



## Armour Energy Limited

14 December 2016

### Loan Arrangements with Directors

The Board of Directors of Armour Energy Limited ("Armour", or "the Company", ASX: AJQ) wishes to advise that the Company has executed a Loan Agreement with Bizzell Capital Partners Pty Ltd ("**BCP Loan Agreement**"), an entity associated with Armour Director Stephen Bizzell.

The BCP Loan Agreement is in relation to cash advances of approximately \$800,000 that have been recently made by BCP to Armour. It also provides for future advances that may be made to Armour until funds are received under the capital raising initiatives announced on 21 November 2016 and will also include fees payable for capital raising services pursuant to a mandate executed by the parties on 23 August 2016 as referred to in the Explanatory Memorandum forming part of the Annual General Meeting ("AGM") materials dated 11 November 2016. The BCP Loan Agreement has a facility limit of \$1.3 million, is unsecured and is at an interest rate of 15% per annum and otherwise is on similar commercial terms to the existing secured DGR Loan Facility Agreement as previously advised to the market.

Following receipt earlier today of shareholder approval at Armour's AGM, a minimum of \$500,000 of the funds advanced under the BCP Loan Agreement will be applied towards subscribing for Convertible Notes as described in the Explanatory Memorandum in the AGM materials.

The BCP Loan Agreement was approved by Messrs Mather, Sleeman and Schlobohm (as Alternate for Mr Stubbs), being the non-interested Directors on the Board of Armour Energy Limited.

Arrangements have also been entered into with Company Director Nicholas Mather for short-term unsecured funding of up to \$100,000 at an interest rate of 15% per annum. These arrangements were approved by Messrs Bizzell, Sleeman and Schlobohm (as Alternate for Mr Stubbs), being the non-interested Directors on the Board of Armour Energy Limited.

These two loan arrangements are designed to give the Company access to working capital funding ahead of receipt of funds from the planned capital raising initiatives as announced in detail on 21 November 2016.

A handwritten signature in blue ink, appearing to read "K. Schlobohm", written over a horizontal line.

On behalf of the board  
Karl Schlobohm  
Company Secretary

#### For further information contact:

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