



**SECOND SUPPLEMENTARY  
TARGET'S STATEMENT OF ARMOUR ENERGY  
LIMITED**

**ABN 60 141 198 414**

**In relation to the Second Supplementary Bidder's Statement  
by AEGP Australia**

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.  
It should be read in its entirety**

**If you are in any doubt about how to deal with this document, you should contact  
your legal, financial or other professional advisor immediately**

**SECOND SUPPLEMENTARY TARGET'S STATEMENT BY  
ARMOUR ENERGY LIMITED ACN 141 198 414  
IN RELATION TO AEGP AUSTRALIA'S OFF-MARKET TAKEOVER OFFER FOR 13.62% OF  
THE SHARES IN ARMOUR ENERGY**

**1. Introduction**

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This document is the Second Supplementary Target's Statement under section 644 of the *Corporations Act 2001* (Cth) (**Corporations Act**) dated 12 January 2016 (**Second Supplementary Target's Statement**). It is the Second Supplementary Target's Statement issued by Armour Energy Limited ACN 141 198 414 (**Armour Energy**), in relation to the off-market takeover offer to acquire 13.62% of the Shares of Armour Energy Shareholders at \$0.25 per Share (**Offer**) by AEGP Australia Pty Ltd (**AEGP Australia**).

This document supplements, and should be read together with, the Target's Statement lodged with the Australian Securities and Investments Commission (**ASIC**) on 24 December 2015 (**Target's Statement**) and the First Supplementary Target's Statement dated 7 January 2016.

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 financial or legal adviser as soon as possible.

**2. Update on Offer**

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Armour Energy notes that the Offer is not subject to the Farm-out Agreement between AEGP and Armour Energy proceeding to close.

Further Armour Energy notes that the Offer is scheduled to close at 7:00pm (Sydney time) 12 January 2016.

**3. Conditions precedent to Farm-out Agreement**

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The Farm-out Agreement between AEGP and Armour Energy is subject to a number of conditions precedent.

AEGP in its Second Supplementary Bidder's Statement dated 11 January 2016 (**Second Supplementary Bidder's Statement**) has stated that it had completed its due diligence investigations and the relevant condition precedent under the Farm-out Agreement has been satisfied.

AEGP has also stated in the Second Supplementary Bidder's Statement that it was not aware of any court orders or Government decisions being in place which affect the transaction, however it notes that under the Farm-out Agreement the relevant condition precedent cannot be satisfied until 5.00pm on the business day prior to closing.

On 9 January 2016 Armour Energy under the Farm-out Agreement gave notice to AEGP that;

- (a) AEGP has unreasonably and intractably opposed the position taken by Armour Energy and the Northern Land Council in relation to the requirements of cl 2.1(e), contrary to AEGP's obligations under cl 2.2(d) of the Farm-out Agreement; and
- (b) the condition precedent relating to the assignment to AEGP of an interest in certain native title agreements under the Farm-out Agreement had become incapable of being satisfied unless AEGP accepted by midnight on 9 January 2016 that Armour

Energy had complied with its obligations under clause 2.1(e) of the Farm-out Agreement by providing the deeds of covenant.

AEGP failed to accept the form of deeds provided by midnight on 9 January 2016 and as a result the condition precedent to assign to AEGP the interest in the native title agreement was incapable of satisfaction by the time required. As such, Armour Energy may either seek to terminate the Farm-out Agreement (in which case the Farm-out Agreement would not proceed), or to re-negotiate it.

#### **4. Consents**

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The Directors have given and have not, before the lodgement of this Second Supplementary Target's Statement with ASIC, withdrawn their consent to be named in this First Supplementary Target's Statement in the form and context in which they are named.

#### **5. Lodgement with ASIC**

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A copy of this document was lodged with ASIC on 12 January 2016. This document will prevail to the extent of any inconsistency with the Target's Statement.

Neither ASIC nor any of its officers takes any responsibility for the contents of this document.

#### **6. Additional Information**

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This Second Supplementary Target's Statement contains statements which are made in, or based upon, statements contained in the Second Supplementary Bidder's Statement lodged with ASIC. As permitted by ASIC Class Order 13/521, the consent of AEGP Australia is not required for the inclusion of these statements in the Second Supplementary Target's Statement.

#### **7. Interpretation**

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Words defined in the Target's Statement have the same meaning in this Second Supplementary Target's Statement, unless the context requires otherwise.

#### **8. Authorisation**

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This document has been approved by a resolution passed by the directors of Armour Energy.

Dated 12 January 2016

Signed for and on behalf of  
Armour Energy Limited



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Karl Schlobohm  
Alternate Director