

14 September 2015



WestSide Corporation Ltd
ABN 74 117 145 516

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Company Announcements Platform
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Dear Sirs

WestSide Corporation Limited ('WestSide') – off-market takeover bid for Armour Energy Limited ('Armour Energy')

First Supplementary Bidder's Statement

Please find **enclosed**, in accordance with section 647(3)(b) of the *Corporations Act 2001* (Cth), a copy of WestSide's first supplementary bidder's statement dated 14 September 2015.

The first supplementary bidder's statement annexes a copy of the original bidder's statement dated 31 August 2015 (marked-up) showing all changes that have been made as reflected in WestSide's replacement bidder's statement.

A copy of the enclosed document was lodged with the Australian Securities & Investments Commission and given to Armour Energy earlier today. A clean version of the replacement bidder's statement will be despatched to Armour Energy shareholders in due course.

Northern Territory farm-out proposal with American Energy

WestSide notes Armour Energy's announcement of 11 September 2015 that it has entered into conditional agreements to implement the Northern Territory farm-out proposal with American Energy Partners. The proposal is subject to a number of conditions, including (amongst other things) approval by Armour Energy shareholders, certain regulatory approvals, assignment of native title agreements, due diligence and there being no material adverse change.

The entry into of the agreements constituted a breach of certain of WestSide's bid conditions (specifically paragraphs (b) and (c)(iv) of Appendix 2 of the Bidder's Statement) entitling WestSide to withdraw the takeover offer. WestSide has not yet made any decision in relation to the breach of the bid conditions, however, WestSide reserves its right to take any action in relation to those conditions, including to withdraw the offer (or allow it to lapse) for breach of the conditions.

Yours faithfully
WestSide Corporation Limited

A handwritten signature in black ink, appearing to read "Michael Colin Hughes".

Michael Colin Hughes
Director



FIRST SUPPLEMENTARY BIDDER'S STATEMENT

in relation to the off-market takeover bid by

WestSide Corporation Limited, a subsidiary of Landbridge Group Co., Ltd for all of the ordinary shares in Armour Energy Limited

1 Introduction

This document is the first supplementary bidder's statement ("**First Supplementary Bidder's Statement**") to the bidder's statement dated 31 August 2015 ("**Original Bidder's Statement**") issued by WestSide Corporation Limited ABN 74 117 145 516 ("**WestSide**"), a subsidiary of Landbridge Group Co., Ltd in relation to its off-market takeover bid for all the ordinary shares in Armour Energy Limited ABN 60 141 198 414.

This First Supplementary Bidder's Statement supplements, and is to be read together with, the Original Bidder's Statement.

This First Supplementary Bidder's Statement is dated 14 September 2015. A copy of this First Supplementary Bidder's Statement has been lodged with ASIC. Neither ASIC nor any of its officers takes any responsibility for the contents of this First Supplementary Bidder's Statement.

Unless the context requires otherwise, defined terms in the Original Bidder's Statement have the same meaning in this First Supplementary Bidder's Statement. This First Supplementary Bidder's Statement prevails to the extent of any inconsistency with the Original Bidder's Statement.

2 Replacement Bidder's Statement

A replacement bidder's statement issued by WestSide and dated 14 September 2015 ("**Replacement Bidder's Statement**") replaces the Original Bidder's Statement.

Attached to this document is a marked up copy of the Original Bidder's Statement showing the changes that have been made as reflected in the Replacement Bidder's Statement.

A final clean version of the Replacement Bidder's Statement will be released under a separate announcement.

3 Approval

This First Supplementary Bidder's Statement has been approved by a resolution of the directors of WestSide.

Signed by Michael Colin Hughes in accordance with section 351 of the Corporations Act.

A handwritten signature in black ink, appearing to read "MCHughes", written over a horizontal line.

Michael C Hughes

Director

Date: 14 September 2015

BIDDER'S STATEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to how to deal with it, you should consult your legal, financial or other professional adviser as soon as possible.

ACCEPT THE CASH OFFER

by WestSide Corporation Limited ABN 74 117 145 516, a Subsidiary of Landbridge Group Co., Ltd



to purchase all your shares in

Armour Energy Limited
ABN 60 141 198 414

For each Armour Energy Share you will receive A\$0.12 cash

Please call 1300 721 637 (callers in Australia) or +61 2 8016 2890 (callers outside Australia) if you require assistance with your acceptance.

The Offer is dated ~~14~~ **15** September 2015 and will close at 7.00pm (Sydney time) on ~~15~~ **16** October 2015, unless extended.

NORTH

Financial Advisor

**KING & WOOD
MALLESONS**
金杜律师事务所

Legal Advisor

Key dates

| | |
|--|--|
| Announcement of the Offer | 31 August 2015 |
| Date of the original Bidder's Statement | 31 August 2015 |
| Date of the replacement Bidder's Statement | 14 September 2015 |
| Offer opens (date of the Offer) | 14 [●] September 2015 |
| Offer closes (unless extended or withdrawn) | 7.00pm (Sydney time) on 15 [●] October 2015 |

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Chairman's letter

~~31 August~~ 14 September 2015

Dear Armour Energy Shareholder

CASH OFFER

I am pleased to provide you with a cash offer to acquire all of your shares in Armour Energy Limited ("Armour Energy") for **A\$0.12** per Armour Energy Share (the "Offer").

The Offer provides you with an opportunity to realise cash for your Armour Energy Shares at a substantial premium to the prices at which Armour Energy Shares have traded over the ~~last~~ 12 months prior to the announcement of the Offer.

The Offer Price of A\$0.12 values Armour Energy's share capital at **A\$36.6 million**.

~~It represents a:~~ As at 28 August 2015 (being the last trading day prior to the announcement of the Offer), the Offer Price represented a:

- **76% premium** to the closing price of Armour Energy Shares on 28 August 2015 of **A\$0.068**;
- **94% premium** to the 1 month VWAP of Armour Energy Shares of **A\$0.062**;
- **111% premium** to the 3 month VWAP of Armour Energy Shares of **A\$0.057**;
- **111% premium** to the 6 month VWAP of Armour Energy Shares of **A\$0.057**; and
- **90% premium** to the 12 month VWAP of Armour Energy Shares of **A\$0.063**.¹

The Offer allows you to sell your Armour Energy Shares for cash and receive certain value thereby eliminating a range of equity market and Armour Energy specific risks. In particular, the Offer should be considered against the risks and uncertainties you may face if Armour Energy ~~proceeds with~~ implements the announced farm-out proposal to transfer 75% of key acreage in the Northern Territory to American Energy Partners, LP ("AEP") (the "**Northern Territory Farm-Out**"). The Northern Territory Farm-Out is subject to approval by Armour Energy Shareholders, certain regulatory approvals, assignment of native title agreements, due diligence and there being no material adverse change.

The Offer is conditional on the Northern Territory Farm-Out not proceeding; WestSide achieving a relevant interest in 50.1% of Armour Energy Shares and there being no prescribed occurrences.

WestSide is offering Armour Energy Shareholders a cash alternative to the proposed Northern Territory Farm-Out that allows Armour Energy Shareholders to realise certain value for their Armour Energy Shares, rather than face an uncertain value outcome, should the Northern Territory Farm-Out ~~proceed~~ be implemented. If you accept the Offer and it becomes unconditional, it eliminates your exposure to risks associated with Armour Energy in these volatile and uncertain times, particularly in the current low price environment for oil and gas.

Details of the Offer, including its terms and conditions, are set out in this Bidder's Statement. To accept the Offer, please follow the instructions on the accompanying Acceptance Form. If you require additional assistance, please call the Offer Information Line on 1300 721 637 (toll-free within Australia) or +61 2 8016 2890 (from outside Australia).

I encourage you to read this document in its entirety, and then to accept the Offer as soon as possible.

Yours sincerely



Cheng Ye
Chairman

¹ For further information in relation to the trading prices of Armour Energy Shares, please refer to page 7 of this Bidder's Statement.

Important notice

This [replacement](#) Bidder's Statement is given by WestSide Corporation Limited ABN 74 117 145 516 ("**WestSide**") (a Subsidiary of Landbridge Group Co., Ltd), to Armour Energy Limited ABN 60 141 198 414 ("**Armour Energy**") under Part 6.5 of the Corporations Act and sets out certain disclosures required by the Corporations Act, together with the terms of the Offer to acquire your Armour Energy Shares.

This [replacement](#) Bidder's Statement is dated ~~31 August 2015. It includes an Offer dated 14-14 September 2015 and a copy of this replacement Bidder's Statement was lodged with ASIC on 14 September 2015.~~ [This replacement Bidder's Statement replaces the original Bidder's Statement lodged with ASIC on 31 August 2015 and as supplemented by a first supplementary bidder's statement lodged with ASIC on 14 September 2015. References in this document to 'the date of this Bidder's Statement' \(or similar\), should be read as references to 31 August 2015 and references to 'this Bidder's Statement or the Bidder's Statement', are references to this replacement Bidder's Statement. The Bidder's Statement includes an Offer dated \[●\] September 2015 on the terms set out in Appendices 1 and 2 of this Bidder's Statement.](#)

You should read this Bidder's Statement in its entirety. ~~A copy of this Bidder's Statement was lodged with ASIC on 31 August 2015.~~

ASIC takes no responsibility for the content of this Bidder's Statement.

Defined terms

Capitalised terms and certain abbreviations used in this Bidder's Statement are defined in the Glossary.

Unless the contrary intention appears, the context requires otherwise or words are defined in the Glossary, words and phrases in this Bidder's Statement have the same meaning and interpretation as in the Corporations Act.

Unless otherwise indicated, all references to sections and appendices are references to sections and appendices of this Bidder's Statement.

Investment decisions

The information in this Bidder's Statement is general information and does not take into account the individual investment objectives, financial situation or the particular needs of each Armour Energy Shareholder. You should consider seeking independent financial and taxation advice before making a decision as to whether or not to accept the Offer.

Notice to foreign Armour Energy Shareholders

This Bidder's Statement and Offer are subject to Australian disclosure requirements which may be different from those applicable in other jurisdictions. This Bidder's Statement and Offer do not in any way constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

The distribution of this Bidder's Statement may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Bidder's Statement should inform themselves of, and observe, those restrictions.

Disclaimer as to forward looking statements

Some of the statements appearing in this Bidder's Statement may be in the nature of forward-looking statements. You should be aware that such statements are only predictions and are subject to inherent

risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which WestSide operates as well as general economic conditions, prevailing exchange rates, interest rates and conditions in financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. None of WestSide or Landbridge Group, nor any of their respective officers and employees, and any persons named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement make any representation or warranty (express or implied) as to the accuracy or likelihood of the fulfilment of any forward looking statement, except to the extent required by law. You are cautioned not to place any undue reliance on any forward looking statement. The forward looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

Except to the extent required by law, WestSide and Landbridge Group do not undertake to update or review any forward looking statements, whether written or verbal, that may be made from time to time either by them or on their behalf, whether as a result of new information, future events or otherwise.

Disclaimer as to reserves

Unless otherwise indicated, all gas and oil reserves and resources information reproduced in this document in respect of Armour Energy has been prepared by and/or for Armour Energy and has been extracted without material amendment from information included in public documents filed by Armour Energy. Unless otherwise indicated, the information has not, for the purposes of this Bidder's Statement, been commented on or verified by Armour Energy or its directors or verified by either WestSide or Landbridge Group or their respective directors. Please refer to "Information on Armour Energy" below.

Information on Armour Energy

The information on Armour Energy, Armour Energy Shares and Armour Energy's business contained in this Bidder's Statement has been prepared by WestSide using publicly available information and should not be considered comprehensive.

Information in this Bidder's Statement concerning Armour Energy, Armour Energy Shares and Armour Energy's business has not been independently verified by WestSide. Subject to the Corporations Act, none of WestSide or Landbridge Group, nor any of their respective officers and employees make any representation or warranty (express or implied) as to the accuracy or completeness of this information.

[In the context of previous commercial discussions between WestSide and Armour Energy earlier this year, WestSide was given access by Armour Energy to certain information concerning Armour Energy which has not been disclosed generally to Armour Energy Shareholders. These commercial discussions have ended and no binding commitments were entered into.](#)

[Except as disclosed in this Bidder's Statement, none of the information to which WestSide was given access is, in the opinion of WestSide, of such a nature and quality which, if the information were generally available, a reasonable person would expect to have a material effect on the price or value of Armour Energy Shares or, in the opinion of WestSide and except as disclosed in this Bidder's Statement, would otherwise be material to a decision by an Armour Energy Shareholder of whether or not to accept the Offer.](#)

[Armour Energy has not reviewed, nor approved the information contained in this Bidder's Statement and has not provided WestSide with any information for the purposes of disclosure in this Bidder's Statement.](#)

Further information relating to Armour Energy's business may be included in Armour Energy's Target's Statement which Armour Energy must provide to Armour Energy Shareholders in response to this Bidder's Statement.

Privacy

WestSide has collected your information from the register of Armour Energy Shareholders for the purposes of making the Offer and, if accepted, administering your holding of Armour Energy Shares. The Corporations Act requires the names and addresses of Armour Energy Shareholders to be held in a public register. Your information may be disclosed on a confidential basis to WestSide and its related bodies corporate, and holders of securities in WestSide or its related bodies corporate and external service providers, and may be required to be disclosed to regulators, such as ASIC. The registered office of WestSide is Level 8, 300 Queen Street, Brisbane, QLD, 4000.

How to accept

Acceptances for the Offer must be received in sufficient time to be acted upon before the close of the Offer Period. To accept the Offer you should follow the instructions set out in the Overview of the Offer section of this Bidder's Statement.

Enquiries

If you are in any doubt as to how to deal with this booklet, you should consult your Broker or your legal, financial or other professional adviser.

Should you have any questions about the Offer or how to accept it, please call the Offer Information Line on 1300 721 637 (toll-free) from within Australia or on +61 2 8016 2890 from outside Australia.

WHY YOU SHOULD ACCEPT THE CASH OFFER

1. The Offer Price represents a **SIGNIFICANT PREMIUM** to ~~recent~~ trading levels [prior to the Announcement Date](#)
2. The Offer is an **ALL CASH** Offer and provides certain value
3. The Offer **REMOVES SIGNIFICANT RISKS**
4. The Offer provides a ~~REAL~~ [an](#) **ALTERNATIVE TO THE PROPOSED NORTHERN TERRITORY FARM-OUT**
5. The **SHARE PRICE MAY FALL** after the close of the Offer

ACCEPT THE CASH OFFER

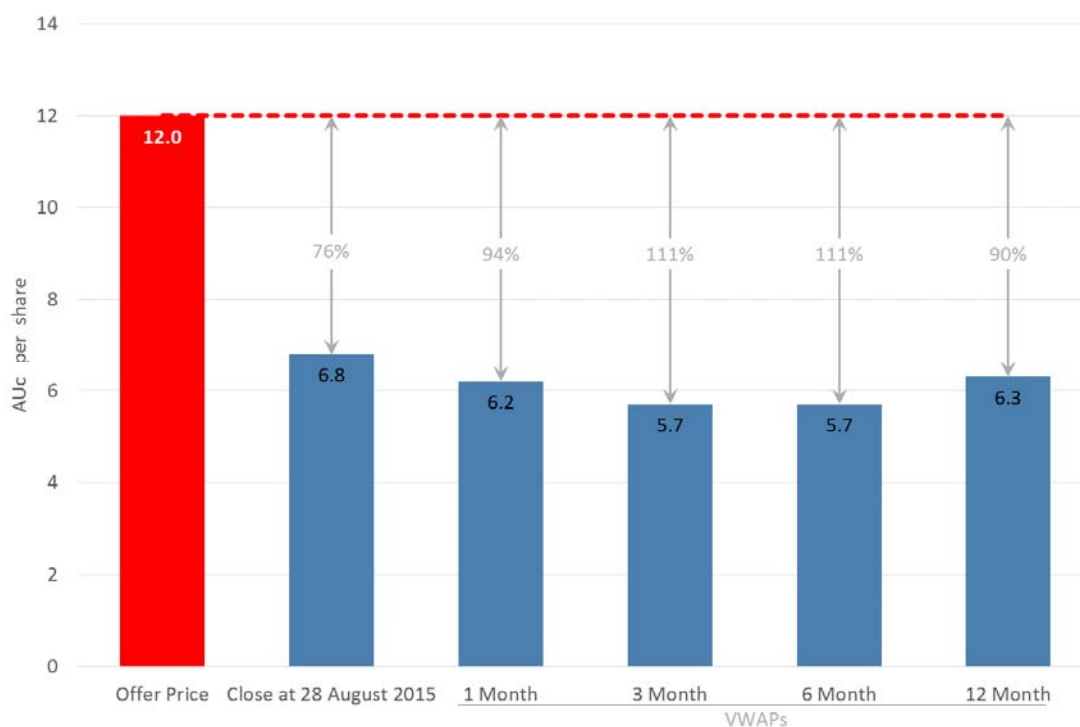
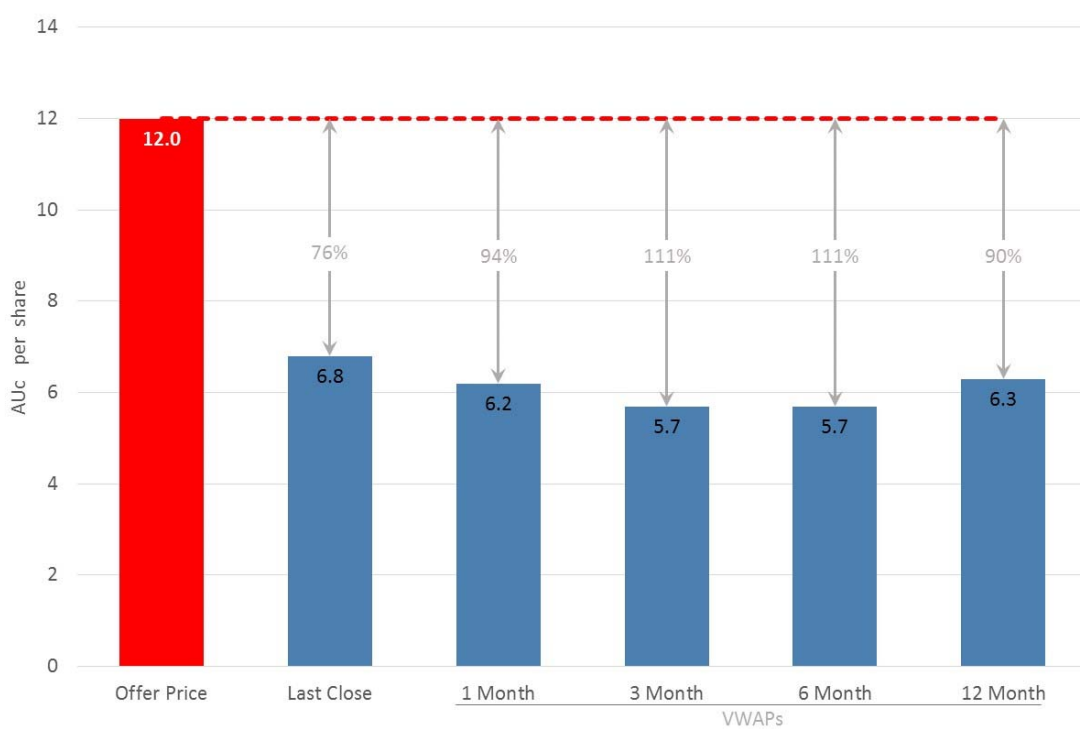
1. The Offer Price represents a SIGNIFICANT PREMIUM to recent trading levels prior to the Announcement Date

The Offer Price of A\$0.12 represents a significant premium to the levels at which Armour Energy Shares were trading over the 12 month period prior to the announcement of the Offer.

~~up to and including As at 28 August 2015, (being the last trading day prior to the announcement of the Offer.~~ Announcement Date), the Offer Price represented a premium of:

~~Based on the price of Armour Energy Shares up to and including 28 August 2015, the Offer Price represents a premium of:~~

- **76%** to the closing price of Armour Energy Shares on ASX on 28 August 2015 of **A\$0.068**;
- **94%** to the 1 month VWAP of Armour Energy Shares of **A\$0.062**;
- **111%** to the 3 month VWAP of Armour Energy Shares of **A\$0.057**;
- **111%** to the 6 month VWAP of Armour Energy Shares of **A\$0.057**; and
- **90%** to the 12 month VWAP of Armour Energy Shares of **A\$0.063**.



~~The **A\$0.12** Offer Price implies a market capitalisation of approximately **A\$36.6 million** for Armour Energy.~~

The highest price at which Armour Energy Shares have traded on the ASX in the 12 months prior to the ~~date of this Bidder's Statement~~ Announcement Date is A\$0.11. The lowest price at which Armour Energy Shares have traded on the ASX in the 12 months prior to the ~~date of this Bidder's Statement~~ Announcement Date is ~~A\$0.04~~ A\$0.04.

[Armour Energy Shares have traded on ASX in the range of A\\$0.11 and A\\$0.15 between 2 September 2015 \(the date on which Armour Energy came out of a trading halt following the Announcement Date\) and 11 September 2015 \(the last trading day prior to the date this replacement Bidder's Statement was lodged with ASIC\). The closing share price on 11 September 2015 was A\\$0.125.](#)

The **A\$0.12 Offer Price** implies a market capitalisation of approximately **A\$36.6 million** for Armour Energy.

2. The Offer is an ALL CASH Offer and provides certain value

The Offer is 100% cash ~~for your Armour Energy Shares~~ and provides certain value ~~in an equity market which has been highly volatile in recent times~~ for your Armour Energy Shares.

If you accept the Offer, subject to the satisfaction or waiver of the conditions:

- you will be paid **A\$0.12 CASH** for each of your Armour Energy Shares; and
- you should not incur any brokerage fees or stamp duty on the acceptance of the Offer; and
- you will be paid on or before the earlier of:
 - the 7th Business Day after the date this Offer is validly accepted by you, or if this Offer is subject to a defeating condition when accepted, by the 7th Business Day after this Offer or the contract resulting from your acceptance of this Offer becomes unconditional; and
 - the 7th Business Day after the end of the Offer Period.

3. The Offer REMOVES SIGNIFICANT RISKS

If you accept the Offer, subject to the satisfaction or waiver of the conditions, you will be paid cash for your Armour Energy Shares and will no longer be exposed to external and company-specific risks that Armour Energy may be subject to and which may adversely affect the trading price of your Armour Energy Shares.

Armour Energy's projects in the Northern Territory, Queensland and Victoria will require significant future exploration expenditure in order to ascertain the reserves position and the feasibility of and timeframe for future production.

Future operating, exploration and development costs may give rise to a significant funding requirement for Armour Energy. Armour Energy has sought to partially address these risks through the proposed Northern Territory Farm-Out with AEP, however, this transaction is ~~non-binding and the proposed terms do not fully address Armour Energy's exposure~~ conditional and it is not certain that the proposal will proceed or will be successful. Armour Energy may still need to raise funds through raising equity capital, for example through rights issues or placements to third parties, beyond the proposed placement to AEP. These capital raisings could result in the dilution of existing Armour Energy Shareholders.

There is also a risk that the requirement for substantial amounts of development capital in relation to the Northern Territory tenements or an increase in operating expenditure in relation to the recently announced acquisition of Origin Energy's Roma Shelf assets, may negatively impact the share price of Armour Energy Shares in the future.

In addition, there are inherent risks in holding shares in a listed entity such as Armour Energy. These risks include but are not limited to:

- operational and development risk;
- regulatory risk;
- equity market risk; and
- general economic conditions.

4. The Offer provides a ~~REAL~~ an ALTERNATIVE TO THE PROPOSED NORTHERN TERRITORY FARM-OUT

WestSide is offering Armour Energy Shareholders a cash alternative to the proposed Northern Territory Farm-Out that allows Armour Energy Shareholders to realise certain value for their Armour Energy Shares, rather than face an uncertain value outcome should the Northern Territory Farm-Out ~~proceed~~ be implemented.

The Offer Price of **A\$0.12** values Armour Energy's issued share capital at approximately **A\$36.6 million**.

Under the proposed Northern Territory Farm-Out, Armour Energy will receive an upfront payment of US\$1~~4~~3 million and in exchange for AEP spending US\$1~~30~~0 million over a 5 year period on work programs, Armour Energy will transfer operatorship and up to 75% of key acreage in the Northern Territory to AEP. In addition, Armour Energy proposes to sell to AEP 9.9% of the company through a placement of 33.7 million new shares at A\$0.20 per share and 6.6% of the company through the issue of 24 million unlisted options on terms set out in the announcement of 11 September 2015.

If the placement proceeds and all of the options are exercised, AEP will own up to 15.9% of Armour Energy and up to 75% of Armour Energy's McArthur Basin oil and gas tenements in the Northern Territory.

It is not certain that the proposed Northern Territory Farm-Out will ~~proceed~~ be implemented, or if it does, that AEP will be successful in commercialising the prospects discovered, in a manner which results in Armour Energy Shareholders receiving value for their Armour Energy Shares. The Northern Territory Farm-Out is subject to a number of conditions, including (amongst other things) approval by Armour Energy Shareholders, certain regulatory approvals, assignment of native title agreements, due diligence and there being no material adverse change.

5. The SHARE PRICE MAY FALL after the close of the Offer

Depending on the level of acceptances that WestSide receives under the Offer, the market for your Armour Energy Shares may become less liquid or less active than the current market after the close of the Offer. This may have an adverse impact on the trading price of your Armour Energy Shares.

If WestSide and its associates own more than 50% of Armour Energy, they will control the company. If WestSide and its associates control Armour Energy, you will become a minority shareholder which may have a number of adverse implications for you as an Armour Energy Shareholder and for the market for your Armour Energy Shares.

1 Overview of the Offer

Set out below is a summary of the Offer. Further information about the Offer can be found throughout this Bidder's Statement. You should read the entire Bidder's Statement before deciding whether to accept the Offer.

| | |
|--|---|
| <p>What is the Bidder's Statement?</p> | <p>This Bidder's Statement was prepared by WestSide for distribution to Armour Energy Shareholders. It sets out the terms of the Offer for your Armour Energy Shares and information relevant to your decision of whether or not to accept the Offer.</p> <p>This Bidder's Statement is an important document. If you are in doubt as to how to deal with this document, you should consult your Broker or your legal, financial or other professional adviser as soon as possible.</p> |
| <p>Who is making the Offer?</p> | <p>The Offer is made by WestSide Corporation Limited ABN 74 117 145 516, a Subsidiary of Landbridge Group Co., Ltd. Please refer to section 2 of this Bidder's Statement for further information on WestSide and Landbridge Group.</p> |
| <p>What is the Offer?</p> | <p>WestSide offers to acquire all of your Armour Energy Shares for A\$0.12 cash per Armour Energy Share on the Offer Terms set out in Appendices 1 and 2 to this Bidder's Statement.</p> <p>The Offer relates to Armour Energy Shares that exist or will exist as at 7.00pm (Sydney time) on 3 September 2015.</p> <p>The Offer also extends to all Armour Energy Shares that are issued between that date and the end of the Offer Period as a result of the exercise of Unlisted Armour Energy Options. However, WestSide is not offering to acquire any Unlisted Armour Energy Options.</p> <p>WestSide may seek to acquire the Unlisted Armour Energy Options by doing one or more of the following:</p> <ul style="list-style-type: none"> (a) making a private offer to acquire them; or (b) where WestSide becomes entitled under Chapter 6A of the Corporations Act to compulsorily acquire all outstanding Armour Energy Shares, compulsorily acquiring the Unlisted Armour Energy Options too. |
| <p>Are there any conditions to the Offer?</p> | <p>Yes, the Offer is subject to conditions, which are set out in detail in Appendix 2 to this Bidder's Statement. The conditions are:</p> <ul style="list-style-type: none"> (a) WestSide achieving at least 50.1% acceptances; (b) the Northern Territory Farm-Out not being entered into; and (c) no prescribed occurrences. <p>This is only a summary of the conditions. The conditions are set out in full in Appendix 2 to this Bidder's Statement.</p> <p>Note that WestSide may choose to waive the conditions in accordance with the Offer Terms. Details as to how these conditions can be waived are set out in clause 6.4 of Appendix 1 to this Bidder's Statement.</p> |
| <p>What are the implications of</p> | <p>On 11 September 2015, Armour Energy announced that it had executed conditional agreements with an Australian affiliate of AEP ("AEP Agreements").</p> |

| | |
|---|--|
| <p><u>Armour Energy entering into the Northern Territory Farm-Out?</u></p> | <p><u>The Offer is conditional on the Northern Territory Farm-Out not being entered into. Accordingly, the entry into of the AEP Agreements has constituted a breach of the condition contained in paragraph (b) of Appendix 2 of this Bidder's Statement. This means that WestSide is entitled to withdraw the Offer. As at 14 September 2015, WestSide has not made any decision in relation to the breach of the condition, however, WestSide reserves its right to take any action in relation to the condition, including to withdraw the Offer (or allow it to lapse) for breach of the condition contained in paragraph (b) of Appendix 2.</u></p> <p><u>The agreement to issue the shares and options contemplated under the AEP Agreements also constitutes a breach of the condition contained in paragraph (c)(iv) of Appendix 2 of this Bidder's Statement. As at 14 September 2015, WestSide has not made any decision in relation to the breach of the condition, however, WestSide reserves its right to take any action in relation to the condition, including to withdraw the Offer (or allow it to lapse) for breach of the condition contained in paragraph (c)(iv) of Appendix 2.</u></p> |
| <p>What if the conditions of the Offer are not satisfied?</p> | <p>If the Offer closes with conditions remaining unsatisfied, the Offer will lapse, and your acceptance will be void. In other words, you will continue to hold your Armour Energy Shares. WestSide will inform you if the conditions have been satisfied or waived during the Offer Period in accordance with its obligations under the Corporations Act. WestSide may extend the Offer Period in accordance with the Corporations Act in order to give time for conditions to be satisfied - see "Can WestSide extend the Offer Period?" below.</p> |
| <p>What is the Offer Period?</p> | <p>The Offer Period is the period commencing on 14 [●] September 2015 and ending on 15 [●] October 2015 at 7.00pm (Sydney time) (but it may be extended).</p> |
| <p>If I accept the Offer, when will I be paid?</p> | <p>If the contract resulting from your acceptance of this Offer becomes unconditional, WestSide will provide the consideration to you on or before the earlier of:</p> <ul style="list-style-type: none"> (a) the 7th Business Day after the date this Offer is validly accepted by you, or if this Offer is subject to a defeating condition when accepted, by the 7th Business Day after this Offer or the contract resulting from your acceptance of this Offer becomes unconditional; and (b) the 7th Business Day after the end of the Offer Period. |
| <p>How do I accept the Offer?</p> | <p>The Offer may only be accepted for all of your Armour Energy Shares.</p> <p>How you accept the Offer depends on whether your Armour Energy Shares are in an Issuer Sponsored Holding or a CHESS Holding:</p> <ul style="list-style-type: none"> (a) If you hold your Armour Energy Shares in an Issuer Sponsored Holding (your SRN starts with an "I"), to accept the Offer you must complete, sign and return the enclosed Acceptance Form in accordance with the instructions on it and return it to the address indicated on the form (and set out below) before the end of the Offer Period. (b) If you hold your Armour Energy Shares in a CHESS Holding (your HIN starts with an "X"), to accept the Offer you must either: <ul style="list-style-type: none"> (i) instruct your Controlling Participant (for example, your Broker) to initiate acceptance of the Offer before the end of the Offer Period; or (ii) complete the accompanying Acceptance Form and send the completed Acceptance Form (together with all other documents |

required by the instructions on the form) directly to your Broker or other Controlling Participant in sufficient time for the Offer to be accepted before the end of the Offer Period with instructions to initiate acceptance of the Offer on your behalf before the end of the Offer Period; or

(iii) complete, sign and return the Acceptance Form in accordance with the instructions on it and lodge it by returning it to the address indicated on the form (and set out below) so that your acceptance is received before 7.00pm on the second last Business Day of the Offer Period. This will authorise WestSide to instruct your Broker or other Controlling Participant to initiate acceptance of the Offer on your behalf.

(c) **If you are a Broker or an ASX Settlement Participant**, to accept the Offer you must initiate acceptance in accordance with the requirements of the ASX Settlement Operating Rules before the end of the Offer Period.

(d) **If some of your Armour Energy Shares are in an Issuer Sponsored Holding and some in a CHESS Holding**, please read clause 4.3(d) of the Offer Terms in Appendix 1 to this Bidder's Statement for how to accept the Offer.

The postal and delivery addresses for completed Acceptance Forms are as follows.

The postal address is:

Boardroom Pty Limited
WestSide Offer
GPO Box 3993
Sydney NSW 2001
AUSTRALIA

The transmission of the Acceptance Form and other documents is at your own risk.

You may deliver the Acceptance Form and any associated documents in person to:

Boardroom Pty Limited
WestSide Offer
Level 12, 225 George Street
Sydney NSW 2000
AUSTRALIA

For full details see clause 4 of the Offer Terms in Appendix 1 to this Bidder's Statement.

Will I need to pay brokerage or stamp duty if I accept the Offer?

If your Armour Energy Shares are registered in an Issuer Sponsored Holding (your SRN starts with an "I") in your name and you deliver them directly to WestSide, you will not incur any brokerage fees or be obliged to pay stamp duty in connection with your acceptance of the Offer.

If your Armour Energy Shares are registered in a CHESS Holding (your HIN starts with an "X"), or if you are a beneficial owner whose Armour Energy Shares are registered in the name of a Broker, bank, custodian or other nominee you will not be obliged to pay stamp duty by accepting the Offer but you should ask your Controlling Participant (usually your Broker) or that nominee whether it will charge any transactional fees or service charges in connection with acceptance of the Offer.

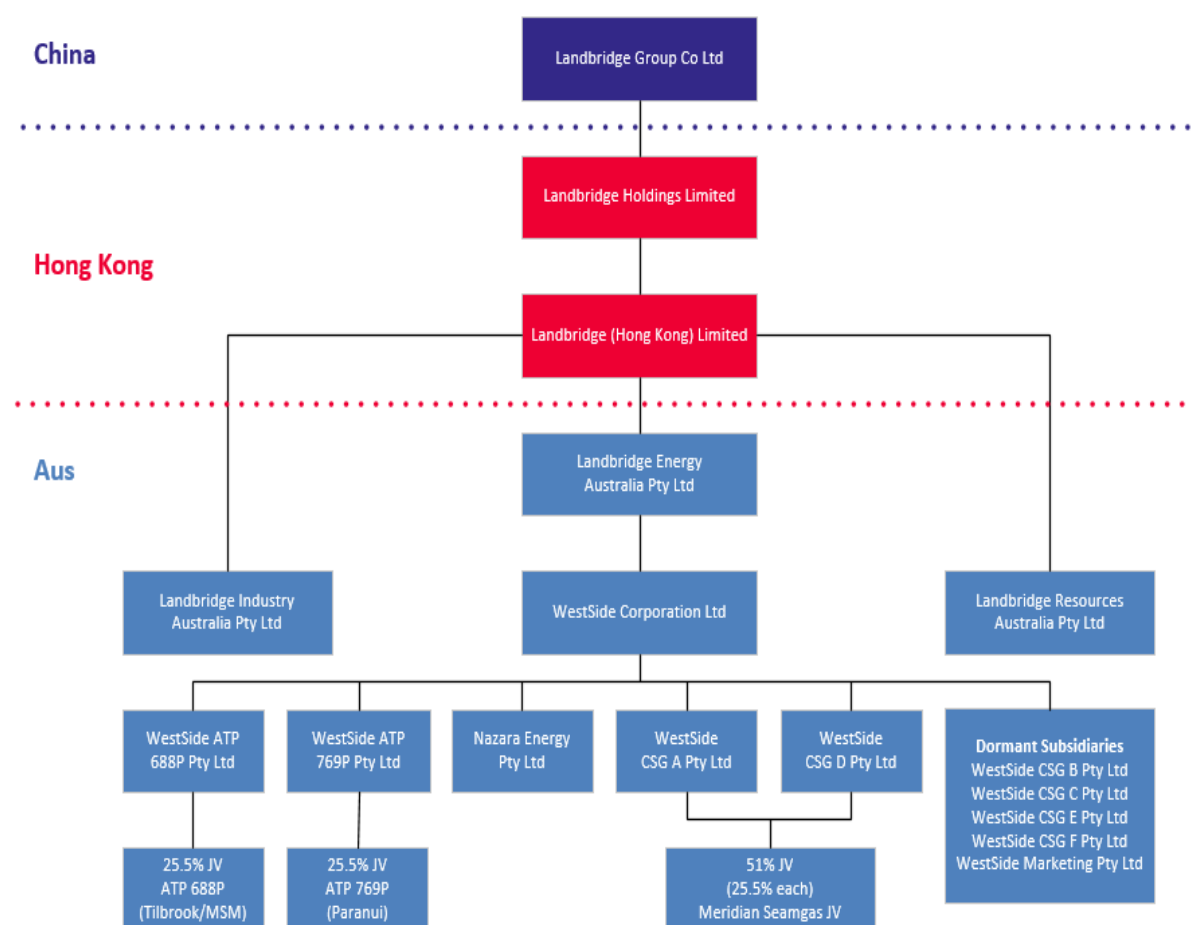
| | |
|--|--|
| | You will likely incur brokerage costs if you choose to sell your Armour Energy Shares on ASX. |
| What are the tax implications of acceptance? | A general summary of the likely Australian tax consequences of accepting the Offer is set out in section 7 of this Bidder's Statement. In addition, WestSide recommends that you seek independent professional advice in relation to your own particular circumstances. |
| Can I accept the Offer for part of my holding? | No. You cannot accept the Offer for part of your holding. You may only accept the Offer for ALL of your Armour Energy Shares. |
| When does the Offer close? | The Offer is scheduled to close at 7.00pm (Sydney time) on 15 16 October 2015 (but it may be extended). |
| Can I withdraw my acceptance? | <p>Under the Offer Terms, you cannot withdraw your acceptance unless a withdrawal right arises under the Corporations Act.</p> <p>Such a withdrawal right will arise if, after you have accepted the Offer, WestSide varies the Offer in a way that postpones, for more than one month, the time when WestSide has to meet its obligations under the Offer, and at that time, the Offer is subject to one of the conditions in Appendix 2 of this Bidder's Statement.</p> <p>Further, if by the end of the Offer Period, the conditions in Appendix 2 of this Bidder's Statement have not all been fulfilled or waived, then the Offer will automatically terminate and your Armour Energy Shares will be returned to you.</p> <p>If this occurs, you will continue to hold your Armour Energy Shares and be free to deal with them as if the Offer had not been made, unless you have already sold your Armour Energy Shares to someone else.</p> |
| Can WestSide extend the Offer Period? | Yes, the Offer Period can be extended at WestSide's election. Armour Energy Shareholders will be sent written notice of any extension, and the extension will be announced to ASX. |
| Can I sell my Armour Energy Shares on-market? | <p>Yes, but you may incur brokerage costs and GST if you do.</p> <p>If you have already accepted the Offer, you will be unable to settle any subsequent sale of your Armour Energy Shares, subject to you being entitled to withdraw your acceptance – see "Can I withdraw my acceptance?" above.</p> |
| What happens if I do not accept the Offer and WestSide achieves a relevant interest in 90% of the Armour Energy Shares? | If you do not accept the Offer and WestSide acquires a relevant interest in at least 90% of the Armour Energy Shares and the other conditions of the Offer are satisfied or waived, WestSide intends to proceed to compulsorily acquire your Armour Energy Shares. If this occurs, you will be paid the Offer consideration at the conclusion of the compulsory acquisition process. In these circumstances, you would have received the Offer consideration sooner if you had accepted the Offer prior to its close. |
| Where do I go for further information? | Please call the Offer Information Line on 1300 721 637 (callers in Australia) or +61 2 8016 2890 (callers outside Australia) if you require assistance with your acceptance of the Offer. |

2 Profile of WestSide and Landbridge Group

2.1 History of WestSide

WestSide was incorporated in New South Wales on 15 November 2005. WestSide was listed on ASX between 10 January 2007 and 18 September 2014, when it was delisted following its acquisition (through an off-market takeover) by Landbridge Energy Australia Pty Ltd ACN 168 060 366, a Subsidiary of Landbridge Group.

2.2 WestSide corporate structure



2.3 Principal activities of WestSide

WestSide is the bidder and is a Brisbane-based gas producer with gas production, significant reserves and exploration interests in Queensland. It currently has three joint venture projects in Queensland.

They are as follows:

| Unincorporated joint venture ("JV") | WestSide entity participating in the JV and its interest in the JV | JV partner and its interest in the JV |
|-------------------------------------|--|--|
| Meridian gas fields | WestSide CSG A Pty Ltd and WestSide CSG D Pty Ltd (together 51%) | Mitsui E&P Australia Pty Ltd (49%) |
| ATP 688P | WestSide ATP 688P Pty Ltd (25.5%) | Mitsui E&P Australia Pty Ltd (24.5%) and Hamilbent Pty Ltd (a BG Group business) (50%) |
| ATP 769P | WestSide ATP 769P Pty Ltd (25.5%) | Mitsui E&P Australia Pty Ltd (24.5%) and BNG (Surat) Pty Ltd (a BG Group business) (50%) |

2.4 Summary of WestSide's joint ventures

A summary of the three joint ventures is below.

(a) Meridian gas fields

WestSide is the operator of the Meridian gas fields which are owned by an unincorporated joint venture between WestSide (51%) and Mitsui E&P Australia Pty Ltd (49%).

The Meridian gas fields are situated 160km west of Gladstone in Queensland's Bowen Basin and comprise a range of assets including a petroleum lease (PL 94), gas rights in a number of mining leases, production wells and gas compression and pipeline infrastructure connected to Queensland's commercial gas network.

The Meridian joint venture executed a binding 20-year gas sales agreement in March 2014 with the GLNG project at Gladstone, for the sale of up to 65 terajoules ("TJ") a day at market prices based on an oil-linked formula - underpinning a staged field expansion to increase production.

(b) Tilbrook and Mount Saint Martin projects (ATP 688P)

WestSide is the operator of the Tilbrook and Mount Saint Martin projects in ATP 688P.

The Tilbrook project is located 60km to the south of Collinsville, adjacent to the Moranbah to Townsville gas pipeline.

The Mount Saint Martin area in ATP 688P is located 30km north east of the Tilbrook Project.

(c) Paranui (ATP 769P)

The Paranui project is 5km west of the Meridian gas field and is less than 10km from the adjacent existing gas supply infrastructure within the Meridian gas field which includes pipelines and field compression.

WestSide is targeting growth in the reserves base in ATP769 from further appraisal and exploration and is focusing on delivering long term sustainable gas flows and working towards certification of 2P reserves.

2.5 Directors

The directors of WestSide are:

- **Cheng Ye** – Mr Ye has been the Chairman and President of Landbridge Group since September 2001. Mr Ye is also the National Committee Member of the Chinese People's Political Consultative Conference and the Deputy of Shandong Provincial People's Congress. Mr Ye is the controlling shareholder of Landbridge Group.

- **Michael (Mike) Colin Hughes** – Mr Hughes joined WestSide in September 2013.

Mr Hughes has more than 20 years' experience in the international oil and gas sector and a track record of building and operating successful oil and gas businesses in Asia and Australia and invaluable local experience gained while working within Queensland's emerging export CSG-to-LNG industry.

Mr Hughes has a Masters in Mathematics from the University of Oxford and is a member of the Australian Institute of Company Directors.

- **Jingxia Liu** – Ms Liu has worked in Landbridge Group for over 20 years, and is the Deputy Manager of Landbridge Group's business development section. Ms Liu has also been engaged as Landbridge Group's public officer (2001-2009) and supervisor of Landbridge Group's business development section (1993-2001).

2.6 WestSide's financial information

As at 31 December 2014, WestSide had approximately A\$88 million in [total assets and A\\$71 million in](#) net assets.

2.7 Principal activities of Landbridge Group

Landbridge Group is a privately owned company incorporated in the People's Republic of China and based in the Shandong Province. WestSide is a Subsidiary of Landbridge Group.

Landbridge Group has four key business divisions:

(a) Port and logistics

Landbridge Group constructed and currently operates the Landbridge port, located in the north Haizhou Bay.

The port is under further construction. Once completed, it will have capacity in excess of 200 million tonnes of bulk cargo per annum including iron ore, crude and refined oil, liquid chemicals, wood fibre and other timber products and dedicated crude oil and liquefied natural gas berths.

(b) Oil and gas/petrochemicals

Landbridge Group's petrochemical business is predominately engaged in the processing, sale, storage and transportation of petrochemical products and the production of sanitary ware. In 2005, Landbridge Group invested in the construction of a petrochemical project in Panjia Village. The refinery has a designated railway and is located 1.8 kilometres from Landbridge Group's port. Its main products are

diesel, gasoline, naphtha, wax oil, liquefied petroleum gas, petroleum coke and sulphur.

Landbridge Group's oil and gas division owns more than 10 gas stations in China.

Landbridge Group expanded its oil and gas business into Australia through the acquisition of WestSide in 2014.

(c) **Trade and manufacturing**

Landbridge Group has a number of manufacturing businesses which produce a wide range of furniture, bathroom and timber panelling products. The furniture products are exported mainly to the United States of America, the Middle East and Europe.

(d) **Real estate and tourism**

Through its real estate and tourism division, Landbridge Group is heavily involved in the development of both residential and commercial projects. The division is principally engaged in property development, property management and construction.

2.8 Landbridge Group's financial information

As at 31 December 2014, the Landbridge Group [Co., Ltd](#) had approximately A\$4,534,655,094 in net assets (based on an exchange rate released by the Reserve Bank of Australia on 31 December 2014 of Chinese Yuan Renminbi (CNY) to A\$ of 1.00 AUD = 5.0859 CNY).

3 WestSide's information on Armour Energy

3.1 Disclaimer

The following information on Armour Energy has been prepared by WestSide using publicly available information, and has not been independently verified. No material information has been provided to WestSide by Armour Energy. Accordingly, WestSide does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

The information on Armour Energy in this Bidder's Statement should not be considered comprehensive.

In the context of previous commercial discussions between WestSide and Armour Energy earlier this year, WestSide was given access by Armour Energy to certain information concerning Armour Energy which has not been disclosed generally to Armour Energy Shareholders. These commercial discussions have ended and no binding commitments were entered into.

Except as disclosed in this Bidder's Statement, none of the information to which WestSide was given access is, in the opinion of WestSide, of such a nature and quality which, if the information were generally available, a reasonable person would expect to have a material effect on the price or value of Armour Energy Shares or, in the opinion of WestSide and except as disclosed in this Bidder's Statement, would otherwise be material to a decision by an Armour Energy Shareholder of whether or not to accept the Offer.

For further information, please refer to section 8.5 of this Bidder's Statement.

In addition, the Corporations Act requires the directors of Armour Energy to provide a Target's Statement to Armour Energy Shareholders in response to this Bidder's Statement, setting out certain material information concerning Armour Energy.

3.2 Overview of Armour Energy and its principal activities

Armour Energy is a company limited by shares that is incorporated and domiciled in Australia. It was established as a proprietary company on 18 December 2009 and is focussed on the discovery and development of conventional and unconventional gas and associated liquids resources in Australia.

The company converted to a public company on 14 January 2011 and became an ASX-listed company on 20 April 2012. Armour Energy's Quarterly Activities Report for the period ended 30 June 2015 indicates that its projects today include interests in tenements in the Northern Territory, Queensland and Victoria.

WestSide understands that Armour Energy is focussing 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 ASX-listed Lakes Oil N.L. ("**Lakes Oil**"), for gas and associated petroleum liquids.⁴²

Armour Energy's wholly owned Subsidiary, Ripple Resources, also has projects in Queensland and the Northern Territory.

⁴² Armour Energy Quarterly Activities Report for the period ended 30 June 2015 at page 9.

3.3 Overview of assets

Based on Armour Energy's Quarterly Activities Report for the period ended 30 June 2015, Armour Energy's interests in tenements are listed in the three tables below.

(a) Queensland tenements

| Asset | Name | Owner of tenement | Armour Energy's Interest |
|---|---------------------|-------------------|--------------------------|
| Authority to Prospect ("ATP") – ATP 1087 | South Nicholson | Armour Energy | 100% |
| Exploration Permit - Minerals ("EPM") – EPM 19833 | Bowthorn | Ripple Resources | 100% |
| EPM 19835 | Shadforth East | Ripple Resources | 100% |
| EPM 19836 | Shadforth | Ripple Resources | 100% |
| EPM 25410 | Bowthorn - Extended | Ripple Resources | 100% |
| EPM 25802 | Walford East | Ripple Resources | 100% |
| EPM 25504 | Argyle Creek | Ripple Resources | 100% |
| EPM 25505 | Border | Ripple Resources | 100% |

(b) Northern Territory tenements

| Asset | Name | Owner of tenement | Armour Energy's Interest |
|---|------------------|-------------------|--------------------------|
| Exploration Permit – Petroleum ("EPP") - EPP 171* | Abner Range | Armour Energy | 100% |
| EPP 174* | Robinson River 2 | Armour Energy | 100% |
| EPP 176* | Ryans Bend | Armour Energy | 100% |
| EPP 190* | Calvert | Armour Energy | 100% |
| EPP 191* | Wallhollow | Armour Energy | 100% |
| EPP 192* | Wollogorang | Armour Energy | 100% |
| Exploration Licence ("EL") – EL 30076 | Kermit | Ripple Resources | 100% |
| EL 30077 | Gonzo | Ripple Resources | 100% |

| Asset | Name | Owner of tenement | Armour Energy's Interest |
|----------|-------------------|-------------------|--------------------------|
| EL 30078 | Fozzie | Ripple Resources | 100% |
| EL 30079 | Scooter | Ripple Resources | 100% |
| EL 30080 | Miss Piggy | Ripple Resources | 100% |
| EL 29837 | Catfish Hole | Ripple Resources | 100% |
| EL 29951 | Eric Cartmen | Ripple Resources | 100% |
| EL 29952 | Kenny McCormick | Ripple Resources | 100% |
| EL 29953 | Secret Treasure | Ripple Resources | 100% |
| EL 29954 | Kyle Broflovski | Ripple Resources | 100% |
| EL 29955 | Stan Marsh | Ripple Resources | 100% |
| EL 30494 | Statler & Waldorf | Ripple Resources | 100% |

* Tenements marked with an asterisk are subject to the Northern Territory Farm-Out as indicated in ~~the~~ Armour Energy's ASX announcement dated ~~20 August~~ 11 September 2015.

(c) **Victorian tenements**

Armour Energy has an 18.89% shareholding²³ in Lakes Oil. Lakes Oil is an oil and gas explorer focused on the Otway and Gippsland Basins in Victoria. Armour Energy has entered into agreements on three projects with Lakes Oil. Armour Energy's interests in the three projects is outlined in the table below.

| Asset | Name | Owner of tenement | Armour Energy's Interest |
|--|----------|-------------------|--------------------------|
| Petroleum Exploration Permit ("PEP") – PEP 169 | Moreys | Lakes Oil | 51% |
| PEP 166 | Holdgate | Lakes Oil | 25% |
| Petroleum Retention Lease ("PRL") - PRL2 | | Lakes Oil | 15% |

²³ Notice of change of interests of substantial holder lodged by Armour Energy with ASX and Lakes Oil on 12 December 2014.

3.4 Northern Territory Farm-Out

On 11 September 2015, Armour Energy announced that it had executed conditional agreements (“AEP Agreements”) with an Australian affiliate of AEP, whereby AEP may acquire a 75% working interest and operatorship of Armour Energy’s McArthur Basin oil and gas tenements in the Northern Territory.

The AEP Agreements include a Farm-Out Agreement, Operating Agreement, Option Deed and Share Subscription Agreement. The proposal is subject to a number of conditions, including (amongst other things) Armour Energy Shareholder approval, certain regulatory approvals, assignment of native title agreements, due diligence and there being no material adverse change. Armour Energy has announced that it proposes to commence preparation of meeting materials (including an independent expert report) to convene a general meeting of Armour Energy Shareholders, to be held by 31 October 2015.

Armour Energy has announced that the AEP Agreements will be implemented on the following key terms:

- ~~On 20 August 2015, Armour Energy announced that it has executed a non-binding Letter of Intent (“LOI”) with American Energy – Acquisitions LLC, an affiliate of AEP, whereby AEP will farm-in to certain granted and pending tenements in the Northern Territory owned by Armour Energy. (as outlined in Armour Energy’s 11 September 2015 announcement) (the “Farm-in Tenements”) covering approximately 29.3 million acres of Armour Energy’s McArthur Basin tenement position. Armour Energy will retain 100% ownership of all of its tenements in north west Queensland covering approximately 5.1 million acres;~~
- AEP will carry 100% of Armour Energy’s share of expenditure during a single phase work program of US\$130 million over a maximum of five years, following which the parties will conduct operations governed by a joint operating agreement;
- Armour Energy will transfer a 75% working interest and operatorship in the Farm-in Tenements to AEP, subject to adjustment if the program is not completed. Armour Energy will reclaim operatorship if AEP does not earn at least a 50.1% interest in the Farm-in Tenements;
- the design and implementation of the work program will be controlled by AEP with consultation assistance by Armour Energy. AEP will maintain the Farm-in-Tenements in good standing;
- AEP will pay Armour Energy US\$13 million in cash upon closing of the transaction and a further US\$3 million on grant and transfer of interests in EP177 and EP178 to AEP, in addition to US\$7 million upon the earlier of the grant of production licences over at least 1 million acres, or grant and transfer of interests in pending tenements to AEP;
- AEP to assist Armour Energy to access up to US\$130 million of debt funding for Armour Energy’s share of Phase 2 appraisal and development costs;
- Armour Energy has agreed to issue 24 million unlisted options to AEP (details of which are set out in Armour Energy’s ASX announcement on 11 September 2015);
- a placement of 33.7 million new ordinary shares at A\$0.20 per share will be made to AEP, for cash proceeds to Armour Energy of A\$6.74 million (the placement is to be settled as to 50% on Armour Energy Shareholder approval and 50% on closing of the Farm-out Agreement);

- AEP will nominate a director to be appointed to the Armour Energy Board upon settlement of the second tranche of the share placement;
- AEP will have control over the design and implementation of the work program while it holds a minimum working interest of 75%, with Armour Energy acting in an advisory capacity in relation to the phase one work program; and
- Armour Energy will second employees to AEP to support the effective execution of the work program.

Importantly, the Farm-Out Agreement is subject to:

- FIRB approval;
- approval by Armour Energy Shareholders;
- regulatory approval under the Northern Territory Petroleum Act;
- due diligence to be satisfied within 120 days;
- the Australian affiliate of AEP becoming registered for GST;
- no court orders or government decisions being in place prior to completion which materially affect the AEP Agreements;
- assignment of interest in native title agreements to AEP; and
- entry into the option deed and share subscription agreement.

Armour Energy's ASX announcement dated 11 September 2015 also notes that AEP can withdraw in the event that there is a material adverse change prior to closing.

Armour Energy has announced that other than the due diligence condition, all other conditions must be satisfied within 180 days.

Armour Energy has also announced that:

- the Share Subscription Agreement is subject to approval by Armour Energy Shareholders and approval by Armour Energy Shareholders of the Farm-Out Agreement; and
- the Option Deed is subject to approval by Armour Energy Shareholders and completion of the Farm-Out Agreement.

Each of these conditions must be satisfied by 31 October 2015.

WestSide cannot assess the accuracy of these statements and cautions Armour Energy Shareholders that the Northern Territory Farm-Out may be implemented on different terms, or, if the conditions to the AEP Agreements cannot be satisfied in time or Armour Energy Shareholders do not approve the agreements, they may not be implemented at all. Please refer to Armour Energy's ASX announcement dated 11 September 2015 for further information.

The Offer is conditional on the Northern Territory Farm-Out not being entered into. Accordingly, the entry into of the AEP Agreements has constituted a breach of the condition contained in paragraph (b) of Appendix 2 of this Bidder's Statement. This means that WestSide is entitled to withdraw the Offer. As at 14 September 2015, WestSide has not

made any decision in relation to the breach of the condition, however, WestSide reserves its right to take any action in relation to the condition, including to withdraw the Offer (or allow the Offer to lapse) for breach of the condition contained in paragraph (b) of Appendix 2.

The agreement to issue the shares and options contemplated under the AEP Agreements also constitutes a breach of the condition contained in paragraph (c)(iv) of Appendix 2 of this Bidder's Statement. WestSide has not made any decision in relation to the breach of the condition, however, WestSide reserves its right to take any action in relation to the condition, including to withdraw the Offer (or allow the Offer to lapse) for breach of the condition contained in paragraph (c)(iv) of Appendix 2.

3.5 Acquisition of Origin Energy assets

On 2 September 2015, Armour Energy announced that it had executed agreements with Origin Energy to acquire petroleum resources, tenures, production and transportation infrastructure assets on the Roma Shelf in the Surat Basin in Queensland. **Armour Energy announced that** the consideration payable for the acquisitions is an initial payment of A\$10 million, then A\$3 million (in A\$1 million annual tranches over three years) from the first anniversary of gas sales. The acquisition is to be funded by current cash and debt financing. As at 30 June 2015, Armour Energy reported that it has approximately A\$8.5 million in cash. On 11 September 2015, Armour Energy announced that it has received a funding proposal from its major shareholder, DGR Global Limited. Armour Energy also announced that it is in discussions with other third party financiers.

Under the agreements, Armour Energy has stated that it will also be purchasing the following:

- the Kincora Gas and LPG Plant and Infrastructure facilities at Kincora, south of Roma (which will need to be recommissioned); and
- a gas storage facility.

Please refer to Armour Energy's ASX announcements dated 2 September and 11 September 2015 for further information.

~~The LOI provides that Armour Energy and AEP will work towards execution of definitive agreements within 3 months from the date of the announcement, subject to up to 3 extensions of up to 3 months each.~~

~~The Offer is conditional on the Northern Territory Farm Out not proceeding. If Armour Energy seeks to implement the Northern Territory Farm Out, WestSide will be entitled to withdraw the Offer, or take any other action that may be available to it, including making an application to the Takeovers Panel.~~

3.6 3.5 Directors of Armour Energy

| Position | Name |
|------------------------|--------------------------|
| Executive Chairman | Nicholas Mather |
| Non-Executive Director | William Robert Stubbs |
| Non-Executive Director | Roland Kingsbury Sleeman |
| Non-Executive Director | Stephen Grant Bizzell |

3.7 3.6 Substantial shareholders

Based on material lodged with ASX,³⁴ each of the following persons has the following substantial shareholdings in the issued ordinary share capital of Armour Energy.

| Armour Energy Shareholder | Armour Energy Shares | % of issued ordinary share capital of Armour Energy |
|---|----------------------|---|
| DGR Global Limited ABN 67 052 354 837 | 75,050,000 | 25.4 <u>26.4</u> % |
| Och-Ziff Holding Corporation and Och-Ziff Capital Management Group LLC on behalf of themselves, OZ Management LP, OZ Management II LP and their controlled entities | 28,734,865 | 9.51% |

3.8 3.7 Publicly available information

Armour Energy is a company listed on ASX and is subject to the periodic and continuous disclosure requirements of the Corporations Act and ASX. Armour Energy's annual report for the year ended 30 June 2014⁴⁵ was given to ASX on ~~20 October 2014~~⁴² September 2015.

³⁴ Armour Energy 2014⁴⁵ Annual Report lodged with ASX on ~~20 October 2014~~⁴² September 2015 and Notice of change of interests of substantial holder for Och-Ziff funds lodged with ASX on 20 October 2014.

4 WestSide's intentions

4.1 Introduction

This section sets out WestSide's intentions, on the basis of the facts and information concerning Armour Energy which are known to it and the existing circumstances affecting the business of Armour Energy, in relation to the following:

- (a) the continuation of the business of Armour Energy;
- (b) any major changes to be made to the business of Armour Energy, including any redeployment of the fixed assets of Armour Energy; and
- (c) the future employment of the present employees of Armour Energy.

4.2 Review

WestSide and its advisers have reviewed information that has been publicly released on Armour Energy, its current activities and its plans for the future. However, WestSide does not currently have knowledge of all material information, facts and circumstances that are necessary to assess the operational, commercial, taxation and financial implications of its current intentions. Consequently, final decisions on these matters have not been made.

Following the close of the Offer, WestSide will, to the extent that information is available to it, conduct a review of the operations, assets, structure and employees of Armour Energy in light of that information. Final decisions will only be reached after that review and in light of all material facts and circumstances. As such, statements set out in this section are statements of current intention only which may change as new information becomes available or circumstances change. The statements in this section 4 should be read in this context.

4.3 Specific intentions – Unlisted Armour Energy Options

The Offer does not extend to any Unlisted Armour Energy Options. WestSide encourages holders of Unlisted Armour Energy Options to exercise their Unlisted Armour Energy Options, to the extent that they are entitled to do so, and accept the Offer in respect of the Armour Energy Shares issued on exercise, if they wish to participate in the Offer.

WestSide may seek to acquire the Unlisted Armour Energy Options by doing one or more of the following (at its election):

- (a) making a private offer to acquire them; or
- (b) where WestSide becomes entitled under Chapter 6A of the Corporations Act to compulsorily acquire all outstanding Armour Energy Shares, compulsorily acquiring the Unlisted Armour Energy Options too.

4.4 Intentions upon acquisition of 90% or more of Armour Energy Shares

This section sets out WestSide's current intentions if it acquires 90% or more of the Armour Energy Shares and is entitled to proceed to compulsory acquisition of the outstanding Armour Energy Shares.

(a) **Compulsory acquisition**

If it becomes entitled to do so under the Corporations Act, WestSide intends to:

- (i) give notices to compulsorily acquire any outstanding Armour Energy Shares in accordance with section 661B of the Corporations Act; and

- (ii) give notices to Armour Energy Shareholders and holders of Unlisted Armour Energy Options to compulsorily acquire any outstanding Armour Energy Shares and Unlisted Armour Energy Options in accordance with section 664C of the Corporations Act.

If it is required to do so under section 662A and section 663A of the Corporations Act, WestSide intends to give notices to Armour Energy Shareholders and holders of Unlisted Armour Energy Options, offering to acquire their Armour Energy Shares and Unlisted Armour Energy Options in accordance with section 662B and section 663C of the Corporations Act.

(b) **Directors**

WestSide will replace all members of the board of Armour Energy and of any company in respect of which Armour Energy has nominee directors with its own nominees. Replacement board members have not been identified by WestSide and their identity may depend on the circumstances at the relevant time.

(c) **ASX Listing**

At the conclusion of the compulsory acquisition process, WestSide intends to arrange for Armour Energy to be removed from the official list of ASX.

(d) **Operations, assets and employees**

It is WestSide's intention to continue the business of Armour Energy and to invest significant capital in the exploration tenements which would result in increased investment in northern Queensland and the Northern Territory and an increase in employment both directly and indirectly.

As Armour Energy's 2014 Annual Report indicates that Armour Energy does not have a significant number of employees, it is WestSide's intention to fully integrate Armour Energy's business into WestSide's operations in order to achieve cost efficiencies and other synergies.

In order to achieve this integration there may be a need for some Armour Energy employees to change, as well as a need for redundancies in certain circumstances. WestSide would seek wherever practicable to allocate alternative responsibilities to any employees currently employed with Armour Energy and whose employment will no longer be required as a result of the centralisation of administration functions or generally.

However, it may not be feasible to allocate alternative responsibilities to some of Armour Energy's employees whose responsibilities may be duplicated following a successful acquisition or whose roles are not required. In such circumstances, WestSide expects that such employees would be made redundant and would be paid their full entitlements.

4.5 Intentions upon acquisition of less than 90% of Armour Energy Shares

This section sets out WestSide's intentions if WestSide were to gain effective control of Armour Energy although not becoming entitled to compulsorily acquire the outstanding Armour Energy Shares.

(a) **ASX Listing**

If WestSide gains control of Armour Energy without becoming entitled to compulsorily acquire the outstanding Armour Energy Shares, then based on the information currently available to it, WestSide intends to cause Armour Energy to retain the listing

of Armour Energy on ASX (subject to maintaining a sufficient spread of Armour Energy Shareholders).

However, WestSide reserves its right to cause Armour Energy to apply for removal from the official list of ASX in accordance with the policies and processes set out in ASX Listing Rule Guidance Note 33.

Any such action by WestSide will be subject to the limitations referred to in section 4.5(d) below.

(b) **Directors**

Subject to the Corporations Act and Armour Energy's constitution, WestSide intends to procure the appointment of its nominees as a majority of the board of directors of Armour Energy after gaining effective control of Armour Energy (and to requisition a meeting of Armour Energy for that purpose if necessary), which may include the removal of existing Armour Energy directors.

Replacement board members have not been identified by WestSide and their identity may depend on the circumstances at the relevant time. However, it is expected that the majority of the replacement board members will be persons with appropriate experience, qualifications and skills for Armour Energy and its business.

(c) **Operations, assets and employees**

If, following the close of the Offer, Armour Energy becomes a controlled entity but not a wholly owned Subsidiary of WestSide, it is the present intention of WestSide to attempt to procure that Armour Energy's board implements the objectives and goals outlined in section 4.4 to the extent possible and appropriate.

(d) **Limitations on intentions**

To the extent that Armour Energy does not become a wholly owned Subsidiary of WestSide and there are minority Armour Energy Shareholders, WestSide intends that the directors of Armour Energy appointed by it will act at all times in accordance with their fiduciary duties and that all requisite shareholder approvals and other legal requirements are complied with in pursuing any of the intentions outlined above.

Those requirements may require the approval of minority Armour Energy Shareholders to the implementation of any particular objective.

The requirement to have regard to those fiduciary duties in the context of a partly owned company and the possible requirements of minority Armour Energy Shareholder approval may prevent the particular objective being achieved.

It should be noted that WestSide has not currently identified any particular initiative where these considerations may be relevant.

4.6 Intentions generally

Except for the changes and intentions set out in this section 4, WestSide intends, based on the information presently known to it:

- (a) to continue the business of Armour Energy;
- (b) not to make any major changes to the business of Armour Energy or the deployment of Armour Energy's assets; and
- (c) to continue the employment of Armour Energy's employees.

5 Share capital information

5.1 Capital structure

According to documents lodged by Armour Energy with ASX, the total number of securities in Armour Energy as at the date of this Bidder's Statement is as follows:

- (a) 304,635,766 Armour Energy Shares; and
- (b) 20,480,000 Unlisted Armour Energy Options.⁴⁵

Unlisted Armour Energy Options

So far as is known to WestSide, the exercise prices and expiry dates for the Unlisted Armour Energy Options on issue as at the date of this Bidder's Statement are as follows.

| Options | Exercise price | Expiry date |
|-----------|----------------|------------------|
| 2,400,000 | \$0.10 | 6 February 2016 |
| 100,000 | \$0.50 | 2 September 2016 |
| 2,400,000 | \$0.20 | 6 February 2017 |
| 3,130,000 | \$0.26 | 24 February 2017 |
| 1,200,000 | \$0.30 | 6 February 2018 |
| 2,500,000 | \$0.50 | 24 July 2018 |
| 2,500,000 | \$0.75 | 24 July 2018 |
| 2,500,000 | \$1.00 | 24 July 2018 |
| 1,250,000 | \$0.50 | 26 August 2018 |
| 1,250,000 | \$0.75 | 26 August 2018 |
| 1,250,000 | \$1.00 | 26 August 2018 |

5.2 Details of relevant interests in Armour Energy Shares

WestSide has no relevant interest in Armour Energy Shares as at the date of this Bidder's Statement.

WestSide's relevant interests in Armour Energy Shares as at the date immediately before the first Offer is sent is [●].

5.3 Details of voting power in Armour Energy

WestSide has no voting power in Armour Energy Shares as at the date of this Bidder's Statement.

WestSide's voting power in Armour Energy Shares as at the date immediately before the first Offer is sent is [●].

⁴⁵ Armour Energy's Quarterly Activities Report for the period ended 30 June 2015 ~~and~~ Armour Energy's Appendix 5B: Mining exploration entity quarterly report for the period ended 30 June 2015 and Armour Energy's 2015 Annual Report.

5.4 Consideration provided for Armour Energy securities during previous four months

WestSide and its associates have not acquired or disposed of Armour Energy Shares during the period of four months including on the day immediately before the date of the Offer.

5.5 Inducing benefits given during previous four months

Except as set out in this Bidder's Statement, neither WestSide nor any of its associates has, during the period of four months ending on the day immediately before the date of the Offer, given, offered or agreed to give, a benefit to another person where the benefit was likely to induce the other person, or an associate, to:

- (a) accept the Offer; or
- (b) dispose of Armour Energy Shares,

which benefit was not offered to all holders of Armour Energy Shares under the Offer.

5.6 No escalation agreements

Neither WestSide, nor any of its associates has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

6 Funding

6.1 Overview

The consideration for the acquisition of Armour Energy Shares to which the Offer relates will be satisfied wholly in cash and, if the Offer is accepted in respect of all of the Armour Energy Shares, the consideration payable will be approximately A\$36.6 million.

Should holders of Unlisted Armour Energy Options exercise their rights to acquire Armour Energy Shares and accept the Offer, WestSide has sufficient funds [available to it](#) to pay those holders under the Offer, namely an additional approximate amount of A\$2.5 million.

6.2 Source of funds

~~The All~~ cash required to fund the Offer will be provided by funding from Landbridge Group [and its Subsidiaries Co., Ltd.](#)

6.3 Funding

WestSide executed a funding commitment letter agreement with Landbridge Group [Co., Ltd](#) on 24 August 2015. Under the agreement, Landbridge Group [Co., Ltd](#) unconditionally and irrevocably agrees to make available to WestSide, the consideration payable by WestSide under the Offer. Landbridge Group [Co., Ltd](#) has agreed to pay the consideration as and when those payments are due to be made by WestSide under the Offer. The money will be provided in whatever form and manner that WestSide requires.

Landbridge Group [Co., Ltd](#) has cash reserves in excess of the total consideration payable by WestSide under the Offer held in accounts in major commercial banks in China.

Landbridge Group [Co., Ltd](#) has confirmed that:

- (a) such funds are immediately available and are not subject to security interests or rights of set off and are not set aside for other arrangements; and
- (b) no regulatory approvals are required to transfer those funds to WestSide.

[WestSide has been provided with a bank statement for an account held by Landbridge Group Co., Ltd with Agricultural Bank of China \(Rizhao Lanshan Branch\) \(an externally rated bank in China\) evidencing that Landbridge Group Co., Ltd held, as at 4 August 2015, an amount in that account totalling approximately A\\$96,844,899 based on an exchange rate released by the Reserve Bank of Australia on 4 August 2015 of Chinese Yuan Renminbi \(CNY\) to A\\$ of 1.00 AUD = 4.5764 CNY\). Landbridge Group Co., Ltd has confirmed to WestSide that it will maintain sufficient funds in the account to meet its obligations under the Offer and the funding commitment letter.](#)

In addition, Landbridge Group [Co., Ltd](#) has a sufficient amount of cash reserves denominated in CNY to cover what Landbridge Group [Co., Ltd](#) and WestSide anticipate to be any adverse movements in the CNY/A\$ exchange rate during the period in which WestSide has an outstanding obligation to make payments under the Offer.

6.4 Payment of consideration

On the basis of the arrangements outlined in this section 6 of this Bidder's Statement, WestSide considers that it has a reasonable basis for believing, and it does believe, that it will be able to pay the consideration required to Armour Energy Shareholders who accept the Offer and to meet all other obligations associated with the Offer.

7 Australian taxation considerations

7.1 Introduction

The following is a brief outline of the principal Australian income tax, stamp duty and goods and services tax ("GST") consequences generally applicable to an Armour Energy Shareholder who disposes of Armour Energy Shares in return for cash under the Offer. It is based on the current Australian tax laws as at the date of this Bidder's Statement, taking into account WestSide's understanding of the current administrative practices of the Australian Taxation Office. The outline does not take into account or anticipate changes in the law, whether by way of judicial decision or legislative action, nor does it take into account tax legislation of countries apart from Australia.

The following outline is not exhaustive of all possible Australian income tax, stamp duty and GST considerations that could apply to Armour Energy Shareholders. In particular, the summary is only relevant to those Armour Energy Shareholders who hold their shares on capital account for Australian tax purposes.

In addition, the outline does not apply to Armour Energy Shareholders who:

- buy and sell (or trade) shares in the ordinary course of business, or acquired the shares for resale at a profit or otherwise hold their Armour Energy Shares on revenue account or as trading stock;
- may be subject to special tax rules, such as banks, insurance companies, tax exempt organisations, superannuation funds or dealers in securities;
- hold the Armour Energy Shares as part of an employee share or option plan;
- are subject to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth);
- are non-residents of Australia for tax purposes and currently hold, or have held, at any time, Armour Energy Shares through a permanent establishment in Australia; or
- are temporary residents.

The comments in this outline relate only to Armour Energy Shares, and not to Unlisted Armour Energy Options and any other rights held over Armour Energy Shares.

This outline does not constitute tax advice and should not be relied upon as such. Given the general nature of these comments and the complexity of the Australian tax laws which are subject to change periodically, it is recommended that each Armour Energy Shareholder should consult their own tax adviser regarding the consequences of acquiring, holding or disposing of their Armour Energy Shares having regard to current tax laws and their particular circumstances.

7.2 Taxation on the disposal of Armour Energy Shares

If you accept the Offer, you will be treated as having disposed of your Armour Energy Shares for Australian income tax purposes by way of disposal of your Armour Energy Shares to WestSide. The disposal of an Armour Energy Share will constitute a capital gains tax event from which, depending on your particular circumstances, a capital gain or loss may arise.

However, if you do not ultimately dispose of your Armour Energy Shares (eg the Offer lapses) then no capital gains tax event should apply to your Armour Energy Shares.

7.3 Australian resident Armour Energy Shareholders

You will realise a capital gain in connection with the disposal of an Armour Energy Share to the extent that the amount you receive (or will receive) for the disposal of that Armour Energy Share is more than the cost base of that Armour Energy Share. You will realise a capital loss to the extent that the amount you receive (or will receive) is less than the reduced cost base of the Armour Energy Share. Capital losses can usually only be offset against capital gains you realise in the same income year or in later income years (subject to satisfying certain loss recoupment tests where applicable).

The cost base of an Armour Energy Share should generally include the total amount you paid (or are deemed to have paid) for the Armour Energy Share, your acquisition costs and other costs relating to the holding and disposal of the Armour Energy Share, to the extent you have not claimed an income tax deduction for such costs. The reduced cost base of an Armour Energy Share is usually determined in a similar, but not identical, manner. There are a number of circumstances which may result in your cost base or reduced cost base being calculated in a different manner to that outlined above. We recommend that you consult your tax adviser to confirm the cost base or reduced cost base of your Armour Energy Shares.

Any net capital gain should be included in your assessable income for that income year. Broadly, your net capital gain in respect of an income year will be calculated by aggregating all of your capital gains realised in that income year and reducing that amount by your capital losses realised in that income year and any available net capital losses from prior years (subject to satisfying certain loss recoupment tests where applicable).

Armour Energy Shareholders who are individuals, trusts or complying superannuation funds may be eligible for discount capital gains treatment in respect of an Armour Energy Share if they have held that Armour Energy Share for at least 12 months (excluding the date of acquisition and the date of disposal for capital gains tax purposes). Companies are not eligible for discount capital gains treatment. We recommend that you consult your tax adviser as to your eligibility for discount capital gains treatment.

7.4 Non-resident Armour Energy Shareholders

If you are not a resident of Australia for income tax purposes and hold your shares in Armour Energy on capital account, you will generally not be subject to Australian income tax on any capital gain when you dispose of your Armour Energy Shares, unless both of the following requirements are satisfied:

- (a) you hold a "non-portfolio interest" in Armour Energy, which will be the case if you (alone or together with your associates) hold at the time of disposal (for capital gains tax purposes), or held, throughout a 12 month period during the two years preceding the time of disposal (for capital gains tax purposes) of your Armour Energy Shares, 10% or more of (broadly) all of the shares in Armour Energy; and
- (b) the Armour Energy Shares pass the "principal asset test", which will be the case if, broadly, the market value of Armour Energy's direct and indirect interests in taxable Australian real property (including land, leases and mining rights) is more than the market value of its other assets at the time of disposal (for capital gains tax purposes).

If either element is absent, any capital gain made on the disposal of your Armour Energy Shares should not be subject to income tax in Australia and if you make a capital loss on the disposal, it is disregarded.

A non-resident Armour Energy Shareholder who makes a capital gain on disposal of their Armour Energy Shares may be partially eligible for discount capital gains treatment depending on their specific circumstances. If you are a non-resident Armour Energy

Shareholder you should seek your own tax advice to determine whether discount capital gains treatment is available and if so, the extent to which it is available.

The Australian income tax consequences arising from the disposal of Armour Energy Shares if you are a non-resident Armour Energy Shareholder will depend on your particular circumstances including whether the Armour Energy Shares are held on capital or revenue account, whether the above requirements are satisfied and the provisions under any double tax treaty that Australia has concluded with your country of residence. Accordingly, you should seek advice from your tax adviser as to the taxation implications of accepting the Offer in Australia and in your country of residence.

7.5 Stamp duty

Any stamp duty payable on the transfer of Armour Energy Shares to WestSide pursuant to the Offer will be paid by WestSide.

7.6 GST

In general, where an Armour Energy Shareholder is resident in Australia the supply of shares by way of disposal to WestSide under the Offer would be an input taxed financial supply for GST purposes. Where an Armour Energy Shareholder is a non-resident of Australia, the supply would be outside the scope of Australian GST. As such, Armour Energy Shareholders will not be required to charge GST on the disposal of Armour Energy Shares.

Armour Energy Shareholders should seek their own tax advice to determine whether any GST incurred on costs (for example third party advisers) in relation to the disposal of their Armour Energy Shares is recoverable.

8 Additional information

8.1 Miscellaneous matters

ASIC modifications

ASIC has granted a number of "Class Order" relief instruments providing for modifications and exemptions that apply generally to all persons, including WestSide, in relation to the operation of Chapter 6 of the Corporations Act.

Other regulatory matters

(a) FIRB

WestSide is a foreign person for the purposes of FATA.

On 5 August 2015, WestSide received from FIRB, a statement of no objections from the Treasurer of the Commonwealth of Australia in respect of WestSide's proposed acquisition of Armour Energy.

(b) PRC regulatory approvals

The Offer is not conditional on any PRC or other government approvals or filings.

8.2 Consents

(a) Statements based on documents announced by Armour Energy to ASX

WestSide has relied on the modification to section 636(3) of the Corporations Act set out in ASIC Class Order 13/521 to include, without obtaining specific consent, statements which are made in, or based on statements made in, any documents announced on the company announcements platform of ASX by Armour Energy and Lakes Oil on the following dates:

| Entity | Announcement | Date of Announcement |
|-------------------------------|---|----------------------------------|
| Armour Energy | Admission to the Official List | 20 April 2012 |
| Armour Energy | Annual Report 2014 | 20 October 2014 |
| Armour Energy | Notice of change of interests of substantial holder | 20 October 2014 |
| Armour Energy | Quarterly Activities Report for the period ended 30 June 2015 | 31 July 2015 |
| Armour Energy | Quarterly Cashflow Report for the period ended 30 June 2015 | 31 July 2015 |
| Armour Energy | Letter of Intent for \$100m Northern Territory Farmout to AEP | 20 August 2015 |
| Armour Energy | Ceasing to be a substantial holder - J.P. Morgan | 24 August 2015 |
| Armour Energy | Armour to Become Significant Producer via Roma Shelf Assets | 2 September 2015 |
| Armour Energy | Annual Report 2015 | 2 September 2015 |

| Entity | Announcement | Date of Announcement |
|-------------------------------|---|-----------------------------------|
| Armour Energy | Roma Shelf Funding Update | 11 September 2015 |
| Armour Energy | Execution of Agreements with American Energy Partners | 11 September 2015 |
| Lakes Oil | Annual Report 2014 | 24 October 2014 |
| Lakes Oil | Armour Energy's notice of change of interests of substantial holder | 12 December 2014 |

No person who has made any of these statements has consented to the statement being included in or accompanying this Bidder's Statement in the form and context in which it is included.

As required by ASIC Class Order 13/521, WestSide will make available a copy of the documents containing these statements (or relevant extracts from these documents), free of charge to Armour Energy Shareholders who request them before the end of the Offer Period. To obtain a copy of these documents (or the relevant extracts), please contact the Offer Information Line on 1300 721 637 (callers in Australia) or +61 2 8016 2890 (callers outside Australia).

In addition, as permitted by ASIC Class Order 07/429, this Bidder's Statement contains security price trading data sourced from Bloomberg without its consent.

(b) **Consenting parties**

Each of the parties named in the table below as a consenting party:

- (i) has given, and has not, before the date of this Bidder's Statement, withdrawn its written consent to be named in this Bidder's Statement in the form and context in which it is named;
- (ii) does not make, or purport to make, any statements in this Bidder's Statement other than those statements referred to below in respect of that party's name (and consented to by that party); and
- (iii) to the maximum extent permitted by law, expressly disclaims and makes no representation regarding and takes no responsibility for any statements in or omissions from this Bidder's Statement other than any reference to its name.

| Consenting party | Statement |
|---|--|
| J.B. North & Co Pty Ltd | Role as financial adviser |
| Boardroom Pty Limited | Share registry |
| King & Wood Mallesons | Role as legal adviser |
| Landbridge Group Co., Ltd | Ultimate parent entity and counterparty to funding commitment letter |

8.3 On-market acquisitions

Subject to the requirements of the Corporations Act, WestSide may acquire Armour Energy Shares on-market at prices up to the Offer Price during normal trading on ASX. Any such

purchases will be disclosed to ASX in substantial shareholder notices which WestSide is required to lodge pursuant to Part 6C.1 of the Corporations Act.

Armour Energy Shareholders who sell their Armour Energy Shares on ASX will be paid by their Broker. Settlement of trades on ASX is on a T+3 basis (being three trading days after the date of the transaction). Armour Energy Shareholders who sell their Armour Energy Shares on ASX cannot subsequently accept the Offer in respect of Armour Energy Shares sold on ASX. Additionally, Armour Energy Shareholders who sell their Armour Energy Shares on ASX may incur brokerage charges which they may not incur if they accept the Offer.

8.4 Institutional acceptance facility

As at the date of this Bidder's Statement, WestSide has not made a decision as to whether to introduce an institutional acceptance facility in connection with the Offer. However, WestSide reserves the right to introduce such a facility.

8.5 Previous information

In the context of previous commercial discussions between WestSide and Armour Energy earlier this year, WestSide was given access by Armour Energy to certain information concerning Armour Energy which has not been disclosed generally to Armour Energy Shareholders. These commercial discussions have ended and no binding commitments were entered into.

Except as disclosed in this Bidder's Statement, none of the information to which WestSide was given access is, in the opinion of WestSide, of such a nature and quality which, if the information were generally available, a reasonable person would expect to have a material effect on the price or value of Armour Energy Shares or, in the opinion of WestSide and except as disclosed in this Bidder's Statement, would otherwise be material to a decision by an Armour Energy Shareholder of whether or not to accept the Offer.

Armour Energy has not reviewed, nor approved the information contained in this Bidder's Statement and has not provided WestSide with any information for the purposes of disclosure in this Bidder's Statement.

8.6 ~~9.5~~ Other material information

Except as set out elsewhere in this Bidder's Statement, there is no other information that is:

- (a) material to the making of a decision by an Armour Energy Shareholder whether or not to accept an Offer; and
- (b) known to WestSide,

and has not previously been disclosed to Armour Energy Shareholders.

9 Glossary

9.1 Definitions

The following defined terms are used throughout this Bidder's Statement unless the contrary intention appears or the context requires otherwise:

| Term | Meaning |
|---------------------------------------|--|
| Acceptance Form | means the form of acceptance and transfer accompanying the Offer or any replacement or substitute acceptance form provided by or on behalf of WestSide. |
| AEP | means American Energy Partners, LP or any of its affiliates (including American Energy – Acquisitions LLC and AEGP Australia Pty Ltd). |
| <u>AEP Agreements</u> | means the agreements entered into between Armour Energy and AEP to give effect to the Northern Territory Farm-Out as announced to the ASX on 11 September 2015 and as discussed at section 3.4 of this Bidder's Statement. |
| Announcement Date | means 31 August 2015, being the date of the announcement of the Offer. |
| Armour Energy | means Armour Energy Limited ABN 60 141 198 414, a company incorporated in Australia. |
| Armour Energy Group | means Armour Energy and each of its Subsidiaries. |
| Armour Energy Shareholders | means the holders of Armour Energy Shares. |
| Armour Energy Shares | means the fully paid ordinary shares in the capital of Armour Energy. |
| ASIC | means Australian Securities and Investments Commission. |
| ASX | means ASX Limited or Australian Securities Exchange, as appropriate. |
| ASX Settlement | means ASX Settlement Pty Limited (ABN 49 008 504 532), the body which administers the CHESS system in Australia. |
| ASX Settlement Operating Rules | means the settlement rules of ASX Settlement. |
| ASX Settlement Participant | means a participant under the ASX Settlement Operating Rules. |
| Bidder's Statement | means this document, being the statement of WestSide under Part 6.5 Division 2 of the Corporations Act relating to the Offer. |
| Broker | means a person who is a share broker and a participant in CHESS. |

| Term | Meaning |
|---------------------------------|---|
| Business Day | means a day on which banks are open for general banking business in Sydney (not being a Saturday, Sunday or public holiday in that place). |
| CHESS | means the Clearing House Electronic Subregister System, which provides for electronic share transfer in Australia. |
| CHESS Holding | means a holding of Armour Energy Shares on the CHESS subregister of Armour Energy. |
| Controlling Participant | means the Broker or ASX Settlement Participant who is designated as the controlling participant for shares in a CHESS Holding in accordance with the ASX Settlement Operating Rules. |
| Corporations Act | means the <i>Corporations Act 2001</i> (Cth). |
| Encumbrance | means any: <ul style="list-style-type: none"> (a) security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, option, right of pre-emption, power, title retention, or flawed deposit arrangement; or (b) right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors including any right of set-off; or (c) right that a person (other than the owner) has to remove something from land (known as a profit à prendre), easement, public right of way, restrictive or positive covenant, lease, or licence to use or occupy; or (d) third party right or interest or any right arising as a consequence of the enforcement of a judgment, or any agreement to create any of them or allow them to exist. |
| FATA | means the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth). |
| FIRB | means the Foreign Investment Review Board. |
| GST | has the same meaning as in the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth). |
| HIN | means a Holder Identification Number, which is the number that starts with an "X", allocated by your Controlling Participant, to identify an Armour Energy Shareholder with a CHESS Holding. |
| Issuer Sponsored Holding | means a holding of Armour Energy Shares on Armour Energy's issuer sponsored subregister. |

| Term | Meaning |
|------------------------------------|--|
| Lakes Oil | means Lakes Oil N.L. ABN 62 004 247 214. |
| Landbridge Group | means Landbridge Group Co., Ltd and its Subsidiaries. |
| Northern Territory Farm-Out | means the proposal set out in the non-binding letter of intent conditional agreements Armour Energy entered into with AEP as announced to the ASX on 20 August 11 September 2015 and as discussed at section 3.4 of this Bidder's Statement. |
| Offer | means the offer by WestSide on the Offer Terms to acquire Armour Energy Shares (and for the avoidance of doubt includes each such offer made to an individual Armour Energy Shareholder pursuant to that offer). |
| Offer Information Line | means the offer information line number on 1300 721 637 (toll-free within Australia) or +61 2 8016 2890 (from outside Australia). |
| Offer Period | means the period commencing on 14 15 September October 2015 and ending on 15 16 October November 2015, or such later date to which the Offer has been extended. |
| Offer Price | means A\$0.12 per Armour Energy Share. |
| Offer Terms | means the terms and conditions of the Offer as set out in Appendices 1 and 2 to this Bidder's Statement. |
| PRC | means the People's Republic of China. |
| Rights | means all accretions, rights or benefits of whatever kind attaching to or arising from Armour Energy Shares directly or indirectly after the date of this Bidder's Statement, including but not limited to all dividends or other distributions and all rights to receive any dividends or other distributions, or to receive or subscribe for shares, stock units, notes, bonds, options or other securities, declared, paid or made by Armour Energy or an Armour Energy Subsidiary. |
| Ripple Resources | means Ripple Resources Pty Ltd ABN 83 127 220 768, a wholly owned Subsidiary of Armour Energy. |
| SRN | means a Securityholder Reference Number, which is the number which starts with an "I", allocated by Armour Energy to identify an Armour Energy Shareholder with an Issuer Sponsored Holding. |
| Subsidiary | means a subsidiary as that term is defined in the Corporations Act, and Armour Energy Subsidiary means a subsidiary of Armour Energy. |
| Takeovers Panel | means the body called the Takeovers Panel continuing in existence under section 261 of the <i>Australian Securities and Investments Commission Act 2001</i> (Cth) and given various powers under Part 6.10 of the Corporations Act. |

| Term | Meaning |
|---|--|
| Unlisted Armour Energy Options | means the unlisted options to acquire Armour Energy Shares. |
| VWAP | means the volume weighted average price in the relevant period up to and including any relevant date . |
| WestSide | means WestSide Corporation Limited ABN 74 117 145 516, a company incorporated in Australia and a Subsidiary of Landbridge Group. |
| WestSide's Takeover Transferee Holding | means the holding of Armour Energy Shares on the CHESSE subregister of WestSide established for the purposes of the Offer. |

9.2 General Interpretation

The following rules of interpretation apply unless the contrary intention appears or the context requires otherwise:

- (a) A reference to time is a reference to Sydney time.
- (b) Headings are for convenience only and do not affect interpretation.
- (c) The singular includes the plural and conversely.
- (d) A reference to a section is to a section of this Bidder's Statement.
- (e) A gender includes all genders.
- (f) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (g) "\$", "A\$", "cents", "AUD" or "AU" is a reference to the lawful currency in Australia, unless otherwise stated.
- (h) CNY is a reference to the lawful currency in the PRC.
- (i) "US\$" is a reference to the lawful currency in the United States of America.
- (j) A reference to a person includes a body corporate, an unincorporated body or other entity and conversely.
- (k) A reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation) and assigns.
- (l) A reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it.
- (m) A reference to any instrument or document includes any variation or replacement of it.
- (n) A term not specifically defined in this Bidder's Statement has the meaning given to it (if any) in the Corporations Act or the ASX Settlement Operating Rules, as the case may be.

- (o) A reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually.
- (p) A reference to you is to a person to whom the Offer is made under Appendix 1 to this Bidder's Statement.

10 Approval of Bidder's Statement

The copy of this Bidder's Statement that is to be lodged with ASIC has been approved by a resolution passed by the directors of WestSide on 25 August 2015.

Signed by Michael C Hughes in accordance with section 351 of the Corporations Act.



Michael C Hughes

Director

Date: ~~31 August~~ 14 September 2015

Appendix 1 - Formal terms of the Offer

1 Offer

WestSide offers to acquire all of your Armour Energy Shares, together with all Rights attaching to them, on the following terms and conditions. This Offer relates to Armour Energy Shares that exist or will exist at 7.00pm (Sydney time) on 3 September 2015 and extends to any Armour Energy Shares that are issued between that date and the end of the Offer Period as a result of the exercise of any Unlisted Armour Energy Options.

You may only accept this Offer for all of your Armour Energy Shares.

By accepting this Offer, you undertake to transfer to WestSide not only the Armour Energy Shares to which this Offer relates but also all Rights attached to those Armour Energy Shares (see clauses 5.4 and 5.5).

2 Consideration

The consideration offered for each Armour Energy Share is A\$0.12 cash.

However, in accordance with clauses 5.4 and 5.5 the amount of consideration you receive directly from WestSide may be reduced by the amount or value of any Rights attaching to Armour Energy Shares, which you (or any previous holder of your Armour Energy Shares) receive, including any dividend declared by Armour Energy.

3 Offer Period

This Offer will, unless withdrawn, remain open for acceptance during the period commencing on the date of this Offer, being ~~14~~ 15 September 2015, and ending at 7.00pm (Sydney time) on:

- (a) ~~15~~ 15 October 2015; or
- (b) any date to which the period of this Offer is extended in accordance with the Corporations Act,

whichever is the later.

4 How to accept this Offer

4.1 Acceptance Forms

Acceptances must be received in the manner specified below prior to the close of the Offer Period at 7.00pm Sydney time on ~~15~~ 15 October 2015, unless extended (and in the case of any acceptance in respect of a CHESS Holding, lodged at or sent to one of the addresses as indicated under clause 4.3(e) before 7.00pm Sydney time on the second last Business Day of the Offer Period in accordance with clause 4.3(a)(iii)).

4.2 All of your holding

This Offer is for all of your Armour Energy Shares.

4.3 Acceptance procedure for Armour Energy Shareholders

How you accept this Offer depends on whether your Armour Energy Shares are held in a CHESS Holding or an Issuer Sponsored Holding (the Acceptance Form outlines which type of holding you have):

- (a) **If you hold your Armour Energy Shares in a CHESS Holding** (your HIN starts with an "X") you must comply with the ASX Settlement Operating Rules.

If you hold your Armour Energy Shares in a CHESS Holding, to accept this Offer you must either:

- (i) instruct your Controlling Participant (usually your Broker) to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules in sufficient time for this Offer to be accepted before the end of the Offer Period; or
 - (ii) complete and sign the Acceptance Form and send the completed Acceptance Form (together with all other documents required by the instructions on the form) directly to your Controlling Participant (usually your Broker) in sufficient time for this Offer to be accepted before the end of the Offer Period with instructions to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period; or
 - (iii) complete and sign the Acceptance Form and lodge it by returning it to an address as indicated under clause 4.3(e) so that your acceptance is received before 7.00pm Sydney time on the second last Business Day of the Offer Period. This will authorise WestSide to instruct your Controlling Participant (usually your Broker) to initiate acceptance of this Offer on your behalf.
- (b) **If you are a Broker or an ASX Settlement Participant**, to accept this Offer you must initiate acceptance in accordance with the requirements of the ASX Settlement Operating Rules before the end of the Offer Period.
- (c) **If you hold your Armour Energy Shares in an Issuer Sponsored Holding** (your SRN starts with an "I") to accept this Offer you must **complete and sign** the Acceptance Form in accordance with the instructions on it and lodge it by returning it (together with all other documents required by the instructions on the Acceptance Form) to an address as indicated under clause 4.3(e) so that your acceptance is received before the end of the Offer Period.
- (d) **If some of your Armour Energy Shares are held in a number of forms**

If some of your Armour Energy Shares are in different holdings, your acceptance of this Offer will require action under clauses 4.3(a) and 4.3(c) in relation to the separate portions of your Armour Energy Shares.

(e) Postal and delivery addresses

The postal and delivery addresses for completed Acceptance Forms are as follows.

The postal address is:

Boardroom Pty Limited
WestSide Offer
GPO Box 3993
SYDNEY NSW 2001
AUSTRALIA

Alternatively, you may deliver the Acceptance Form and any associated documents in person to:

Boardroom Pty Limited
Westside Offer
Level 12, 225 George Street
SYDNEY NSW 2000

If you are an Armour Energy Shareholder within Australia, a reply paid envelope is enclosed for your convenience.

The transmission of the Acceptance Form and other documents is at your own risk.

(f) Acceptance Form

The Acceptance Form which accompanies this Offer forms part of it. Subject to clause 4.6, the requirements on the Acceptance Form must be observed in accepting this Offer in respect of your Armour Energy Shares.

4.4 Acceptance procedure for holders of Unlisted Armour Energy Options

If you:

- (a) hold Unlisted Armour Energy Options on the date of this Offer; and
- (b) are entitled to and wish to exercise the Unlisted Armour Energy Options during the Offer Period and accept this Offer in respect of the Armour Energy Shares issued upon exercise,

you may return the completed Acceptance Form and a signed notice of exercise of your Unlisted Armour Energy Options to the delivery or mailing addresses set out in clause 4.3(e).

If you do so, and you do not pay WestSide the exercise price in respect of those Unlisted Armour Energy Options, WestSide will ~~pay you the consideration that would otherwise have been payable to you in respect of the Armour Energy Shares issued upon exercise, less the exercise price in respect of those Unlisted Armour Energy Options.~~ do the following:

- (a) if the exercise price in respect of those Unlisted Armour Energy Options is less than the consideration that would otherwise have been payable to you in respect of the Armour Energy Shares issued upon exercise, WestSide will exercise your Unlisted Armour Energy Options, pay the exercise price to Armour Energy in respect of them, and accept the Armour Energy Shares issued upon exercise into the Offer. WestSide will thereafter pay you the difference between the exercise price of the Unlisted Armour Energy Options and the consideration that would otherwise have been payable to you in respect of the Armour Energy Shares issued upon exercise;
or

- (b) if the exercise price in respect of those Unlisted Armour Energy Options is equal to or greater than the consideration that would otherwise have been payable to you in respect of the Armour Energy Shares issued upon exercise, WestSide will take no action in respect of those Unlisted Armour Energy Options and you will not be entitled to any payment from WestSide, nor will you be required to make any payment to WestSide.

4.5 Power of attorney, deceased estate

When accepting this Offer, you should also forward for inspection:

- (a) if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and
- (b) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased Armour Energy Shareholder, a certified copy of the relevant grant of probate or letters of administration.

4.6 When acceptance is complete

Acceptance of this Offer will not be complete until the completed Acceptance Form has been received at one of the addresses set out in clause 4.3(e) and the requirements of clause 4 have otherwise been met, provided that:

- (a) WestSide may in its sole discretion and without notice to you waive any or all of those requirements at any time (including but not limited to requirements in relation to the manner or method of acceptance, or the deadline for receipt of acceptances specified under clause 4.3(a)(iii)); and
- (b) where such requirements have been complied with in respect of some but not all of your Armour Energy Shares, WestSide may, in its sole discretion, deem your acceptance of this Offer complete in respect of those Armour Energy Shares for which the requirements have been complied with but not in respect of the remainder (unless WestSide waives those requirements in accordance with clause 4.6(a)).

Where WestSide elects to waive any requirement of clause 4, your acceptance of this Offer will be complete regardless of any failure by you to comply with the waived requirement.

5 Payment for your shares

5.1 How payment for your shares will be made

The consideration payable by WestSide to you in respect of your Armour Energy Shares will be paid to you by cheque in Australian currency.

5.2 When consideration is paid

Subject to clause 5.3, if the contract resulting from your acceptance of this Offer becomes unconditional, WestSide will provide the consideration to which you are entitled on acceptance of this Offer on or before the earlier of:

- (a) the 7th Business Day after the date this Offer is validly accepted by you, or if this Offer is subject to a defeating condition when accepted, by the 7th Business Day after this Offer or the contract resulting from your acceptance of this Offer becomes unconditional; and
- (b) the 7th Business Day after the end of the Offer Period.

5.3 Where additional documents are required

Where the Acceptance Form or any subsequent request from WestSide requires additional documents to be given with your acceptance (such as a certified copy of any of a power of attorney, grant of probate or letters of administration or any other document reasonably requested by WestSide to give effect to your acceptance):

- (a) if the documents are given with your acceptance, WestSide will provide the consideration in accordance with clause 5.2; or
- (b) if the documents are given after acceptance and before the end of the Offer Period, and this Offer is subject to a defeating condition at the time that WestSide is given the documents, WestSide will provide the consideration by the end of whichever of the following periods ends earlier:
 - (i) the 7th Business Day after the contract resulting from your acceptance of this Offer becomes unconditional; and
 - (ii) the 7th Business Day after the end of the Offer Period; or
- (c) if the documents are given after acceptance and before the end of the Offer Period and this Offer is unconditional at the time that WestSide is given the documents, WestSide will provide the consideration by the end of whichever of the following periods ends earlier:
 - (i) the 7th Business Day after WestSide is given the documents; and
 - (ii) the 7th Business Day after the end of the Offer Period; or
- (d) if the documents are given after the end of the Offer Period, WestSide will provide the consideration by the 7th Business Day after the documents are given; but if at the time WestSide is given the documents, the contract resulting from your acceptance of this Offer is still subject to one or more of the conditions referred to in paragraph (c) of Appendix 2, WestSide will provide the consideration by the 7th Business Day after that contract becomes unconditional.

If you do not provide WestSide with the required additional documents within one month after the end of the Offer Period, WestSide may, in its sole discretion, rescind the contract resulting from your acceptance of this Offer.

5.4 Where WestSide is entitled to any Rights

If WestSide becomes entitled to any Rights as a result of your acceptance of this Offer, it may require you to give WestSide all documents necessary to vest those Rights in WestSide or otherwise to give WestSide the benefit or value of those Rights. If you do not give those documents to WestSide, or if you have received the benefit of those Rights, then WestSide may deduct from the consideration otherwise due to you, the amount (or value, as reasonably assessed by WestSide) of those Rights in accordance with clause 5.5.

5.5 Rights generally

If:

- (a) you have (or any previous holder of your Armour Energy Shares has) received the benefit of any Rights (whether in respect of non-cash benefits or otherwise); or
- (b) you are (or any previous holder of your Armour Energy Shares is) entitled to receive the benefit of any Rights under the terms that provide for or otherwise apply to those Rights (for example, if the Right is to receive a dividend, if you are (or any previous

holder of your Armour Energy Shares is) the registered holder of the share at the specified time for determining those entitled to the dividend); or

- (c) your Armour Energy Shares were issued (or otherwise came into existence) on or after the specified time for determining entitlements in respect of any Rights to Armour Energy Shareholders,

then:

- (d) in the case of Rights to non-cash benefits, WestSide may deduct the value (as reasonably assessed by WestSide) of such Rights from any consideration otherwise payable to you; or
- (e) in the case of Rights to cash benefits, WestSide may deduct the amount of such Rights from any consideration otherwise payable to you.

If WestSide does not, or cannot, make such a deduction, you must pay such value or amount to WestSide.

5.6 Manner of payment

Payment of the cash amount to which you are entitled will be mailed by cheque (or otherwise as determined by WestSide) in Australian currency. Cheques will be sent to the address on the Acceptance Form or such other address as you may notify in writing to WestSide, by pre-paid ordinary mail or, if you have an overseas address, by pre-paid airmail.

5.7 Clearances for offshore residents

If, at the time of acceptance of this Offer, any consent, authority or clearance is required for you to receive any consideration under this Offer including, but not limited to consent, authority or clearance of:

- (a) the Minister for Foreign Affairs (whether under the *Charter of the United Nations Act 1945 (Cth)*, the *Charter of the United Nations (Terrorism and Dealings with Assets) Regulations 2002* or any other regulations made thereunder, or otherwise);
- (b) the Reserve Bank of Australia (whether under the *Banking (Foreign Exchange) Regulations 1959 (Cth)* or otherwise); or
- (c) the Australian Taxation Office,

then acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive (and you will not be entitled to receive) any consideration under this Offer unless and until all such consents, authorities or clearances have been obtained by WestSide.

6 Conditions of this Offer

6.1 Conditions

This Offer and the contract that results from acceptance of this Offer are subject to fulfilment of the conditions set out in Appendix 2.

6.2 Nature of conditions

Each of the conditions set out in each paragraph and subparagraph of Appendix 2:

- (a) constitutes and will be construed as a separate, several and distinct condition;
- (b) is a condition subsequent; and

- (c) until the expiration of the Offer Period (or in the case of the conditions referred to in paragraph (c) of Appendix 2, until three Business Days after the end of the Offer Period) will be for the benefit of WestSide alone and may be relied upon only by WestSide.

6.3 Effect of breach or non-fulfilment

The breach or non-fulfilment of any of the conditions subsequent set out in Appendix 2 does not, until the end of the Offer Period, prevent a contract arising to acquire your Armour Energy Shares resulting from your acceptance of this Offer but, if at the end of the Offer Period (or, in the case of the conditions in paragraph (c) of Appendix 2 at the end of three Business Days after the end of the Offer Period), in respect of any condition in Appendix 2:

- (a) WestSide has not declared this Offer (and it has not become) free from that condition; and
- (b) that condition has not been fulfilled,

all contracts resulting from the acceptance of the Offer and all acceptances that have not resulted in binding contracts are void. In such a case, WestSide will notify ASX Settlement of the lapse of the Offer in accordance with Rule 14.19 of the ASX Settlement Operating Rules.

6.4 WestSide may decide Offer is free from all or any of the conditions

WestSide may at any time at its sole discretion, but in compliance with the Corporations Act, declare the Offer free from all or any of the conditions set out in each paragraph and subparagraph of Appendix 2 by notice in writing to Armour Energy:

- (a) in the case of the conditions referred to in paragraph (c) of Appendix 2 – not later than three Business Days after the end of the Offer Period; or
- (b) in any other case - not later than seven days before the end of the Offer Period.

6.5 Date for giving notice on status of conditions

The date for giving a notice on the status of the conditions as required by section 630(1) of the Corporations Act is 7th October 2015, subject to variation in accordance with section 630(2) of the Corporations Act in the event that the Offer Period is extended.

7 Effect of acceptance

7.1 Revocation of acceptance

Once you have accepted this Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you. In addition, subject to any withdrawal right arising under the Corporations Act, you will be unable to withdraw your acceptance of this Offer or otherwise dispose of your Armour Energy Shares, except as follows:

- (a) if, by the times specified in clause 7.2, the conditions in Appendix 2 have not all been fulfilled or waived, then this Offer will automatically terminate and your Armour Energy Shares will be returned to you; or
- (b) if the Offer Period is varied in a way that postpones for more than one month the time when WestSide has to meet its obligations under the Offer and, at that time, this Offer is subject to one or more of the conditions in Appendix 2, then you may be able to withdraw your acceptance in accordance with section 650E of the Corporations Act.

7.2 Times

The relevant time for the purposes of clause 7.1(a) are:

- (a) in the case of the defeating conditions referred to in paragraph (c) of Appendix 2 – three Business Days after the end of the Offer Period; and
- (b) in the case of all other defeating conditions in Appendix 2 – the end of the Offer Period.

7.3 Your agreement

By signing and returning the Acceptance Form, or otherwise accepting this Offer you will be deemed to have:

- (a) irrevocably authorised WestSide to alter the Acceptance Form on your behalf by:
 - (i) inserting the correct details of your Armour Energy Shares (including details of a parcel of Armour Energy Shares required by clause 10.4(b));
 - (ii) filling in any blanks remaining on the Acceptance Form; and
 - (iii) rectifying any errors in, and omissions from, the Acceptance Form,

as may be necessary to make the Acceptance Form a valid acceptance of this Offer and to enable registration of the transfer of your Armour Energy Shares to WestSide, and agreed to provide any document reasonably requested by WestSide to make the Acceptance Form a valid acceptance of this Offer or to otherwise give better effect to your acceptance; and
- (b) if any of your Armour Energy Shares are in a CHESS Holding, irrevocably authorised WestSide to:
 - (i) instruct your Controlling Participant to initiate acceptance of this Offer in respect of all such Armour Energy Shares in accordance with the ASX Settlement Operating Rules; and
 - (ii) give any other instructions in relation to those Armour Energy Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and the Controlling Participant; and
- (c) agreed to indemnify WestSide in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your HIN or SRN or in consequence of the transfer of your Armour Energy Shares to WestSide being registered by Armour Energy without production of your HIN or SRN; and
- (d) irrevocably accepted this Offer in respect of all your Armour Energy Shares despite any difference between that number and the number of Armour Energy Shares shown on the Acceptance Form; and
- (e) agreed to the terms and conditions of this Offer and subject to the conditions contained in Appendix 2 being fulfilled or waived, agreed to transfer (or consented to the transfer in accordance with the ASX Settlement Operating Rules) to WestSide of your Armour Energy Shares; and
- (f) represented and warranted to WestSide, as a fundamental condition of the contract resulting from your acceptance of this Offer, that at the time of acceptance and at the time of transfer of your Armour Energy Shares to WestSide:

- (i) you have paid to Armour Energy all amounts which are due for payment in respect of your Armour Energy Shares; and
 - (ii) all of your Armour Energy Shares are fully paid and free from all Encumbrances and restrictions on transfer of any nature; and
 - (iii) you have full power and capacity to sell and transfer those Armour Energy Shares; and
- (g) on this Offer or any takeover contract becoming unconditional:
- (i) irrevocably appointed WestSide and each of its directors from time to time individually as your agent and attorney on your behalf to:
 - (A) attend and vote in respect of your Armour Energy Shares at all general meetings of Armour Energy;
 - (B) at WestSide's discretion, pay Armour Energy, or any other party, all or part of any amounts contemplated by clause 5.1 of these terms;
 - (C) receive from Armour Energy or any other party, and retain, any share certificates which were held by Armour Energy, or any other party, whether pursuant to the terms of any employee incentive scheme (including, without limitation, any employee share scheme) or otherwise; and
 - (D) sign all documents (including an instrument appointing one of WestSide's directors as a proxy in respect of any or all of your Armour Energy Shares and any application to Armour Energy for a replacement certificate in respect of any share certificate which has been lost or destroyed) and resolutions relating to your Armour Energy Shares, and generally to exercise all powers and rights which you may have as an Armour Energy Shareholder and perform such actions as may be appropriate in order to vest good title in your Armour Energy Shares in WestSide, and to have agreed that, in exercising such powers, any such director is entitled to act in WestSide's interests as the beneficial owner and intended registered holder of your Armour Energy Shares; and
 - (ii) agreed not to vote in person at any general meeting of Armour Energy or to exercise (or purport to exercise) in person, by proxy or otherwise, any of the powers conferred on the directors of WestSide by clause 7.3(g)(i); and
 - (iii) irrevocably authorised and directed WestSide to direct Armour Energy to pay to WestSide, or to account to WestSide for, all Rights in respect of your Armour Energy Shares, subject to WestSide accounting to you for any such Rights received by WestSide if this Offer is withdrawn or any contract resulting from your acceptance of this Offer is rescinded or rendered void; and
 - (iv) irrevocably authorised WestSide to notify Armour Energy on your behalf that your place of address for the purposes of serving notices upon you in respect of your Armour Energy Shares is the address specified by WestSide in the notification; and
 - (v) where, at that time, you have a right to be registered as a holder of the Armour Energy Shares the subject of your acceptance as the result of an on-market purchase (but are not an Armour Energy Shareholder):

- (A) agreed to use best endeavours to procure the delivery of the Armour Energy Shares the subject of your acceptance to WestSide in accordance with your acceptance (including giving WestSide all documents necessary to vest those Armour Energy Shares in WestSide or otherwise to give WestSide the benefit or value of those Armour Energy Shares);
 - (B) agreed not to do or omit to do anything which may frustrate your acceptance of this Offer, or otherwise obstruct registration of the transfer of the Armour Energy Shares the subject of your acceptance to WestSide;
 - (C) irrevocably assigned to WestSide all contractual rights and recourse against the vendor in respect of your on-market purchase which contractual rights and recourse may arise by reason of that person's failure to complete that trade;
 - (D) agreed to assign to WestSide (without any further action being required) all rights in respect of your on-market purchase immediately on any failure by you to complete that trade, including irrevocably assigning to WestSide the right to (at WestSide's ultimate discretion) complete that trade on your behalf, and agreed that WestSide may deduct from the consideration otherwise payable to you (pursuant to a valid acceptance of this Offer and the delivery of the Armour Energy Shares the subject of that acceptance) any amount paid by WestSide in order to settle that on-market purchase on your behalf. If WestSide does not, or cannot, make such a deduction, you must pay such amount to WestSide; and
 - (E) agreed that if you are unable to assign to WestSide any of the rights and recourse specified under clause 7.3(g)(v)(C) and (D), you will assign such rights and recourse as soon as you are legally able to; and
- (h) if at the time of acceptance of this Offer your Armour Energy Shares are in a CHES Holding, authorised, with effect from the date that this Offer or any contract resulting from acceptance of this Offer is declared free from all its conditions or those conditions are satisfied, authorised WestSide to cause a message to be transmitted to ASX Settlement in accordance with Rule 14.17.1 of the ASX Settlement Operating Rules so as to transfer all of your Armour Energy Shares to WestSide's Takeover Transferee Holding. WestSide will be so authorised even though at the time of such transfer it has not provided the consideration due to you under this Offer.

By accepting this Offer you will be deemed to have agreed to the matters set out in clauses 7.3(a) to (h), notwithstanding where this Offer has been caused to be accepted in accordance with the ASX Settlement Operating Rules.

Except in relation to Armour Energy Shares in a CHES Holding, WestSide may at any time deem the receipt of a signed Acceptance Form to be a valid acceptance of this Offer even though you omit to include your share certificate(s) (if any) or there is non-compliance with any one or more of the other requirements for acceptance but, if WestSide does so, WestSide is not obliged to make the consideration available to you until all of the requirements for acceptance have been met.

8 Withdrawal

WestSide may withdraw unaccepted Offers at any time with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

9 Variation

WestSide may vary this Offer in accordance with the Corporations Act.

10 Acceptances by transferees and nominees

10.1 Who may accept this Offer

During the Offer Period:

- (a) any person who is able to give good title to a parcel of your Armour Energy Shares may accept this Offer (if they have not already accepted an offer in the form of this Offer) as if an offer on terms identical with this Offer has been made to them; and
- (b) any person who holds one or more parcels of Armour Energy Shares as trustee, nominee, or otherwise on account of another person, may accept as if a separate and distinct offer had been made in relation to:
 - (i) each of those parcels; and
 - (ii) any parcel they hold in their own right.

10.2 Holding shares

- (a) A person is taken to hold Armour Energy Shares if the person is, or has a right to be registered as, the holder of those Armour Energy Shares.
- (b) A person who has a right to be registered as a holder of Armour Energy Shares may accept this Offer by completing and signing the Acceptance Form in accordance with the instructions on it and lodging it by returning it (together with all other documents required by the instructions on the Acceptance Form) to an address indicated under clause 4.3(e) so that the acceptance is received before the end of the Offer Period.

10.3 Holding shares on trust or as a nominee

A person is taken to hold Armour Energy Shares on trust for, as nominee for, or on account of, another person if they:

- (a) are entitled to be registered as the holder of particular Armour Energy Shares; and
- (b) hold their interest in the Armour Energy Shares on trust for, as nominee for, or on account of, that other person.

10.4 Effective acceptance

An acceptance of an offer under clause 10.1(b) is ineffective unless:

- (a) the person who holds on account of another person, gives WestSide a notice stating that the Armour Energy Shares consist of a separate parcel; and
- (b) the acceptance specifies the number of Armour Energy Shares in that parcel.

References in this Offer to your Armour Energy Shares will be treated to relate to that separate parcel.

10.5 Notice of acceptance

A notice under clause 10.4(a) must be made:

- (a) if it relates to Armour Energy Shares entered on an ASX Settlement subregister - in an electronic form approved by the ASX Settlement Operating Rules; or
- (b) otherwise - in writing.

A person may, at the one time, accept for two or more parcels under this clause as if there had been a single offer for a separate parcel consisting of those parcels.

11 Other matters

11.1 Notices and other communications

Subject to the Corporations Act, a notice or other communication given by WestSide to you in connection with this Offer shall be deemed to be duly given if it is in writing and:

- (a) is delivered at your address as recorded on the register of members of Armour Energy or the address shown in the Acceptance Form; or
- (b) is sent by pre-paid ordinary mail, or in the case of an address outside Australia by pre-paid airmail, to you at either of those addresses.

11.2 Return of documents

If:

- (a) this Offer is withdrawn after your Acceptance Form has been sent to WestSide, but before it has been received; or
- (b) for any other reason WestSide does not acquire the Armour Energy Shares to which your Acceptance Form relates,

you may request WestSide by notice in writing, to despatch (at your risk) your Acceptance Form together with all other documents forwarded by you, to such address as you nominate. Where such address is inside Australia, the documents will be despatched by pre-paid ordinary mail. Where such address is outside Australia, the documents will be despatched by pre-paid airmail.

11.3 Costs and expenses

All costs and expenses of the preparation, despatch and circulation of the Bidder's Statement and this Offer and all stamp duty payable in respect of a transfer of Armour Energy Shares in respect of which Offers are accepted, will be paid by WestSide.

11.4 Foreign laws

This Offer is not registered in any jurisdiction outside Australia (unless an applicable foreign law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept this Offer.

11.5 Governing law

This Offer and any contract resulting from acceptance of it is governed by the law in force in Queensland, Australia.

Appendix 2 - Conditions of the Offer

The Offer and any contract resulting from acceptance of the Offer is subject to fulfilment of the following conditions:

- (a) **(minimum ownership)** during, or at the end of, the Offer Period, the number of Armour Energy Shares in which WestSide and its associates together have relevant interests in is at least 50.1% of all Armour Energy Shares;
- (b) **(Northern Territory Farm-Out)** none of the following events occurs during the period from the Announcement Date to the end of the Offer Period:
 - (i) Armour Energy or an Armour Energy Subsidiary enters into, or announces that it has entered into, any binding agreement, arrangement or understanding with AEP or any person acting jointly or in concert with AEP, in connection with one or more companies, businesses or assets (or any legal, beneficial or economic interest or right in one or more companies, businesses or assets) of the Armour Energy Group (including, without limitation, in connection with the proposal announced by Armour Energy on 20 August 2015);
 - (ii) Armour Energy or an Armour Energy Subsidiary enters into, or announces that it has entered into, a transaction, or agrees to enter into a binding commitment to implement a transaction, that has the same economic effect as any of things in paragraph (i); or
 - (iii) Armour Energy or an Armour Energy Subsidiary resolves to do any of the things in paragraph (i) or (ii); or
- (c) **(prescribed occurrences)** that during the period beginning on the Announcement Date and ending at the end of the Offer Period, none of the following events happen:
 - (i) Armour Energy converts all or any of its Armour Energy Shares into a larger or smaller number of Armour Energy Shares;
 - (ii) Armour Energy or an Armour Energy Subsidiary resolves to reduce its share capital in any way;
 - (iii) Armour Energy or an Armour Energy Subsidiary:
 - (A) enters into a buy-back agreement; or
 - (B) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act;
 - (iv) Armour Energy or an Armour Energy Subsidiary issues shares, or grants an option over its Armour Energy Shares, or agrees to make such an issue or grant such an option;
 - (v) Armour Energy or an Armour Energy Subsidiary issues, or agrees to issue, convertible notes;
 - (vi) Armour Energy or an Armour Energy Subsidiary disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;

- (vii) Armour Energy or an Armour Energy Subsidiary charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (viii) Armour Energy or an Armour Energy Subsidiary resolves to be wound up;
- (ix) a liquidator or provisional liquidator of Armour Energy or of an Armour Energy Subsidiary is appointed;
- (x) a court makes an order for the winding up of Armour Energy or of an Armour Energy Subsidiary;
- (xi) an administrator of Armour Energy or of an Armour Energy Subsidiary is appointed under sections 436A, 436B or 436C of the Corporations Act;
- (xii) Armour Energy or an Armour Energy Subsidiary executes a deed of company arrangement; or
- (xiii) a receiver or a receiver and manager is appointed in relation to the whole, or a substantial part, of the property of Armour Energy or of an Armour Energy Subsidiary.

Corporate Directory

Directors

Michael Colin Hughes

Cheng Ye

Jingxia Liu

Secretary

Amy Jo Hoban

Registered Office of WestSide

Level 8, 300 Queen Street

Brisbane QLD 4000

Offer Information Line

1300 721 637 (callers in Australia)

+61 2 8016 2890 (callers outside Australia)

Share registry for the Offer

Boardroom Pty Limited

Level 12, 225 George Street

Sydney NSW 2000

Financial adviser

J.B. North & Co Pty Ltd

Suite 509, 180 Ocean Street

Edgecliff NSW 2027

Legal adviser

King & Wood Mallesons

Level 33, Waterfront Place, 1 Eagle Street

Brisbane QLD 4000

ACCEPTANCE AND TRANSFER FORM

In respect of the Offer by WestSide Corporation Limited ABN 74 117 145 516, (**WestSide**) a subsidiary of Landbridge Group Co., Ltd, to acquire all of your ordinary shares in Armour Energy Limited ABN 60 141 198 414 (**Armour Energy**).

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION

IF YOU DO NOT UNDERSTAND IT PLEASE CONSULT YOUR FINANCIAL, LEGAL OR OTHER PROFESSIONAL ADVISER IMMEDIATELY

STEP 1 – Check your details below (see over)

Name & address 1
Name & address 2
Name & address 3
Name & address 4
Name & address 5
Name & address 6

Number of Armour Energy Shares you hold

HIN / SRN*

(*A new SRN may be allocated to you solely for the purpose of this offer)

Sub-register

Barcode

Use this Acceptance Form to accept the Offer by WestSide for your Armour Energy Shares on the terms set out in the Bidder's Statement. You should read the Bidder's Statement which accompanies this Acceptance Form. Capitalised terms used in this Acceptance Form have the same meaning as in the Bidder's Statement unless otherwise defined. By accepting the Offer, you are accepting for ALL of your Armour Energy Shares (even if different to the number of shares stated above). You cannot accept for only part of your Armour Energy Shares.

If you need help completing this Acceptance Form, please contact the WestSide Offer Information Line during business hours on 1300 721 637 (within Australia) or +61 2 8016 2890 (from outside Australia), which is available Monday to Friday between 8.30am and 5.00pm (Sydney time).

STEP 2 – For Issuer Sponsored Holdings only

If your Armour Energy Shares are held on the Issuer Sponsored Sub-register (see "Sub-register" above) or if at the time of your acceptance you are entitled to be (but are not yet) registered as a holder of your Armour Energy Shares, to accept the Offer you must **sign below** and **return this form**.

STEP 3 – For CHESSE Holdings only

If your Armour Energy Shares are held on the CHESSE Sub-register (see "Sub-register" above) to accept the Offer you can either:

- Contact your Controlling Participant – normally your broker – and instruct them to accept the Offer on your behalf (**If you do that, you do not need to complete and return this Acceptance Form**);

OR

- If you want WestSide to contact your Controlling Participant on your behalf, write their details here and sign and return this form. By doing so, you authorise WestSide to instruct your Controlling Participant to initiate acceptance of the Offer in accordance with the ASX Settlement Operating Rules.

OFFER CONSIDERATION

[Actual price to print here](#)

(A\$0.12 Cash for each Armour Energy Share, unless the Offer is varied to increase the price)

BROKER DETAILS (CHESSE HOLDINGS ONLY)

Your Broker's Name:

Your Broker's Address:

Your Broker's Telephone Number:

STEP 4 – Sign as indicated below

I/We, the securityholder(s) named above, being the holder(s) of Armour Energy Shares:

- ACCEPT the Offer in respect of **ALL** of my/our Armour Energy Shares;
- AGREE TO TRANSFER my/our Armour Energy Shares to WestSide for the consideration specified in the Offer, and in accordance with the terms of the Offer;
- AUTHORISE WestSide, its officers and their agents to correct any errors in or omissions from this Acceptance Form to make it an effective acceptance of the Offer and enable registration of the transfer of the Armour Energy Shares to WestSide; and
- AGREE to be bound by the terms of the Offer.

Please refer overleaf for further instructions on how to complete this form

If this form is signed under power of attorney, the attorney declares that they have no notice of the revocation of the power of attorney.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary (delete one)

Please enter your telephone number where you may be contacted during business hours

Dated ___/___/2015

Telephone number: _____

Your acceptance must be received BEFORE the Offer Period ends. If the Acceptance Form is sent by mail, you may use the enclosed reply paid envelope. Your acceptance of the Offer must be received before 7pm (Sydney time) on **15 October 2015 (unless the Offer is withdrawn or extended).**

How to complete this Acceptance Form and ACCEPT the Offer

1. Your Name & Address details

Your pre-printed name and address is as it appears on the share register of Armour Energy. If you are Issuer Sponsored and this information is incorrect, please make the correction on this form and initial the correction. Securityholders sponsored by a broker on the CHES Sub-register should advise their broker of any changes.

2. Issuer Sponsored Holdings

(as indicated by "Issuer Sponsored" appearing next to "Sub-register" on this Acceptance Form)

If your Armour Energy Shares are in an Issuer Sponsored Holding, or if you are not yet registered as the holder of your Armour Energy Shares, then to accept the Offer, **you must fill out this Acceptance Form overleaf and return it to one of the addresses shown below.**

3. CHES Holdings

(as indicated by "CHES" appearing next to "Sub-register" on this Acceptance Form)

If your Armour Energy Shares are in a CHES Holding, you do not need to complete and return this Acceptance Form to accept the Offer. You can contact your Controlling Participant, normally your broker, and instruct them to accept the Offer on your behalf. If you decide to use this Acceptance Form, follow the instructions below.

It is the responsibility of the eligible securityholder to allow sufficient time for their Controlling Participant to initiate acceptance on their behalf in accordance with ASX Settlement Operating Rule 14.14. You must ensure that this form is received by your Controlling Participant in sufficient time before the end of the Offer Period to enable your Controlling Participant to effect acceptance on CHES during business hours.

If your holding is CHES sponsored and you send your Acceptance Form to Boardroom Pty Limited, we will send the relevant acceptance message to CHES for forwarding to your Controlling Participant for acknowledgement. Neither WestSide nor Boardroom Pty Limited will be responsible for any delays incurred by this process.

4. Signature(s)

You must sign the form as follows in the space provided overleaf:

Joint Holding:

Where the securityholding is in more than one name, all of the Armour Energy Securityholders must sign.

Deceased Estate:

All executors must sign and, if not already noted by the Armour Energy registry, attach a certified copy of probate, letters of administration or grant accompanied (where required by law for the purpose of the transfer) by a certificate of payment of death or succession duties and (if necessary) a statement in terms of section 1071B(9)(b)(iii) of the Corporations Act.

Power of Attorney:

To sign under power of attorney, you must attach an original certified copy of the power of attorney to this form when you return it. By signing this form under a power of attorney, you will have declared that you have no notice of revocation of the power and are able to further delegate power under it under the replacement Bidder's Statement.

Companies:

This form must be signed by either 2 directors or a director and a company secretary. Alternatively, where the company has a sole director and, pursuant to the Corporations Act, there is no company secretary, or where the sole director is also the sole company secretary, that director may sign alone. Delete titles as applicable.

Additional Notes

- Sold all your Armour Energy Shares** – if you have sold all of your Armour Energy Shares, please send this form and your replacement Bidder's Statement to the stockbroker who acted on your behalf.
- Recently bought or sold Armour Energy Shares** – if you have recently bought or sold any Armour Energy Shares, your holding may differ from that shown on the front of this form. If so, please alter the number of Armour Energy Shares shown as your registered holding on the front of this form to the number of Armour Energy Shares you now hold (including any Armour Energy Shares of which you are entitled to become registered as holder), initial the alteration and indicate the name of the stockbroker who acted for you.

Information you supply on this Acceptance Form will be used by WestSide, and Boardroom Pty Limited for the primary purpose of processing your acceptance of the Offer and to provide you with the consideration payable under the Offer. This information may be disclosed to WestSide and WestSide's professional advisers, securities brokers, printing and mailing providers and other third parties in connection with the Offer. If you do not supply this information, your acceptance may not be processed and you may not receive the consideration payable. You may have rights to access the personal information you have supplied. Please see Boardroom Pty Limited's privacy policy on its website www.boardroomlimited.com.au.

If you deliver this Acceptance Form in person, it must be received at the delivery address shown below before the end of the Offer Period.

Postal address

Boardroom Pty Limited
WestSide Offer
GPO Box 3993
SYDNEY_NSW 2001

Delivery in person

Boardroom Pty Limited
WestSide Offer
Level 12, 225 George Street
SYDNEY NSW 2000

If the Acceptance Form is sent by mail, you may also use the enclosed reply paid envelope.