with the terms and conditions in sections 2.2 and 2.4.
- (e) Refund amounts, if any, will be paid in Australian dollars. You will be paid by direct credit to the nominated bank account as noted on the share register as at the Closing Date. Refund amounts will be made by cheque if you do not have direct credit instructions noted on your shareholding. To enable Eligible Retail Shareholders to receive their refund by EFT, Eligible Retail Shareholders are strongly encouraged to update their bank details at: www.linkmarketservices.com.au. For refunds not processed by EFT, cheques will be mailed in the post to the relevant Eligible Retail Shareholder.

4.5 Allowing your Entitlement to lapse

If you do not wish to accept all or any part of your Entitlement, do not take any further action and all or that part of your Entitlement will lapse.

4.6 Consequences of not accepting all or part of your Entitlement

If you wish to take up only part of your Entitlement, payment must be made by following the instructions on the personalised Entitlement and Acceptance Form for the number of New Shares you wish to take up and making payment using the methods set out in Section 4.8 and 4.9 below. If the Company receives an amount that is less than the Offer Price multiplied by your Entitlement, your payment may be treated as an Application for as many New Shares

as your Application Monies will pay for in full. Payment must be received by no later than 5.00pm (AEDT) on the Closing Date.

4.7 Payment

- (a) Payment should be made using Bpay®. If you are unable to pay using Bpay® (for example if you are foreign shareholder without an Australian bank account), payments can be made by Electronic Funds Transfer (EFT) (see section 4.9).
- (b) In light of the period the Entitlement Offer is open, it is considered unlikely that Entitlement and Acceptance Forms that are posted with a payment by cheque will be received by the Company in time for the Company to accept under the application. As a result, the Company has resolved that cash payments or payments by cheque will not be accepted. Receipts for payment will not be issued.
- (c) The Company will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement. If your payment will pay for more than your full Entitlement, the Company will treat you as applying for your full Entitlement and in respect of any excess amount, applying for as many additional New Shares under the Top Up Facility as it will pay for in full.
- (d) Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

4.8 Payment by Bpay®

- (a) For payment by Bpay®, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make payment via Bpay® if you are the holder of an account with any Australian financial institution that supports Bpay® Transactions.
- (b) If you are paying by Bpay®, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form.
- (c) If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your application will not be recognised as valid.
- (d) Please note that by paying by Bpay®:
 - (i) you do not need to send your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties referred to on that Entitlement and Acceptance Form and in section 4.10;
 - (ii) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies; and
 - (iii) if you pay more than is required to subscribe for your entitlement, you will be taken to have applied for additional shares under the Top Up Facility, to the extent of the excess.
- (e) It is your responsibility to ensure that your Bpay® payment is received by the Share Registry by no later than 5.00pm (AEDT) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment. The Company shall not be responsible for any delay in the receipt of the Bpay® payment.

4.9 Payment by Electronic Funds Transfer (EFT)

- (a) Shareholders with a registered address outside Australia may not have access to pay by Bpay® and can make payment by EFT. Payment details for EFT can be accessed at <https://events.miraql.com/ajq-offer> by downloading your Personalised Entitlement and Acceptance form OR; by contacting the Share Registry via email: CapitalMarkets@linkmarketservices.com.au . If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your application will not be recognised as valid.
- (b) Your EFT payment must be:
 - (i) for an amount equal to \$0.004 multiplied by the number of New Shares (and additional New Shares under the Top Up Facility, if applicable) that you are applying for; and
 - (ii) in Australian currency.
- (c) It is your responsibility to ensure that your payment by direct transfer is received by the Share Registry by no later than 5.00pm (AEDT) on the Closing Date. Applicants should be aware of their financial institution's cut-off time (the payment must be made to be processed overnight) and it is the Applicants responsibility to ensure funds are submitted correctly by the closing date and time. The Company and the Share Registry accept no responsibility for incorrect, delayed or misdelivered Application Forms or payments.
- (d) Your Application payment may incur fees and charges from your bank or any intermediary bank as well as the receiving bank. You may have an option to choose that fees are not deducted from the amount transferred however the receiving bank may still deduct a fee for receiving a foreign transfer. If you are paying from a bank account that is not in Australian dollars you may also incur foreign exchange fees.

4.10 Entitlement and Acceptance Form is binding

- (a) A payment made through Bpay® or, by EFT constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Retail Offer Booklet and, once paid, cannot be withdrawn. The Company's decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.
- (b) By making a payment by Bpay® or, if you are unable to pay using BPAY® (for example if you are foreign shareholder without an Australian bank account), by EFT, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:
 - (i) you are (or the person on whose account you are acting is) an Eligible Retail Shareholder;
 - (ii) you acknowledge that you have read and understand this Retail Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
 - (iii) you agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Offer Booklet (and accompanying Entitlement Acceptance Form), and the Company's constitution;
 - (iv) you authorise the Company to register you as the holder(s) of New Shares allotted to you;
 - (v) you declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;

- (vi) you declare that you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- (vii) you acknowledge that once the Company receives any payment of Application Monies via Bpay® or, by direct transfer if you are unable to pay using BPAY® (for example if you are foreign shareholder without an Australian bank account), you may not withdraw your application or funds provided except as allowed by law;
- (viii) you agree to apply for and be issued up to the number of New Shares (and any additional New Shares) for which you have submitted payment of any Application Monies via Bpay® or, if you are unable to pay using BPAY® (for example if you are foreign shareholder without an Australian bank account), by direct transfer, at the Offer Price per New Share;
- (ix) you authorise the Company, the Lead Manager, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- (x) you declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date and you are an Eligible Retail Shareholder;
- (xi) you acknowledge that the information contained in this Retail Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (xii) you acknowledge that this Retail Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (xiii) you acknowledge the statement of risks in the Company's Investor Presentation included in section 5, and that investments in the Company are subject to risk;
- (xiv) you acknowledge that none of the Company, the Lead Manager, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, the performance of the New Shares offered under the Entitlement Offer nor do they guarantee the repayment of capital;
- (xv) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- (xvi) you authorise the Company to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (xvii) you represent and warrant (for the benefit of the Company, the Lead Manager and its respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;

- (xviii) you acknowledge and agree that determination of eligibility of investors for the purposes of the Institutional Entitlement Offer and the Retail Entitlement Offer was determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company and/or the Lead Manager, and each of the Company and the Lead Manager and its respective related bodies corporate and affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise of that discretion to the maximum extent permitted by law;
- (xix) you represent and warrant that the law of any place does not prohibit you from being given this Retail Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- (xx) you are an Eligible Retail Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States (or, in the event that you are acting for the account or benefit of a person in the United States, you are not participating in the Retail Entitlement Offer in respect of that person) and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Retail Entitlement Offer;
- (xxi) you understand and acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States. Accordingly, you understand that the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws;
- (xxii) you are subscribing for or purchasing the New Shares outside the United States in an “offshore transaction” (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act;
- (xxiii) you have not and will not send any materials relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States;
- (xxiv) you agree that if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in transactions on ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States;
- (xxv) you are eligible under applicable securities laws to exercise Entitlements and acquire New Shares under the Retail Entitlement Offer; and
- (xxvi) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and (ii) is not in the United States.
- (xxvii) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date.

4.11 Brokerage and stamp duty

No brokerage fee is payable by Eligible Retail Shareholders who accept their Entitlement. No stamp duty should be payable for subscribing for New Shares under the Retail Entitlement

Offer or for additional New Shares under the Top Up Facility on the basis that all of the shares in the Company are quoted on the ASX (i.e. no classes of unquoted shares on issue) and no person, either alone or together with associated or related persons or as part of substantially one transaction or arrangement with other persons, will hold an interest of 90% or more in the Company.

4.12 Notice to nominees and custodians

- (a) The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Existing Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.
- (b) Nominees and custodians should note in particular that the Retail Entitlement Offer is not available to:
 - (i) beneficiaries on whose behalf they hold Existing Shares who would not satisfy the criteria for an Eligible Retail Shareholder;
 - (ii) Eligible Institutional Shareholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);
 - (iii) Ineligible Institutional Shareholders who were ineligible to participate in the Institutional Entitlement Offer; or
 - (iv) Shareholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.
- (c) In particular, persons acting as nominees or custodians for other persons may not take up Entitlements on behalf of, or send any documents relating to the Retail Entitlement Offer to, any person in the United States or any person acting for the account or benefit of any person in the United States or other jurisdiction outside Australia or New Zealand.
- (d) The Company is not required to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Shares. The Company is not able to advise on foreign laws.
- (e) For the avoidance of doubt, subject to the consent of the Lead Manager, the Company reserves the right (in its absolute sole discretion) to reduce the number of New Shares allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if their claims prove to be overstated or they fail to provide information to substantiate their claims.
- (f) The Company also reserves the right to reject any acceptance of an Entitlement that it believes comes from a person who is not eligible to accept an Entitlement.

4.13 Withdrawal of the Entitlement Offer

Subject to applicable law, the Company reserves the right to withdraw the Entitlement Offer at any time before the issue of New Shares, in which case the Company will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to applicants.

4.14 Risks

Eligible Retail Shareholders should be aware that an investment in the Company, including taking up your Entitlement, involves risks. The key risks identified by the Company are

summarised in the Company's Investor Presentation included in section 5, but these are not an exhaustive list of the risks associated with an investment in the Company.

4.15 Further enquiries

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions regarding the Retail Entitlement Offer, please contact the Company on (07) 3303 0620 (within Australia) or +61 7 3303 0620 (outside Australia) between 8.30am to 5.00pm (AEDT) Monday to Friday before the Closing Date. If you have any further questions, you should contact your stockbroker, solicitor, accountant or other professional adviser.

5. ASX announcements and investor presentation

This Retail Offer Booklet is dated Monday, 27 March 2023. The Investor Presentation and Launch Announcement are current as at Thursday, 23 March 2023 and the Institutional Results Announcement is current as at Monday, 27 March 2023. This Retail Offer Booklet remains subject to change without notice. However, the Company is not responsible for updating this Retail Offer Booklet.

There are additional ASX announcements that have been made by the Company and which may be made throughout the Entitlement Offer Period that may be relevant in your consideration of whether to take part in the Entitlement Offer. Therefore, it is prudent you check whether any future ASX announcements have been made by the Company before submitting an Application.

ASX Announcement

Armour Announces Launch Of \$32m Capital Raising Program

23 March 2023

Not for release to US wire services or distribution in the United States

Armour Energy Limited (**Armour** or the **Company**) (ASX:AJQ), an Australian exploration and production company with a vast portfolio of conventional and unconventional resources, is pleased to announce the launch of a fully underwritten \$32.0 million capital raising program.

HIGHLIGHTS

- Armour to raise approximately \$32.0 million (before costs) consisting of:
 - an institutional placement to raise approximately \$2.7 million (**Institutional Placement**);
 - a 1 for 1 accelerated non-renounceable pro-rata entitlement offer to raise approximately \$9.3 million (**Entitlement Offer**); and
 - the issue of new convertible notes (**Armour Notes**) to raise approximately \$20.0 million (**Armour Notes Issue**) subject to shareholder approval and to the consent of holders of Armour's existing Secured Amortising Notes.
- The Institutional Placement and Entitlement Offer are fully underwritten by Wilsons Corporate Finance Limited. The Armour Notes Issue is underwritten by Bizzell Capital Partners Pty Ltd.¹
- The capital raising program is being undertaken as part of Armour's ongoing recapitalisation program allowing for a reduction in Secured Amortising Note debt and a refinancing of the maturing MOG Note debt and to enable exploration and development activities to be undertaken to enhance production.
- As announced to ASX on 20 March 2023, Armour has signed a Master Sales Agreement (**MSA**) with Shell Energy Australia Pty Ltd (**Shell**), a wholly owned subsidiary of the Shell Group, and has entered into an initial gas sales agreement pursuant to the MSA.
- The Directors all intend to participate in the capital raising program, subject to any necessary shareholder approvals.

Armour is raising capital to undertake a recapitalisation that will allow for a reduction and restructuring of debt and to enable more funds to be directed into an integrated production optimization initiative and the approvals and planning phase for the drilling of the Enterprise North well in the Otway Basin. With additional capital, Armour

¹ Refer to slides 34 to 38 of the investor presentation dated Thursday, 23 March 2023 for a description of the terms and conditions of the underwriting arrangements with Wilsons Corporate Finance Limited and Bizzell Capital Partners Pty Ltd.



will be able to take advantage of opportunities presented through the robust east coast gas market.

INSTITUTIONAL PLACEMENT

The Company is undertaking the Institutional Placement to raise approximately \$2.7 million (before costs) through the issuance of approximately 663.4 million new fully paid ordinary shares in Armour (**New Shares**) to eligible new institutional investors and existing institutional shareholders.

The Institutional Placement is priced at \$0.004 per New Share (**Offer Price**), which represents a 33.3% discount to the last traded price of \$0.006 on Wednesday, 22 March 2023. The New Shares issued under the Institutional Placement will be issued within the Company's existing placement capacity under Listing Rule 7.1 (including a standard waiver from ASX to increase the placement capacity by including shares to be issued under the Entitlement Offer), and the Company will seek quotation of the New Shares on ASX upon their issue. Holders of New Shares issued under the Institutional Placement will not be eligible to participate in the Entitlement Offer.

OVERVIEW OF THE ENTITLEMENT OFFER

The Entitlement Offer is comprised of:

- an accelerated institutional offer to eligible institutional shareholders (**Institutional Entitlement Offer**); and
- a retail entitlement offer to eligible retail unitholders (**Retail Entitlement Offer**).

Under the Entitlement Offer, eligible shareholders will have the opportunity to subscribe for 1 New Share for every 1 existing Armour share held as at 7:00pm (AEDT) on Monday, 27 March 2023 (**Record Date**) at the Offer Price (**Entitlement**).

INSTITUTIONAL ENTITLEMENT OFFER

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer, which will commence on Thursday, 23 March 2023 and is expected to close on Friday, 24 March 2023.

Eligible institutional shareholders can choose to take up all, part, or none of their Entitlement. Institutional Entitlements cannot be traded on the ASX or transferred.

Institutional Entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and institutional Entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to eligible new and existing institutional shareholders concurrently with the Institutional Entitlement Offer.

Armour shares will remain in a trading halt pending completion of the Institutional Entitlement Offer and Institutional Placement (**Institutional Offer**).



RETAIL ENTITLEMENT OFFER

Eligible retail shareholders will be invited to participate in the retail component of the Entitlement Offer at the same Offer Price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open on Wednesday, 29 March 2023 and close at 5:00pm (AEDT) on Thursday, 20 April 2023. Eligible Retail Shareholders are shareholders on the Record Date who:

- are registered as holders of existing Armour shares;
- have a registered address in Australia or New Zealand as noted on the Company's share register, or are a shareholder that the Company has otherwise determined is eligible to participate in the Retail Entitlement Offer;
- are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States (to the extent such person holds Existing Shares for the account or benefit of such person in the United States);
- were not invited to participate in the Institutional Entitlement Offer and were not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer (other than as nominee or custodian, in each case in respect of other underlying holdings); and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

In addition to each Eligible Retail Shareholder's entitlement under the Retail Entitlement Offer, Eligible Retail Shareholders will be offered the opportunity to apply for additional New Shares under a "top-up" facility (**Top-Up Facility**). Eligible Retail Shareholders are not assured of being allocated any New Shares in excess of their entitlement under the Top-Up Facility. New Shares allocated under the Top-Up Facility will be allocated in accordance with the allocation policy outlined in the Retail Offer Booklet.

If Eligible Retail Shareholders take no action, they will not be allocated New Shares and their Entitlements will lapse. Eligible Retail Shareholders who do not take up their Entitlements in full under the Retail Entitlement Offer will not receive any value or payment for those entitlements they do not take up. The Retail Entitlement Offer is non-renounceable and cannot be traded on ASX or any other exchange, nor can it be privately transferred.

The terms and conditions under which Eligible Retail Shareholders may apply will be outlined in the Retail Offer Booklet, which is expected to be available on the ASX website beginning Monday, 27 March 2023.

Existing shareholders with a registered address outside Australia and New Zealand on the Record Date or who are acting for the account or benefit of persons in the United States will be ineligible to participate in the Retail Entitlement Offer, other than persons that Armour has determined in its discretion are Eligible Retail Shareholders.

ARMOUR NOTES ISSUE



Armour intends to seek shareholder approval at an Extraordinary General Meeting of the Company to be held on Tuesday, 2 May 2023 to undertake the Armour Notes Issue to raise approximately \$20.0 million (before costs) through the issuance of Armour Notes. The Company also intends to seek consent from holders of Secured Amortising Notes for the Armour Notes Issue. A summary of the terms of the Armour Notes is set out in Annexure A to this announcement.

The Notice of Extraordinary General Meeting for the meeting to be held on Tuesday, 2 May 2023 is expected to be dispatched to shareholders on Friday, 31 March 2023. The board of the Company also intends to seek approval to consolidate the Company's securities at the meeting.

USE OF PROCEEDS

The proceeds from the capital raising program will be applied as follows:

- approximately \$24.6 million of funds will be used to pay down debt under the Company's Secured Amortising Notes and refinance the maturing MOG Notes;
- approximately \$4.4 million will be used for Surat Basin production enhancement and optimisation; and
- approximately \$3.0 million will be used in connection with corporate, technical operating costs, costs of the offer and general working capital.

Further information about the use of proceeds is available in the Investor Presentation released to the ASX today. The Company intends to complete its recapitalisation program through the repayment of the balance of the outstanding Secured Amortising Notes prior to their scheduled maturity in March 2024 through a combination of some or all of the following: further Armour Notes issues; gas prepayment arrangements; proceeds from joint venture funding arrangements; and a future equity issue.

SHELL MASTER SALES AGREEMENT

On 20 March 2023, the Company announced that it has entered into a Master Sales Agreement with Shell Energy Australia Pty Ltd to allow the bilateral trading of gas. The key terms of the MSA include:

- Armour and SEAU have entered into a 13-month gas sales agreement (**GSA**) from 1 December 2023 on materially improved pricing;
- the gas price for December 2023 is \$12/GJ, with a material uplift in the contract price in CY 2024 based on forecast 2024 market pricing improvements;
- the MSA provides the framework terms that can be used for transactions to utilise the Newstead Gas Storage facility, 100% owned and operated by Armour, to take advantage of gas demand cycles; and
- Armour, with technical and operational support from SLB (formerly Schlumberger) has developed an extensive program to uplift production from its Surat Basin Portfolio.



UNDERWRITING ARRANGEMENTS

Wilson's Corporate Finance Limited is the lead manager and underwriter in respect of the Institutional Placement and Entitlement Offer. Bizzell Capital Partners Pty Ltd is the lead manager and underwriter in respect of the Amour Notes Issue.

Armour may also undertake a further placement, subject to any necessary shareholder approvals under the ASX Listing Rules or the *Corporations Act 2001* (Cth) (**Corporations Act**), to certain sub-underwriters of the Entitlement Offer up to the amount of their sub-underwriting commitments.

INDICATIVE TIMETABLE

Event	2023
Trading halt and announcement of the Entitlement offer	Thursday, 23 March
Placement and Institutional Entitlement Offer	Thursday, 23 – Friday, 24 March
Announcement of the results of the Placement Institutional Entitlement offer	Monday, 27 March
Trading halt lifted and Shares recommence trading	Monday, 27 March
Entitlement Offer Record Date (7pm AEDT)	Monday, 27 March
Retail Entitlement offer opens (9am AEDT) and retail booklet dispatched	Wednesday, 29 March
Settlement of the Institutional Entitlement Offer	Wednesday, 29 March
Issue of Shares issued under the Institutional Entitlement Offer	Thursday, 30 March
Trading of securities under the Institutional Entitlement offer	Friday, 31 March
Retail Entitlement Offer closes (5pm AEDT)	Thursday, 20 April
Announcement of results of the Retail Entitlement Offer	Wednesday, 26 April
Issue of Shares under the Retail Entitlement Offer	Friday, 28 April
Normal Trading of new Shares under the Retail Entitlement Offer	Monday, 1 May
Notice of EGM for approval of new AJQ notes	Tuesday, 28 March



The timetable above is indicative only. The Company, in consultation with the lead manager and underwriter, reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the Listing Rules and other applicable laws.

This announcement has been authorised and approved by the Board of Armour Energy for lodgement with ASX.

For more information, please contact:

Nick Mather
Executive Chairman
Tel: +61 7 3303 0680

Christian Lange
Chief Executive Officer
Tel: +61 7 3303 0620

Annexure A

Summary Terms of Issue of Armour Notes

Issuer	Armour Energy Limited ACN 141 198 414
Offering	Convertible Notes (Notes) to be issued by the Issuer pursuant to the Convertible Note Deed and which will be convertible into shares in the Issuer (subject to the Condition Precedent for Conversion being satisfied).
Face Value	Face Value of \$1.00 per Note
Term	3 years
Maturity Date	31 March 2026
Security / Ranking / Status	<p>Initially the Notes will constitute direct and unsecured obligations of the Issuer and will rank subordinated and be junior to the secured amortising notes issued by Armour Energy.</p> <p>It is the intention for the FIIG Secured Amortising Notes to be repaid and upon repayment, the Notes will be senior secured obligations of the Issuer (subject to any approval required from the Issuer's shareholders for the purposes of the ASX Listing Rules or the Corporations Act, required tenement level security requirements to support Gas Sale Agreements and prepayments).</p> <p>Subject to the initial subordination to the FIIG Secured Amortizing Notes, each Note otherwise ranks for payment in a winding up of the Issuer:</p> <ol style="list-style-type: none"> (1) equally and proportionally with each Note; and (2) ahead of all subordinated debts of the Issuer and ordinary shareholders.
Coupon Rate	<p>10% per annum coupon rate, accrued from the Issue Date.</p> <p>Interest is payable either in cash or, at Armour's election, by the issue to the Noteholder of Armour ordinary shares, issued at a 10% discount to the 30 day volume weighted average price (VWAP) of Armour shares traded on the ASX up to the Interest Payment Date.</p>
Interest Payment Dates	<p>The coupon on the Notes will be payable half yearly for the half year periods to 30 September and 31 March on the following dates:</p> <ul style="list-style-type: none"> - 15 October 2023; - 15 April 2024; - 15 October 2024; - 15 April 2025; - 15 October 2025;

	and will be payable for the period from the last Interest Payment Date to the Maturity Date or Redemption Date.
Conversion	<p>Each Note (and any accrued and unpaid interest due and capitalized) will, subject to satisfaction of the Condition Precedent below, be convertible at the Noteholder's election into fully paid ordinary shares of the Issuer at the higher of a price of 0.6 cents per share.</p> <p>A Noteholder may exercise conversion rights in relation to some, or all, of their Notes at any time (subject to satisfaction of the Condition Precedent for Conversion).</p>
Conversion Protections	Notes will be subject to standard anti-dilution adjustments including share consolidations, share splits, rights issues, bonus issues and reorganisations.
Condition Precedent for Conversion	The Conversion of the Notes for Armour Energy Shares is subject to and conditional upon Armour obtaining any necessary shareholder approvals for the purposes of ASX Listing Rules and the Corporations Act (including section 606 of the Corporations Act).
Noteholder Redemption	Repayment of Face Value and any unpaid interest at the Maturity Date or in the event an Exit Event occurs, or the Issuer commits an Event of Default.
Early Redemption – Takeover Event	<p>The Company may give a Redemption Notice in the event of a Takeover Event.</p> <p>Takeover Event means that if at any time on or before the Maturity Date, an off market bid, a market bid, scheme of arrangement, or offer or invitation is made to all holders of ordinary shares to purchase or otherwise acquire ordinary shares and the bid, scheme or offer becomes unconditional, and the offeror has at least 50% of the voting power (as defined by the Corporations Act) in Armour.</p> <p>Notwithstanding the issue of a Redemption Notice, a Holder may give a Conversion Notice (which will remain subject to any Condition Precedent to Conversion being satisfied and may be expressed to be subject to a Takeover Event completing) in respect of any of its Notes which are the subject of the Redemption Notice up to the before the relevant Redemption Date (or such later time as the Company may agree with the relevant Holder), and only Notes for which Conversion Notices have not been so given or are treated as having not been given will be Redeemed on the specified Redemption Date. In the event of a Early Redemption pursuant to a Takeover Event, a Takeover Early Redemption Fee of 5% of the Face Value of Notes redeemed.</p>
Company Early Redemption Option	The Company may issue a Redemption Notice to Noteholders at any time specifying a Redemption Date no earlier than 30 days after the date of the Redemption Notice.

	Notwithstanding the issue of a Redemption Notice, a Holder may give a Conversion Notice (which will remain subject to any Condition Precedent to Conversion being satisfied) in respect of any of its Notes which are the subject of the Redemption Notice up to the day before the relevant Redemption Date (or such later time as the Company may agree with the relevant Holder), and only Notes for which Conversion Notices have not been so given or are treated as having not been given will be Redeemed on the specified Redemption Date and the applicable Early Redemption Fee and will be payable by the Company to the Noteholder on the Redemption Date and the Early Redemption Options will be issued to the Noteholder subject to receipt of any necessary shareholder approvals under the ASX Listing Rules and the Corporations Act.
Company Early Redemption Fee and Early Redemption Options	If redeemed by the Company an Early Redemption Fee of 3% of the face value of Notes redeemed will be payable to the Noteholder together with the issue to the Noteholder of 33 options for every 1 Note redeemed, exercisable at \$0.006, expiring 31 March 2026 (which is equivalent to options over ~20% of the face value of the Notes redeemed).
Transaction Documents	The parties will enter into the following definitive agreements to document the Note Offer (Transaction Documents): <ul style="list-style-type: none"> - Convertible Note Deed; and - Security Trust Deed.
Events of Default	Customary events of default are to be incorporated in the Transaction Documents for a transaction of this nature, including but not limited to payment, redemption or Conversion breaches, covenant breaches cross defaults, and insolvency events.
Covenants	Customary covenants are to be incorporated in the Transaction Documents applicable to the Issuer and the Parent Company for a transaction of this nature.
No Dividends	No dividends may be declared or paid whilst the Notes are on issue.
Voting Rights	Until Conversion, the Notes do not give a Noteholder voting rights or dividend rights.
Investor Eligibility	The Notes are being offered to 'sophisticated investors', 'professional investors' (under the Corporations Act) and investors who are exempt to disclosure requirements.
Note Trustee and Security Trustee	Centec Securities Pty Ltd

IMPORTANT NOTICE

Not an offer in the United States

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be unlawful. The New Shares have not been, and will not be registered under the US Securities Act of 1933, as amended (US Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, in the United States unless they have been registered under the US Securities Act (which Armour Energy Limited has no obligation or intention to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any applicable U.S. state securities laws.

The information in this announcement is of general background and does not purport to be complete. It should be read in conjunction with Armour Energy Limited's other periodic and continuous disclosure announcements lodged with ASX Limited, which are available at www.asx.com.au.

Forward looking statements

This announcement contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of Armour, its directors and management. This includes statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based.

These statements may assume the success of Armour's business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, none of Armour, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness



of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. The forward-looking statements are based on information available to Armour as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), none of Armour, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

General

This announcement is subject to the same “Disclaimers” that appear on slides 2 and 3 of the investor presentation released to the ASX today with any necessary contextual changes.

Own enquiries

Investors should make and rely upon their own enquiries before deciding to acquire or deal in Armour's securities.



armour energy

Pathway to sustainable growth

23 March 2023

Disclaimer and Competent Person's Statement

This presentation is issued by Armour Energy Limited (ASX: AJQ) (**Armour, the Company or we**) in relation to a proposed placement of fully paid ordinary shares in the Company (**New Shares**) to eligible institutional, sophisticated or professional investors (**Placement**), and a pro rata non-renounceable entitlement offer of New Shares to all eligible shareholders of the Company (Entitlement Offer, and together with the Placement, the **Offer**). The Entitlement Offer is underwritten by Wilsons Advisory and Stockbroking Limited (**Lead Manager**). The Placement is not underwritten. The Company and the Lead Manager reserve the right to withdraw the Offer or vary the Offer.

This presentation is not a prospectus, disclosure document or offering document under Australian law or under any other law. It is for informational purposes only. This document does not constitute, and should not be construed as, an offer to issue or sell or a solicitation of an offer or invitation to subscribe for, buy or sell securities in Armour.

Any material used in this presentation is only an overview and summary of certain data selected by the management of Armour. The presentation does not purport to contain all the information that a prospective investor may require in evaluating a possible investment in Armour nor does it contain all the information which would be required in a disclosure document prepared in accordance with the requirements of the Corporations Act and should not be used in isolation as a basis to invest in Armour. This presentation should be read in conjunction with Armour's periodic and continuous disclosure announcements which are available at <https://www.armouenergy.com.au/asx->

[announcements](#) and at www.asx.com.au. Recipients of this presentation must make their own independent investigations, consideration and evaluation of Armour. Armour recommends that potential investors consult their professional advisor/s as an investment in Armour is considered to be speculative in nature.

Statements in this presentation are made only as of the date of this presentation unless otherwise stated and the information in this presentation remains subject to change without notice. Reliance should not be placed on information or opinions contained in this presentation.

To the maximum extent permitted by law, Armour and its related bodies corporate and affiliates, and their respective directors, officers, partners, employees, agents and advisers (together, the **Company Parties**) and the Lead Manager, its respective related bodies corporate and affiliates, and their respective directors, officers, partners, employees, agents and advisers (together, the **Lead Manager Group**) each expressly disclaim all liability (including, without limitation, any liability for fault or negligence) for any direct or indirect loss or damage which may be suffered by any person in relation to, and take no responsibility for, any information in this presentation or any error or omission therefrom, and make no representation or warranty, express or implied, as to the currency, accuracy, timeliness, reliability or completeness of the information contained in this presentation. The Lead Manager Group has not caused or authorised the issue, submission, dispatch or provision of this presentation, nor do they make any recommendation as to whether any

potential investor should participate in the offer of New Shares. The Lead Manager Group does not make and does not purport to make any statement in this presentation and there is no statement in this presentation which is based on any statement by the Lead Manager Group. Further, no member of the Lead Manager Group accepts any fiduciary obligations to or relationship with any investor or potential investor in connection with the Offer or otherwise. Members of the Lead Manager Group may have interests in the securities of the Company, including being directors of, or providing investment banking services to, the Company. Further, they may act as a market maker or buy or sell those securities or associated derivatives as principal or agent.

Disclaimer and Competent Person's Statement, Continued

This presentation contains "forward looking statements" concerning the financial condition, results of operations and business of Armour. All statements other than statements of fact or aspirational statements, are or may be deemed to be "forward looking statements". Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", "outlook", and "guidance", or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, future or anticipated production or construction commencement dates and expected costs, resources or reserves, exploration results or production outputs. Forward looking statements are statements of future expectations that are based on management's current expectations and assumptions and known and unknown risks and uncertainties that could cause the actual results, performance or events to differ materially from those expressed or implied in these statements. These risks include, but are not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, commercialisation reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates. Except to the extent required by law, the Company has

no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this presentation. Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Statements in this presentation as to gas and mineral resources has been compiled from data provided by Armour's Reservoir Engineering Advisor, Mr John Mackintosh. Mr Mackintosh has over 25 years of diverse oil and gas industry experience and has significant reservoir engineering, production technology and operations experience in multiple basins worldwide with a variety of International Operators and Consulting firms. He has previously held roles in Santos (Australia/Houston), Halliburton Consulting (Russia), Wintershall (Norway) and Apache (Egypt). Mr Mackintosh has sufficient experience that is relevant to Armour Energy and Lakes Blue Energy for reserves and resources to qualify as a Reserves and Resources Evaluator as defined in the ASX Listing Rules. Mr Mackintosh has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.



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By attending an investor presentation or briefing, or by accepting, accessing or reviewing this presentation, you acknowledge and agree to the terms set out in this disclaimer.

Near-term catalysts



New Management, Revised Strategy,
Disciplined Approach



Integrated Optimisation Initiative
(Wells-Reservoir-Facilities) to 10+ TJ/Day



Myall Creek 3D seismic reprocessing &
development drilling program



Drill 'Enterprise North-1' Well (Otway Basin)



Accelerated Surat development campaign
target 20 TJ/Day



Vision & Strategy

Our vision is to build a leading exploration and production company, focussed on responsible and sustainable energy supply to the East Coast markets from our high quality and diverse assets.

We will achieve this by;



Prioritised long-term returns through disciplined capital allocation



Focus on immediate opportunities to grow production



Strengthen the balance sheet



Maintain top quartile safety and environmental performance



Build resources and reserves through exploration

Executive Summary

Strategically aligned restructuring funded via equity raising and conversion of debt

1. Capital Raising	<ul style="list-style-type: none">• \$32.0 m fully underwritten capital raising, comprising of:<ul style="list-style-type: none">– An Upfront Placement to raise up to approximately \$2.7 million– An accelerated non-renounceable, pro rata 1:1 entitlement offer to raise up to approximately \$9.3 million– New AJQ convertible notes to raise approximately \$20.0million (fully underwritten)– Conversion of maturing MOG Notes and Debt (subject to shareholder and Senior Secured Noteholder approval) of up to approximately \$20 million into shares and new AJQ convertible notes• Equity Raising will be conducted at a price of \$0.004 per share, representing a:<ul style="list-style-type: none">– 33.3% discount to the last close of \$0.006 as at Wednesday, 22 March 2023
2. Strategic Rationale	<ul style="list-style-type: none">• Armour's debt profile is currently hampering the ability to increase production to 10+ TJ/day• Capital raising will allow for a reduction and restructuring of debt and enable more funds to be directed into the integrated production optimisation initiative and drilling the Enterprise North 1 well in the Otway Basin• Take advantage of opportunities presented through the robust East Coast gas market• Additional capital raised will be allocated to accelerating the Surat Basin drilling campaign to advance to 20 TJ/ day faster than expected• The Company intends to complete its recapitalisation program and repay the balance of the Senior Secured Debt through a combination of some or all of the following: further Armour Notes issues; gas prepayment arrangements; proceeds from joint venture funding arrangements; and a future equity issue.
3. Cornerstone Investment	<ul style="list-style-type: none">• Armour Energy has secured \$32m of commitments in the capital raising via existing shareholders, including:<ul style="list-style-type: none">– DGR – 19.9% (post capital raise) via equity and debt conversion– Tenstar – 15% (post capital raise) via cash injection; and– BCP and affiliates – 5% (post capital raise) via cash and debt conversion
4. Timing and Conditions¹	<ul style="list-style-type: none">• Placement and Institutional Entitlement offer opens Thursday, 23 March 2023 and closes Friday, 24 March 2023• Retail Entitlement Offer opens Wednesday, 29 March and closes Thursday, 20 April

Experience Board & Management and continued focus on improving governance



Nick Mather

Founding Director and Executive Chairman

- More than 35 years experience in junior resource sector
- Former Founding Director, Arrow Energy Limited
- Former Director Bow Energy Limited
- Managing Director of DGR Global Limited, Founder of SolGold plc, Waratah Coal, Orbis Gold & Bemax Resources



Bill Ovenden*

Advisor to the Board

- Former Executive Vice President Exploration and Subsurface at Santos Ltd
- 38 years experience in oil and gas industry with ExxonMobil, Sun Oil and Ampolex Ltd
- Deep knowledge of Australian Onshore Petroleum



Stephen Bizzell

Non-Executive Director

- Corporate advisor with extensive finance, governance and resource and energy sectors experience
- Former Founding Executive Director of Arrow Energy Limited, Bow Energy and Stanmore Resources
- Currently the Chairman of Bizzell Capital Partners, MAAS Group Holdings and Savannah Goldfields
- Director of Strike Energy and Renascor Resources.



Christian Lange*

Chief Executive Officer

- More than 30-years global oil & gas experience
- Former executive, operations, strategy, M&A, capital markets, Schlumberger Ltd
- Former Managing Director of Neptune Energy Services Limited
- Founder & Managing Director of Griffin Energy Solutions.



Eytan Uliel

Non-Executive Director

- Finance executive with significant oil and gas industry experience
- Chief Executive Officer of Challenger Energy Group plc
- Former CFO and CCO of Dart Energy Limited
- Former CCO of Arrow Energy International Ltd.



Geoff Walker

Chief Financial Officer

- Chartered accountant and member of the Australian Institute of Company Directors
- 30+ years of commercial experience including CFO of ASX listed Eagers Automotive Limited (APE)
- Former CFO of Range International Limited (RAN)
- Extensive experience formulating and executing strategic initiatives and managing change

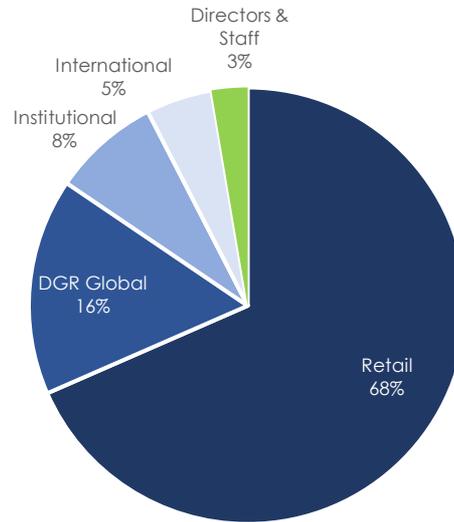
Armour Energy Snapshot



Snapshot

ASX Code	AJQ
Shares (Ordinary)	2,331,998,158
Options (Unlisted)	50,000,000
Options (Listed)	748,548,084
Unsecured Notes	\$18.6m
Senior Secured Notes	\$18.6m
Share Price	\$0.006
Market Capitalisation	\$14.0m
Enterprise Value	\$51.2m
Cash on Hand*	\$1.1m
Total No. Shareholders	2,194

Ownership



Share price



* as per AJQ quarterly 31/12/22. Secured Notes are net of the interest reserve account, and the unsecured notes are adjusted to account for redemptions since the balance date.



The Armour Portfolio

Armour Energy Portfolio



Surat Basin



Otway/Gippsland Basin



McArthur Basin

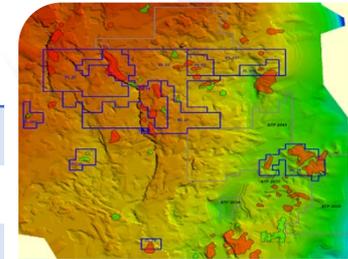


Cooper Basin

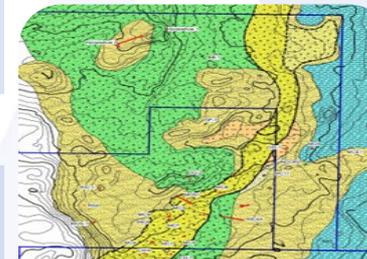
Queensland	Victoria	Northern Territory	South Australia
Onshore Fields	Onshore Fields	Onshore Fields	Onshore Fields
Conventional & Unconventional	Conventional	Conventional & Unconventional	Conventional & Unconventional
Liquids rich Gas, Oil, LPG	Liquids rich Gas, Oil	Gas, Oil	Gas, Oil
Producing & Exploration	Exploration	Exploration & Appraisal	Exploration & Appraisal
100% Operated Kincora Plant 100% of Newstead 10PJ storage	51% Operator*	100% Operator	100% Operator
12 PL's 6 ATP's 2 PCA's	*PEP169 PEP166 (25%)	6 EP's 7 EPA's	3 PEL's 27 PRL's
650k acres	710k acres	7,170k acres	1,160k acres

Surat Basin Overview

No. of Permits	<ul style="list-style-type: none"> • 6 Exploration Licenses (ATPs) • 12 Petroleum Licenses (PLs) • 2 Potential Commercial Areas (PCAs)
Area	<ul style="list-style-type: none"> • 2,860 sq km
Interest	<ul style="list-style-type: none"> • Operator of all licences
Key Assets	<ul style="list-style-type: none"> • Producing Roma Shelf gas fields with stacked Permian to Jurassic reservoirs • Kincora Gas Plant and pipeline infrastructure • Newstead Gas Storage Facility
FY23 Production	<ul style="list-style-type: none"> • Targeting CY 23 exit rate of 10 TJ/Day of sales gas and 20 TJ/Day by end 2025.
Strategy	<ul style="list-style-type: none"> • Value build from <ul style="list-style-type: none"> ○ Production well workover and recomplete ○ Plant & compressor upgrades ○ New 3D seismic acquisition ○ Multiple appraisal & exploration drilling targets
Next Steps	<ul style="list-style-type: none"> • Continue workover and stimulation program • Potential high delivery new drill step out targets identified • Use existing and new 3D seismic to maximise chance of commercial success • Apply innovative techniques such as iodine to detect hydrocarbon microseepages to surface • Integrate all data sources to identify potential new oil and gas fairways



Large acreage position in producing basin



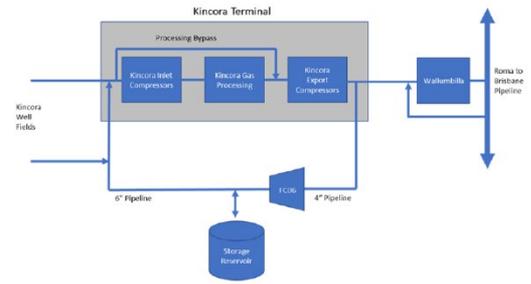
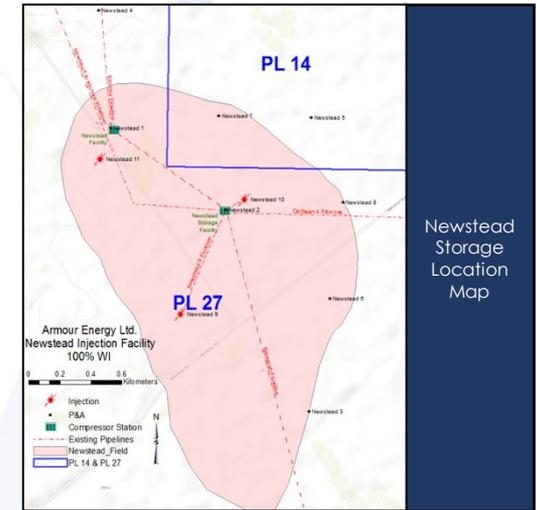
Along channel opportunities Myall Creek (3D)



New drill MCE, Parknook, Rednook

Newstead Storage Facility Asset Overview

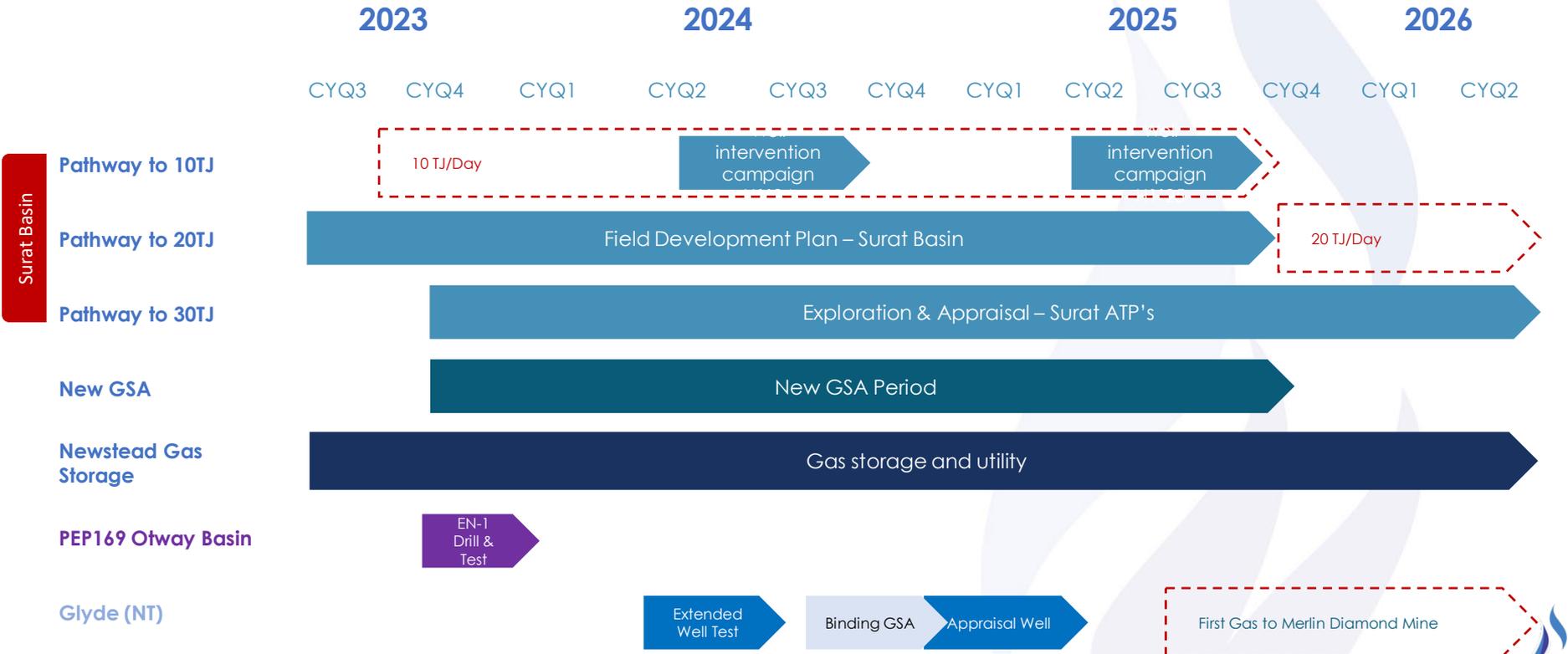
Tenure background	<ul style="list-style-type: none"> PL 27
Area	<ul style="list-style-type: none"> 453 acres
Interest	<ul style="list-style-type: none"> Armour 100% interest
Key Assets	<ul style="list-style-type: none"> High quality Basal Evergreen Sand channel with good connectivity and proven tank like behaviour 3-way dip closure, depletion drive wet gas reservoir Three existing operational injector/redraw wells Pipeline connection to Kincora Gas Plant and Wullumbilla Hub
Storage Capacity	<ul style="list-style-type: none"> Up to 7,450 MMscf storage potential (Environmental Authority License limit and at original reservoir pressure)
Strategy	<ul style="list-style-type: none"> Value build from <ul style="list-style-type: none"> Improve deliverability through de-bottlenecking line constraints, injector well workovers + new injector wells Injection and redraw rates currently limited by well condition, however, Armour has modelled theoretical injection and redraw rates of up to 10 MMscfd Upgrade metering and injection facilities to enable intra-daily withdrawal and injection capability via Wullumbilla
Next Steps	<ul style="list-style-type: none"> Establish long term partnerships with gas trader and/or producer with access to East Coast gas market* Establish timeline to refurbish and upgrade Newstead injection and metering facilities



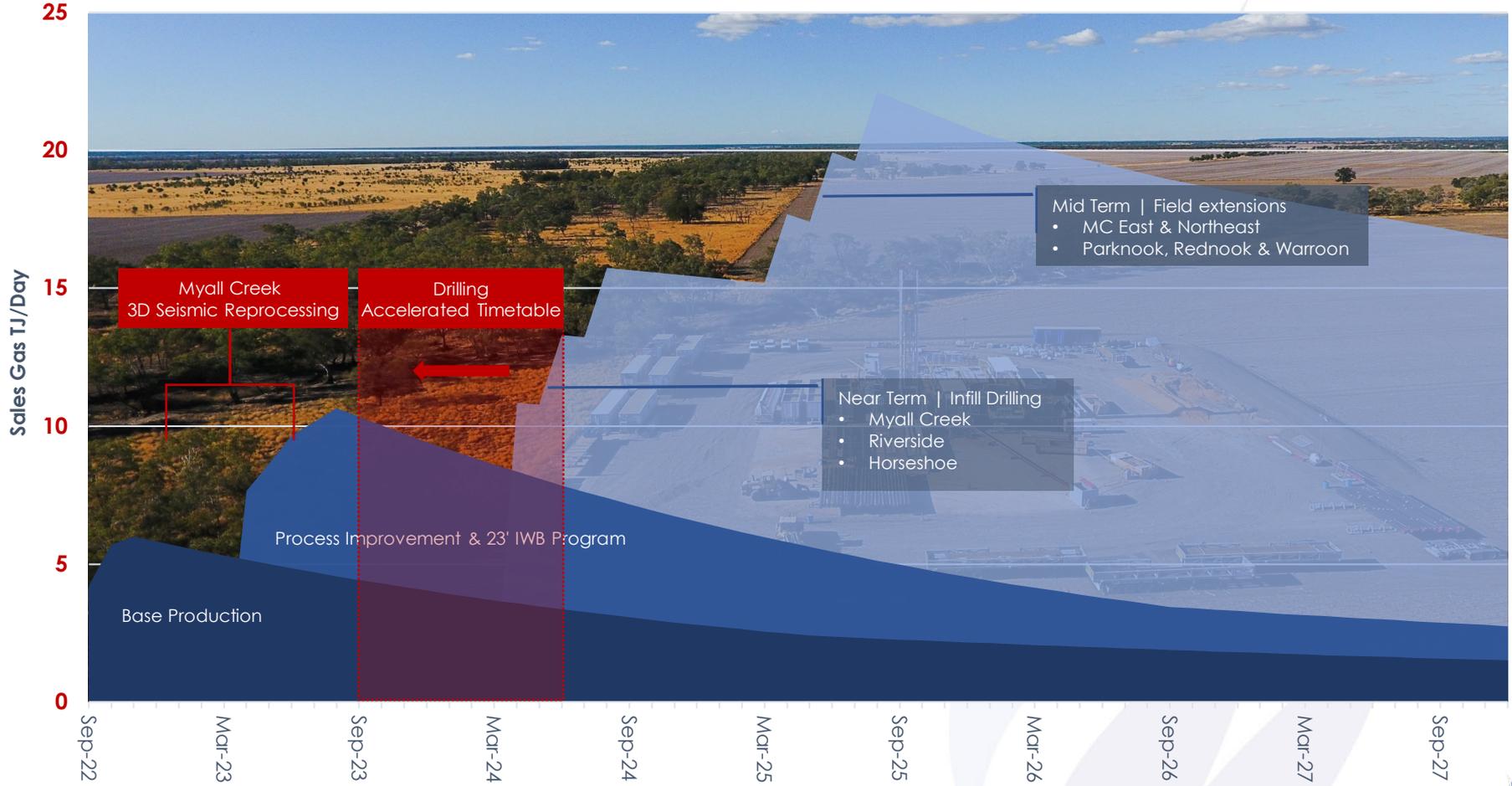
Injection with the Reinstatement of Available Equipment

*Recent agreement entered into with Shell Australia provides optionality to utilise the storage facility to take advantage of gas demand cycles

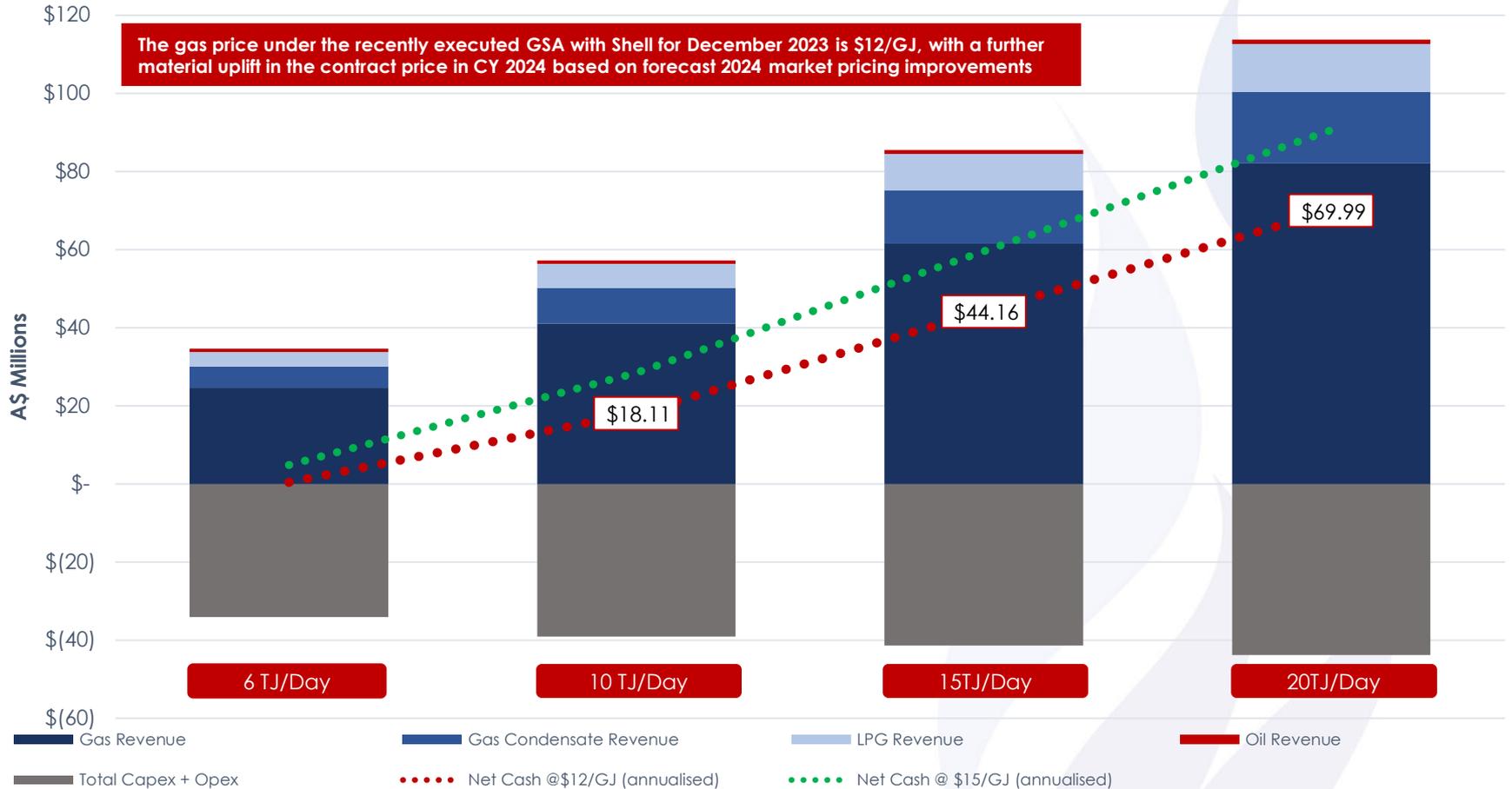
Strategic Pathway



Surat Basin – Integrated Field Optimisation & Field Development Profile



Surat Basin: Pathway to profitability (\$12/GJ)



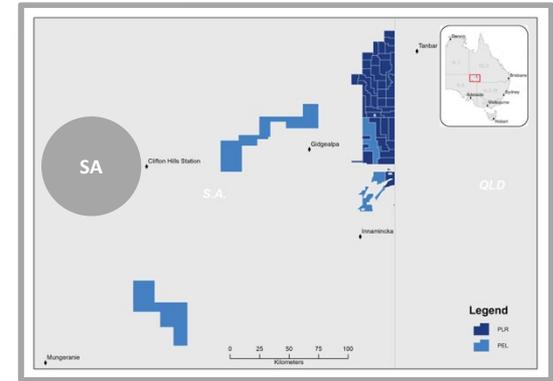
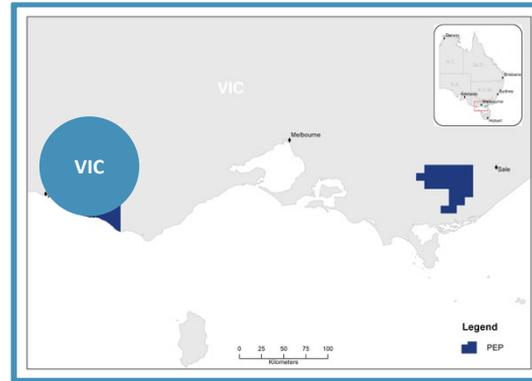
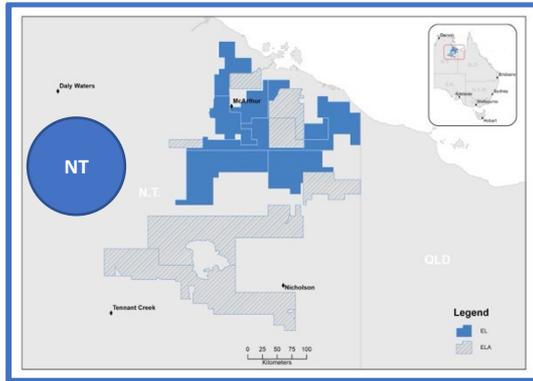
Gas Sales Agreement – Shell Australia



- Armour and Shell have entered into a 13-month gas sales agreement (GSA) from December 1st 2023 on **materially improved pricing**.
- The gas price for December 2023 is **\$12/GJ**, with a material uplift in the contract price in CY 2024 based on forecast 2024 market pricing improvements.
- The MSA provides the framework terms that can be used for transactions to utilise the **Newstead Gas Storage** facility, 100% owned and operated by Armour, to take advantage of gas demand cycles.
- Armour, with technical and operational support from SLB (formerly Schlumberger), has developed an **extensive program to uplift production** from its Surat Basin portfolio.

Strategic de-risking

Diverse portfolio of high-quality prospects provides platform for growth and cash flow generation



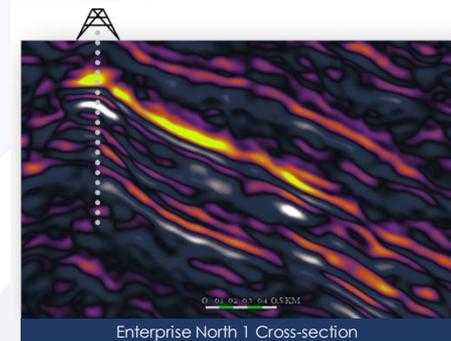
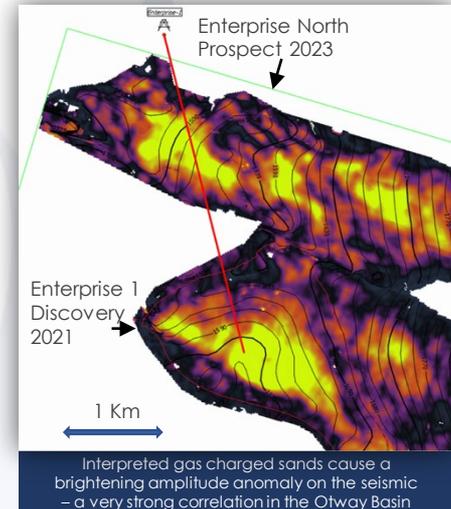
- 2 tier focus exploration strategy:
 - Fast track conventional plays
 - Continue to develop unconventional shale plays
- Re-analyse drilling & flow test data from Glyde discovery well
- Glyde discovery reservoir & resource assessment.
- Operational appraisal plan:
 - Re-entry and extended flow test of Glyde discovery well
 - Assessing shallow 3D seismic imaging solutions to position appraisal wells
- 2D seismic to cover extents of the conventional play fairway for follow up exploration drilling targets.
- Clear path to commercialisation (Merlin Diamond Mine).

- Drill and evaluate Enterprise North-1 exploration well (kept as a future producer well – nearest tie-in ~350m).
- Reprocessing of available 3D seismic data to better image Enterprise North and identify follow up exploration prospects.
- Develop a ranked prospect & leads resources and risk inventory to high grade drilling candidates.
- Clear path to accelerated commercialisation with 2 existing production facilities located on Armour Acreage

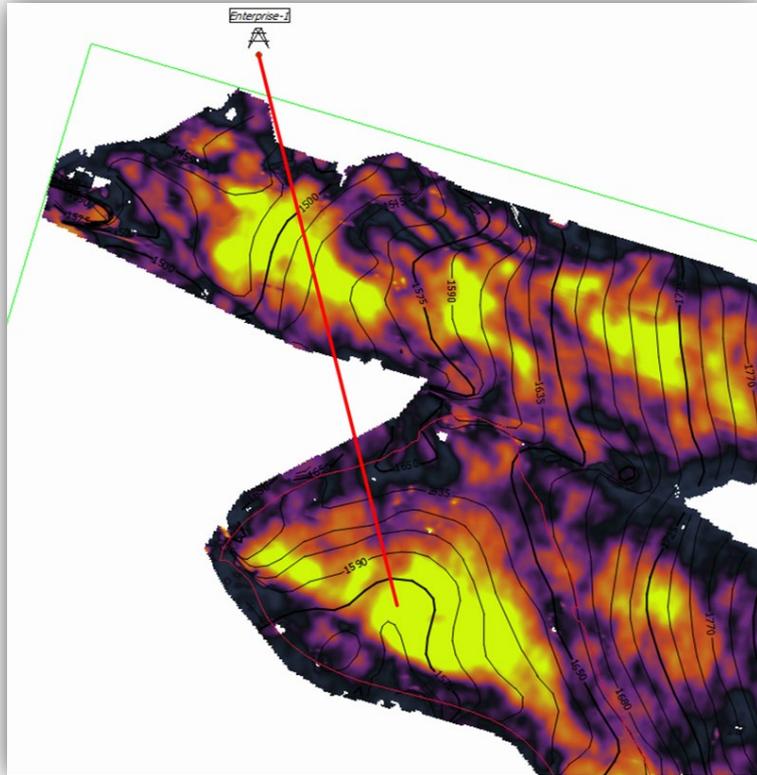
- Resource assessment and appraisal of the Paning-1 tight gas discovery
- Acquire a large-scale passive audio-electromagnetic (AEM) airborne survey over licence areas - de-risk potential focus areas & high-grade future exploration
- Reprocess and interpret existing 3D seismic to assist in identifying subtle stacked and stratigraphic oil traps in the Triassic and Jurassic intervals.
- Develop a ranked prospect & leads resources and risk inventory to high grade drilling candidates.

Victoria Asset Overview

No. of Permits	<ul style="list-style-type: none"> • 2 Exploration Licences (PEPs) • Onshore Otway and Gippsland Basins
Area	<ul style="list-style-type: none"> • 2,889 km²
Interest	<ul style="list-style-type: none"> • 51% interest in Otway PEP169 and 25% interest in Gippsland PEP166
Key Assets	<ul style="list-style-type: none"> • Otway Basin: <ul style="list-style-type: none"> ○ Enterprise North is a drill ready conventional exploration prospect less than 1km from the Enterprise-1 gas discovery of 161 PJ (Beach Energy, 2020) ○ Enterprise North is targeting 10s up to 100s BCF gas & associated condensate ○ World Class clastic reservoir with multi-Darcy deliverability ○ The nearest tie-in point to a gas processing facility is only 350 m from the proposed wellsite making for remarkably attractive economics - clear path to accelerated commercialisation • Gippsland Basin: <ul style="list-style-type: none"> ○ 57% of total oil production in Australia come from the Gippsland Basin, Australia's premier oil provenance ~ Approximately 5 billion barrels produced ○ Live oil has been recovered from a nearby well onshore – Wombat 3 ○ Potential for new oil province onshore
CY22 Production	<ul style="list-style-type: none"> • Not yet on production
Strategy	<ul style="list-style-type: none"> • Value build from <ul style="list-style-type: none"> ○ Environmental and Native title/cultural heritage approvals underway for the Enterprise North 1 exploration well ○ Subsurface review of the broader permit prospectivity & the building of an extensive inventory of follow up prospects and leads is currently underway
Next Steps	<ul style="list-style-type: none"> • Enterprise North -1 exploration well scheduled drilling for Q4 '23 / Q1'24 • Reprocessing of 3D seismic data being considered to de-risk existing and high-grade follow up exploration opportunities • Evaluate gas sales opportunities – capacity exists in multiple processing facilities within 15 km



PEP 169 – Enterprise North



Highlights

- Enterprise North is a drill ready prospect following reinterpretation of merged 3D seismic
- Various workstreams being rapidly progressed to enable the drilling of the prospect scheduled for Q3'23/Q'24
- The drilling location is near the Enterprise-1 (Beach Energy) well location <1km – the last discovery in the basin 2020
- The nearest tie-in point to a gas processing facility is 350m from the proposed wellsite making for remarkably attractive economics - **clear path to accelerated commercialisation**
- Targeting 10s to 100s bcf of gas and associated condensate
- World Class clastic reservoir with multi-Darcy deliverability
- Subsurface review and the building of an extensive inventory of follow up prospects and leads is currently underway

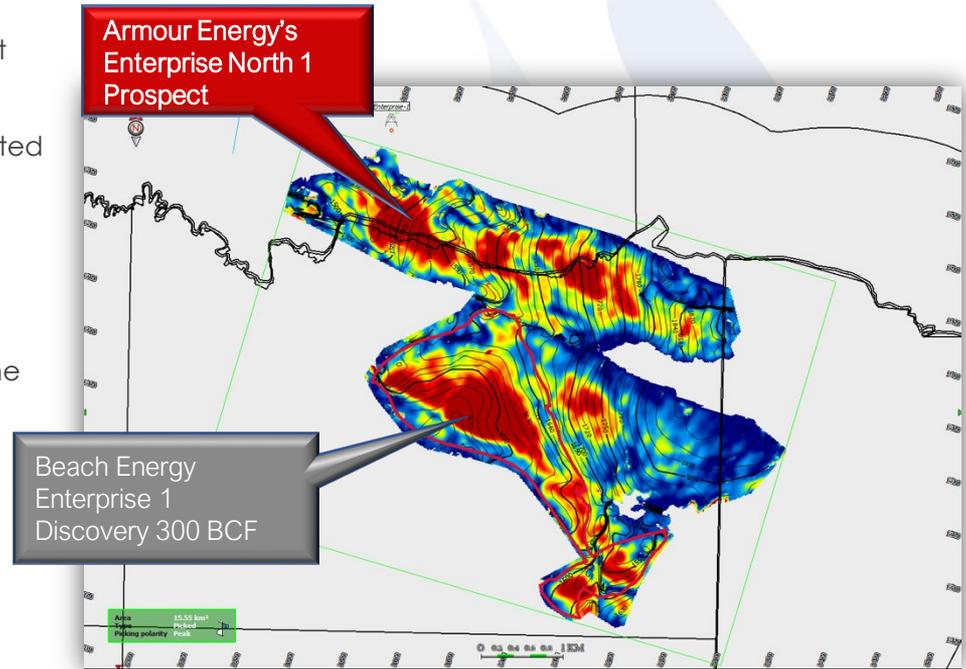
Enterprise North



- Enterprise North-1 is 2.4 km from Enterprise-1 in a proven Waarre Sandstone Reservoir with 115 m of net gas reservoir thickness.
- New transition zone data allows the seismic to be calibrated to known fields (Minerva and Enterprise) reducing subsurface risk.
- Success case would see Enterprise North-1 cased and suspended as a future producer.
- 3D seismic Merge to better image the northern zone of the Enterprise North structure is under evaluation.

HIGHLY PRODUCTIVE RESERVOIRS – WORLD CLASS

- Waarre Sandstones (A & C)
- High porosity (19- 25%) and permeability (1-10 Darcy)
- Capable of gas rates between 10 to 60+ Million scfd
- High condensate ratio at Enterprise 1 of 25 bbl /MMscf



South Australia Asset Overview

No. of Permits

- 3 Exploration Licences (PELs)
- 27 Retention Licences (PRLs)

Area

- 5,242 km²

Interest

- 100% interest in all licences

Key Assets

- A large acreage position in South Australian Cooper Basin
- Paning Gas Discovery – Deep Permian wet gas play - 100's of BCF to TCF potential
- Extending the Western Flank Oil Fairway – Multiple stacked reservoir oil exploration potential – outboard of and extending the fairway between producing “Western Flank” and nearby production in Queensland

CY22 Production

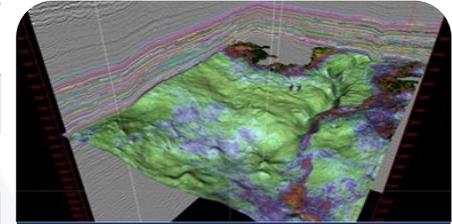
- Not yet on production

Strategy

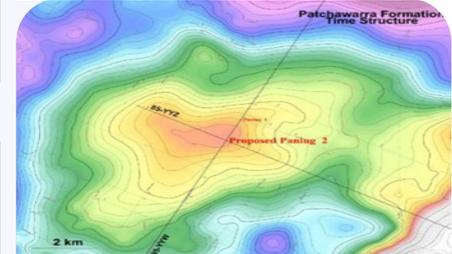
- Value build from
 - Focus on conventional Jurassic/Triassic Oil and Permian Wet Gas
 - Appraisal and development of Paning tight gas discovery and greater wet gas play
 - Identify and de-risk multiple exploration drilling targets close to existing infrastructure

Next Steps

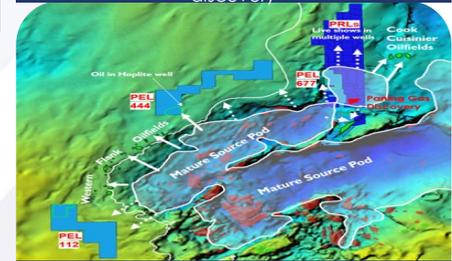
- Appraisal planning for the Paning gas discovery – re-entry & optimised reservoir stimulation – recent Armour frac stimulation modelling identifies significant upside
- Reprocess and interpret existing 3D seismic to assist in identifying subtle stacked and stratigraphic oil traps in the Triassic and Jurassic intervals
- Resource assessment to high-grade an inventory of prospects & leads to guide or future exploration drilling focus
- Acquire a large-scale passive audio-electro-magnetic (AEM) airborne survey over licence areas – to identify hydrocarbon fluid migration pathways in the subsurface to de-risk focus areas and high-grade future exploration - contract executed Jan '23, survey schedule mid '23



Many opportunities seen on 3D Seismic



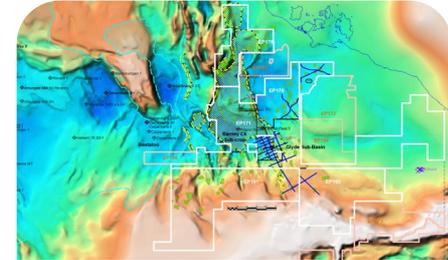
Potential for large gas filled closure at Paning discovery



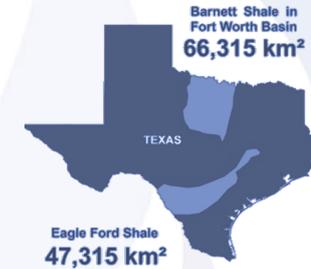
Large acreage position in prolific basin

Northern Territory Asset Overview

No. of Permits	<ul style="list-style-type: none"> • 6 Exploration Licences (EPs) • 7 Applications (EPAs)
Area	<ul style="list-style-type: none"> • Extensive tenure position - 66,100 km²
Interest	<ul style="list-style-type: none"> • 100% interest in all licences
Key Assets	<ul style="list-style-type: none"> • Conventional gas & pervasive unconventional shale gas potential identified in the Basin - Contingent and Prospective resources booked (4.6 TCF conventional & 28.1 TCF unconventional mid-case prospective gas resource) • Proterozoic shale source potential of the neighbouring Beetaloo Basin Velkerri Formation is comparable to the McArthur Basin Barney Creek Fm • McArthur Basin Glyde shallow conventional gas discovery flowed 3.3 MMCFD without fracing, recent modelling suggest flow rate potential up to 6.2 MMCFD
CY22 Production	<ul style="list-style-type: none"> • Not yet on production, HOA executed Feb '23 to deliver Glyde gas from mid '25 to the Merlin Diamond Project within 20 km for ~14 years (life of mine)
Strategy	<ul style="list-style-type: none"> • Value build from 2 Tier Exploration Strategy <ul style="list-style-type: none"> ◦ 1st - Fast track conventional plays (near to mid-term value add) ◦ 2nd - Continue to develop unconventional shale plays (mid- to long term value add) • Well testing, appraisal & development drilling of Glyde gas discovery • Acquisition of 2D/3D seismic to identify future prospects and appraise the Glyde well
Next Steps	<ul style="list-style-type: none"> • Environmental and Native title/cultural heritage approvals for seismic acquisition and exploration and appraisal drilling activities • Fast track Glyde appraisal and development drilling • Evaluate pipeline and portable power station generation options • Gas Sales Agreement for Glyde-Merlin Diamond Project



Large acreage position in unexplored basin – better than Beetaloo?



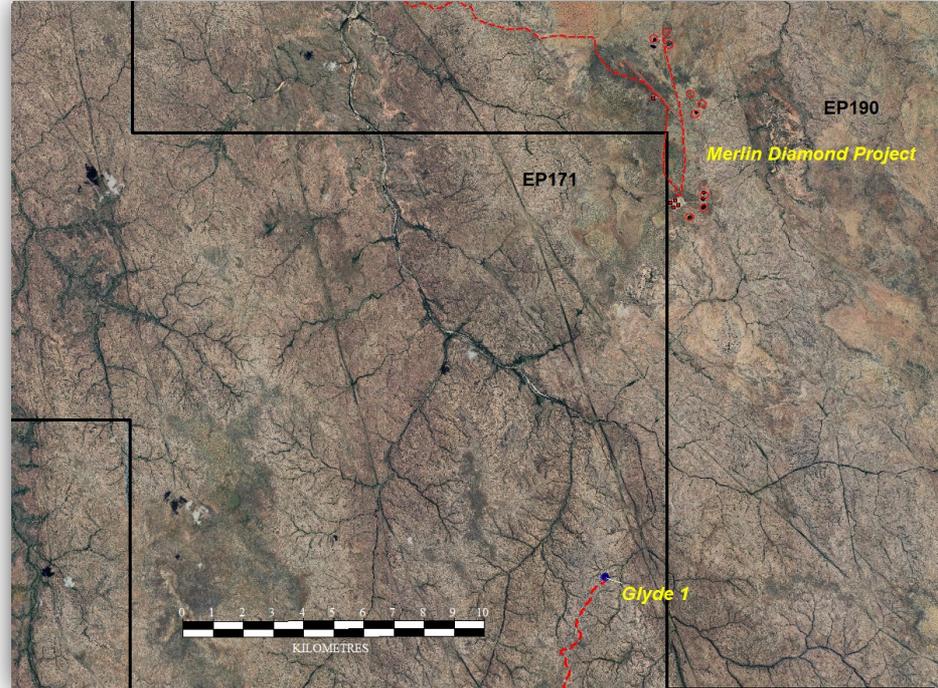
Tenure position as extensive as the entire Barnett Shale or Eagle Ford Shale plays in Texas



Proven unstimulated gas flows to surface – wells can be drilled at a fraction of the cost

HOA with Australian Natural Diamonds

- Australian Natural Diamond Company acquired the Merlin Diamond Project in the NT
- Merlin is ~12km as the crow flies from the 'Glyde' discovery
- Est. **1.5 TJ/Day** Gas for power generation
- Potential to supply gas to mining fleet (phase-2)
- Accelerated early gas potential
- Commission H2'25
- 14-year term
- Further development potential upside



Investment Drivers

Undervalued, diverse & extensive assets with multiple income potential

Core Producing Business



Extensive development portfolio



Strong market fundamentals



Ready route to market with excess capacity



Varied income streams – Oil, Gas, LPG & Gas Condensate



Government support for energy transition and domestic producers

Exploration Opportunities



Transformational upside



Staged approach to investing



Low-cost initial de-risking



Ready route to markets



Short cycle time to commercialisation



Capital Raise Information

Capital Raise - Highlights

Structure	<ul style="list-style-type: none"> • \$32m fully underwritten capital raising, comprising of: <ul style="list-style-type: none"> – An Upfront Placement to raise up to approximately \$2.7 million – An accelerated non-renounceable, pro rata 1:1 entitlement offer to raise up to approximately \$9.3 million – New AJQ convertible notes to raise approximately \$20 million (fully underwritten) – Conversion of maturing MOG Notes and Debt (subject to shareholder and Senior Secured Noteholder approval) of up to approximately \$20 million into shares and new AJQ convertible notes
Issue Price	<p>The issue price of \$0.004 per share represents a discount of:</p> <ul style="list-style-type: none"> • 33.3% discount to the last close of \$0.006 as at Wednesday, 22 March 2023 • 33.3% discount to the 5 day VWAP of \$0.006
Institutional Offer	<ul style="list-style-type: none"> • Institutional Entitlement Offer and Placement to be conducted on Thursday, 23 March – Friday, 24 March 2023 • Entitlements not taken up and those of ineligible shareholders will be sold at the Offer Price
Retail Offer¹	<ul style="list-style-type: none"> • Retail Entitlement Offer to open on Wednesday, 29 March 2023 and close Thursday, 20 April 2023 • Only eligible shareholders with an Australia or New Zealand registered address may participate in the Retail Entitlement Offer
Ranking	<ul style="list-style-type: none"> • The New Shares issued under the offer will rank equally with existing Armour shares on issue on the relevant date
Cornerstone Investment	<ul style="list-style-type: none"> • Armour Energy has secured \$32m of cornerstone investors in the capital raising via existing shareholders, including: <ul style="list-style-type: none"> – DGR – 19.9% (post capital raise) via equity and debt conversion – Tenstar – 15% (post capital raise) via cash injection; and – BCP and affiliates – 5% (post capital raise) via cash and debt conversion
Director participation	<ul style="list-style-type: none"> • The Directors and Key Management Personnel intend to participate in the capital raising, subject to any necessary approvals
EGM	<ul style="list-style-type: none"> • EGM will be held to approve the New AJQ convertible notes issue and share consolidation on Tuesday, 2 May 2023
Record Date	<ul style="list-style-type: none"> • 7.00pm (AEDT) on Monday, 27 March 2023
Lead Manager & Underwriters	<ul style="list-style-type: none"> • Wilsons Corporate Finance Limited ("Wilson's") is Sole Lead Manager and Underwriter to the Placement and ANREO • Bizzell Capital Partners Pty Limited ("Bizzell Capital") is Sole Lead Manager and Underwriter to the new AJQ Note issue

Notes: 1) The Retail Entitlement Offer is only available to eligible retail shareholders of AJQ with a registered address on the Company's share register in Australia or New Zealand on the Record Date – see the Retail Offer Booklet for further details on eligibility once available

Funding Plan



Source of funds	AUD\$ million
Placement	2.7
ANREO	9.3
New AJQ notes	20.0
Total	32.0

Use of funds	AUD\$ million
Existing Debt repayment <ul style="list-style-type: none">Secured Notes reduced to \$12.5mMOG Notes reduced to \$0m (through conversion to shares and New AJQ notes)	24.6
Surat Basin production enhancement & optimisation and exploration	4.4
Corporate, Technical Operating costs	3.0
Total	32.0

Pro forma capitalization and shareholdings



Capitalisation ¹	Existing	Post-offer
Shares (Ordinary)	2,331,998,158	5,327,360,336
Offer Price	0.006	0.004
Current Market Cap	\$ 14.0 m	\$ 9.3 m
New equity raised	-	\$ 12.0 m
Post-offer Market Cap		\$ 21.3 m
Unsecured Notes	\$ 18.6 m	-
Senior Secured Notes	\$ 18.6 m	\$ 12.5 m
New Notes	-	\$ 20.0 m
Cash on hand	(\$ 1.1 m)	(\$ 7.7 m)
Enterprise valuation	\$ 50.0 m	\$ 46.1 m

Shareholder summary ¹	Existing %	Post-Offer %
DGR	16.1%	19.9%
Tenstar	6.6%	15%
BCP and affiliates	1.2%	5%
Other existing s/holders	76.2%	60%
Total	100.0%	100.0%

* New Armour note terms: 3 year maturity, 10% coupon, 0.6c conversion, secured once FIIG security released

Summary pro-forma balance sheet



(\$'000)	Current	Impact of equity raising	Pro-forma
Cash and Cash Equivalents	1,065	6,670	7,735
Other Current Assets	8,553	-	8,553
Total Current Assets	9,618	6,670	16,288
Total Non-Current Assets	95,251	-	95,251
Total Assets	104,869	6,670	111,539
Secured Notes	18,560	(6,000)	12,560
MOG Notes	18,580	(18,580)	-
Total Current Liabilities	51,632	(24,580)	27,052
Armour Notes*	-	19,266	19,266
Total Non-Current Liabilities	7,446	19,266	26,712
Total Liabilities	59,078	(5,314)	53,764
Equity	45,791	11,984	57,775

* New Armour note terms: 3 year maturity, 10% coupon, 0.6c conversion, secured once FIIG security released

Indicative Offer Timetable

Event	2023
Trading halt and announcement of the Entitlement offer	Thursday, 23 March
Placement and Institutional Entitlement Offer	Thursday, 23 – Friday, 24 March
Announcement of the results of the Placement Institutional Entitlement offer	Monday, 27 March
Trading halt lifted and Shares recommence trading	Monday, 27 March
Entitlement Offer Record Date (7pm AEST)	Monday, 27 March
Retail Entitlement offer opens (9am AEST) and retail booklet dispatched	Wednesday, 29 March
Settlement of the Institutional Entitlement Offer	Wednesday, 29 March
Issue of Shares issued under the Institutional Entitlement Offer	Thursday, 30 March
Trading of securities under the Institutional Entitlement offer	Friday, 31 March
Retail Entitlement Offer closes (5pm AEST)	Thursday, 20 April
Announcement of results of the Retail Entitlement Offer	Wednesday, 26 April
Settlement of the Retail Entitlement Offer	Thursday, 27 April
Issue of Shares under the Retail Entitlement Offer	Friday, 28 April
Normal Trading of new Shares under the Retail Entitlement Offer	Monday, 1 May
Notice of EGM for approval of the New AJQ notes	Friday, 31 March
EGM and vote on New AJQ notes	Tuesday, 2 May

The above timetable is indicative only and subject to change.



Notes to Raising

Summary of Underwriting Agreements

Wilson's Underwriting Agreement

Amour has entered into a conditional underwriting agreement with Wilsons Corporate Finance Limited (Wilson's) dated 23 March 2023 (Wilson's Underwriting Agreement) pursuant to which Wilson's has agreed to fully underwrite the placement of ordinary shares (Placement) and the accelerated non-renounceable pro-rata entitlement offer (Entitlement Offer).

Key Terms of the Wilson's Underwriting Agreement

Conditions Precedent

Wilson's obligations to underwrite and manage the Placement and Entitlement Offer are conditional on the satisfaction of various customary conditions, including (but not limited to):

- the due diligence questionnaire and due diligence materials being in a form satisfactory to Wilson's; and
- Amour's continued satisfaction of its obligations to ASX regarding the Placement and Entitlement Offer (including obtaining and lodging necessary documentation and satisfying customary procedural requirements).

Non-qualified Termination Events

Wilson's may, by notice to Amour, immediately terminate its obligations under the Wilson's Underwriting Agreement without any cost or liability on the occurrence of certain customary termination events, including but not limited to:

- **(ASX approval):** unconditional approval (or conditional approval, provided such condition would not, in the reasonable opinion of Wilson's, have a material adverse effect on the success or settlement of the Placement and Entitlement Offer) by ASX for official quotation of the new shares under the Placement and Entitlement Offer is refused or is not granted, or if granted, is modified (in a manner which would, in the reasonable opinion of Wilson's) have a material adverse effect on the success or settlement of the Placement and Entitlement Offer) or withdrawn;
- **(listing):** Amour ceases to be admitted to the official list of ASX or Amour shares are suspended from trading on, or cease to be quoted on, ASX (which, for the avoidance of doubt, does not include any voluntary suspension otherwise implemented with the prior written consent of Wilson's (such consent not to be unreasonably withheld or delayed));
- **(insolvency)** Amour or an Amour group member is insolvent or there is an act or omission, or a step is taken, or a circumstance arises, which is likely to result in Amour or an Amour group member insolvent;

- **(withdrawal)** Amour withdraws all or any part of the Entitlement Offer and Placement without the prior written consent of Wilson's (such consent not to be unreasonably withheld or delayed);
- **(information documents)**
 - a document issued to the market and to institutional investors or shareholders in connection with the Entitlement Offer and Placement (**Information Document**) omits material information required by the ASX Listing Rules, the Corporations Act or any other applicable law, contains a statement which is or becomes misleading or deceptive or is likely to mislead or deceive (whether by omission or otherwise) or contains an expression of opinion or intention that is not fairly or properly supportable in a material respect;
 - there are no reasonable grounds for the making of any statement in the Information Documents relating to future matters; or
 - an Information Document otherwise fails to comply with the Corporations Act or the ASX Listing Rules;
- **(information)** the Due Diligence Committee Report or any information supplied by or on behalf of Amour to Wilson's is false, misleading or deceptive, or is likely to mislead or deceive, whether by omission or otherwise, in any material respect, in each case when considered in its final form;
- **(illegality)** there is an event or occurrence, including any statute, order, rule or regulation or order of any governmental agency which makes it illegal for Wilson's to satisfy an obligation under the Wilson's Underwriting Agreement to underwrite any of the new shares under the Entitlement Offer and Placement;
- **(ASIC) ASIC:**
 - makes an application for an order under Part 9.5 of the Corporations Act in relation to the Entitlement Offer and Placement or the Information Documents;
 - commences any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth) in relation to the Placement of Entitlement Offer or the Information Documents;
 - holds, or gives notice of intention to hold, a hearing or investigation in relation to the Placement and Entitlement Offer or Amour or any of Amour's directors or officers (as that term is defined in the Corporations Act); or
 - prosecutes or gives notice of an intention to prosecute or commences proceedings against, or gives notice of an intention to commence proceedings against, Amour or any of its directors, officers, employees or agents in relation to the Placement and Entitlement Offer;

Summary of Underwriting Agreements

- **(disqualification)**: a director of Armour is disqualified from managing a corporation under Part 2D.6 of the Corporations Act;
- **(prosecution)**: Armour or any of its directors or officers (as that term is defined in the Corporations Act) commits an act of fraud or is charged with an indictable offence relating to any financial or corporate matter;
- **(prescribed occurrence)**: a Prescribed Occurrence (being, an event specified in paragraphs (a) to (h) of subsection 652C(1) of the Corporations Act) in respect of Armour occurs during the offer period, other than:
 - as expressly contemplated by the Wilsons Underwriting Agreement, including for avoidance of doubt the issue of the new convertible notes subject to obtaining shareholder approval; or
 - as permitted with Wilsons' prior written consent, which consent may not be unreasonably withheld or delayed;
- **(Certificate)** a certificate which is required to be given by Armour under the Wilsons Underwriting Agreement is not given when required or a statement in a certificate that is given is untrue or misleading or deceptive in a material respect;
- **(unable to issue New Shares)** Armour is prevented from allotting and issuing the New Shares under the ASX Listing Rules, the Corporations Act or any other applicable laws, by an order of a court of competent jurisdiction or by a governmental agency;
- **(market fall)** at any time any of the S&P/ASX 300 Resources Index falls to a level that is 90% or less of the level as at the close of trading on the last trading day before the date of the Wilsons Underwriting Agreement and is at or below that level at the close of trading:
 - for two consecutive business days during any time after the date the Wilsons Underwriting Agreement; or
 - the business day immediately prior to, completion of the Placement and Entitlement Offer;
- **(Waivers / exemptions)** ASX or ASIC withdraws, revokes, or amends any issued ASX waivers or the ASIC Exemptions, as applicable; or
- **(Debt facilities)**:
 - any debt facility of Armour or an Armour group member terminated by the lender or amended in a material respect without Wilsons' prior written consent;
 - an Armour group member breaches, or defaults under, any provision, undertaking, covenant or ratio of a debt or financing arrangement or any related documentation to which that entity is a party; or

- an event of default or review event has resulted in a lender or financier exercising its rights to accelerate or require repayment of the debt or financing or other similar event occurs under or in respect to any such debt or financing arrangement or related documentation.
- **(Convertible note issue)**:
 - the underwriting agreement with Bizzell Capital Partners Pty Ltd in respect of the issue of convertible notes is terminated for any reason; or
 - Bizzell Capital Partners Pty Ltd does not fully underwrite the convertible note issue.

Materiality qualified termination events

In addition to the non-qualified Termination Events, Wilsons may terminate the Wilsons Underwriting Agreement without any cost or liability if a materiality qualified termination event occurs, provided that Wilsons has reasonable grounds to believe and does believe that the event:

- i. is likely to have a materially adverse effect on the success of, or the ability of Wilsons to market or promote or settle, or the settlement of, the Placement and Entitlement Offer;
- ii. has given or could reasonably be expected to give rise to a contravention by, or a liability (including for involvement in a contravention) of, Wilsons under any law or regulation or
- iii. has or is likely to have a material adverse effect on the willingness of investors to subscribe for New Shares A Materiality Qualified Termination Event includes the following,

(Qualified Termination Right)

Wilsons may exercise its Qualified Termination Right on the occurrence of the following:

- (Compliance with regulatory requirements) Armour fails to comply with its constitution, the ASX Listing Rules, the Corporations Act, other applicable laws, or an order or binding requirement by or on behalf of ASIC, ASX or any government department or any governmental, semi-governmental or judicial entity or authority;
- (Suspension or limitation on trading) trading in all securities quoted or listed on any one or more of ASX, the London Stock Exchange or the New York Stock Exchange, or any financial market, trading board, security settlement or clearance services operated by any of them, is suspended or materially limited for one or a substantial part of a day on which that exchange is open for trading and where that suspension or limitation occurs:
 - on or before the Accelerated Allotment Date (being, Thursday, 30 March 2023); or

Summary of Underwriting Agreements

- on the day prior to the Retail Settlement Date (being, Thursday, 27 April 2023) or from that date up to and including the Retail Allotment Date (being, Friday, 28 April 2023);
- **(Moratorium)** a general moratorium on commercial banking activities in Australia, the United States of America or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries;
- **(General disruption)** there occurs, in Wilsons' reasonable opinion, any adverse change or disruption to the financial markets of Australia, the United States of America, Japan or the United Kingdom, the effect of which makes it impractical (in Wilsons' reasonable opinion) to proceed with the Placement and Entitlement Offer;
- **(Hostilities)** the outbreak of hostilities not presently existing (whether war has been declared or not), or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States of America, the People's Republic of China, Japan, North Korea, the United Kingdom, any member state of the European Union, Ukraine or Russia, or a major terrorist act is perpetrated in or by any of those countries or by or in respect of any diplomatic, military, commercial or political establishment of any of these countries elsewhere in the world, or a national emergency is declared in any of those countries;
- **(Breach)** Armour breaches or fails to perform or observe any of its obligations or undertakings under, or any other term or condition of, the Wilsons Underwriting Agreement;
- **(Warranties)** a representation or warranty made or given by Armour under the Wilsons Underwriting Agreement is breached or is, or proves to be, or has been, or becomes, untrue or incorrect or misleading or deceptive;
- **(Change in management)** there is a change (or a change is announced) in the directors or the chief executive officer of Armour, other than one which has already been fully and fairly disclosed to ASX before the date of the Wilsons Underwriting Agreement;
- **(Supplementary or corrective disclosure)** an obligation arises on Armour to give ASX a notice in accordance with section 708AA(12) (as modified by ASIC Instrument 2016/84);
- **(Cleansing Statements)** a cleansing statement is defective within the meaning of sections 708AA(11) (as modified by ASIC Instrument 2016/84) or 708A(10) (as applicable), or a notice is issued or is required to be issued under sections 708AA(10) (as modified by ASIC Instrument 2016/84) or 708A(9) (as applicable) to correct the cleansing statement;
- **(Timetable)** any event specified in the timetable is delayed by more than 1 business day without the prior written approval of Wilsons;

- **(Change in law or policy)** there is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a law or any new regulation to be made under any law, or a Governmental Agency adopts a major change in monetary or fiscal policy, or there is any official announcement on behalf of the Government of the Commonwealth of Australia or any State or Territory of Australia or a Governmental Agency that a law or any new regulation will be introduced or such a change in policy adopted (as the case may be), any of which does or in the reasonable opinion of Wilsons is likely to prohibit or adversely affect or otherwise regulate the Placement and Entitlement Offer, capital issues or stock markets; or
- **(Adverse change)** any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Group, including any adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Group from those respectively disclosed in any Information Document.

If Wilsons terminates the Wilsons Underwriting Agreement, it will be relieved of all further obligations that remain to be performed under the Wilsons Underwriting Agreement. Termination by Wilsons will discharge Armour's obligation to pay Wilsons any fees, costs, charges or expenses which as at termination are not yet accrued.

Details of the fees payable to Wilsons are set out in the Appendix 3B lodged by Armour on 23 March 2023.

BCP Underwriting Agreement

Armour has entered into a conditional underwriting agreement with Bizzell Capital Partners Pty Ltd (**BCP**) dated 23 March 2023 (**BCP Underwriting Agreement**) under which BCP has agreed to fully underwrite the issue of a convertible notes (**Armour Notes Issue**), subject to the terms and conditions of the BCP Underwriting Agreement.

Key Terms of the BCP Underwriting Agreement

Conditional obligation of BCP

BCP's obligations under the BCP Underwriting Agreement, including to underwrite and manage the Armour Notes Issue, are conditional upon the satisfaction of various conditions, including:

- the Company entering into the Wilsons Underwriting Agreement in relation to the Placement and the Entitlement Offer;

Summary of Underwriting Agreements

- approval being obtained by the Company from the holders of secured amortising notes issued by the Company for the issue of Armour Notes as "permitted indebtedness" under the terms of the secured amortising notes; and
- the Company obtaining relevant shareholder approval as required under the ASX Listing Rules in connection with the Armour Notes Issue.

Termination Events

BCP may, by notice to Armour, immediately terminate its obligations under the BCP Underwriting Agreement at any time prior to the Shortfall Notification Date (being, 26 July 2023) if an Event of Termination occurs. An Event of Termination includes the following:

- **(Market Fall)** if the S&P/ASX 200 Index is, at any time after the date of BCP Underwriting Agreement, prior to the subscription date more than 10% below the level of that Index at the close of ASX trading on the business day before the date of the BCP Underwriting Agreement;
- **(Material Adverse Effect)**: any change, event or series of events which, in the reasonable opinion of BCP, is likely to have a material adverse effect;
- **(withdrawal)**: Armour withdraws or terminates the Armour Notes Issue;
- **(repayment)**: any circumstance that arises after the date of the BCP Underwriting Agreement that results in Armour either repaying the money received from applicants (other than to applicants whose applications were not accepted in whole or in part) or offering applicants an opportunity to withdraw their applications for Convertible Notes and be repaid their application money;
- **(no certificate)**: Armour does not provide a closing certificate required by any shortfall, in a form consistent with the BCP Underwriting Agreement;
- **(judgment)**: a judgment in an amount exceeding \$1,000,000 is obtained against Armour or a related body corporate (as that term is defined in the Corporations Act) of Armour and is not set aside or satisfied within 14 days;
- **(process)**: any distress, attachment, execution or other process of a governmental agency (defined as any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity) in an amount exceeding \$1,000,000 is issued against, levied or enforced upon any of the assets of Armour or a related body corporate of Armour and is not set aside or satisfied within 14 days;
- **(financial assistance)**: Armour or a related body corporate passes or takes any steps to pass a resolution under section 260B of the Corporations Act, without the prior written consent of BCP;
- **(suspends payment)**: Armour or a related body corporate of Armour suspends payment of its debts generally;
- **(insolvency)**: Armour or a related body corporate of Armour is or becomes unable to pay its debts when they are due or is or becomes unable to pay its debts within the meaning of the Corporations Act) or is presumed to be insolvent under the Corporations Act;
- **(arrangements)** Armour or a related body corporate of Armour enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them;
- **(ceasing business)**: Armour or a related body corporate of Armour ceases or threatens to cease to carry on business;
- **(international events or events involving financial markets)**: no happening of any international event or series of events involving financial markets, commodities markets or investment generally which might have a material adverse effect on Armour, its assets, business, prospects or which might materially prejudice the success of the initial placement of securities and/or the Convertible Note, as the case may be.
- **(material contracts)**: any material contract to which Armour is a party is terminated or amended without the prior written consent of BCP and which consent shall not be unreasonably withheld;
- **(change to Constitution)**: prior to the Allotment Date (being, 1 August 2023), the Constitution of Armour or a related body corporate of Armour is amended without the prior written consent of BCP, which shall not be unreasonably withheld;
- **(material breach)**: Armour breaches any of their material obligations under the BCP Underwriting Agreement;
- **(representations and warranties)**: any representation or warranty contained in the BCP Underwriting Agreement on the part of Armour is breached or becomes false, misleading or incorrect to a material extent;
- **(prescribed occurrence)**: an event specified in section 652C(1) or section 652C(2) Corporations Act, but replacing 'target' with 'Company'; or
- **(failure to comply)**: Armour or any related body corporate of Armour fails to comply with any of the following:
 - a provision of its Constitution;
 - any statute;

Summary of Underwriting Agreements

- a requirement, order or request made by or on behalf of the ASIC, the ASX or any a government department or any governmental, semi-governmental or judicial entity; or
- any agreement entered into by it;
- **(Listing):** Armour ceases to be admitted to the official list of ASX or the Shares are suspended from trading on, or cease to be quoted on, ASX (which, for the avoidance of doubt, does not include any voluntary suspension otherwise implemented with the prior written consent of BCP (such consent not to be unreasonably withheld or delayed));
- **(ASIC):**
 - **(unable to issue Notes)** Armour is prevented from allotting and issuing the Notes under the ASX Listing Rules, the Corporations Act or any other applicable laws, by an order of a court of competent jurisdiction or by a government department or any governmental, semi-governmental or judicial entity;
 - **(Waivers / exemptions)** ASX or ASIC withdraws, revokes, or amends the ASX Waivers or the ASIC Exemptions, as applicable
- **(Debt facilities):**
 - any debt facility of Armour or a group member is terminated by the lender or amended in a material respect without BCP's prior written consent;
 - a group member breaches, or defaults under, any provision, undertaking, covenant or ratio of a debt or financing arrangement or any related documentation to which that entity is a party; or
 - an event of default or review event has resulted in a lender or financier exercising its rights to accelerate or require repayment of the debt or financing or other similar event occurs under or in respect to any such debt or financing arrangement or related documentation.
- **(Suspension or limitation on trading):** trading in all securities quoted or listed on any one or more of ASX, the London Stock Exchange or the New York Stock Exchange, or any financial market, trading board, security settlement or clearance services operated by any of them, is suspended or materially limited for one or a substantial part of a day on which that exchange is open for trading and where that suspension or limitation occurs on or before the Allotment Date;
- **(Moratorium):** a general moratorium on commercial banking activities in Australia, the United States of America or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries;

- **(General disruption):** there occurs, in BCP's reasonable opinion, any adverse change or disruption to the financial markets of Australia, the United States of America, Japan or the United Kingdom, the effect of which makes its impractical (in BCP's reasonable opinion) to proceed with the Offer;
- **(Hostilities):** the outbreak of hostilities not presently existing (whether war has been declared or not), or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States of America, the People's Republic of China, Japan, North Korea, the United Kingdom, any member state of the European Union, Ukraine or Russia, or a major terrorist act is perpetrated in or by any of those countries or by or in respect of any diplomatic, military, commercial or political establishment of any of these countries elsewhere in the world, or a national emergency is declared in any of those countries;
- **(Change in management):** there is a change (or a change is announced) in the directors or the chief executive officer of Armour, other than one which has already been fully and fairly disclosed to ASX before the date of this agreement; and
- **(Adverse change):** any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the group, including any adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the group from those respectively disclosed in any Information Document.

If an Event of Termination occurs, BCP may not terminate unless it reasonably believes that the event has or is likely to have a materially adverse effect on the outcome of the Armour Notes Issue, or could give rise to liability for BCP under any law or regulation and BCP has afforded the Company a reasonable time (not exceeding 10 business days) to remedy the event if the event is capable of remedy.

If BCP terminates the BCP Underwriting Agreement upon the occurrence of an Event of Termination, such termination will not affect BCP's:

- a) rights and remedies in respect of any breach of the BCP Underwriting Agreement by Armour occurring prior to the date of termination; and
- b) right to be reimbursed for all costs incurred pursuant to the BCP Underwriting Agreement, prior to the date of termination.

Details of the fees payable to BCP are set out in the Appendix 3B lodged by Armour on 23 March 2023.

Foreign Selling Restrictions

This presentation does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. In particular, this presentation may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

New Zealand: This presentation has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (**FMC Act**). The New Shares are not being offered to the public within New Zealand other than to existing shareholders of Amour Energy with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016. Other than under the Entitlement Offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Hong Kong: Hong Kong WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance). No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities. The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Singapore: This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of the New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This document has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Key Risks

This section describes potential risks associated with Armour's business & risks associated with an investment in Armour. It does not purport to list every risk that may be associated with an investment in Armour now or in the future & the occurrence or consequences of some of the risks described in this section are partially or completely outside the control of Armour or its directors & senior management team.

This assessment is based on the knowledge of the directors as at the date of this presentation but there is no guarantee or assurance that the importance of different risks will not change or other risks emerge. Prospective investors should satisfy themselves that they have a sufficient understanding of these matters, including the risks described below. Prospective investors should also consult their own financial, legal, tax and/or other professional advisers about risks associated with an investment.

Risk specific to an investment in Armour Energy

a) Commodity Price Risk

Armour Energy sells natural gas, LPG, condensate, and oil. Prices for these commodities has been very volatile over the last three years. For example, the Brent oil price fell to A\$21/bbl in April 2020 but has increased to >US\$100/bbl recently. Similarly, the spot gas price in the East Coast market has been volatile. Since the start of 2020, the Short-Term Trading Market price (spot gas price) reached a minimum of A\$2.31/GJ and a maximum of \$50.11/GJ. Armour Energy has a term contract with APLNG at a fixed price, escalating at CPI. However, Armour is exposed to spot pricing for its gas sales above 5TJ/d, and also for its sale of LPG, condensate, and oil.

b) Uganda Risk

The Company holds 16.83% of Armour Energy International Limited (Armour Energy International) which controls 100% of Armour Energy Uganda SMC (Armour Energy Uganda). Armour Energy Uganda holds the Kanywataba Exploration Licence located in Lake Albert, Uganda. On 1 February 2023, Armour Energy International requested a two year extension of the Kanywataba Exploration Licence. If this extension is approved, the Kanywataba Exploration Licence will expire on 28 May 2025. However, if Armour Energy International is not granted the extension and does not complete the required work program by the licence expiry date (being 28 May 2023), the Company will be liable to pay the Ugandan Government approximately US\$1,009,800 (being 16.83% of the total liability for the Kanywataba Exploration Licence if the work program is not completed). Armour Energy International will also forfeit its performance guarantee of US\$200,000 held by the Ugandan government if the work program is not completed. The Company's contribution to this performance guarantee is US\$33,660.

c) Secured Amortising Notes Risk

The Company has Secure Amortising Notes (**Notes**) on issue. The Notes were issued by Armour in March 2019 and the terms of issue have been amended as disclosed in Armour's ASX Announcements on 26 March 2020, 31 March 2021, 23 July 2021 and 11 April 2022. The Notes (as amended) require certain financial conditions to be satisfied on either an ongoing basis or on specified dates (**Financial Undertakings**). This requires the management of the Company to monitor and manage the operations, the financial performance and the funding and capital requirements of the Company to ensure that these Financial Undertakings are satisfied.

The Company made a \$2.475 million principal amortisation payment to the holders of the Notes on 29 December 2022. The remaining face value of the Secured Notes outstanding following the principal and interest payment that was made on 29 December 2022 is now \$19,967,200 (original face value of the Secured Notes at the time of issue was \$55,000,000).

The Secured Notes currently have a principal and interest repayment schedule through until 29 March 2024. As at 31 December 2022 Armour had not met certain Financial Undertakings pursuant to the Terms and Conditions of the Secured Amortising Notes including the Debt Service Cover Ratio, the Leverage Ratio and Minimum Cash Balance.

As at the date of this presentation, the Company has not sought or received any waiver for breach of these Financial Undertakings.

It is the current intention of Armour to repay the Secured Notes from the ongoing recapitalization program in order to remedy the breach under the Equity Cure provisions of the agreement. Consent from Noteholders to waive any breaches of these Financial Undertakings and with respect to future maintenance of these Financial Undertakings may be required to be obtained by Armour if repayment of the Secured Notes does not occur (i.e. the Equity Cure) in a timely manner. Armour has sought and obtained similar consents and waivers from the Noteholders in the past.

Even if the company successfully raises the full amount of funds sought under the Entitlement Offer, there can be no assurance that default will not occur under the Financial Undertakings at some time in the future. In the event that the Company is unable to comply with the conditions of the Notes (as amended) and a breach of the Conditions occurs (or a current breach continues unremedied), then any Noteholder may require redemption of the Secured Amortising Notes held by that Noteholder, and the Note Trustee must (if requested to in writing by Noteholders holding in aggregate 25% or more of the Outstanding Principal Amount, (as defined)) require redemption of all the Secured Amortising Notes. In these circumstances the Secured Amortising Notes would become immediately due and payable. In total this would amount to \$19,967,200 plus accrued interest (assuming for example that all Secured Amortising Notes had become immediately due and payable).

Key Risks, continued

If the Company or the Guarantors (pursuant to the Guarantee given by certain of the Company's subsidiaries in respect of the Notes) could not repay the amount due and payable then the Security Trustee could exercise its rights under the Security for the benefit of the Noteholders to enforce the Security.

This may include appointing receivers to sell assets subject to the Security (and there can be no assurance that there will be at that time an active and liquid market for the assets the subject of the Security or that the market value of the assets will be equal to or greater than the outstanding amount owed in respect of the Notes) and may ultimately result in external administration for the Company. In such circumstances, as the Shareholders will rank behind the secured creditors and other creditors preferred at law in order of priority for payment, it is unlikely that Shareholders would receive any money and accordingly, would result in an entire loss of invested capital.

As noted above, the Company will monitor the on-going financial performance of the Company having regard to the management and satisfaction of on-going Financial Undertakings and may, if required, adopt a course of action which seeks to prevent a breach of the Financial Undertakings, including, without limitation, any one or a combination of the following actions (noting that some of the following actions are themselves regulated under the Conditions of the Notes):

- a) the disposal of assets of the Company;
- b) raising of further equity capital or issue of further Armour Notes;
- c) the entry into joint venture / farm-in arrangements with third parties; or
- d) the negotiation of further amended Conditions (including the Financial Undertakings) with the holders of the Notes.

d) Regulatory risk and government policy

The availability and rights to explore and produce oil and gas, as well as industry profitability generally, can be affected by changes in government policy that are beyond the control of the Company. The governments of the relevant States and Territories in which the Company has interests conduct reviews from time to time of policies in connection with the granting and administration of petroleum tenements. Changing attitudes to environmental, land care, cultural heritage or traditional religious artefacts and indigenous land rights issues, together with the nature of the political process, provide the possibility for future policy changes. There is a risk that such changes may affect the Company's exploration plans or, indeed, its rights and/or obligations with respect to the tenements.

e) Uncertainty over development of projects and exploration risk

Oil and gas exploration and development are high risk undertakings. The Company's performance depends on the successful exploration and/or acquisition of resources or reserves and commercial production therefrom. There can be no assurances that the Company's exploration programs relating to any projects or tenements that the Company has or may acquire in the future, will result in the discovery of a significant gas and/ or associated liquids target, and even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. The Company's potential future earnings, profitability and commercialisation of gas and/ or associated liquids reserves, and resources will be dependent on the successful discovery and subsequent extraction of those resources to the extent

that may be required to fulfil commercial obligations. Successful commodity development and production is dependent on obtaining all necessary consent and approvals and the successful design, construction and operation of efficient gathering, processing and transportation facilities.

No assurance can be given that the Company will be able to obtain all necessary consents and approvals in a timely manner, or at all. Successful commodity development is also dependent on appropriate development and/or expansion of both new and existing facilities required to connect resources to market by the Company and, in certain instances, by third parties. No assurance can be given that the Company can rely on the timely development and/or expansion of such facilities.

f) Health and safety risk

As with any gas or associated liquids project, there are health and safety risks associated with the Company's gas operations in Australia and overseas. The Company manages these risks, through the application of structured health and safety management systems. As the operator of plant and equipment, the Company has specific legislative obligations to ensure that its personnel and contractors operate in a safe working environment.

g) Insurance

The Company maintains insurance within ranges of coverage the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance, however, can be given that the Company will be able to continue to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

Key Risks, continued

h) Operational risks and costs

The Company is currently a producer of oil and gas which is sold under commercial contracts. The Company's immediate plans and objectives are dependent upon a continuation of such production generating operating surpluses to assist the Company in funding its planned expenditure programs. Whether it can do so will depend largely upon an efficient and successful, operation and exploitation of the resources and associated business activities and management of commercial factors. Operation and exploitation may from time to time be hampered on occasions by unforeseen operating risks, as would any other industry.

For example, force majeure events, power outages, critical equipment or pipe failures, and environmental hazards such as noise, odours, gas leaks, hazardous substances spills, other weather events, industrial accidents and other accidents, unforeseen cost changes and other incidents beyond the control of the Company can negatively impact on the Company's activities, thereby affecting its profitability and ultimately, the value of its securities. Ultimate success depends on the discovery and delineation of economically recoverable mineral resources, establishment of efficient exploration operations, obtaining necessary titles and access to projects, as well as government and other regulatory approvals.

The exploration and mining activities of the Company may be affected by a number of factors, including but not limited to geological conditions; seasonal weather patterns; equipment difficulties and failures, technical difficulties and failures; continued availability of the necessary technical equipment, plant and appropriately skilled and experienced technicians; improper, defective and negligent use of technical plant and equipment; improper, defective and negligent conduct by employees, consultants and contractors; adverse changes in government policy or legislation; and access to the required level of funding.

i) Competition risk

The gas and associated liquids industry that the Company is involved in is highly competitive in Australia. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which may positively or negatively affect the operating and financial performance of the Company's projects and business. There can be no assurance that the Company can compete effectively with numerous other gas and associated liquids companies in the search for gas and associated liquids reserves and resources.

j) Business risk

There are risks inherent in doing business, such as unexpected changes in regulatory requirements, trade barriers, longer payment cycles, problems in collecting accounts receivable, network and infrastructure issues and potentially adverse tax consequences, any of which could adversely impact on the success of the Company's operations.

k) Contractual and joint venture risks

The Company's ability to efficiently conduct its operations in a number of respects depends upon third party product and service providers and contracts. Accordingly, in some circumstances, contractual arrangements have been entered into by the Company and its subsidiaries. As in any contractual relationship, the ability for the Company to ultimately receive benefits from these contracts is dependent upon the relevant third party complying with its contractual obligations. To the extent that such third parties default in their obligations, it may be necessary for the Company to enforce its rights under any of the contracts and pursue legal action.

Such legal action may be costly, and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms. Additionally, some existing contractual arrangements have been entered into by the Company and its subsidiaries may be subject to the consent

of third parties being obtained to enable the Company to carry on all of its planned business and other activities and to obtain full contractual benefits.

No assurance can be given that any such required consent will be forthcoming. Failure by the Company to obtain such consent may result in the Company not being able to carry on all of its planned business and other activities or proceed with its rights under any of the relevant contracts requiring such consent. A number of the Company's projects are already the subject of joint venture arrangements. Additionally, the Company may wish to develop its projects or future projects through further joint venture arrangements. Any joint ventures entered into by, or interests in joint ventures assigned to, the Company could be affected by the failure or default of any of the joint venture participants.

l) Product sales, commodity prices and transportation

The Company's potential future revenues will be derived mainly from the sale of gas and/or associated liquids. Consequently, the Company's potential future earnings, profitability and growth are likely to be closely related to both the price of gas and associated liquids and the cost to extract, process and transport the gas and/or associated liquids to the market. Whilst the Company has entered into gas sale agreements with Australian Pacific LNG Marketing Pty Ltd (APLNG), there can be no assurance that the Company will ultimately be able to sell or transport the gas and/or associated liquids that it produces on commercial terms to APLNG or other parties. Gas is a traded commodity in Australia and its long-term price may rise or fall.

In December 2022, the Australian Government introduced the Competition and Consumer (Gas Market Emergency Price) Order 2022 (Cth) pursuant to section 53M of the Competition and Consumer Act 2010, which implemented a \$12/GJ price cap with immediate effect for a period of 12 months. This price cap and any further changes to legislation regulating the price of gas in Australia may impact the profitability of the Company's gas operations.

Key Risks, continued

Additionally, Armour is a party to a gas sales agreement with APLNG that has a minimum contract quantity of 5 TJ/d. Armour is currently short falling the minimum contract quantity. Armour is paying penalties to the customer in line with its contractual obligations arising from the shortfall. Armour is evaluating its options to increase production which would mitigate the shortfall penalties.

Gas transport prices in open access transmission gas pipelines are subject to available capacity and are generally subject to regulation in Australia although gas transport capacity is also a traded commodity particularly when capacity is restricted. This can result in gas transport prices that are higher than regulated or, in the worst case, delay to or even inability to transport at an economic price. Additionally, the Company's prospects and perceived value will be influenced from time to time by the prevailing short-term prices of the commodities targeted in its exploration programs.

Commodity prices fluctuate and are affected by factors including supply and demand for mineral products, hedge activities associated with commodity markets, the costs of production and general global economic and financial market conditions. Commodity prices are also affected by the outlook for inflation, interest rates, currency exchange rates and supply and demand factors. These factors may have an adverse effect on the Company's exploration and any subsequent development and production activities, as well as its ability to fund its future activities. These factors may cause volatility which in turn, may affect the Company's ability to finance its future exploration and/or bring the Company's products to market.

m) Tenements

A failure to adhere to the requirements to exceed certain levels of expenditure on concessions and tenements held by the Group in various jurisdictions may make certain concessions and tenements subject to possible forfeiture. All granted concessions and tenements (with the exception of ATP 2029, and Petroleum Lease 21 (PL21) which

are discussed below) are currently in good standing and, in accordance with normal industry practice, the Company surrenders some or all un-prospective parts of its concessions and tenements at the appropriate time so as to manage its minimum expenditure obligations and to retain the capacity to apply for additional prospective areas.

In respect of granted tenements, no assurance can be given that the Company will be successful in managing its minimum expenditure obligations and retaining such tenements and no assurance can be given that the Company will be successful in being awarded the tenements sought under its tender.

On 30 July 2019, the Company lodged an application to declare potential commercial area over ATP 2029 (PCA Application). On 30 July 2019, the Company lodged a renewal of ATP 2029 beyond the maximum statutory period of 12 years (Renewal Application). ATP 2029 took effect on 1 August 2007 and consequently was due to expire on 31 July 2019, however it continues in force by virtue of the PCA Application. Despite the Company making further submissions to the relevant government authority, on 28 May 2020 the PCA Application was refused. As at the date of this presentation, the Company has lodged an application in the Land Court to appeal the decision to refuse the PCA Application in respect of ATP 2029 (PCA (A) 295). However, there can be no guarantee that such appeal will be successful. If the appeal is unsuccessful, PCA 295 will not be granted and ATP 2029 will not be renewed.

Petroleum Lease PL21 (PL21) was granted on 21 April 1983 and was due to expire on 18 April 2019. By way of transfer of the Kincora assets from Origin to Armour, Armour obtained PL21 on or around September 2015. On 17 April 2019, the Company made an application to renew the existing PL21 (PL(A)1071 Application). This PL(A)1071 Application forms part of a project based Later Development Plan (LDP) over the Kincora Project area. However, at the time of the PL(A)1071 Application, the Company has not completed its work program under PL21.

On 13 September 2019, the Company received a request for additional information from the DoR in relation to other petroleum lease applications as part of the Kincora Project and more generally. On 20 November 2019 the Company provided information to DoR in response to the notices.

At the date of this presentation, DoR have not yet provided a response on the PL(A)1071 Application (or the rest of the LDP). In the event that the PL(A)1071 Application is approved, it is possible that conditions may be attached to the PL(A)1071 Application in respect of the uncompleted work program for PL21. In the event that DoR rejects the PL(A)1071 Application, PL21 may be at risk of forfeiture, subject to any review or appeal rights the Company may have under the relevant legislation.

n) Unforeseen expenses

The Company's cost estimates and financial forecasts include appropriate provisions for material risks and uncertainties and are considered to be fit for purpose for the proposed activities of the Company. If risks and uncertainties prove to be greater than expected, or if new currently unforeseen material risks and uncertainties arise, the expenditure proposals of the Company are likely to be adversely affected.

o) Reliance on key personnel and employees

In formulating its exploration programs, the Company relies to a significant extent upon the experience and expertise of the Directors and management. These persons possess knowledge of many of the Company's tenements through extensive personal experience of prospecting in those areas. Although information concerning the Company's tenements has been chronicled, the loss of one or more of these key personnel may adversely affect the Company's prospects of pursuing its exploration programmes within the timeframes and within the cost structure currently envisaged. Although the key personnel have a considerable amount of experience and have previously been successful in their

Key Risks, continued

pursuits of important prospecting discoveries, there is no guarantee or assurance that they will be successful in their objectives pursuant to this Company. The ability of the Company to achieve its objectives depends on being able to both recruit and retain certain key employees, skilled operators and tradespeople. Whilst the Company has entered into employment contracts with key employees, the retention of their services cannot be guaranteed. The loss of, or inability to recruit, key employees or skilled operators and tradespeople could significantly affect the performance of the Company's operations.

p) Business risk

There are risks inherent in doing business, such as unexpected changes in regulatory requirements, trade barriers, longer payment cycles, problems in collecting accounts receivable, network and infrastructure issues and potentially adverse tax consequences, any of which could adversely impact on the success of the Company's operations.

q) Investment speculative

Potential investors should consider that an investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares.

r) Australian Native Title risk and Aboriginal Cultural Heritage

The Native Title Act 1993 (Cth) recognises certain rights of indigenous Australians over land where those rights have not been extinguished. These rights, where they exist, may impact on the ability of the Company to carry out exploration and in future, mining activities, or obtain exploration or mining licences in Australia. In applying for licences over crown land, the Company must observe the provisions of Native Title legislation.

In Queensland, the Aboriginal Cultural Heritage Act 2003 (Qld) and the Torres Strait Islander Cultural Heritage Act 2003 (Qld) impose duties of care which require persons, including

the Company, to take all reasonable and practical measures to avoid damaging or destroying Aboriginal cultural heritage. In carrying out exploration and/or mining operations, the Company must observe Native Title legislation (where applicable), Aboriginal heritage legislation and heritage legislation which protects sites and objects of significance and these may delay or impact adversely on the Company's operations in Australia.

s) Environmental risks

The Company's projects are subject to laws and regulations in relation to environmental matters. As a result, there is the risk that the Company may incur liability under these laws and regulations. The Company proposes to comply with applicable laws and regulations and conduct its programs in a responsible manner with regard to the environment.

t) Funding

The Company must undertake significant capital expenditures in order to conduct its development appraisal and exploration activities. Limitations on the access to adequate funding could have a material adverse effect on the business, results from operations, financial condition and prospects.

u) Kincora Project Reliance Risk

The Company's key operating asset is the Kincora Project which restarted production in December 2017. The Company derives significant operating revenues from the Kincora Project. The Company's operations at the Kincora Project may from time to time be hampered on occasions by unforeseen operating risks. Should an event occur which forced the closure of, or otherwise disrupted or interrupted, the Kincora Gas Plant for a material period of time, it would likely have a significant impact on the Company's commercial contracts and the operating revenue and ultimate funds available to the Company. In particular, events such as force majeure events, power outages, critical equipment or pipe failures, and environmental hazards such as noise, odours, gas leaks, hazardous substances spills, other

weather events, industrial accidents and other accidents, unforeseen cost changes and other incidents beyond the control of the Company could negatively impact on the Company's activities at the Kincora Project, thereby affecting its profitability and ultimately, the value of its securities. The Company maintains insurance within ranges of coverage the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted at the Kincora Gas Plant. No assurance, however, can be given that the Company will be able to continue to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

General risks

a) Market risk

The market price of listed securities can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the Australian resources sector and exploration companies in particular. The Shares carry no guarantee in respect of profitability, dividends, return on capital, or the price at which they may trade on the ASX. There are a number of factors (both national and international) that may affect the market price and neither the Company nor its Directors have control of those factors.

b) General Economic Conditions

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that economic climate include the general level of economic activity, interest rates, inflation, supply and demand, industrial disruption and other economic factors. The price of commodities will also be of particular relevance to the Company. These factors are beyond the control of the Company and the Company cannot, with any degree of certainty, predict how they will impact on the Company.

General Risks, continued

c) Industrial risk

Industrial disruptions, work stoppages and accidents in the course of the Company's operations could result in losses and delays, which may adversely affect profitability.

d) Management actions

The Directors will, to the best of their knowledge, experience and ability (in conjunction with management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its securities.

e) Taxation and royalties

In all places where the Company has operations, in addition to the normal level of income tax imposed on all industries, the Company may be required to pay government royalties, indirect taxes, goods and services tax and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies. In Australia, the Federal Government introduced the Petroleum Resources Rent Tax (PRRT) to tax profits generated from the exploitation of onshore oil and gas projects, to apply from 1 July 2012. It is possible that the PRRT may adversely affect the Company to the extent that the PRRT applies to gas and associated liquids produced and sold by the Company from onshore production. The Company may also be required to pay private royalties which may be affected by a number of factors including Government taxation and royalties, commodity prices and eligible deductions such as certain Company expenses. Profitability can be affected by changes to private royalties.

f) Legislative changes

Changes in government regulations and policies may adversely affect the financial performance or the current and proposed operations generally of the Company.

g) Foreign exchange

Foreign exchange rates fluctuate over time. Fluctuating exchange rates have a direct effect on the Company's operating costs and cash flows expressed in Australian dollars. The Company does not currently have any formal currency hedging in place, which means that adverse changes to foreign exchange rates may have an adverse effect on the Company and its business.

h) Resource estimates

Resource estimates are not precise and involve expressions of judgement based on knowledge, experience and industry practice. Estimates, which were valid when made, may change significantly when new information becomes available. In addition, resource estimates depend to a significant extent on interpretation of geological boundaries, which may prove to be inaccurate. Should the company encounter unusual mineralisation to that predicted by past drilling and mining, resource estimates may have to be adjusted and feasibility studies may have to be altered in a way that could either benefit or adversely affect the Company's financial projections.

Speculative nature of investment

The above list of risk factors is not to be taken as exhaustive of the risks faced by the Company or by Shareholders in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares. Shares in Armour Energy carry no guarantee with respect to the payment of dividends, returns, returns of capital or market value at any time.

ASX Announcement

Armour successfully completes Placement & institutional component of Entitlement Offer

27 March 2023

Not for release to US wire services or distribution in the United States

Armour Energy Limited (**Armour** or the **Company**) (ASX:AJQ), an Australian exploration and production company with a vast portfolio of conventional and unconventional resources, is pleased to announce the successful completion of the fully underwritten institutional component of its recently announced \$32.0 million capital raising program (see ASX announcement dated 23 March 2023).

HIGHLIGHTS

- Successful completion of the bookbuild for the Institutional Placement, raising approximately \$2.7 million (**Institutional Placement**)
- Successful completion of the bookbuild for the institutional component of the 1 for 1 accelerated non-renounceable entitlement offer (**Institutional Entitlement Offer**), raising approximately \$2.9 million at \$0.004 per New Share (**Offer Price**)
- Cornerstone support by existing major shareholders DGR Global Limited, Tenstar Trading Ltd and entities affiliated with Bizzell Capital Partners Pty Ltd
- The Institutional Placement and Institutional Entitlement Offer is being undertaken as part of Armour's ongoing recapitalisation program allowing for a reduction in Secured Amortising Note debt and a refinancing of the maturing MOG Note debt and to enable exploration and development activities to be undertaken to advance production
- The offer documents in respect of the fully underwritten retail component of the Entitlement Offer which is expected to raise up to approximately \$6.4 million (**Retail Entitlement Offer**) will be dispatched on Wednesday, 29 March 2023. The Retail Entitlement Offer is expected to close at 5:00pm AEDT on Thursday, 20 April 2023
- Full subscription of the issue of new convertible notes (**Armour Notes**) to raise approximately \$20.0 million (**Armour Notes Issue**) subject to shareholder approval and to the consent of holders of Armour's existing Secured Amortising Notes

COMPLETION OF OFFER

The institutional component of the capital raising program was well supported by existing major shareholders. Funds raised from the Placement and Institutional Entitlement Offer will be used for debt repayment, production enhancement funding and additional working capital. DGR Global Limited, Armour Energy's largest shareholder, took up its Entitlement under the Institutional Entitlement Offer to the



extent permitted under the *Corporations Act 2001* (Cth). DGR Global Limited is a partial sub-underwriter to the Entitlement Offer.

The Institutional Offer will result in approximately 663.3 million New Shares being issued to institutional investors via the Institutional Placement raising approximately \$2.7 million and 722.9 million New Shares being issued through the Institutional Entitlement Offer, raising approximately \$2.9 million.

The Institutional Placement and Institutional Entitlement Offer was priced at \$0.004 per New Share, representing a 33.3% discount to the last traded price of \$0.006 on Wednesday, 22 March 2023. New Shares will rank equally in all respects with existing shares in Armour from allotment. Settlement of the Institutional Placement and Institutional Entitlement Offer is scheduled for Wednesday, 29 March 2023 with New Shares expected to be allotted on Thursday, 30 March 2023 and trading on a normal settlement basis on the ASX on Friday, 31 March 2023.

Wilsons Corporate Finance Limited acted as sole Lead Manager and Underwriter to the Institutional Placement and Institutional Entitlement Offer.

COMMENCEMENT OF RETAIL ENTITLEMENT OFFER

The retail component of the Entitlement Offer is expected to raise up to approximately \$6.4 million (**Retail Entitlement Offer**). The Retail Entitlement Offer is fully underwritten by Wilsons Corporate Finance Limited.

Under the Retail Entitlement Offer, eligible retail shareholders with a registered address in Australia or New Zealand (**Eligible Retail Shareholders**) will have the opportunity to subscribe for 1 New Share for every 1 existing Armour share held as at 7:00pm AEDT on Monday, 27 March 2023 (**Record Date**) at a fixed issue price of A\$0.004 per share (**Offer Price**).

Eligible Retail Shareholders will be invited to participate in the Retail Entitlement Offer at the same offer price and entitlement ratio as the Institutional Entitlement Offer. Retail Offer Booklets are expected to be dispatched on Wednesday, 29 March 2023, and the Retail Entitlement Offer is expected to close at 5:00pm AEDT on Thursday, 20 April 2023.

Eligible Retail Shareholders may subscribe for all, or part of their entitlement under the Retail Entitlement Offer. In addition to each Eligible Retail Shareholder's Entitlement under the Retail Entitlement Offer, Eligible Retail Shareholders will be offered the opportunity to apply for additional New Shares under a "top up" facility (**Top Up Facility**). Eligible Retail Shareholders are not assured of being allocated any New Shares in excess of their Entitlement under the Top Up Facility. New Shares allocated under the Top Up Facility will be allocated in accordance with the allocation policy outlined in the Retail Offer Booklet. Armour retains absolute discretion regarding allocation under the Top-Up Facility.

If Eligible Retail Shareholders take no action, they will not be allocated New Shares and their Entitlements will lapse. Eligible Retail Shareholders who do not take up their



Entitlements in full under the Retail Entitlement Offer will not receive any value or payment for those entitlements they do not take up. The Retail Entitlement Offer is non-renounceable and cannot be traded on ASX or any other exchange, nor can it be privately transferred.

The terms and conditions under which the Eligible Retail Shareholders may participate in the Retail Entitlement Offer will be outlined in the Retail Offer Booklet, which is expected to be available on the ASX website on 27 March 2023.

Existing retail shareholders with a registered address outside Australia and New Zealand on the Record Date or who are acting for the account or benefit of persons in the United States will be ineligible to participate in the Retail Entitlement Offer. Determination of eligibility of investors for the purposes of the Retail Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Armour (in consultation with the lead manager and underwriter, Wilsons Corporate Finance Limited).

DIRECTOR PARTICIPATION AND CONDITIONAL PLACEMENT

Armour Director's Mr Nicholas Mather and Mr Stephen Bizzell have taken up their entitlements in full in the Institutional Entitlement Offer. Current director, Mr Eytan Uliel, and proposed director, Mr Bill Ovenden, have entered into binding commitments to subscribe for shortfall securities in the Retail Entitlement Offer. Other investors, including DGR Global Ltd and Tenstar Trading Ltd and entities associated with Mr Mather and Mr Bizzell, have also entered into binding commitments to subscribe for shortfall securities in the Retail Entitlement Offer.

In the event that there is insufficient shortfall remaining in the Retail Entitlement Offer after allowing for any subscriptions by other shareholders under the Top Up Facility, the Company intends to undertake a further Conditional Placement to accommodate these subscriptions. Armour will seek shareholder approval at an Extraordinary General Meeting of shareholders to undertake the Conditional Placement.

ARMOUR NOTES ISSUE

Armour intends to also seek shareholder approval at the Extraordinary General Meeting to undertake the Armour Notes Issue to raise approximately \$20.0 million (before costs) through the issuance of Armour Notes. The Company also intends to seek consent from holders of Armour's Secured Amortising Notes for the Armour Notes Issue. A summary of the terms of the Armour Notes is set out in Annexure A to the Company's announcement dated 23 March 2023.

The Armour Notes Issue is fully underwritten and lead managed by Bizzell Capital Partners Pty Ltd.



EXTRAORDINARY GENERAL MEETING

The Company intends to hold a meeting of shareholders to be held on Tuesday, 2 May 2023 to obtain approvals with respect to a number of resolutions. The Notice of Extraordinary General Meeting for the meeting is expected to be dispatched to shareholders on Friday, 31 March 2023. In addition to the shareholder approvals to be sought for the Conditional Placement and Armour Notes issue, the board of the Company also intends to seek approval to consolidate the Company's securities at the Extraordinary General Meeting.

INDICATIVE TIMETABLE

Event	2023
Trading halt and announcement of the Entitlement offer	Thursday, 23 March
Placement and Institutional Entitlement Offer	Thursday, 23 – Friday, 24 March
Announcement of the results of the Placement Institutional Entitlement offer	Monday, 27 March
Trading halt lifted and Shares recommence trading	Monday, 27 March
Entitlement Offer Record Date (7pm AEDT)	Monday, 27 March
Retail Entitlement offer opens (9am AEDT) and retail booklet dispatched	Wednesday, 29 March
Settlement of the Institutional Entitlement Offer	Wednesday, 29 March
Issue of Shares issued under the Institutional Entitlement Offer	Thursday, 30 March
Trading of securities under the Institutional Entitlement offer	Friday, 31 March
Retail Entitlement Offer closes (5pm AEDT)	Thursday, 20 April
Announcement of results of the Retail Entitlement Offer	Wednesday, 26 April
Issue of Shares under the Retail Entitlement Offer	Friday, 28 April
Normal Trading of new Shares under the Retail Entitlement Offer	Monday, 1 May
Notice of EGM for approval of new AJQ notes	Tuesday, 28 March



The timetable above is indicative only. The Company, in consultation with the lead manager and underwriter, reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the Listing Rules and other applicable laws.

ENQUIRIES

If shareholders have any questions about the Entitlement Offer please contact the Company on (07) 3303 0620 (within Australia) or +61 7 3303 0620 (outside Australia) between 8:30am and 5:30pm (AEDT), Monday to Friday during the Retail Offer Period. For all other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

Following release of this announcement, the Company has requested of the Australian Securities Exchange that trading of its shares be reinstated.

This announcement has been authorised and approved by the Board of Armour Energy for lodgement with ASX.

For more information, please contact:

Nick Mather
Executive Chairman
Tel: +61 7 3303 0680

Christian Lange
Chief Executive Officer
Tel: +61 7 3303 0620

IMPORTANT NOTICE

Not an offer in the United States

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be unlawful. The New Shares have not been, and will not be registered under the US Securities Act of 1933, as amended (US Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, in the United States unless they have been registered under the US Securities Act (which Armour Energy Limited has no obligation or intention to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any applicable U.S. state securities laws.

The information in this announcement is of general background and does not purport to be complete. It should be read in conjunction with Armour Energy Limited's other periodic and continuous disclosure announcements lodged with ASX Limited, which are available at www.asx.com.au.

Forward looking statements

This announcement contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of Armour, its directors and management. This includes statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based.

These statements may assume the success of Armour's business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, none of Armour, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. The forward-looking statements are based on



information available to Armour as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), none of Armour, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

General

This announcement is subject to the same “Disclaimers” that appear on slides 2 and 3 of the investor presentation released to the ASX on 23 March 2023 with any necessary contextual changes.

Own enquiries

Investors should make and rely upon their own enquiries before deciding to acquire or deal in Armour’s securities.

6. Additional Information

6.1 Date of this Retail Offer Booklet

- (a) This Retail Offer Booklet is dated Monday, 27 March 2023. Subject to the following paragraph, statements in this Retail Offer Booklet are made only as of the date of this Retail Offer Booklet unless otherwise stated and the information in this Retail Offer Booklet remains subject to change without notice. The Company is not responsible for updating this Retail Offer Booklet.
- (b) The ASX announcements and Investor Presentation set out in section 5 of this Retail Offer Booklet are current as at the date on which they were released. There may be additional announcements that are made by the Company that may be relevant to your consideration of whether to take up your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by the Company to the ASX before submitting an Application.

6.2 Eligibility of Retail Shareholders

- (a) The Retail Entitlement Offer is being offered to all Eligible Retail Shareholders only.
- (b) Eligible Retail Shareholders are Shareholders on the Record Date who:
 - (i) are registered as holders of Existing Shares;
 - (ii) have a registered address in Australia or New Zealand as noted on the Company's share register, or are a Shareholder that the Company has otherwise determined is eligible to participate in the Retail Entitlement Offer;
 - (iii) are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States (to the extent such person holds Existing Shares for the account or benefit of such person in the United States);
 - (iv) were not invited to participate in the Institutional Entitlement Offer and were not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer (other than as nominee or custodian, in each case in respect of other underlying holdings); and
 - (v) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.
- (c) By making a payment by Bpay® or, if you are unable to pay using BPAY® (for example if you are foreign shareholder without an Australian bank account), by direct transfer, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Retail Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

6.3 Ineligible Shareholders

- (a) All Shareholders who do not satisfy the criteria to be Eligible Retail Shareholders or Eligible Institutional Shareholders, are Ineligible Shareholders. Ineligible Shareholders are not entitled to participate in the Entitlement Offer, unless the Company otherwise determines.
- (b) The restrictions upon eligibility to participate in the Entitlement Offer arise because the Company has determined, pursuant to Listing Rule 7.7.1(a) and section 9A(3)(a) of the Corporations Act, that it would be unreasonable to extend the Entitlement Offer to Ineligible Shareholders. This decision has been made after taking into account the number of non-residents in Australia and New Zealand on the Company's share

register, the relatively small number and value of New Shares to which those Shareholders would otherwise be entitled and the potential costs of complying with legal and regulatory requirements in the jurisdictions in which the Ineligible Shareholders are located in relation to the Entitlement Offer.

- (c) The Company (in consultation with the Lead Manager), in its absolute discretion, may extend the Entitlement Offer to any Shareholder if it is satisfied that the Entitlement Offer may be made to the Shareholder in compliance with all applicable laws. The Company (in consultation with the Lead Manager), in its absolute discretion, reserves the right to determine whether a Shareholder is an Eligible Retail Shareholder, Eligible Institutional Shareholder or an Ineligible Shareholder. To the maximum extent permitted by law, the Company and the Lead Manager disclaim all liability in respect of such determination.
- (d) The price at which the Entitlements of Ineligible Shareholders will be sold is the Offer Price. Accordingly, Ineligible Shareholders will not receive any payment or value as a result of the issue of any of those New Shares they would have been entitled to subscribe for had they been eligible to participate in the Entitlement Offer.

6.4 Allotment, trading and quotation

- (a) The Company will apply, for quotation of the New Shares on ASX in accordance with Listing Rule requirements. If ASX does not grant quotation of the New Shares, the Company will repay all Application Monies (without interest).
- (b) Trading of New Shares will, subject to ASX approval, occur shortly after allotment. It is expected that allotment of the New Shares under the Retail Entitlement Offer will take place on Thursday, 27 April 2023. Application Monies will be held by the Company on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Monies.
- (c) Subject to approval being granted, it is expected that the New Shares allotted under the Retail Entitlement Offer will commence trading on a normal basis on Monday, 1 May 2023.
- (d) It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them prior to trading in the New Shares. The sale by an Applicant of New Shares prior to receiving their holding statement is at the Applicant's own risk. The Company and the Lead Manager disclaim all liability whether in negligence or otherwise (to the maximum extent permitted by law) to persons who trade New Shares before receiving their holding statements, whether on the basis of confirmation of the allocation provided by the Company or the Share Registry or otherwise.

6.5 Reconciliation

- (a) In any entitlement offer, investors may believe that they own more Existing Shares on the record date than they ultimately do. This may result in a need for reconciliation to ensure all Eligible Shareholders have the opportunity to receive their full Entitlement.
- (b) The Company may need to issue a small quantity of additional New Shares to ensure all Eligible Shareholders have the opportunity to receive their appropriate allocation of New Shares. The price at which these New Shares would be issued, if required, is the same as the Offer Price.
- (c) The Company also reserves the right to reduce the Entitlement or the number of New Shares allocated to Eligible Shareholders or persons claiming to be Eligible Shareholders, if their Entitlement claims prove to be overstated, if they or their nominees/custodians fail to provide information requested to substantiate their Entitlement claims, or if they are not Eligible Shareholders.

6.6 Continuous disclosure

- (a) The Company is a “disclosing entity” under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules, including the preparation of annual reports and half yearly reports.
- (b) The Company is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of Shares. That information is available to the public from ASX and can be accessed at www.asx.com.au. Some documents are required to be lodged with ASIC in relation to the Company. These documents may be obtained from, or inspected at, an ASIC office.

6.7 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been made.

6.8 Underwriting of the Placement and Entitlement Offer

The Company and the Lead Manager have entered into an Underwriting Agreement pursuant to which the Lead Manager has agreed to manager and fully underwrite the Placement and the Entitlement Offer.

The Company has agreed to pay the Lead Manager:

- (a) a management and underwriting fee equal to 1.75% (plus GST) of the proceeds of the Placement; and
- (b) a selling fee equal to 4.25% (plus GST) of proceeds of the Placement;
- (c) a management and underwriting fee equal to 1.75% (plus GST) of the proceeds of the Entitlement Offer; and
- (d) a selling fee equal to 4.25% (plus GST) of proceeds of the Entitlement Offer.

The Lead Manager is entitled to be reimbursed for certain costs and expenses incurred in connection with the Placement and Entitlement Offer.

Customary with these types of arrangements:

- (a) the Company and the Lead Manager have given certain representations, warranties and undertakings in connection with (among other things) the Placement and Entitlement Offer;
- (b) the Company has agreed, subject to certain exclusions, to indemnify the Lead Manager, its affiliates and related bodies corporate, and their respective directors, officers, and employees against all claims, demands, damages, losses, costs, expenses and liabilities arising out of or in connection with the Placement and Entitlement Offer;
- (c) the obligation on the Lead Manager to underwrite the Placement and Entitlement Offer is conditional on certain customary conditions precedent. Additionally, the Lead Manager may (in certain circumstances having regard to the materiality of the event) terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events.

Further key terms of the Underwriting Agreement are contained in slides 34 to 36 of the Investor Presentation.

The directors of the Company reserve the right to issue any shortfall under the Entitlement Offer at their discretion, but in any event no later than three months after the Closing Date. Any shortfall from the Entitlement Offer will, subject to the terms of the Underwriting Agreement, be allocated to the Lead Manager or to third party investors as directed by the Lead Manager acting reasonably in consultation with the Company. The basis of allocation of any other shortfall will be determined by the directors of the Company at their discretion, taking into account whether investors are existing shareholders, the Company's register and any potential control impacts.

Neither the Lead Manager nor any of its related bodies corporate and affiliates, nor any of its respective directors, officers, partners, employees, representatives or agents (together, the **Lead Manager Parties**) have authorised or caused the issue of this Retail Offer Booklet. To the maximum extent permitted by law, the Lead Manager Parties exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in or failure to participate in the Entitlement Offer and this information being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. The Lead Manager Parties do not make any recommendations as to whether you or your related parties should participate in the Entitlement Offer, nor do they make any representations or warranties to you concerning this Entitlement Offer or any such information, and you represent, warrant and agree that you have not relied on any statements made by the Lead Manager Parties in relation to the New Shares or the Entitlement Offer generally.

6.9 Shortfall sub-underwriting

BCP, DGR, Nicholas Mather, Eytan Uliel and William Ovenden have each entered into sub-underwriting agreements or commitment letters to sub-underwrite the Shortfall (Shortfall Sub-Underwriting Agreements). The key terms of the Shortfall Sub-Underwriting Agreements with each of these parties is as follows:

- (a) BCP (an entity associated a director of the Company, Mr Stephen Bizzell) has agreed to sub-underwrite up to approximately \$6.56 million of the Shortfall), on the basis that no New Shares will be issued to BCP that would result in BCP holding a relevant interest in, an aggregate of no more than 20% of the voting power of the Company following the issue and allotment of all New Shares. The Company and the sub-underwriter have agreed that part of the sub-underwriting commitments may be satisfied by setting off subscription amounts against amounts owing under MOG Notes to BCP or its associates;
- (b) DGR (a substantial shareholder in the Company with an interest of 16.1%) has agreed to sub-underwrite up to approximately \$2.76 million of the Shortfall), on the basis that no New Shares will be issued to DGR that would result in it holding a relevant interest in, an aggregate of no more than 20% of the voting power of the Company following the issue and allotment of all New Shares. The Company and the sub-underwriter have agreed that all of the sub-underwriting commitments will be satisfied by setting off subscription amounts against amounts owing under MOG Notes to DGR or its associates;
- (c) Mr Nicholas Mather (Executive Chairman) has agreed to sub-underwrite up to \$283,363 of the Shortfall, on the basis that no New Shares will be issued to Mr Mather that would result in him holding a relevant interest in, an aggregate of no more than 20% of the voting power of the Company following the issue and allotment of all New Shares;
- (d) Mr Eytan Uliel (Non-Executive Director) has agreed to sub-underwrite up to \$50,000 of the Shortfall, on the basis that no New Shares will be issued to Mr Uliel that would result in him holding a relevant interest in, an aggregate of no more than 20% of the voting power of the Company following the issue and allotment of all New Shares; and
- (e) Mr William Ovenden (proposed Director) has agreed to sub-underwrite up to \$100,000, on the basis that no New Shares will be issued to Mr Ovenden that would

result in him holding a relevant interest in, an aggregate of no more than 20% of the voting power of the Company following the issue and allotment of all New Shares.

Each sub-underwriter will be paid a sub-underwriting fee of 4.25% of its respective sub-underwritten amount, which will be paid out of the selling fee received by the Lead Manager. The Company may undertake a further placement, subject to any necessary Shareholder approvals under the Listing Rules or the Corporations Act to certain sub-underwriters under the Entitlement Offer up to the amount of their sub-underwriting commitments.

6.10 Armour Notes Issue underwriting

The Company and BCP have entered into the Armour Notes Underwriting Agreement pursuant to which BCP has agreed to manage and fully underwrite the Armour Notes Issue. BCP is an entity associated with a director of the Company, Mr Stephen Bizzell.

The Company has agreed to pay BCP:

- (a) a management fee equal to 2% (plus GST) of the proceeds of the Armour Notes Issue; and
- (b) an underwriting fee equal to 4% (plus GST) of proceeds of the Armour Notes Issue.

BCP is entitled to be reimbursed for certain costs and expenses incurred in connection with the Armour Notes Issue.

Customary with these types of arrangements:

- (c) the Company and BCP have given certain representations, warranties and undertakings in connection with (among other things) the Armour Notes Issue;
- (d) the Company has agreed, subject to certain exclusions, to indemnify the BCP, its affiliates and related bodies corporate, and their respective directors, officers, and employees against all claims, demands, damages, losses, costs, expenses and liabilities arising out of or in connection with the Armour Notes Issue;
- (e) the obligation on BCP to underwrite the Armour Notes Issue is conditional on certain customary conditions precedent. Additionally, BCP may (in certain circumstances having regard to the materiality of the event) terminate the Armour Notes Underwriting Agreement and be released from its obligations under it on the occurrence of certain events.

Further key terms of the Armour Notes Underwriting Agreement are contained in slides 36 to 38 of the Investor Presentation.

DGR (a substantial shareholder in the Company with an interest of 16.1%) may sub-underwrite the Armour Notes Issue up to approximately \$14,000,000. Mr Nicholas Mather, the Executive Chairman of the Company, is DGR's nominee to the Board. The sub-underwriting commitments in respect of the Armour Notes Issue will be satisfied by setting off subscription amounts against amounts owing under MOG Notes to DGR Global Limited or its associates. If DGR proceeds with the sub-underwriting, it will be paid a fee of 4% (plus GST) of its sub-underwritten amount.

6.11 Rounding of Entitlements

Where fractions arise in the calculation of an Entitlement, they will be rounded down to the nearest whole number of New Shares.

6.12 Not financial product or investment

This Retail Offer Booklet and the accompanying Entitlement and Acceptance Form is for information purposes only, is not a prospectus, disclosure document or other offering document under the Corporations Act or any other law and has not been lodged with ASIC. It

is also not a financial product or investment advice or a recommendation to acquire New Shares and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. The Retail Offer Booklet should not be considered comprehensive and the Company is not licensed to provide financial product advice in respect of the New Shares. The information contained in this Retail Offer Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares, nor does it purport to contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with the Company's other periodic statements and continuous disclosure announcements lodged with ASX. Before making an investment decision, you should consider the appropriateness of the information in this Retail Offer Booklet having regard to your own objectives, financial situation and needs and seek legal and taxation advice appropriate to your jurisdiction. If you have any questions about whether you should participate in the Entitlement Offer, you should seek professional financial advice before making any investment decision.

6.13 Governing Law

This Retail Offer Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Queensland, Australia. Each applicant for New Shares submits to the exclusive jurisdiction of the courts of Queensland, Australia.

6.14 Withdrawal of the Entitlement Offer

The Company reserves the right to withdraw all or part of the Entitlement Offer and this Retail Offer Booklet at any time, subject to applicable laws, in which case the Company will refund Application Monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest. In circumstances where allotment under the Institutional Entitlement Offer has occurred, the Company may only be able to withdraw the Entitlement Offer with respect to New Shares to be issued under the Retail Entitlement Offer.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to the Company will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to the Company.

6.15 Privacy

As a shareholder, the Company and the Share Registry have already collected certain personal information from you. If you apply for New Shares, the Company and the Share Registry may update that personal information or collect additional personal information. Such information may be used to assess your acceptance of the New Shares, service your needs as a shareholder, provide facilities and services that you request and carry out appropriate administration.

To do that, the Company and the Share Registry may disclose your personal information for purposes related to your shareholdings to their agents, contractors or third party service providers to whom they outsource services, in order to assess your application for New Shares, the Company share register for ongoing administration of that register, printers and mailing houses for the purposes of preparation of the distribution of shareholder information and for handing of mail, or as otherwise under the *Privacy Act 1988* (Cth).

7. Australian taxation consequences

The taxation implications of the Retail Entitlement Offer will vary depending upon your particular circumstances. Neither the Company nor any of its officers or employees, nor its advisors, accepts any liability or responsibility in this regard and recommends that you seek and rely upon your own professional advice in connection with the Retail Entitlement Offer.

This Section 7 does not constitute financial product advice as defined in the Corporations Act, is confined to taxation issues, and is only one of the matters investors need to consider when making a decision about their investments. Investors should seek advice from their own independent professional adviser before deciding whether to invest in the Retail Entitlement Offer.

The following tax comments in this Section 7 are based on the income tax (including capital gains tax (**CGT**), goods and services tax (**GST**) and stamp duty laws in Australia in force as at the date of this Retail Offer Booklet. Other than as expressly discussed, the comments do not take into account or anticipate changes in Australian tax law or future judicial interpretations of law after this time unless otherwise specified. The comments also do not take into account tax legislation of any country other than Australia.

Australian tax laws are complex. This summary is general in nature and is not intended to be an authoritative or complete statement of all potential tax implications for each investor or relied upon as tax advice. During the period of ownership of the New Shares by investors, the taxation laws of Australia, or their interpretation, may change. The precise implications of ownership or disposal will depend upon each investor's specific circumstances. Investors should seek their own independent professional advice on the taxation implications of receiving the Retail Entitlement Offer, participating in the Top Up Facility, holding or disposing of the New Shares, taking into accounting their specific circumstances.

The following information is a general summary of the Australian income tax (including CGT), GST and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders who are Australian tax resident individuals, complying superannuation entities, trusts (which are not 'public trading trusts'), partnerships (which are not corporate limited partnerships) and corporate investors that hold their existing and New Shares on capital account. These comments do not apply to:

- (a) non-resident investors;
- (b) investors who acquired their Shares in respect of which the Retail Entitlement Offer is issued under any employee share scheme or where the New Shares are acquired pursuant to any employee share scheme;
- (c) investors that hold their existing Shares and New Shares on revenue account or as trading stock;
- (d) investors who holds existing Shares and New Shares as traditional securities;
- (e) investors who holds existing Shares and New Shares as convertible interests;
- (f) investors who are exempt from Australian income tax; or
- (g) investors subject to the Taxation of Financial Arrangements (**TOFA**) regime in Division 230 of the *Income Tax Assessment Act 1997* (Cth).

The guide does not take into account the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice.

7.1 Issue of Entitlement

The issue of the Entitlement under the Retail Entitlement Offer should be treated for Australian income tax purposes as an issue of rights to acquire a New Share in the Company.

The issue of the Entitlement should not in itself result in any amount being included in the assessable income of an Eligible Retail Shareholder on the basis that:

- (a) the Eligible Retail Shareholder already holds Shares in the Company;
- (b) the Entitlement was issued to the Eligible Retail Shareholder because of their ownership of the Shares;
- (c) the Eligible Retail Shareholder's existing Shares and New Shares are not held on revenue account or as trading stock;
- (d) the Eligible Retail Shareholder does not acquire their Shares or New Shares under any employee share scheme;
- (e) the Eligible Retail Shareholder does not hold existing Shares and New Shares as traditional securities; and
- (f) the Eligible Retail Shareholder does not hold existing Shares and New Shares as convertible interests.

7.2 Non-resident capital gains tax withholding

The Company will be issuing New Shares to Eligible Retail Shareholders pursuant to the Retail Entitlement Offer. In accordance with subsection 14-225(1) of Schedule 1 to the *Taxation Administration Act 1953* (Cth), the Company declares that, for the period from the date of this Retail Offer Booklet until the date of completion of the Retail Entitlement Offer, it will be a resident of Australia for tax purposes. Accordingly, Eligible Retail Shareholders should not have an obligation to withhold any portion of the price paid for the New Shares under the Retail Entitlement Offer.

7.3 Exercise of Entitlement and applying for additional New Shares

An Eligible Retail Shareholder will not derive any assessable income, or make any capital gain or capital loss at the time of exercising their Entitlement under the Retail Entitlement Offer or acquiring additional New Shares under the Top Up Facility.

For Australian capital gains tax (**CGT**) purposes, New Shares will be taken to have been acquired on the day that an Eligible Retail Shareholder exercises their Entitlement and additional New Shares will be taken to have been acquired on the date the additional New Shares were issued to the Eligible Retail Shareholder.

The cost base of each New Share and additional New Share will be equal to the Offer Price payable for each New Share and additional New Share respectively (plus any non-deductible incidental costs the Eligible Retail Shareholder incurs in acquiring the New Shares and additional New Shares).

7.4 Lapse of Entitlement

If an Eligible Retail Shareholder does not accept all or part of their Entitlement in accordance with the instructions set out above, then that Entitlement will lapse and the Eligible Retail Shareholder will not receive any consideration for their Entitlement that is not taken up. There should be no Australian tax implications for an Eligible Retail Shareholder from the lapse of the Entitlement.

7.5 Taxation in respect of dividends on New Shares

Australian resident individuals and complying superannuation entities

Dividends paid by the Company on a Share will constitute assessable income of an Australian tax resident Eligible Retail Shareholder. Australian tax resident Eligible Retail Shareholders who are individuals or complying superannuation entities should include the dividend in their assessable income in the year the dividend is paid, together with any franking credit attached to that dividend.

Subject to the comments below at Section 7.6, such Eligible Retail Shareholders should be entitled to a tax offset equal to the franking credit attached to the dividend. The tax offset can be applied to reduce the tax payable on the Eligible Retail Shareholders' taxable income. Where the tax offset exceeds the tax payable on the Eligible Retail Shareholders' taxable income, such Eligible Retail Shareholder should be entitled to a refund of the excess franking offsets.

To the extent that the dividend is unfranked, an Eligible Retail Shareholder who is an individual will generally be taxed at their prevailing marginal rate on the dividend received (with no tax offset). An Eligible Retail Shareholder that is a complying superannuation entity will generally be taxed at the prevailing rate for complying superannuation entities on the dividend received (with no tax offset).

Corporate investors

A corporate Eligible Retail Shareholder is also required to include both the dividend and, where a fully franked or partially franked dividend is received, the associated franking credit in their assessable income.

Subject to the comments below at Section 7.6, a tax offset is then available up to the amount of the franking credit attached to the dividend.

An Australian resident corporate Eligible Retail Shareholder should be entitled to a credit in its own franking account to the extent of the franking credits attached to the distribution received. This will allow the corporate Eligible Retail Shareholder to pass on the franking credits to its investor(s) on the subsequent payment of franked dividends.

Excess franking credits received by a corporate Eligible Retail Shareholder will not give rise to a refund entitlement for a company but can be converted into carry forward tax losses instead. This is subject to specific rules on how the carry forward tax loss is calculated and utilised in future years.

Trusts and partnerships

An Eligible Retail Shareholder who is a trustee (other than a trustee of a complying superannuation entity, which are dealt with above) or a partnership should include any dividends and any franking credit received in determining the net income of the trust or partnership. Where a fully franked or partially franked dividend is received, the relevant beneficiary or partner may be entitled to a tax offset equal to the beneficiary's or partner's share of the net income of the trust or partnership.

Unfranked dividends

Where a dividend paid by the Company is unfranked, the Eligible Retail Shareholder will be required to include the unfranked amount in their assessable income and there will be no franking offset entitlement.

Non-resident for tax purposes

The tax outcomes described above do not apply in the case of an Eligible Retail Shareholder who is not a tax resident of Australia. Non-resident shareholders will need to separately consider the tax implications of receiving dividends, franked or unfranked, on the New Shares.

7.6 New Shares and additional New Shares held at risk

The benefit of franking credits can be denied where an Eligible Retail Shareholder is not a 'qualified person' in which case the Eligible Retail Shareholder will not be able to include an amount for the franking credits in their assessable income and will not be entitled to a tax offset.

Broadly, to be a qualified person, an Eligible Retail Shareholder must satisfy the holding period rule and, if necessary, the related payment rule. The holding period rule requires an Eligible Retail Shareholder to hold the New Shares and additional New Shares 'at risk' for at least 45 days continuously during the qualification period – starting from the day after acquisition of the shares and ending 45 days after the shares becomes ex-dividend. The holding period rule only needs to be satisfied once in respect of a particular share.

The dates the New Shares and additional New Shares are acquired and disposed of are ignored for the purposes of determining the 45 day period. In determining the length of time for which a particular share has been held, the holding period rule applies on a 'last in, first out' basis. Any day on which an Eligible Retail Shareholder has a materially diminished risk of loss or opportunity for gain in respect of the New Shares or additional New Shares (e.g. entering into a contract to sell the New Shares or additional New Shares) will not be counted as a day on which the Eligible Retail Shareholder held the New Shares or additional New Shares 'at risk'.

This holding period rule is subject to certain exceptions, including where the total franking offsets of an individual in a year of income do not exceed A\$5,000.

The related payment rule applies where the Eligible Retail Shareholder has made, or is under an obligation to make, a payment that passes on the benefit of a dividend paid by the Company to another party. For each such dividend, the related payment rule requires the Eligible Retail Shareholder to have held the New Shares and additional New Shares at risk for a continuous 45 day period as above but within the period commencing on the 45th day before, and ending on the 45th day after, the day the New Shares and additional New Shares become ex-dividend in respect of that dividend. Practically, this should not impact Eligible Retail Shareholders who continue to hold New Shares and additional New Shares and also do not pass the benefit of the dividend to another person.

Eligible Retail Shareholders should obtain their own tax advice to determine if these requirements have been satisfied.

A specific integrity rule prevents taxpayers from obtaining a tax benefit from additional franking credits where dividends are received as a result of "dividend washing". That is, selling shares on an ex-dividend basis (retaining the dividend entitlement) and then repurchasing the same parcel of shares on a cum-dividend basis. Eligible Retail Shareholders should consider the impact of this measure together with the broader integrity provisions that apply to the claiming of tax offsets, having regard to their own personal circumstances.

7.7 Disposal of New Shares or additional New Shares – Australian tax residents

Most Australian tax resident investors will be subject to Australian CGT on the disposal of their Shares. Some investors may hold their Shares on revenue account, as trading stock, or be subject to the Taxation of Financial Arrangements regime. Those investors should seek their own independent professional advice in respect of the consequences of a disposal of Shares.

Where an Eligible Retail Shareholder holds their Shares, New Shares and additional New Shares on capital account, the disposal of New Shares or additional New Shares will constitute a disposal for CGT purposes.

On disposal of New Shares or additional New Shares, an Eligible Retail Shareholder will make a capital gain if the capital proceeds received on disposal exceed the total cost base of the New Shares or additional New Shares. An Eligible Retail Shareholder will make a capital

loss if the capital proceeds are less than the total reduced cost base of the New Shares or additional New Shares.

Eligible Retail Shareholders that are individuals, trustee investors or complying superannuation entities and that have held their New Shares or additional New Shares for 12 months or more (excluding the date of acquisition and the date of disposal) at the time of disposal should be entitled to apply the applicable CGT discount factor to reduce the capital gain (after offsetting capital losses). The CGT discount factor is 50% for individuals and trusts and 33.33% for complying superannuation entities. In relation to trusts, the CGT discount rules are complex, but the discount may flow through to presently entitled beneficiaries of the trust where the beneficiary would themselves be entitled to apply the CGT discount.

For the purpose of determining whether the New Shares have been held for 12 months or more (excluding the date of acquisition and the date of disposal), Eligible Retail Shareholders will be taken to have acquired them when they exercise their Entitlement under the Retail Entitlement Offer. For the purpose of determining whether the additional New Shares acquired under the Top Up Facility have been held for 12 months or more (excluding the date of acquisition and the date of disposal), Eligible Retail Shareholders will be taken to have acquired them at the date the additional New Shares were issued.

Eligible Retail Shareholders that make a capital loss can only use that loss to offset other capital gains from other sources (i.e. the capital loss cannot be used against taxable income on revenue account). However, if the capital loss cannot be used in a particular income year, it can be carried forward to use in future income years to offset capital gains derived in subsequent years, provided certain loss utilisation tests are satisfied (in the case of a corporate investor).

7.8 Taxation of Financial Arrangements

The application of the Taxation of Financial Arrangements (**TOFA**) provisions under Division 230 of the *Income Tax Assessment Act 1997* (Cth) depend on the specific facts and circumstances of the Eligible Retail Shareholder. The TOFA provisions are complex, and Eligible Retail Shareholders should seek advice from an appropriate professional advisor in relation to the implications of the TOFA provisions.

7.9 Tax file numbers

An investor is not required to quote their tax file number (**TFN**) to the Company. However, if their TFN details (or certain exemption details) are not provided, Australian tax may be required to be deducted by the Company from dividends at the maximum marginal tax rate plus the Medicare levy.

An investor who holds Shares as part of an enterprise may quote its Australian Business Number instead of its TFN.

7.10 GST

The acquisition or disposal of the New Shares and/or additional New Shares by an Eligible Retail Shareholder (who is registered or required to be registered for GST) will be classified as a “financial supply” for Australian GST purposes. Accordingly, Australian GST will not be payable in respect of amounts paid for the acquisition or disposal of the New Shares or additional New Shares.

No GST should be payable in respect of dividends paid to investors.

Subject to certain requirements, there may be a restriction on the entitlement of Eligible Retail Shareholders registered for GST to claim an input tax credit for any GST incurred on costs associated with the acquisition or disposal of New Shares or additional New Shares acquired under the Top Up Facility (e.g. lawyer’s and accounts’ fees).

Investors should seek their own tax advice on the impact of GST in their own particular circumstances.

7.11 Stamp duty

No stamp duty should be payable on the acquisition of the New Shares under the Entitlement Offer or Top Up Facility on the assumption no person, either alone or together with associated or related persons or as part of substantially one transaction or arrangement with other persons, will hold an interest of 90% or more in the Company.

Investors should seek their own tax advice as to the impact of stamp duty in their own particular circumstances.

8. Definitions and interpretation

8.1 Defined terms

In this Retail Offer Booklet, the following definitions apply unless the context otherwise requires:

Armour Notes has the meaning given to that term in section 2.6.

Armour Notes Issue has the meaning given to that term in the Chairman's Letter.

Armour Notes Underwriting Agreement means the underwriting agreement dated Thursday, 23 March between the Company and BCP.

Applicant means an Eligible Retail Shareholder who has submitted a valid Application.

Application means the arranging for payment of the relevant Application Monies through Bpay® or electronic funds transfer in accordance with the instructions on the Entitlement and Acceptance Form.

Application Monies means the aggregate amount payable for the New Shares applied for through Bpay® or by direct transfer.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or, where the context requires, the securities exchange operated by it on which Shares are quoted.

BCP means Bizzell Capital Partners Pty Ltd (ACN 118 741 012).

Closing Date means the day the Retail Entitlement Offer closes, expected to be 5.00pm (AEDT) on Thursday, 20 April 2023.

Company means Armour Energy Limited (ACN 141 198 414).

Corporations Act means the *Corporations Act 2001* (Cth) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73).

DGR means DGR Global Limited (ACN 052 354 847).

Eligible Institutional Shareholder means an Institutional Shareholder to whom the Company determines in its discretion:

- (a) is eligible to participate in the Institutional Entitlement Offer;
- (b) successfully received an invitation from the Company to participate in the Institutional Entitlement Offer (either directly or through a nominee),

and who, for the avoidance of doubt, is not an excluded institutional shareholder under the Underwriting Agreement.

Eligible Retail Shareholder has the meaning given in section 6.2.

Eligible Shareholders means either or both Eligible Institutional Shareholders and Eligible Retail Shareholders (as the context requires).

Entitlement means the right to subscribe for 1 New Share for every Existing Share held by Eligible Shareholders on the Record Date, pursuant to the Entitlement Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form accompanying this Retail Offer Booklet for Eligible Retail Shareholders.

Entitlement Offer means the Institutional Entitlement Offer and the Retail Entitlement Offer.

Entitlement Offer Period means the period commencing on the opening date of the Entitlement Offer, as specified in the 'Offer key dates' and ending on the Retail Closing Date.

Existing Shares means the Shares already on issue on the Record Date.

Group means the Company and each of its subsidiaries.

Ineligible Institutional Shareholder means an Institutional Shareholder who is not an Eligible Institutional Shareholder.

Ineligible Retail Shareholder means a Shareholder who is not an:

- (a) Eligible Retail Shareholder, or
- (b) Eligible Institutional Shareholder.

Ineligible Shareholders means Ineligible Institutional Shareholders and Ineligible Retail Shareholders

Institutional Entitlement Offer means the accelerated non-renounceable pro rata entitlement offer to Eligible Institutional Shareholders.

Institutional Investor means:

- (a) if in Australia, an "exempt investor" as defined in *ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84*, which for the avoidance of doubt includes:
 - (i) an investor to whom an offer of securities does not need disclosure under Part 6D.2 pursuant to section 708(8) of the Corporations Act;
 - (ii) a 'professional investor' as defined in section 708(11) of the Corporations Act; and
 - (iii) investors pursuant to section 708(10) of the Corporations Act; or
- (b) in any other case an institutional or professional investor to whom offers of New Shares may lawfully be made in a jurisdiction outside of Australia without the need for a lodged prospectus or other disclosure document or other lodgement, registration, filing with or approval by a government agency.

Institutional Shareholder means a Shareholder on the Record Date who is an Institutional Investor.

Institutional Results Announcement means the ASX announcement released to ASX on Monday, 27 March 2023 announcing the results of the Institutional Entitlement Offer, a copy of which is set out in section 5.

Investor Presentation means the presentation to investors released by the Company on the ASX market announcements platform on Thursday, 23 March 2023, which is incorporated in section 5.

Launch Announcement means the ASX announcement released to ASX on Thursday, 23 March 2023 in connection with the Offer, a copy of which is set out in section 5.

Lead Manager means Wilsons Corporate Finance Limited ACN 057 547 323.

Listing Rules means the official listing rules of ASX.

MOG Notes means the convertible notes issued by McArthur Oil & Gas Ltd, a wholly owned subsidiary of the Company.

New Shares means Shares to be allotted and issued under the Entitlement Offer, including (as the context requires) the shortfall from the Entitlement Offer issued under the Top Up Facility.

Offer means the Entitlement Offer and Institutional Placement.

Offer Materials means any materials announced to the market in relation to the Entitlement Offer (including public information and marketing documentation).

Offer Price means \$0.004 per New Share.

Placement means a placement of New Shares to Institutional Investors at the Offer Price.

Record Date means 7.00pm (AEDT) on Monday, 27 March 2023.

Retail Entitlement Offer means the pro rata non-renounceable offer to Eligible Retail Shareholders to subscribe for 1 New Share for every Existing Share of which the Shareholder is the registered holder on the Record Date, at the Offer Price, pursuant to this Retail Offer Booklet.

Retail Offer Booklet means this document.

Secured Amortising Notes means senior secured notes issued by the Company.

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

Share Registry means Link Market Services Limited ACN 083 214 537.

Shareholder means a holder of Shares.

Sub-Underwriting Agreements has the meaning given in section 6.9.

Top Up Facility means the facility described in section 2.3.

Top Up Shares has the meaning given in section 2.3.

Underwriting Agreement means the underwriting agreement dated Thursday, 23 March 2023 between the Company and the Lead Manager.

US Securities Act means the US Securities Act of 1933.

8.2 Interpretation

In this Retail Offer Booklet, the following rules of interpretation apply unless the context otherwise requires:

- (a) the singular includes the plural and the plural includes the singular;
- (b) other parts of speech and grammatical forms of a word or phrase defined in this Retail Offer Booklet have a corresponding meaning;
- (c) a reference to a section or a paragraph is a reference to a section or a paragraph of this Retail Offer Booklet;
- (d) a reference to “dollars” or “\$” is to Australian currency; and
- (e) words and phrases not specifically defined in this Retail Offer Booklet have the meaning given to them in the Corporations Act and a reference to a statutory provision is to the Corporations Act unless otherwise specified.

9. Corporate information

Company

Armour Energy Limited ACN 141 198 414
Level 27, 111 Eagle Street
Brisbane QLD Australia 4000

Directors and Company Secretary

Mr Nicholas Mather (Executive Chairman)
Mr Stephen Bizzell (Non-Executive Director)
Mr Eytan Uliel (Non-Executive Director)
Mr Geoff Walker (Company Secretary)

Lead Manager

Wilson's Corporate Finance Limited ACN 057 547 323
Level 12, 8 Exhibition Street
Melbourne VIC 4000

Share Registry

Link Market Services Limited
Level 21, 10 Eagle Street
Brisbane QLD 4000

Australian Legal Adviser

Hamilton Locke
Level 19, Riverside Centre
123 Eagle Street
Brisbane QLD 4000