

15 October 2015



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Dear Sirs

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

Please find enclosed the following documents:

- WestSide's notices of variation given under section 650D of the *Corporations Act 2001* (Cth) ('**Corporations Act**') to:
 - increase WestSide's offer price to **A\$0.20** for each Armour Energy Share; and
 - extend WestSide's offer period so that it will now close at **7.00pm (Sydney time) on Monday, 9 November 2015** (together, the '**Variation Notices**'); and
- WestSide's notice of the new date for giving the notice of the status of defeating conditions under section 630(2) of the *Corporations Act*.

Copies of the Variation Notices were lodged with the Australian Securities & Investments Commission and given to Armour Energy earlier today. Copies of the Variation Notices will also be distributed to Armour Energy shareholders.

Key information

Further to the announcement by Armour Energy today, Armour Energy shareholders should be aware that:

- WestSide has increased its cash offer to \$0.20 per share (the '**Revised WestSide Offer**').
- The Revised WestSide Offer is WestSide's **BEST AND FINAL** offer, subject to there being no superior proposal.
- Armour Energy's directors have unanimously recommended that Armour Energy shareholders accept the Revised WestSide Offer, in the absence of a superior proposal. For this reason, Armour Energy's directors also unanimously recommend that Armour Energy shareholders vote **AGAINST** each item of business at the general meeting scheduled for 30 October 2015 ('**EGM**').
- WestSide has established an institutional acceptance facility ('**Institutional Acceptance Facility**') in order to facilitate the receipt of acceptances into the offer. Please refer to Schedule 1 to this announcement for further information.

Northern Territory farm-out proposal with American Energy

As previously announced, Armour Energy's entry into the agreements with American Energy Partners constituted a breach of certain of WestSide's bid conditions (specifically paragraphs (b) ("**Northern Territory Farm-out Condition**") and (c)(iv) ("**Prescribed Occurrence Condition**") of Appendix 2 of the Bidder's Statement), entitling WestSide to withdraw the Offer (or allow it to lapse) for breach of the conditions. WestSide's Offer is also subject to a 50.1% minimum acceptance condition.

On 1 October 2015, Armour Energy announced that it would convene the EGM to seek approval to implement the Northern Territory Farm-out. The agreements comprising the Northern Territory Farm-out proposal are conditional upon Armour Energy Shareholder approval. The EGM is scheduled to take place on 30 October 2015.

In order to provide Armour Energy Shareholders with all the information that they require to make an informed decision between the Revised WestSide Offer and the Northern Territory Farm-out, WestSide declares its intentions (in summary) with respect to the EGM below.

WestSide's intentions in relation to Armour Energy's previous breaches of WestSide's bid conditions

Provided that either:

- the resolutions relating to the Northern Territory Farm-out are not approved at the EGM and the EGM is not cancelled, postponed or adjourned, other than in accordance with the bid implementation agreement entered into between WestSide and Armour Energy on or about 15 October 2015 ("**BIA**"); or
- the Northern Territory Farm-out is terminated,

WestSide will not rely upon the breach by Armour Energy of the Northern Territory Farm-out Condition or the Prescribed Occurrences Condition to withdraw the Offer (or allow it to lapse) for the breach of those conditions.

However, WestSide reserves its right to withdraw the Offer (or allow it to lapse) for any other breach of the condition set out in paragraph (c) of Appendix 2 of the Bidder's Statement or if the 50.1% minimum acceptance condition is not satisfied.

WestSide's intentions if the Northern Territory Farm-out is terminated

In the event that the Northern Territory Farm-out is terminated and there has been no breach by Armour Energy of the BIA, if WestSide acquires a relevant interest in at least 50.1% of Armour Energy Shares (or would acquire a relevant interest, if the number of Armour Energy Shares the subject of the Institutional Acceptance Facility were also included), WestSide will declare the Offer free from all conditions and the Offer will then be unconditional.

Further information

For further information in relation to the Revised WestSide Offer, please refer to WestSide's Second Supplementary Bidder's Statement which will be lodged with ASX in due course. WestSide encourages Armour Energy Shareholders to read the Second Supplementary Bidder's Statement carefully as it contains important information.

Armour Energy shareholders who have any questions in relation to the offer should call the Offer Information Line on 1300 721 637 (callers in Australia) or +61 2 8016 2890 (callers outside Australia).

Yours faithfully

WestSide Corporation Limited



Michael Colin Hughes
Director

Schedule 1 – Overview of Institutional Acceptance Facility

WestSide has established an institutional acceptance facility in order to facilitate the receipt of acceptances of the Offer ("**Institutional Acceptance Facility**"). The Institutional Acceptance Facility is open to all eligible Armour Energy Shareholders, being sophisticated investors (as contemplated by section 708(8) of the Corporations Act), professional investors (as contemplated by section 708(11) of the Corporations Act) and people associated with Armour Energy (as contemplated by section 708(12) of the Corporations Act) ("**Eligible Armour Energy Shareholders**"). Armour Energy Shareholders who are not Eligible Armour Energy Shareholders cannot participate in the Institutional Acceptance Facility.

The Institutional Acceptance Facility has been established to facilitate receipt of acceptances of the Offer from Eligible Armour Energy Shareholders as WestSide recognises that some Armour Energy Shareholders may be unable to accept the Offer (for example by reason of their investment mandates), until the Offer becomes or is declared unconditional.

WestSide has arranged for Pacific Custodians Pty Limited (ACN 009 682 866/AFSL 295142) to act as the acceptance facility agent in relation to the Institutional Acceptance Facility ("**Facility Agent**").

Operation of the Institutional Acceptance Facility

The Institutional Acceptance Facility will operate in the following way:

- 1 Eligible Armour Energy Shareholders who wish to take advantage of the Institutional Acceptance Facility should:
 - lodge acceptance instructions with the Facility Agent (in the form of Acceptance Forms and/or directions to custodians ("**Custodian Direction**") to accept the Offer) ("**Acceptance Instructions**"); and
 - complete and return to the Facility Agent, the Appointment of Facility Agent Form ("**Appointment Form**").
- 2 The Facility Agent will hold the Acceptance Instructions subject to a bare trust as Facility Agent and will not acquire a relevant interest in any of the Armour Energy Shares the subject of the Acceptance Instructions. Acceptance Instructions lodged with the Facility Agent will demonstrate the intention of the Eligible Armour Energy Shareholder to accept the Offer. However, they will not constitute acceptances of the Offer while they are held by the Facility Agent.
- 3 Pursuant to ASIC Class Order CO 13/520, WestSide will not acquire a relevant interest in any Armour Energy Shares through the receipt by the Facility Agent of an Acceptance Instruction, because the Institutional Acceptance Facility has been established on the basis that it fulfils the requirements of subsection 609(8A) of the Corporations Act as inserted by CO 13/520.
- 4 The Eligible Shareholder directs the Facility Agent to deliver:
 - the Acceptance Form to Boardroom Pty Limited (in the case of Issuer Sponsored Holdings) or to the relevant Controlling Participant (in the case of CHES Holdings); and/or
 - the Custodian Direction to the custodian,as soon as reasonably practicable after the Facility Agent receives written confirmation from Westside ("**Minimum Acceptance Notice**") stating that:
 - Westside has declared the Offer free of all the conditions set out in Appendix 2 of the Replacement Bidder's Statement that have not been fulfilled; or

- Westside will declare the Offer free of all the conditions set out in Appendix 2 of the Bidder's Statement that have not been fulfilled once all of the acceptance instructions received under the Institutional Acceptance Facility are validly processed or implemented (as appropriate).
- 5 Westside will not provide the Minimum Acceptance Notice to the Facility Agent unless the Minimum Acceptance Precondition has been satisfied. For this purpose, the **Minimum Acceptance Precondition** is that the sum of:
- the number of Armour Energy Shares in which Westside has a Relevant Interest; and
 - the number of Armour Energy Shares in respect of which acceptance instructions have been received under the Facility (as advised by the Facility Agent to Westside),
- is at least 50.1% of the Armour Energy Shares; and
- the Offer is otherwise unconditional.
- 6 Until the Facility Agent receives the Minimum Acceptance Notice from WestSide, Eligible Armour Energy Shareholders who lodge Acceptance Instructions with the Facility Agent will retain all rights in relation to their Armour Energy Shares and can withdraw their Acceptance Instructions by notice in writing to the Facility Agent. Upon receipt of written notification from an Armour Energy Shareholder, the Facility Agent must return the Acceptance Instructions submitted by the Armour Energy Shareholder.

A copy of the appointment of the Facility Agent (including the Appointment Form) will be provided to Eligible Armour Energy Shareholders and may also be requested from the Facility Agent by phone on (07) 3320 2237.

Disclosure of Acceptance Instructions

Before 8.30am (Sydney time) on each Business Day, the Facility Agent will inform WestSide of the number of Armour Energy Shares in respect of which Acceptance Instructions have been received as at 7.30pm (Sydney time) on the previous Business Day.

Following receipt of this information, WestSide will disclose this information to ASX by 9.30am (Sydney time) on the Business Day following any movement of at least 1% in the aggregate of the number of Armour Energy Shares subject to the Institutional Acceptance Facility and the number of Armour Energy Shares in which WestSide has a relevant interest, together with a breakdown of the aggregate amount between those two categories.