

Partner Tony Bancroft  
Contact Ben Malone  
T +61 2 9263 4561  
bmalone@gtlaw.com.au  
Our ref AGB: BJM: 1027611



LAWYERS

1 December 2015

By courier

Market Announcements Office  
Australian Securities Exchange Limited  
20 Bridge Street  
Sydney NSW 2000

Sydney

2 Park Street Sydney NSW 2000 Australia  
GPO Box 3810 Sydney NSW 2001  
T +61 2 9263 4000 F +61 2 9263 4111  
www.gtlaw.com.au

Dear Sir/Madam

**Proportional takeover bid for Armour Energy Limited: Bidder's Statement**

We act for AEGP Australia Pty Ltd ACN 605 683 798 (**AEGP**).

Pursuant to item 5 of subsection 633(1) of the *Corporations Act 2001* (Cth) (**the Act**), we enclose the Bidder's Statement in relation to AEGP's proportional off-market takeover bid to acquire 13.62% of the ordinary shares (other than shares held by AEGP) in Armour Energy Limited ACN 141 198 414 (**Armour**).

For the purposes of sections 633(4) and 641 of the Act, AEGP has set 7.00pm on 1 December 2015 (Sydney time) as the time and date for determining those persons to whom information is to be sent under items 6 and 12 of section 633(1) of the Act. This is specified in the Bidder's Statement.

The Bidder's Statement has today been lodged with the Australian Securities and Investments Commission and served on Armour.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tony Bancroft', with a long, sweeping horizontal line extending to the right.

**Tony Bancroft**  
Partner  
T +61 2 9263 4025  
tbancroft@gtlaw.com.au

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

You should read this document in its entirety. If you are in any doubt as to how to deal with it, you should consult your Broker, legal, financial or other professional adviser as soon as possible.

# **BIDDER'S STATEMENT**

**Offer by**

**AEGP Australia Pty Ltd**

ACN 605 683 798

**TO ACQUIRE 13.62% OF YOUR ORDINARY SHARES  
IN**

**Armour Energy Limited**

ACN 141 198 414

**for \$0.25 CASH**

**FOR EACH ARMOUR SHARE**

The date of the Offer is 11 December 2015 and the Offer will close on 12 January 2016, unless withdrawn.

**Legal Adviser**



LAWYERS

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

**KEY DATES**

Bidder's Statement lodged with Armour, ASIC and ASX	1 December 2015
Date of Offer	11 December 2015
Offer closes (unless withdrawn)	7:00pm (Sydney time) 12 January 2016

These dates may vary as permitted under the Corporations Act.

**HOW DO I ACCEPT THE OFFER?**

(a) You may accept the Offer for 13.62% of your Armour Shares (rounded down to the nearest whole number of shares) but for no more or less;<sup>1</sup> and

(b) Acceptances must be received before the end of the Offer Period,

in either case as follows:

**For Issuer Sponsored Holdings of Armour Shares**  
(*Securityholder Reference Number beginning with "I"*)

To accept the Offer, complete the enclosed Issuer Acceptance Form in accordance with the instructions on it and return it in the enclosed envelope or to an address on the Issuer Acceptance Form so that it is received before 7:00pm (Sydney time) on the last day of the Offer Period.

**For CHESSE Holdings of Armour Shares**  
(*Holder Identification Number beginning with "X"*)

To accept the Offer, either contact your Controlling Participant (usually your Broker) and instruct them to accept the Offer on your behalf, or complete the enclosed CHESSE Acceptance Form in accordance with the instructions on it and return it in the enclosed envelope or to an address on the CHESSE Acceptance Form.

**DISCLAIMER, IMPORTANT INFORMATION AND NOTICES**

**(a) Bidder's Statement**

This Bidder's Statement is given by AEGP under Part 6.5 of the Corporations Act and relates to the Offer. This Bidder's Statement is dated 1 December 2015, and includes an Offer dated 11 December 2015 to acquire 13.62% of each Armour Shareholder's Armour Shares (excluding Armour Shares held by AEGP).

**(b) Australian Securities and Investments Commission**

A copy of this Bidder's Statement was lodged with ASIC on 1 December 2015. Neither ASIC nor any of its officers take any responsibility for the contents of this Bidder's Statement.

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<sup>1</sup> If accepting the Offer would leave you with less than a Marketable Parcel of Armour Shares, the Offer will extend to all of your Armour Shares subject to the modification to section 618(2) of the Corporations Act made by ASIC under Class Order [CO 13/521]. See section 8.1(d) of this Bidder's Statement for further details.

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### **(c) Offers outside Australia**

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.

### **(d) Notice to foreign Armour Shareholders**

This Bidder's Statement and the 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 constitute an offer in any place in which, or to any person whom, it would not be lawful to make such an offer.

### **(e) Disclosure regarding forward looking statements**

Some of the statements appearing in this Bidder's Statement may be in the nature of forward looking statements. As such statements relate to future matters, you should be aware that they are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which AEGP and Armour operate as well as general matters – such as general economic conditions, prevailing exchange rates, interest rates and conditions of the financial markets – that are outside the control of AEGP and its directors. The forward looking statements do not constitute a representation that any such matter will be achieved in the amounts or by the dates indicated and are presented solely as a guide to assist you in assessing the Offer. The forward looking statements are based on information available to AEGP at the date of this Bidder's Statement.

### **(f) Investment decisions**

This Bidder's Statement does not take into account your individual investment objectives, financial situation or particular needs. You should therefore seek your own financial and taxation advice before deciding whether or not to accept the Offer.

### **(g) Information on Armour**

All information in this Bidder's Statement relating to Armour has been prepared by AEGP using information included in public documents filed by Armour or published by Armour on its website. None of the information in this Bidder's Statement relating to Armour has been commented on or verified by Armour or its directors or independently verified by AEGP or its directors for the purposes of this Bidder's Statement. Accordingly, subject to the Corporations Act, AEGP does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on Armour in this Bidder's Statement should not be considered comprehensive. In addition, the Corporations Act requires the directors of Armour to provide a Target's Statement to Armour Shareholders in response to this Bidder's Statement, setting out certain material information concerning Armour.

### **(h) Defined terms and interpretation**

Unless otherwise noted, capitalised terms and certain abbreviations used in this Bidder's Statement are defined in the Glossary in section 9. That section also sets out certain rules of interpretation that apply to this Bidder's Statement.

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## Frequently asked questions

The table below answers some key questions that you may have about the Offer and should be read in conjunction with the remainder of this Bidder's Statement. You are strongly encouraged to read the entire Bidder's Statement before deciding whether or not to accept the Offer.

Question	Answer
<b>What is the Offer?</b>	<p>AEGP is making an Offer to acquire 13.62% of your Armour Shares (but no more or less).<sup>2</sup> The Offer consideration is \$0.25 cash for each Armour Share.</p> <p>Accordingly, if you accept the Offer, you will receive \$0.25 per Armour Share, for 13.62% of your Armour Shares (rounded down to the nearest whole number of shares) and retain the remainder of your Armour Shares.</p> <p>For example, if you own 12,500 Armour Shares and accept the Offer, you will receive \$425.50 in cash and continue to own 10,798 Armour Shares.</p> <p>You may only accept the Offer for 13.62% of your Armour Shares, and not a greater or lesser proportion. However, if by accepting the Offer you will be left holding less than a Marketable Parcel, then AEGP will buy all of your Armour Shares for \$0.25 cash each.<sup>3</sup> In other words, in these limited circumstances the Offer will extend to ALL of your Armour Shares. This rule regarding the Offer applying to all of your Armour Shares will not apply to a parcel of Armour Shares, whether held beneficially or otherwise, that has come into existence, or increased in size because of a transaction entered into (including the creation of one or more trusts), at any time after 10:00am on the Announcement Date. Subject to the provisions of a notice complying with the requirements in section 8.6(b), this also applies in relation to persons who hold Armour Shares as nominee or trustee for others (see section 8.6(b) of this Bidder's Statement for further details).</p> <p>The Acceptance Form includes details of the number of Armour Shares you can accept into the Offer based on your holding at the Register Date.</p>
<b>What is this Bidder's Statement?</b>	<p>This Bidder's Statement was prepared by AEGP for distribution to Armour Shareholders. This Bidder's Statement describes the terms of the Offer for 13.62% of your Armour Shares and information relevant to your decision whether or not to accept the Offer.</p> <p>This Bidder's Statement is an important document, which you should read in full. Should you have any doubt as to how to deal with this document, you should consult your Broker, legal, financial or other professional adviser.</p>
<b>Who is AEGP?</b>	<p>AEGP is an Australian proprietary company and an affiliate of AEP.</p> <p>AEP is an oil and natural gas operating and asset management company located in Oklahoma City, Oklahoma, U.S.A. AEP seeks to deliver best-in-class financial and operating results to investors and partners through industry-leading capabilities in developing and managing oil and natural gas assets in premier onshore U.S. and international oil and natural gas fields. Founded in April 2013 by Aubrey McClendon, AEP has grown to 450 employees and has raised over US\$14 billion in equity and debt across seven independently financed oil and gas businesses.</p> <p>For more information on AEGP, please see section 1.</p>
<b>What is AEGP's current interest in Armour Shares?</b>	<p>AEGP is a registered holder of 16,922,311 Armour Shares which represents 5.26% of the total number of Armour Shares on issue as at the date of this Bidder's Statement. AEGP and its Associates have voting power of 5.26% in Armour.</p>
<b>How do I accept the Offer?</b>	<p>To accept the Offer you should follow the instructions set out in section 8.4 and on the Acceptance Form. Your acceptance must be received before the end of the Offer Period.</p>

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<sup>2</sup> If accepting the Offer would leave you with less than a Marketable Parcel of Armour Shares, the Offer will extend to all of your Armour Shares subject to the modification to section 618(2) of the Corporations Act granted by ASIC under Class Order [CO 13/521]. See section 8.1(d) of this Bidder's Statement for further details.

<sup>3</sup> See sections 8.1 and 8.6 of this Bidder's Statement for further details.

<b>Question</b>	<b>Answer</b>
<b>Are there any conditions to the Offer?</b>	<p>The Offer is subject to no regulatory action which would prohibit the Offer from proceeding and no Prescribed Occurrences. The full terms of the conditions are set out in section 8.8 in this Bidder's Statement.</p> <p>If the conditions of the Offer are not satisfied or waived, the Offer will lapse at the end of the Offer Period.</p>
<b>When does the Offer close?</b>	<p>The Offer closes at 7:00pm (Sydney time) 12 January 2016 unless withdrawn in accordance with the Corporations Act. The Offer will not be extended beyond that date unless automatically extended in accordance with section 624(2)(a) of the Corporations Act.</p>
<b>What should I do?</b>	<p>You should:</p> <ul style="list-style-type: none"> <li>• read this Bidder's Statement in full;</li> <li>• read Armour's Target's Statement in full (when issued);</li> <li>• consult your Broker, legal, financial or other professional adviser if you are in any doubt as to what action to take or how to accept the Offer; and</li> <li>• if you wish to accept the Offer, follow the instructions set out in section 8.4 and on the enclosed Acceptance Form.</li> </ul>
<b>Can I accept the Offer for less than 13.62% of my Armour Shares?</b>	<p>No, you can only accept for the full 13.62% of shares you hold in Armour, rounded down to the nearest whole number of shares.</p>
<b>If I accept the Offer, can I sell the remainder of my Armour Shares on-market?</b>	<p>If you accept the Offer, you will retain 86.38% of your Armour Shares. You may sell these Armour Shares on-market. However, any purchaser of such Armour Shares will not be able to accept the Offer in respect of those shares.</p> <p>In accordance with 'ASX Guidance Note 18: Market Codes and Trading Procedures', there will be special ASX trading arrangements with respect to these remaining Armour Shares. In summary they are as follows:</p> <ul style="list-style-type: none"> <li>• purchasers of the remaining Armour Shares will not be entitled to accept the Offer and such shares will trade on the ASX on an "ex-Offer" basis; and</li> <li>• settlement of trades in "ex-Offer" Armour Shares will be deferred until after the end of the Offer Period.</li> </ul> <p>If you do not accept the Offer in respect of your Armour Shares and instead sell some or all of your Armour Shares, the purchaser of those shares may accept the Offer. In this circumstance, your Armour Shares will trade on a "cum-Offer" basis and in a normal (T+3) settlement process.</p>
<b>If I accept the Offer, when will I be paid?</b>	<p>If you accept the Offer and the Offer becomes unconditional, AEGP will pay you the consideration under the Offer by the earlier of:</p> <ul style="list-style-type: none"> <li>• one month after the later of receipt of your valid acceptance and necessary transfer documents and the date on which the Offer becomes unconditional; or</li> <li>• 21 days after the end of the Offer Period.</li> </ul>
<b>What if I am a foreign shareholder?</b>	<p>Foreign Armour Shareholders will be paid the same cash consideration as stipulated under the Offer. You will be paid in Australian dollars by cheque drawn on an Australian bank branch.</p>
<b>What happens if I accept the Offer?</b>	<p>Once you accept the Offer in respect of 13.62% of your Armour Shares you will not be able to sell those Armour Shares or otherwise deal with the Rights attaching to those Armour Shares, subject to your limited statutory rights to withdraw your acceptance in certain circumstances. You will be able to sell the remainder of your Armour Shares, but a transferee will not be able to accept the Offer in respect of them. Please see the answer to "If I accept the Offer, can I sell the remainder of my Armour Shares on-market?" above for more information about this.</p>
<b>What happens if I do not accept the Offer?</b>	<p>If you do not accept the Offer and you do not sell your Armour Shares on the ASX, you will retain all of your Armour Shares and will not receive any cash consideration.</p>

<b>Question</b>	<b>Answer</b>
<b>Can I withdraw my acceptance?</b>	You can only withdraw your acceptance if a withdrawal right arises under the Corporations Act.
<b>What are the tax implications of accepting the Offer?</b>	<p>A general description of the taxation treatment for certain Australian resident Armour Shareholders accepting the Offer is set out in section 6.</p> <p>The description in section 6 is a general description only and not advice. It does not take into account your particular circumstances or needs. Armour Shareholders should not rely on that description as advice for their own affairs.</p> <p>AEGP recommends you should consult your taxation adviser for detailed taxation advice before making a decision as to whether or not to accept the Offer for your Armour Shares.</p>
<b>What if I have further questions or require further information in relation to the Offer?</b>	If you have any questions in relation to the Offer, please contact your Broker, legal, financial or other professional adviser.



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# 1 Information on AEGP

## 1.1 Overview of AEGP

AEGP is an Australian proprietary company.

AEGP was incorporated on 6 May 2015 and its registered office is C/- King & Wood Mallesons, Governor Phillip Tower, Level 61, 1 Farrer Place, Sydney NSW 2000.

AEGP is a registered holder of 16,922,311 Armour Shares which represents 5.26% of the total number of Armour Shares on issue as at the date of this Bidder's Statement.

## 1.2 Overview of American Energy Partners, LP

AEP is an oil and natural gas operating and asset management company located in Oklahoma City, Oklahoma, U.S.A. AEP seeks to deliver best-in-class financial and operating results to investors and partners through industry-leading capabilities in developing and managing oil and natural gas assets in premier onshore U.S. and international oil and natural gas fields. Founded in April 2013 by Aubrey McClendon, AEP has grown to 450 employees and has raised over US\$14 billion in equity and debt across seven independently financed oil and gas businesses.

Previously, Mr McClendon was co-founder, Chairman and CEO of Chesapeake Energy Corporation from 1989 until 2013. Under his leadership, Chesapeake grew from a start-up to the second largest natural gas producer and the 11th largest oil producer in the U.S. Mr. McClendon and members of AEP have been involved in the drilling of over 12,000 horizontal shale wells. Under McClendon, Chesapeake was widely credited with leading the US energy oil and natural gas unconventional resource revolution.

AEP has focused on developing custom-built play-specific and strategy-specific companies, rather than combining varied assets into a single company, and leveraging its human resources across the various companies. It has accomplished this by leveraging a management services model whereby it provides substantially all of the affiliated companies' required operational services, as well as support services.

Further information regarding AEP is available on their website at: [www.americanenergypartners.com](http://www.americanenergypartners.com).

## 1.3 AEGP directors

As at the date of this Bidder's Statement, the directors of AEGP are:

- Aubrey K. McClendon
- Ryan Andrew Turner
- Barry John Williams

## 1.4 American Energy Transaction

As announced by Armour to the ASX on 11 September 2015, Armour has entered into agreements with AEGP for a farm-out that will accelerate exploration and development of Armour's McArthur Basin oil and gas tenements in the Northern Territory of Australia (**American Energy Transaction**). This followed the announcement to ASX on 20 August 2015 that Armour had signed a letter of intent with AEP in relation to a farm-out of these Northern Territory tenements.

The agreements entered into by Armour with AEGP comprise:

- a farm-out agreement providing for AEGP to spend up to US\$130 million over five years during Phase One (together with a payment to Armour of up to US\$13 million and further potential bonus payments totalling up to US\$10 million) to earn up to 75% of the Farm-in Tenements in the McArthur Basin (the **Farm-out Agreement**);
- an operating agreement allowing AEGP to have the operational responsibility of the Farm-in Tenements during the duration of the Farm-out Agreement (the **Operating Agreement**);
- an agreement for the issue to AEGP of 24,000,000 options over Armour Shares on closing of the Farm-out Agreement (subject to pro-rata adjustment) (the **Option Deed**); and
- a placement agreement for the placement of Armour Shares which will comprise 9.99% of the issued share capital of Armour to be issued at an issue price of 20 cents in two tranches (the first tranche of 16,922,311 Armour Shares was issued on 4 November 2015 and the second tranche of 16,888,502 Armour Shares is expected to be issued following closing of the Farm-out Agreement (the **Share Subscription Agreement**)).

The key terms of the American Energy Transaction include:

- AEGP will farm-in to all of the granted and pending tenements in the Northern Territory owned by Armour (as identified in the map contained in Armour's announcement on 11 September 2015) in the McArthur Basin (the **Farm-in Tenements**);
- AEGP will carry 100% of Armour's share of expenditure during a single phase work program of US\$130 million (**Phase One**), following which the parties will conduct operations governed by the Operating Agreement;
- Armour will transfer a 75% working interest and operatorship in the Farm-in Tenements to AEGP, subject to adjustment if the program is not completed. Armour will reclaim operatorship if AEGP 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 AEGP with consultation assistance by Armour, and will be designed to rapidly identify an area with the greatest likelihood of supporting an economic petroleum development over a production area of not less than one million acres;
- AEGP will maintain the Farm-in Tenements in good standing;
- AEGP will pay Armour 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 AEGP, in addition to US\$7 million upon the earlier of the grant of production licences over at least one million acres, or grant and transfer of interests in pending tenements to AEGP.
- Armour has agreed to issue the following unlisted options to American Energy:

Number	Exercise price per share	Option life
12,000,000	\$0.25	3 years
6,000,000	\$0.40	5 years
6,000,000	\$0.50	5 years

- The options numbers shall be adjusted upwards and the exercise price downwards on a pro-rata basis for any new issues of dilutive securities up until completion so that AEGP interests and costs remain proportionally the same.
- AEGP will nominate a director to be appointed to the Armour board upon settlement of the second tranche of the share placement.
- A placement of 33.7 million new ordinary shares at \$0.20 per share will be made to AEGP, for cash proceeds to Armour of \$6.74 million. The placement will be settled in two tranches (the first tranche of 16,922,311 Armour Shares was issued on 4 November 2015 and the second tranche of 16,888,502 Armour Shares is expected to be issued following closing of the Farm-out Agreement).
- AEGP can withdraw in the event that there is a material adverse change prior to closing.
- AEGP will have control over the design and implementation of the work program while it holds a minimum working interest of 75%, with Armour acting in an advisory capacity in relation to the Phase One work program.
- Armour will second employees to AEGP to support the effective execution of the work program.

The American Energy Transaction received the approval of Armour Shareholders at the extraordinary general meeting held on 30 October 2015. The closing of the Farm-out Agreement is subject to a number of conditions precedent which must be satisfied by 9 January 2016, including:

- Foreign Investment Review Board approval;
- regulatory approval under the Northern Territory Petroleum Act;
- due diligence to be satisfied by 9 January 2016;
- no court orders or Government decisions are in place which materially adversely affect the transaction agreements; and
- assignment of interest in native title agreements to AEGP.

## **1.5 Implementation Agreement**

AEGP has entered into the Implementation Agreement with Armour which sets out the terms upon which AEGP must make this Offer. The Implementation Agreement contains customary exclusivity provisions (no talk, no shop, no due diligence and a notification of approaches provision). A copy of the Implementation Agreement was included with Armour's announcement to the ASX on 27 October 2015.

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## 2 Information on Armour

### 2.1 Profile of Armour

Armour is an Australian public company limited by shares and listed on the ASX since 20 April 2012 (ASX: AJQ). Armour was converted to a public company on 14 January 2011 and became an ASX-listed company on 26 April 2012.

Armour is focused on the discovery and development of gas and associated liquids resources in northern Australia. Armour, and its wholly owned subsidiary Ripple Resources Pty Limited, have exploration interests in the McArthur, South Nicholson, Isa Super and Georgina Basins in the Northern Territory and Queensland, and in the onshore Gippsland Basin in Victoria.

In September 2015 Armour agreed to acquire the oil and gas interests of Origin Energy Limited at Roma in the Surat Basin, Queensland for \$13 million (plus GST).

### 2.2 Armour's directors

As at the date of this Bidder's Statement, the directors of Armour are:

<b>Armour director</b>	<b>Position</b>	<b>Number of Armour Shares</b>
Nicholas Mather*	Executive Chairman	3,619,855 shares
William Robert Stubbs^	Non-Executive Director	410,000 shares
Roland Kingsbury Sleeman	Non-Executive Director	60,000 shares
Stephen Grant Bizzell	Non-Executive Director	1,310,000 shares

\* Mr Nicholas Mather is also the managing director and a substantial shareholder of DGR. The shareholding of DGR in Armour Energy is set out in section 2.3 of this Bidder's Statement.

^ Mr William Robert Stubbs is the Chairman of DGR. The shareholding of DGR in Armour Energy is set out in section 2.3 of this Bidder's Statement.

### 2.3 Substantial shareholders

As at the date of this Bidder's Statement, there were 321,558,077 Armour Shares on issue.

As at the date of this Bidder's Statement, Armour comprises of the following substantial shareholders:

<b>Shareholder</b>	<b>Number of Armour Shares</b>	<b>% of Armour Shares</b>
DGR	75,050,000	23.34%
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	28,149,985	8.75%
AEGP	16,922,311	5.26%

As set out in section 4.2, AEGP's voting power in Armour as at the date of this Bidder's Statement is 5.26%. See section 4.2 for further details.

On 27 October 2015, DGR expressed an intention to not accept the Offer given its confidence in the long term value opportunities in Armour.

## **2.4 Publicly available information**

Armour is a listed disclosing entity for the purposes of the Corporations Act and as such, is subject to regular reporting and disclosure obligations. Specifically, as an ASX listed company, Armour is subject to the ASX Listing Rules, which require continuous disclosure of any information Armour has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

On 4 November 2015, Armour issued a cleansing statement to the ASX pursuant to section 708A of the Corporations Act. The notice confirmed that, as at that date, Armour had complied with:

- the relevant provisions of Chapter 2M of the Corporations Act as they apply to Armour and section 674 of the Corporations Act; and
- Armour was not aware of any excluded information within the meaning of sections 708A(7) and 708A(8) of the Corporations Act.

The ASX website lists all announcements issued by Armour. These documents are available in electronic form from [www.asx.com.au](http://www.asx.com.au).

Armour is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Armour may be obtained for a fee from, or inspected at, an office of ASIC.

For further information regarding Armour, please refer to Armour's 2015 Annual Report which can be located on the ASX website at [www.asx.com.au](http://www.asx.com.au) using Armour's ASX code 'AJQ' or Armour's website at [www.armourenergy.com.au](http://www.armourenergy.com.au).

## **2.5 Disclaimer**

The information in this section 2 concerning Armour has been prepared by AEGP using publicly available information. Neither AEGP nor any of its directors or advisers has independently verified that information and do not make any representation or warranty, express or implied, as to the accuracy, relevance or completeness of such information, other than as required by the Corporations Act.

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

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### 3 AEGP's intentions

At the date of this Bidder's Statement, AEGP has a relevant interest in 5.26% of Armour Shares. AEGP and its Associates have voting power of 5.26% in Armour. Following completion of the Offer, AEGP will hold up to a maximum of 14.99%<sup>4</sup> of Armour Shares, thereby becoming a strategic investor in Armour in addition to its interests in the Farm-in Tenements.

If the Offer is successful, subject to closing of the Farm-out Agreement, AEGP (as operator of the Farm-In Tenements) intends to explore and develop the Farm-in Tenements with Armour in accordance with the Farm-Out Agreement and the Operating Agreement.

On the basis of the facts and information concerning Armour that are known to it and the existing circumstances affecting the assets and operations of Armour at the date of this Bidder's Statement, AEGP has no intention to use its increased shareholding to make any major changes to the business of Armour, including in respect of the deployment of its fixed assets and the employment of present employees.

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<sup>4</sup> This percentage has been calculated on the assumption that DGR does not accept the Offer. On 27 October 2015, DGR expressed an intention to not accept the Offer given its confidence in the long term value opportunities in Armour.

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## 4 Information on Armour securities

### 4.1 Issued securities

AEGP understands that the total number of securities in Armour as at the date of this Bidder's Statement is as follows:

- (a) 321,558,077 Armour Shares; and
- (b) 20,360,000 unlisted employment options (**Unlisted Options**).

Options	Exercise price	Expiry date
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
3,110,000	\$0.26	24 February 2017
2,400,000	\$0.10	6 February 2016
2,400,000	\$0.20	6 February 2017
1,200,000	\$0.30	6 February 2018

### 4.2 Relevant interest in Armour securities and voting power

As at the date of this Bidder's Statement:

- (a) AEGP has a relevant interest in 5.26% of Armour Shares; and
- (b) AEGP has voting power in Armour of 5.26%.

### 4.3 Consideration provided for Armour securities during previous four months

AEGP acquired 16,922,311 Armour Shares on 4 November 2015 at \$0.20 per share pursuant to the Share Subscription Agreement. AEGP and its Associates have not acquired any other Armour Shares during the four months ending on the day immediately before the date of the Offer.

AEGP and its Associates have not disposed of any Armour Shares during the period of four months ending on the day immediately before the date of the Offer.

### 4.4 Inducing benefits given during previous four months

Except as set out in this Bidder's Statement, neither AEGP 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 Shares,

which benefit was not offered to all Armour Shareholders under the Offer.

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## 5 Funding

### 5.1 Total consideration

The consideration for the acquisition of the Armour Shares to which the Offer relates will be satisfied by the payment of cash for each Armour Share.

The maximum amount of cash that AEGP would be required to pay under the Offer if acceptances are received for all Armour Shares on issue as at the date of this Bidder's Statement is approximately \$7,819,811 million.<sup>5</sup>

### 5.2 Sources of cash consideration

The consideration for the acquisition of Armour Shares under the Offer will be paid by AEGP having been wholly funded pursuant to intra-group arrangements with AEGP's ultimate parent entity, Arcadia Capital Australia, LLC (**Arcadia**). Arcadia is a company incorporated in Oklahoma, USA and is wholly owned by Mr Aubrey McClendon. Mr McClendon has agreed to provide to Arcadia, directly and/or through his affiliates, with the necessary funds to pay the consideration payable under the Offer for the acquisition of Armour Shares and associated transaction costs (the **Total Funding Amount**).

Arcadia will not be permitted under the terms of the funding arrangements to apply any funds in respect of the Total Funding Amount for any other purpose.

Mr McClendon has directly, and through affiliated companies which Mr McClendon owns and controls, cash reserves and other assets readily convertible into cash, significantly in excess of the Total Funding Amount and the funds committed by Mr McClendon and/or his affiliates to Arcadia will be internally allocated for this transaction and would not be required for any other arrangements or obligations. For further information about Mr McClendon and his background, please refer to section 1.

### 5.3 Intercompany agreements

Arcadia will in turn, via intercompany agreements with its wholly owned subsidiaries (including AEGP), make the funds provided by Mr McClendon and/or his affiliates available to those entities at any time in order to pay for any Armour Shares under the Offer. Under the terms of the intercompany agreements:

(a) funding would not be subject to any conditions other than the Offer becoming unconditional; and

(b) repayment would not be called for until after AEGP or the relevant Arcadia subsidiary had met all of its obligations under the Offer.

On the basis of the arrangements described above in this section 5, AEGP is of the opinion that it has a reasonable basis for forming, and it holds, the view that it will be able to pay the consideration required for the acquisition of Armour Shares pursuant to the Offer to satisfy its obligations under the Offer.

The Offer is not subject to any financing defeating conditions.

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<sup>5</sup> This amount has been calculated on the assumption that DGR does not accept the Offer. On 27 October 2015, DGR expressed an intention to not accept the Offer given its confidence in the long term value opportunities in Armour. Accordingly, the maximum number of Armour Shares which can be acquired as a result of the Offer is 31,279,244 Armour Shares (which excludes the Armour Shares held by AEGP and DGR as at the date of this Bidder's Statement).



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## 6 Taxation implications

### 6.1 Introduction

This section 6 provides a brief outline of certain Australian tax consequences which may arise where an Armour Shareholder decides to accept the Offer. Armour Shareholders are specifically informed that the outline contained in this section 6:

- (a) does not constitute tax advice by AEGP or its advisers to any Armour Shareholder;
- (b) is an indicative guide based on the understanding of AEGP of the possible Australian CGT, GST and stamp duty consequences arising to Armour Shareholders on the disposal of Armour Shares;
- (c) does not consider any broader Australian or foreign tax implications;
- (d) is prepared on the basis of the existing Australian tax laws and administrative practices applicable as at the date of this Bidder's Statement, which may be subject to change periodically (including with retrospective effect); and
- (e) should not be relied upon by an Armour Shareholder for any purpose (including in deciding whether the Armour Shareholder should accept the Offer).

The outline contained in this section 6 is not intended to be an authoritative or complete statement of the Australian tax law applicable to the specific circumstances of every Armour Shareholder. In particular, the comments in the outline are generally only relevant to those Armour Shareholders who hold their shares on capital account for Australian income tax purposes. The comments do not apply to Armour Shareholders who:

- (a) are in the business of trading or dealing in securities, or otherwise hold their Armour Shares on revenue account;
- (b) acquired their Armour Shares as a result of an employee share plan or employee share option plan;
- (c) are a bank, insurance company or tax exempt organisation;
- (d) are subject to the Australian Taxation of Financial Arrangements (TOFA) rules in Division 230 of the *Income Tax Assessment Act 1997 (Cth)* in relation to their Armour Shares; or
- (e) are non-resident Armour Shareholders who currently hold, or have held at any time, Armour Shares through a permanent establishment in Australia.

The outline contained in this section 6 is not intended to be, and should not be relied upon as, personal taxation advice or financial advice. The applicable tax treatment may vary according to individual circumstances, and as such, each Armour Shareholder should seek independent tax advice in connection with the Offer that is specific to their particular circumstances.

### 6.2 Disposal for CGT purposes

An Armour Shareholder that accepts the Offer should be treated as having disposed of the relevant Armour Shares for Australian CGT purposes on the date that the Offer is accepted. The disposal of an Armour Share in this manner should constitute a disposal of a CGT asset and potentially trigger a taxing event under Australia's CGT regime.

### 6.3 Australian resident Armour Shareholders

An Armour Shareholder should realise a capital gain in connection with the disposal of an Armour Share equal to the amount by which the Offer consideration exceeds the cost base of the Armour Share. An Armour Shareholder should alternatively realise a capital loss equal to the amount by which the reduced cost base of the Armour Share exceeds the Offer consideration. A capital loss may be used to offset a capital gain made in the same income year or be carried forward to offset a capital gain made in a future income year, subject to the satisfaction of any applicable loss recoupment tests.

The cost base and reduced cost base of an Armour Share should generally equal the amount that the Armour Shareholder paid, or is deemed to have paid, to acquire the Armour Share (including certain incidental costs associated with the acquisition, such as brokerage fees).

An Armour Shareholder who is an Australian tax resident individual, trust or complying superannuation fund may be entitled to reduce a capital gain arising on disposal of an Armour Share by the CGT discount, provided that:

- (a) the Armour Share was acquired at least 12 months prior to its disposal for Australian CGT purposes; and
- (b) the CGT discount is applied to the capital gain after any available capital losses are first offset against that capital gain.

The applicable CGT discount which should reduce any remaining capital gain arising from the disposal of an Armour Share (after the application of any capital losses or net capital losses from previous income years) is as follows:

- (a) 50% for an individual or trust; and
- (b) 33.33% for a complying superannuation fund.

The CGT discount is not available to any Armour Shareholders that are companies.

Capital gains and capital losses of a taxpayer in a year of income are aggregated to determine whether there is a net capital gain. Any net capital gain is included in assessable income and is subject to income tax. Capital losses may not be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains, subject to satisfying certain rules relating to the recoupment of carried forward losses.

### 6.4 Non-resident Armour Shareholders

An Armour Shareholder who is not a resident of Australia for Australian income tax purposes should generally not have to pay Australian income tax in relation to any capital gain arising on the disposal of their Armour Shares, unless, broadly, both of the following requirements are satisfied:

- (a) the Armour Shareholder (together with any Associates) owned at least 10% of the shares issued by Armour either at the time the Armour Shares were disposed of for CGT purposes, or for at least 12 months during the 24 month period ending at that time; and
- (b) more than 50% of the market value of the assets of Armour (including assets held through certain downstream subsidiaries) is comprised by interests in Australian real property and/or certain rights in relation to Australian minerals.

If either element is absent, any capital gain made on the disposal of an Armour Share should not be subject to income tax in Australia.

In the event that both elements are satisfied, any capital gain realised by an Armour Shareholder who is not a resident of Australia for Australian income tax purposes should be calculated in a similar manner to that discussed above in the context of Australian residents. However the CGT discount will not be available, or alternatively, a modified CGT discount may apply.

## **6.5 Goods and services tax**

Generally, the holders of Armour Shares should not be liable for GST in respect of a disposal of those Armour Shares. However, in certain circumstances, Armour Shareholders may be restricted from claiming input tax credits for GST incurred on costs in connection with the Offer (for example, GST included in advisory costs).

## **6.6 Stamp duty**

Armour Shareholders should generally not be subject to adverse Australian stamp duty implications in connection with the Offer.

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## **7 Additional information**

### **7.1 ASIC modifications**

AEGP has relied on ASIC modifications of section 618 of the Corporations Act as set out in ASIC Class Order [CO 13/521]. The effect of the modifications is reflected in the terms of the Offer set out in section 8 of this Bidder's Statement.

Also, ASIC has published various class orders providing for modifications and exemptions that generally apply to all persons including AEGP, in relation to the operation of Chapter 6 of the Corporations Act.

### **7.2 Persons to whom the Offer is sent**

For the purposes of section 633(2) of the Corporations Act, the date for determining the person to whom information is to be sent in items 6 and 12 of section 633(1) of the Corporations Act is the Register Date (being 1 December 2015).

### **7.3 No escalation agreements**

Neither AEGP nor any Associate of AEGP has entered into any escalation agreement in respect of Armour Shares that is prohibited by section 622 of the Corporations Act.

### **7.4 Consents**

The following persons have given, and have not withdrawn before the date of this Bidder's Statement, their consent to be named in this Bidder's Statement in the form and context in which they are so named:

- Computershare Investor Services Pty Limited as manager of the Register; and
- Gilbert + Tobin as legal adviser.

Each of the above persons:

- does not make, or purport to make, any statement in this Bidder's Statement; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement.

As permitted by ASIC Class Order [CO 13/521], this Bidder's Statement contains statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX. Pursuant to the Class Order, the consent of the parties making those statements is not required for, and those persons have not consented to, the inclusion of such statements in this Bidder's Statement. Armour Shareholders may, during the Offer Period, obtain a copy of those documents (free of charge) by requesting them in writing from Gilbert + Tobin, Level 37, 2 Park Street, Sydney NSW 2000 (marked for the attention of Ben Malone).

### **7.5 No other material information**

There is no other information that:

- is material to the making of the decision by a holder of Armour Shares whether or not to accept the Offer; and
- which is known to AEGP,

other than:

- as set out or referred to elsewhere in this Bidder's Statement; or
- information which it would be unreasonable to require AEGP to disclose because the information has previously been disclosed to holders of Armour Shares.

## **7.6 Privacy**

AEGP has collected your information from the register of Armour Shareholders for the purposes of making the Offer. The Corporations Act requires the names and addresses of Armour Shareholders to be held in a public register. Your information may be disclosed on a confidential basis to AEGP's Related Bodies Corporate, affiliates and external service providers, and may be required to be disclosed to regulators, such as ASIC. The registered office of AEGP is C/- King & Wood Mallesons, Governor Phillip Tower, Level 61, 1 Farrer Place, Sydney NSW 2000.

## **7.7 Rounding**

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Bidder's Statement.

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## 8 Terms of Offer

### 8.1 Offer

- (a) AEGP offers to acquire from you, on the terms and conditions of this Offer, 13.62% of your Armour Shares (rounded down to the nearest whole number of shares) together with all Rights attaching to those Armour Shares. You may only accept this Offer for 13.62% of your Armour Shares and not a greater or lesser proportion.<sup>6</sup> For example, if you hold 12,500 Armour Shares you can only accept this Offer in respect of 1,702 Armour Shares.
- (b) This Offer does not extend to Armour Shares in respect of which you become registered or become entitled to be registered as the holder prior to the end of the Offer Period as a result of the conversion of, or the exercise of rights attached to, other securities convertible into Armour Shares that are on issue at the Register Date (including the Unlisted Options).
- (c) This Offer extends to any person who is able, during the Offer Period, to give good title to a parcel of Armour Shares that are not “tagged” and has not already accepted an Offer for those Armour Shares (see section 8.6(a)). If you accept this Offer in respect of 13.62% of your Armour Shares, you are not entitled to accept the Offer for your remaining Armour Shares (**Remaining Shares**), nor can a transferee of your Remaining Shares accept the Offer. Your Remaining Shares will effectively be “tagged” so that a transferee of the Remaining Shares will be prevented from accepting this Offer.
- (d) Subject to section 8.1(e) and despite paragraphs (a), (b) and (c) of this section 8.1, if accepting this Offer would leave you with less than a Marketable Parcel of Armour Shares, this Offer extends to the whole of that parcel and if you accept the Offer you will be deemed to have accepted for (and will receive consideration for) 100% of your Armour Shares, unless you or another person acquired a legal or equitable interest in the Armour Shares comprising the parcel after the Offer was announced to ASX on the Announcement Date. This section applies to persons who hold Armour Shares as nominee or trustee for others, provided that the holder provides a notice complying with section 8.6(b) in relation to each parcel of Armour Shares to which this provision is to apply.
- (e) Section 8.1(d) will not apply to a parcel of Armour Shares, whether held beneficially or otherwise, that has come into existence, or increased in size, because of a transaction entered into (including the creation of one or more trusts), at any time after 10:00am on the Announcement Date.
- (f) If necessary, if the number of your Armour Shares to which this Offer relates is not a whole number, the Offer will be rounded down to the nearest whole number.
- (g) Offers on terms and conditions identical to those contained in this Offer have been dispatched or will be dispatched to all holders of Armour Shares registered as such in the Register on the Register Date.
- (h) This Offer is dated 11 December 2015.

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<sup>6</sup> If accepting the Offer would leave you with a less than a Marketable Parcel of Armour Shares, the Offer will extend to all of your Armour Shares, subject to the modification to section 618(2) of the Corporations Act granted in ASIC Class Order [CO 13/521]. See sections 8.1(d) and 8.6 of this Bidder's Statement for further details.

## 8.2 Consideration and dividends

- (a) Subject to the terms of this Offer, the consideration offered by AEGP for the acquisition of each of your Armour Shares to which this Offer relates is \$0.25 cash for each Armour Share.
- (b) Subject to sections 8.2 and 8.4(d) and the Corporations Act, AEGP will provide the consideration due to you for your Armour Shares on or before the earlier of:
  - (i) one month after the date of your acceptance or, if this Offer is subject to a defeating condition when you accept this Offer, within one month after this Offer becomes unconditional; and
  - (ii) 21 days after the end of the Offer Period.
- (c) Where the Acceptance Form requires an additional document to be delivered with your Acceptance Form (such as a power of attorney):
  - (i) if that document is given with your Acceptance Form, AEGP will provide the consideration in accordance with section 8.2(b);
  - (ii) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is subject to a defeating condition, AEGP will provide the consideration due to you on or before the earlier of one month after this Offer becomes unconditional and 21 days after the end of the Offer Period;
  - (iii) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is not subject to a defeating condition, AEGP will provide the consideration due to you on or before the earlier of one month after that document is given and 21 days after the end of the Offer Period; or
  - (iv) if that document is given after the end of the Offer Period, and the Offer is not subject to a defeating condition, AEGP will provide the consideration within 21 days after that document is given. However, if at the time the document is given, the Offer is still subject to a defeating condition that relates only to the happening of an event or circumstance referred to in section 652C(1) or (2) of the Corporations Act, AEGP will provide the consideration due to you within 21 days after the Offer becomes unconditional.
- (d) Payment of the cash amount to which you are entitled under the Offer will be made by cheque in Australian currency. Cheques will be posted to you at your risk by ordinary mail (or in the case of foreign shareholders, by airmail) to the address last provided to AEGP by Armour.
- (e) AEGP will be entitled to all Rights declared, paid, made or which arise or accrue at or after the Announcement Date in respect of the Accepted Shares that it acquires pursuant to this Offer.
- (f) If any Rights are declared, paid, made or arise or accrue in cash after the Announcement Date in respect of the Accepted Shares to the holders of the Accepted Shares, AEGP will (provided that the same has not been paid to AEGP) be entitled to reduce the consideration specified in section 8.2(a) and payable by it to the holders of the Accepted Shares by an amount equal to the value of such Rights.
- (g) If any non-cash Rights are issued or made or arise or accrue after the Announcement Date in respect of the Accepted Shares to the holders of the Accepted Shares, AEGP will (provided the same has not been issued to AEGP) be entitled to reduce the consideration specified in section 8.2(a) and payable by it to

the holders of the Accepted Shares by an amount equal to the value (as reasonably assessed by the Chairman of ASX or his or her nominee) of such non-cash Rights.

### 8.3 Offer Period

- (a) Unless Offer is withdrawn in accordance with the requirements of the Corporations Act, this Offer will remain open for acceptance by you during the period commencing on the date of this Offer and ending at 7:00pm (Sydney time) on 12 January 2016. The Offer will not be extended beyond that date unless automatically extended in accordance with section 624(2)(a) of the Corporations Act.
- (b) If, within the last seven days of the Offer Period, this Offer is varied to improve the consideration offered or AEGP's voting power increases to more than 13.62%, then the Offer Period will be automatically extended in accordance with section 624(2)(a) of the Corporations Act so that it ends 14 days after the relevant event.

### 8.4 How to accept this AEGP Offer

- (a) You may accept this Offer only in respect of 13.62% of your Armour Shares (rounded down to the nearest whole number of shares) but for no more or less.<sup>7</sup>
- (b) Subject to section 8.6, to accept this Offer in respect of Armour Shares which, at the time of acceptance, are registered in your name in the issuer sponsored subregister operated by Armour (in which case your Armour Shares are not in a CHESS Holding and your Securityholder Reference Number will commence with "I"), you must complete and sign the Issuer Acceptance Form enclosed with this Offer (which forms part of this Offer) in accordance with the instructions on it and return it together with all other documents required by those instructions (if any) to:

By mail:

Computershare Investor Services Pty Limited  
GPO Box 2115  
Melbourne VIC 3001

so that it is received at the address specified above by no later than the end of the Offer Period. A reply paid envelope, which is valid if sent from within Australia, is enclosed for your use.

- (c) To accept this Offer in respect of Armour Shares which, at the time of acceptance, are held by you in a CHESS Holding (in which case your Holder Identification Number will commence with "X"), you must comply with the ASX Settlement Operating Rules. To accept this Offer in accordance with the ASX Settlement Operating Rules:
  - (i) if you are the Controlling Participant, you must initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period; or
  - (ii) if you are not the Controlling Participant, you may either:
    - (A) instruct your Controlling Participant (normally your Broker), in accordance with the sponsorship agreement between you and the Controlling Participant, to initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules, such initiation

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<sup>7</sup> If accepting the Offer would leave you with a less than a Marketable Parcel of Armour Shares, the Offer will extend to all of your Armour Shares, subject to the modification to section 618(2) of the Corporations Act granted in ASIC Class Order [CO 13/521]. See sections 8.1(d) and 8.6 of this Bidder's Statement for further details.



to occur before the end of the Offer Period. If you choose to accept this Offer in this way, your Controlling Participant will be obliged by Rule 14.14.1 of the ASX Settlement Operating Rules to initiate the acceptance in accordance with your instructions (if specified) or otherwise by End of Day (as defined in the ASX Settlement Operating Rules) on the date that you instruct the Controlling Participant to accept this Offer or, if the Offer Period ends on the day you provide those instructions, before the end of the Offer Period; or

- (B) otherwise, complete and sign the enclosed CHES Acceptance Form in accordance with the instructions on the CHES Acceptance Form and return it (using the enclosed reply paid envelope, which is valid if sent from within Australia) together with all other documents required by those instructions to the address indicated on the CHES Acceptance Form, and as such authorise AEGP to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules. For return of the CHES Acceptance Form to be an effective acceptance of the Offer under this section 8.4(c)(ii)(B), it must be received by AEGP in time for AEGP to give instructions to your Controlling Participant, and your Controlling Participant to carry out those instructions, before the end of the Offer Period.
- (d) An acceptance of this Offer under section 8.4(b) or 8.4(c)(ii)(B) shall not be complete until the Acceptance Form, completed and signed in accordance with the instructions on it and all other documents required by those instructions, have been received at the address set out in section 8.4(b). Notwithstanding the foregoing provisions of this section 8.4, AEGP may, in its absolute discretion, waive at any time prior to the end of the Offer Period all or any of the requirements specified in the Acceptance Form but payment of the consideration in accordance with this Offer will not be made until any irregularity has been resolved and such other documents as may be necessary to procure registration of the Armour Shares have been lodged with AEGP.
  - (e) The postage and transmission of the Acceptance Form and other documents is at your own risk.

## **8.5 Validity of acceptances**

- (a) Subject to this section 8.5, your acceptance of the Offer will not be valid unless it is made in accordance with the procedures set out in section 8.4.
- (b) AEGP will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Offer and time of receipt of an acceptance of the Offer. AEGP is not required to communicate with you prior to or after making this determination. The determination of AEGP will be final and binding on all parties.

## **8.6 Entitlement to Offer**

- (a) Subject to section 8.1(c), a person who:
  - (i) is able during the Offer Period to give good title to a parcel of Armour Shares; and
  - (ii) has not already accepted an Offer for those Armour Shares;may, in accordance with section 653B(1) of the Corporations Act, accept this Offer as if an offer on terms identical with the Offer had been made to that person in relation to those Armour Shares.

- (b) If at any time during the Offer Period, and before you accept this Offer, your Armour Shares consist of one or more separate parcels within the meaning of section 653B of the Corporations Act (for example, because you hold Armour Shares on trust for, as nominee for, or on account of, another person or persons), then you may accept as if a separate offer in the form of this Offer had been made to you in relation to each of those parcels (including any parcel you hold in your own right). An acceptance by you of the Offer in respect of any such distinct portion of your Armour Shares will be ineffective unless:
- (i) you have given AEGP notice stating that your Armour Shares consist of separate and distinct parcels, such notice being:
    - (A) in the case of Armour Shares not in a CHESS Holding, in writing; or
    - (B) in the case of Armour Shares in a CHESS Holding, in an electronic form approved by the ASX Settlement Operating Rules; and
  - (ii) your acceptance specifies the number of Armour Shares in the distinct portions to which the acceptance relates; and
  - (iii) in circumstances where the parcel of Armour Shares is held by you as trustee or nominee for, or otherwise on account of, another person, your acceptance specifies:
    - (A) the date that other person acquired an equitable interest in the parcel or, if that date is not known, the date that other person is reasonably believed to have acquired an equitable interest in the parcel; and
    - (B) where the date that other person acquired an equitable interest in the parcel is the Announcement Date – whether the equitable interest was acquired before the time the Offer was announced to ASX on the Announcement Date.
- (c) Beneficial owners whose Armour Shares are registered in the name of a Broker, investment dealer, bank, trust company or other nominee should contact that nominee for assistance in having this Offer accepted in respect of the Armour Shares which they beneficially own.

## 8.7 Effect of Acceptance

- (a) By:
- (i) completing, signing and returning an Acceptance Form in accordance with section 8.4(b) or 8.4(c)(ii)(B); or
  - (ii) causing this Offer to be accepted in accordance with the ASX Settlement Operating Rules if your Armour Shares are in a CHESS Holding,
- you will, or will be deemed to, have:
- (iii) subject to section 650E of the Corporations Act and section 8.6 irrevocably accepted this Offer in respect of your Armour Shares to which this Offer relates (**Accepted Shares**);
  - (iv) subject to the conditions of the Offer being fulfilled, agreed to transfer the Accepted Shares to AEGP;

- (v) represented and warranted to AEGP as a fundamental condition going to the root of the contract resulting from your acceptance of this Offer that, both at the time of acceptance of this Offer and at the time the transfer of the Accepted Shares to AEGP is registered, all of the Accepted Shares are and will upon registration be fully paid up and free from all mortgages, charges, liens and other encumbrances of any kind and restrictions on transfer of any kind, and that you have full power and capacity (whether legal or equitable) to sell and transfer the Accepted Shares and that you have paid all amounts which at the time of acceptance have fallen due for payment in respect of the Accepted Shares;
- (vi) authorised AEGP (by any of its directors, officers, servants or agents), if necessary, to complete on the Acceptance Form correct details of the Accepted Shares, fill in any blanks remaining on the Acceptance Form and rectify any error in or omission from the Acceptance Form as may be necessary to make the Acceptance Form an effective acceptance of this Offer;
- (vii) irrevocably appointed AEGP and each of its directors, secretaries and officers from time to time jointly and each of them severally as your true and lawful attorney, with effect from the date that the conditions of the Offer are fulfilled, with power to exercise all powers and rights which you could lawfully exercise as the registered holder of the Accepted Shares or in exercise of any right derived from the holding of the Accepted Shares, including, without limiting the generality of the foregoing, requesting Armour to register the Accepted Shares in the name of AEGP, attending and voting at any meeting of Armour Shareholders, demanding a poll for any vote taken at or proposing or seconding any resolutions to be considered at any meeting of Armour Shareholders, requisitioning any meeting of Armour Shareholders, signing any forms, notices or instruments relating to the Accepted Shares and doing all things incidental or ancillary to any of the foregoing. You will, or will be deemed to, have acknowledged and agreed that in exercising such powers the attorney may act in the interests of AEGP as the intended registered holder of the Accepted Shares. This appointment, being given for valuable consideration to secure the interest acquired in the Accepted Shares, is irrevocable and terminates upon registration of a transfer to AEGP of the Accepted Shares;
- (viii) agreed, with effect from the date that the conditions of the Offer are fulfilled, and in the absence of a prior waiver of this requirement by AEGP, not to attend or vote in person at any meeting of Armour Shareholders or to exercise or purport to exercise any of the powers conferred on AEGP or its nominee in section 8.7(a)(vii);
- (ix) irrevocably authorised and directed Armour to pay to AEGP or to account to AEGP for all Rights in respect of the Accepted Shares, subject, however, to any such Rights received by AEGP being accounted for by AEGP to you in the event that this Offer is withdrawn or avoided;
- (x) except where Rights have been paid or accounted for under section 8.7(a)(ix), irrevocably authorised AEGP to deduct from the consideration payable in respect of the Accepted Shares, the value of any Rights paid to you in respect of the Accepted Shares which, where the Rights take a non-cash form, will be the value of those Rights as reasonably assessed by the Chairman of ASX or his or her nominee;
- (xi) if, at the time of acceptance of this Offer, the Accepted Shares are in a CHES Holding, irrevocably authorised AEGP to cause a message to be transmitted in accordance with ASX Settlement Operating Rule 14.17.1 (and at a time permitted by ASX Settlement Operating Rule 14.17.1(b)) so as to

transfer the Accepted Shares to AEGP's Takeover Transferee Holding. AEGP shall be so authorised even though at the time of such transfer it has not paid the consideration due to you under this Offer;

- (xii) agreed to indemnify AEGP 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 Holder Identification Number or in consequence of the transfer of the Accepted Shares being registered by Armour without production of your Holder Identification Number for the Accepted Shares;
  - (xiii) represented and warranted to AEGP that, if you are the legal owner but not the beneficial owner of the Accepted Shares:
    - (A) the beneficial holder has not sent a separate acceptance of the Offer in respect of the Accepted Shares;
    - (B) the number of Armour Shares you have specified as being the entire holding of Armour Shares you hold on behalf of a particular beneficial holder is in fact the entire holding; and
    - (C) that you are irrevocably and unconditionally entitled to transfer the Accepted Shares, and to assign all of the beneficial interest therein to AEGP; and
  - (xiv) agreed to execute all such documents, transfers and assurances that may be necessary or desirable to convey the Accepted Shares and any Rights in respect of the Accepted Shares to AEGP.
- (b) If your Armour Shares are in a CHESS Holding and you complete, sign and return the Acceptance Form in accordance with section 8.4(c)(ii)(B) (which you are not bound, but are requested, to do), you will be deemed to have irrevocably authorised AEGP and any of its directors, secretaries or officers to:
- (i) instruct your Controlling Participant to initiate acceptance of this Offer in respect of the Accepted Shares which are in a CHESS Holding, in accordance with Rule 14.14 of the ASX Settlement Operating Rules if you have not already done so; and
  - (ii) give any other instructions in relation to the Accepted Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and that Controlling Participant.

## **8.8 Conditions of this AEGP Offer**

- (a) No regulatory action

During the Offer Period:

- (i) there is not in effect any preliminary or final decision, order or decree issued by a Governmental Agency;
- (ii) no action or investigation is announced, commenced or threatened by any Governmental Agency; and
- (iii) no application is made to any Governmental Agency (other than by AEGP or its Related Bodies Corporate),

in consequence of, or in connection with, the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in the exercise of powers and discretions conferred by the Corporations Act or the applications to ASX contemplated by the Implementation Agreement), which:

- (iv) restrains, prohibits or impedes (or if granted or made could restrain, prohibit or impede), or otherwise materially adversely impacts upon:
  - (A) the making of the Offers or the completion of any transaction contemplated by the Offer; or
  - (B) the rights of AEGP in respect of Armour or the Armour Shares; or
- (v) requires the divestiture by AEGP of any Armour Shares or the divestiture of any assets of the Armour or its Related Bodies Corporate.

(b) No Prescribed Occurrence

No Prescribed Occurrence happens in the period between the date of the Implementation Agreement and the date on which the Offer Period ends (both inclusive).

### **8.9 Nature and benefit of conditions**

- (a) The Offer conditions in section 8.8 are conditions subsequent. The non-fulfilment of any condition subsequent does not, until the end of the Offer Period, prevent a contract to sell your Armour Shares pursuant to the terms of this Offer, but entitles AEGP, by written notice to you, to rescind the contract resulting from your acceptance of the Offer.
- (b) Subject to the Corporations Act, AEGP alone is entitled to the benefit of the conditions in section 8.8, or to rely on any non-fulfilment of them.
- (c) Each condition in section 8.8 is a separate, several and distinct condition. No condition will be taken to limit the meaning or effect of any other condition.

### **8.10 Freeing the Offer of conditions**

- (a) AEGP may free this Offer, and any contract resulting from its acceptance, from all or any of the conditions in section 8.8, either generally or by reference to a particular fact, matter, event, occurrence or circumstance (or class thereof), by giving notice to Armour and to ASX declaring this Offer to be free from the relevant condition or conditions specified, in accordance with section 650F of the Corporations Act. This notice may be given not less than seven days before the end of the Offer Period (or, in the case of the condition in section 8.8(b), not later than three Business Days after the end of the Offer Period).
- (b) If, at the end of the Offer Period (or in the case of the condition in section 8.8(b), at the end of the third Business Day after the end of the Offer Period), the conditions in section 8.8 have not been fulfilled and AEGP has not declared the Offer (or it has not become) free from those conditions, all contracts resulting from the acceptance of the Offer will be automatically void.

### **8.11 Notice of status of conditions**

The date for giving the notice of the status of the conditions required by section 630(1) of the Corporations Act is 4 January 2015.

### **8.12 Withdrawal by AEGP**

- (a) In accordance with section 652B of the Corporations Act, AEGP may withdraw this Offer at any time with the written consent of ASIC which consent may be given subject to such conditions (if any) as are specified in the consent. Notice of any withdrawal will be given to ASX and Armour and AEGP will comply with any other conditions imposed by ASIC.
- (b) If AEGP withdraws this Offer, any contract resulting from its acceptance will automatically be void.

### **8.13 Variation**

AEGP may, at any time, and from time-to-time, vary this Offer in accordance with the Corporations Act.

### **8.14 Other matters**

- (a) All costs and expenses of preparation of this Bidder's Statement and of the preparation and circulation of the Offer will be paid by AEGP.
- (b) Any notices to be given by AEGP to Armour under the Offer may be given to Armour by leaving them at, or sending them by pre-paid ordinary post to, the registered office of Armour or by sending them by facsimile transmission to Armour at its registered office.
- (c) Any notices to be given to AEGP by you or by Armour under the Offer may be given to AEGP by leaving them at or sending them by pre-paid ordinary post to AEGP at the address referred to in the Corporate Directory.
- (d) Any notices to be given by AEGP to you under the Offer may be given to you by sending them by pre-paid post or courier, or if your address is outside Australia, by pre-paid airmail or courier, to your address as shown in the Register.
- (e) This Offer and any contract that results from your acceptance of this Offer are governed by the laws in force in New South Wales, Australia.

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## 9 Glossary and interpretation

### Glossary

The following terms have the meanings set out below unless the context requires otherwise:

**Acceptance Form** means the acceptance form enclosed with this Bidder's Statement (and includes, to avoid doubt, both the Issuer Acceptance Form and the CHES Acceptance Form).

**Accepted Shares** has the meaning given to that term in section 8.7(a)(iii).

**AEGP** means AEGP Australia Pty Ltd ACN 605 683 798.

**AEP** means American Energy Partners, LP.

**American Energy Transaction** has the meaning given in section 1.4.

**Announcement Date** means 1 December 2015.

**Armour** means Armour Energy Limited ACN 141 198 414.

**Armour Share** means a fully paid ordinary share in Armour.

**Armour Shareholder** means a person who is registered as the holder of Armour Shares in the Register.

**ASIC** means the Australian Securities and Investments Commission.

**Associate** has the meaning given to that term in section 12 of the Corporations Act.

**ASX** means ASX Limited ACN 008 624 691 or the Australian Securities Exchange it operates, as the context requires.

**ASX Settlement** means ASX Settlement Pty Limited ACN 008 504 532.

**ASX Settlement Operating Rules** means the operating rules of ASX Settlement.

**Bidder's Statement** means this document, being the bidder's statement of AEGP under Part 6.5 of the Corporations Act relating to the Offer.

**Broker** means a person who is a share broker and a participant in CHES.

**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).

**CGT** means Australian capital gains tax.

**CHES Holding** means a holding of Armour Shares on the CHES subregister of Armour.

**CHES** means the Clearing House Electronic Subregister System operated by ASX Settlement, which provides for the electronic transfer, settlement and registration of securities in Australia.

**Controlling Participant** in relation to Armour Shares, has the same meaning as that in ASX Settlement Operating Rules.

**Corporations Act** means the *Corporations Act 2001* (Cth) and any regulations made under that Act.

**DGR** means DGR Global Limited ACN 052 354 837.

**Farm-In Tenements** has the meaning given in section 1.4.

**Farm-out Agreement** has the meaning given in section 1.4.

**Governmental Agency** means a government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity whether foreign, federal, state, territorial or local whether in Australia or elsewhere, including (without limitation) any self-regulatory organisation established under a statute or otherwise discharging substantially public or regulatory functions, and in particular, ASX and ASIC.

**GST** means the goods and services tax imposed under the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**Holder Identification Number** or **HIN** means the number used to identify an Armour Shareholder on the CHESS subregister of Armour.

**Implementation Agreement** means the takeover bid implementation agreement between AEGP and Armour as attached to Armour's announcement dated 27 October 2015.

**Issuer Sponsored Holding** means a holding of Armour Shares on Armour's issuer sponsored subregister.

**Listing Rules** means the listing rules of ASX as amended or varied from time to time.

**Marketable Parcel** means a holding of Armour with a value of not less than \$500 based on the "cum-Offer" ASX closing price of Armour Shares on the date that is the most recent trading day before the relevant acceptance of the Offer is received.

**Offer** or **AEGP Offer** means, the offer to acquire Armour Shares under the terms and conditions contained in this Bidder's Statement, as varied in accordance with the Corporations Act.

**Offer Period** means the period commencing on 11 December 2015 and ending on 12 January 2016.

**Offer Price** means \$0.25 per Armour Share the subject of the Offer.

**Operating Agreement** has the meaning given in section 1.4

**Option Deed** has the meaning given in section 1.4

**Participant** has the meaning given in the ASX Settlement Operating Rules.

**Prescribed Occurrence** means the occurrence of any of the following where that occurrence was not consented to by AEGP and is not the result of Armour taking or procuring any action required to be taken or procured by it under the Implementation Agreement or contemplated by the Shareholder Approval (as defined in the Implementation Agreement):

- (a) Armour converts all or any of its shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (b) Armour resolves to reduce its share capital in any way;
- (c) Armour enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under subsection 257C(1) or 2570(1) of the Corporations Act;
- (d) Armour issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;



- (e) Armour issues, or agrees to issue, convertible notes;
- (f) Armour disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) Armour grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property other than pursuant to the Roma Shelf Assets Financing (as defined in the Implementation Agreement);
- (h) Armour resolves to be wound up.
- (i) a liquidator or provisional liquidator of Armour is appointed;
- (j) a court makes an order for the winding up of Armour;
- (k) an administrator of Armour is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) Armour executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Armour.

**Register Date** means 7:00pm on 1 December 2015.

**Register** means the register of Armour Shareholders maintained by Armour in accordance with the Corporations Act.

**Related Body Corporate** has the meaning given in section 9 of the Corporations Act.

**Relevant Interest** has the meaning given in sections 608 and 609 of the Corporations Act.

**Remaining Shares** has the meaning given to that term in section 8.1(c).

**Rights** means all accretions, rights or benefits of whatever kind attaching to or arising from or in respect of the Armour Shares, whether directly or indirectly, including without limitation all rights to receive dividends (and any attaching franking credit), to receive or subscribe for shares, units, notes, options or other securities and to receive all other distributions or entitlements declared, paid, made or issued by Armour or any subsidiary of Armour after the Announcement Date.

**Securityholder Reference Number** or **SRN** means the number allocated by Armour to identify an Armour Shareholder on its issuer sponsored subregister.

**Share Subscription Agreement** has the meaning given in section 1.4.

**T+3** means that settlement occurs on the third Trading Day after the date of the transaction in accordance with ASX practice.

**Takeover Transferee Holding** has the same meaning as in the ASX Settlement Operating Rules.

**Target's Statement** means the target's statement to be prepared by Armour in response to this Bidder's Statement.

**Trading Day** has the meaning given to it in the Listing Rules.

**Unlisted Options** has the meaning given to that term in section 4.1 of this Bidder's Statement.

**Voting Power** has the meaning given to it in section 610 of the Corporations Act.

## **Interpretation**

- (a) Annexures to this Bidder's Statement form part of this Bidder's Statement.
- (b) Words and phrases to which a meaning is given by the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules have that meaning in this Bidder's Statement unless that meaning is inconsistent with the context in which the word or phrase is used.
- (c) Headings are for convenience only and do not affect the interpretation of this Bidder's Statement.
- (d) The singular includes the plural and vice versa and words importing any gender include the other gender, and references to persons include corporations.
- (e) References to sections are to sections of this Bidder's Statement.
- (f) References to paragraphs are references to paragraphs within the section in which the reference to the paragraph is made.
- (g) References to time are references to the time in Sydney, Australia on the relevant date, unless stated otherwise.
- (h) References to "dollars", "\$" or "cents" are to Australian currency, unless stated otherwise.
- (i) References to "US\$" are to United States of America currency.

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## 10 Approval of Bidder's Statement

This Bidder's Statement has been approved by a resolution of the directors of AEGP.

Dated 1 December 2015

Signed for and on behalf of AEGP by:

A handwritten signature in blue ink, appearing to read 'Aubrey McClendon', written over a light blue horizontal line.

---

Aubrey McClendon, Director

---

## **Corporate directory**

### **AEGP**

C/- Gilbert + Tobin  
Level 37  
2 Park Street  
Sydney NSW 2000

### **Legal Adviser**

Gilbert + Tobin  
Level 37  
2 Park Street  
Sydney NSW 2000

### **Share Registrar**

Computershare Investor Services Pty Limited  
Level 4, 60 Carrington Street  
Sydney NSW 2000



**By Mail:**

Computershare Investor Services Pty Limited  
GPO Box 2115 Melbourne  
Victoria 3001 Australia



┌ 000001 000 AJQ\_TK  
MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

## Transfer and Acceptance Form

ISSUER

### Your form must be received by the end of the Offer Period.

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by AEGP Australia Pty Ltd ACN 605 683 798 ("AEGP") to acquire 13.62%\* of your ordinary shares in Armour Energy Limited ACN 141 198 414 ("Armour") the terms of which are set out in the Bidder's Statement from AEGP dated X December 2015 as replaced or supplemented (the "Bidders Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

### Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Armour register, as provided to AEGP. The current address recorded by AEGP is printed above and overleaf. If you have recently bought or sold Armour Shares your holding may differ from that shown. If you have already sold all your Armour Shares, do not complete or return this form.

### Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for 13.62%\* of your Armour Shares.

### Step 3: Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders must sign.

**Power of Attorney:** Where signing under a power of attorney ("POA"), you must attach an original certified copy of the POA to this form.

**Companies:** Where the holding is in the name of a company, this form must be signed in accordance with the Corporations Act, either as:

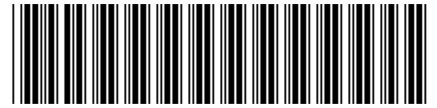
- a sole director and sole company secretary **OR** a sole director (if no company secretary exists), **OR**
- two directors, **OR**
- a director and secretary.

**Overseas Companies:** Where the holding is in the name of an overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

**Deceased Estate:** All executors must sign and a certified copy of probate or letters of administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

**Turn over to complete the form** →



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# Transfer and Acceptance Form

For your security keep your SRN/  
HIN confidential.

## STEP 1 Registration Name & Offer Details

**Registration Name:** MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

**Offer Details:** Armour Shares held at the Register Date:

13.62%\* of Armour Shares held at the Register Date:

By accepting the Offer, you are accepting the Offer for 13.62%\* of the Armour Shares as recorded by AEGP as being held by you at the date your acceptance is processed (even if different to the number stated above).

\*Note: If accepting this offer would leave you with Armour Shares with a value of less than \$500 based on the "cum-offer" ASX closing price of Armour Shares on the date that is the most recent trading day before your acceptance is received, subject to the terms and conditions of the offer, this offer will apply to all of your Armour Shares.

## STEP 2 Accept the Offer

Only sign and return this form if you wish to accept the Offer for 13.62%\* of your Armour Shares. The consideration applicable is set out in the terms of AEGP's Offer.

## STEP 3 Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by AEGP for Shares in Armour and I/we agree to be bound by the terms and conditions of the Offer and transfer 13.62%\* of my/our Armour Shares as per the above instruction.

**Individual or Securityholder 1**

**Sole Director and Sole Company Secretary/  
Sole Director (cross out titles as applicable)**

**Securityholder 2**

**Director**

**Securityholder 3**

**Director/Company Secretary  
(cross out titles as applicable)**

**Contact Name** \_\_\_\_\_

**Contact  
Daytime  
Telephone** \_\_\_\_\_

**Date** \_\_\_\_ / \_\_\_\_ / \_\_\_\_

## Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. We may also use your personal information to send you marketing material approved by AEGP Australia Pty Ltd. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this form or by emailing [privacy@computershare.com.au](mailto:privacy@computershare.com.au). We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to AEGP Australia Pty Ltd or to third parties upon direction by AEGP Australia Pty Ltd where related to the administration of your securityholding or as otherwise required or permitted by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at [privacy@computershare.com.au](mailto:privacy@computershare.com.au) or see our Privacy Policy at <http://www.computershare.com/au>.

**Return your Form:**



**To Your Controlling Participant:**  
Return this form directly to your stockbroker



**By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 2115 Melbourne  
Victoria 3001 Australia

┌ 000002 000 AJQ\_TK  
MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

## Transfer and Acceptance Form

CHES

 **Your form must be received with sufficient time to allow processing prior to the end of the Offer Period.**

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by AEGP Australia Pty Ltd ACN 605 683 798 ("AEGP") to acquire 13.62%\* of your ordinary shares in Armour Energy Limited ACN 141 198 414 ("Armour") the terms of which are set out in the Bidder's Statement from AEGP dated X December 2015 as replaced or supplemented (the "Bidders Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor. Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

### Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the Armour register, as provided to AEGP. The current address recorded by AEGP is printed above and overleaf. If you have recently bought or sold Armour Shares your holding may differ from that shown. If you have already sold all your Armour Shares, do not complete or return this form.

### Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for 13.62%\* of your Armour Shares. As your Armour Shares are in a CHES holding, you may contact your Controlling Participant directly (normally your stockbroker) with instructions to accept the Offer. If you do this, your Controlling Participant will provide you with details as to what they require in order to accept the Offer on your behalf. If you want AEGP to contact your Controlling Participant on your behalf, sign and return this form to the address above so that it is received in sufficient time to allow your instruction to be acted upon by the close of the Offer Period. This will authorise AEGP and Computershare Investor Services Pty Limited ("CIS") to request your Controlling Participant to initiate acceptance of the Offer on your behalf.

By signing this form, you warrant to AEGP (and authorise AEGP to warrant on your behalf) that you have full legal and beneficial ownership of the Armour Shares to which this form relates and that AEGP will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights. You should allow sufficient time for your Controlling Participant or AEGP to initiate the acceptance of AEGP's Offer on your behalf. Neither AEGP or CIS will be responsible for any delays incurred by the process of requesting your Controlling Participant to accept the Offer.

### Step 3: Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders must sign.

**Power of Attorney:** Where signing as power of attorney ("POA"), you must attach an original certified copy of the POA to this form.

**Companies:** Where the holding is in the name of a company, this form must be signed in accordance with the Corporations Act, either as:

- a sole director and sole company Secretary **OR** a sole director (if no company secretary exists), **OR**
- two directors, **OR**
- a director and secretary.

**Overseas Companies:** Where the holding is in the name of an overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

**Deceased Estate:** All executors must sign and a certified copy of probate or letters of administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

**Turn over to complete the form** →



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I ND

# Transfer and Acceptance Form

For your security keep your SRN/  
HIN confidential.

## STEP 1 Registration Name & Offer Details

**Registration Name:** MR SAM SAMPLE  
UNIT 123  
SAMPLE STREET  
SAMPLETOWN NSW 2001

Controlling Participant Identifier:

**Offer Details:** Armour Shares held at the Register Date:

2000

13.62%\* of Armour Shares held at the Register Date:

By accepting the Offer, you are accepting the Offer for 13.62%\* of the Armour Shares as recorded by AEGP as being held by you at the date your acceptance is processed (even if different to the number stated above).

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## STEP 3 Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by AEGP for Shares in Armour and I/we agree to be bound by the terms and conditions of the Offer and transfer 13.62%\* of my/our Armour Shares as per the above instruction.

**Individual or Securityholder 1**

**Sole Director and Sole Company Secretary/  
Sole Director (cross out titles as applicable)**

**Securityholder 2**

**Director**

**Securityholder 3**

**Director/Company Secretary  
(cross out titles as applicable)**

Contact  
Name \_\_\_\_\_

Contact  
Daytime  
Telephone \_\_\_\_\_

Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_

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