

Armour Energy Limited

9 September 2015

Update on Westside Takeover Offer for Armour Energy

Highlights:

- **The Directors of Armour provide an update on the unsolicited, hostile takeover bid for Armour.**
- **The Directors of Armour unanimously recommend that shareholders REJECT the opportunistic and inadequate Westside Offer.**

The Directors of Armour Energy Ltd (**'Armour'** or the **'Company'**, ASX: **AJQ**) wish to provide the market with an update on their consideration of the unsolicited, hostile and conditional takeover bid lodged by Westside Corporation Limited (a subsidiary of Landbridge Group Co Limited) (**Westside**) of 12 cents per Armour share (**Offer**).

Having reviewed the terms of the Offer, the Board of Armour **unanimously recommends that shareholders REJECT the opportunistic and inadequate Westside Offer** as it significantly undervalues the Company both in terms of its existing assets, and the potential value the company expects to deliver to its shareholders in the near future.

Executive Chairman Nicholas Mather said:

"The Offer does not reflect the current or potential value of Armour's assets and comes at a time when the Company is in the process of decisively rebuilding its business and in the context of increasing demand for gas in Australia."

Armour is also on the verge of undertaking two value enhancing transactions which the Board believes are key in unlocking the potential which exists in Armour's asset base and Armour's position in the Australian gas market. Specifically:

- The proposed transaction with American Energy Partners (announced to the market on 20 August 2015) provides a basis to progress and add significant value to Armour's Northern Territory assets. The Company is progressing the definitive agreements for this transaction and will update the market separately on that process.
- The agreement to acquire the Roma Shelf assets from Origin Energy (announced to the market on 2 September 2015) provides a further basis for growth and future cash-flow.

Shareholders are urged to support these important initiatives.

The Board looks forward to providing further updates on these two transactions shortly.



Armour is also in the process of preparing its Target's Statement in response to the Offer and will provide additional details to shareholders as to the Board's recommendations, and the value enhancing transactions referred to above, in that document.

In the meantime, the Board **unanimously recommends that shareholders REJECT the opportunistic and inadequate Westside Offer** and take no action in respect of the documents that Westside send to you.

Armour Energy is being advised by Morgans Corporate Limited and HopgoodGanim Lawyers in respect of the Offer.

A handwritten signature in blue ink, appearing to read "K. Schlobohm", is positioned above the typed name of the Company Secretary.

On behalf of the board
Karl Schlobohm
Company Secretary

For further information contact:

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About Armour Energy

Armour Energy is focused on the discovery and development of world class gas and associated liquids resources in an extensive and recently recognised hydrocarbon province in northern Australia. This region has only recently had its shale potential identified by Armour Energy. The domestic and global demand for gas, combined with the new shale extractive technologies and experienced personnel, provides Armour with an extraordinary opportunity to define and ultimately develop a new liquids rich gas province.

Armour Energy's permit areas are characterised by low population densities, cooperative stakeholders and aspects of the natural environment suited to the exploration and development of a future gas and liquids province. Armour places considerable importance on close liaison with traditional owners and all stakeholders.

Armour Energy is focusing on the exploration of the McArthur, South Nicholson and Georgina Basins in the Northern Territory and Queensland, and in the onshore Gippsland Basin in Victoria in joint venture with Lakes Oil, for gas and associated petroleum liquids.

Further information regarding Armour Energy Limited is available on Armour's website at www.armourenergy.com.au