

Corporate Finance Update

Noteholders Approve Amendments to the Secured Amortising Notes

The Directors of Armour Energy Limited (Armour or the Company) are pleased to advise that holders (Noteholders) of the Company's Secured Amortising Notes (Secured Notes) have approved a Special Resolution for the amendment of the Conditions of the Notes as proposed by Armour together with granting various waivers and consents requested by Armour (as outlined in the Company's previous ASX release of 3 July 2023).

HIGHLIGHTS

- Armour has received approval from Noteholders for amendments to the Conditions of the Secured Amortising Notes and waivers of certain current breaches.
- The approved amendments provide Armour the ability to proceed with the proposed issue of Armour Convertible Notes (refer ASX release of 3 July 2023).
- On receipt of the approvals through the Special Resolutions, Armour have today paid the deferred \$2.75 million principal payment that was scheduled for 29 June 2023

In order for the Special Resolution to pass 75% of eligible Noteholders by value were required to vote in favour of the proposed amendments and waivers. This was achieved with 80.37% of Noteholders by value voting in favour.

APPROVED AMENDMENTS, CONSENTS AND WAIVERS

In short, the approved amendments, consents and waivers include the following:

- Deferral of the \$2.75 million principal payment that was scheduled for 29 June 2023 until after approval by Noteholders of the Special Resolution (following receipt of the Noteholder approval, this principal repayment together with a consent fee has now been paid to Noteholders)
- Amendments to increase the interest rate by 3.0%
- Amendments to allow for the orderly disposal of certain non-core assets as and when appropriate
- Repayment of the full outstanding balance of the Secured Amortising Notes by 30 November 2023
- Waiver of current breaches of certain Financial Undertakings and non-payment breaches
- Consents to allow for the proposed issue of Armour Convertible Notes.

Following receipt now of shareholder and Noteholder approvals and an ASX waiver, Armour will now proceed with the issue of Armour Convertible Notes in exchange for the McArthur Oil & Gas Ltd Notes currently on issue, to certain Noteholders in exchange for their Secured Notes and to raise further capital.

Armour Energy's Chairman, Nick Mather said:

"We are pleased with the on-going support we have received from the Noteholders. We have demonstrated over the term of the Secured Notes the Company's ability to reduce the principal amount of the Notes on an accelerated basis and as we complete the capital raising and non-core asset sales programs in coming months, we will look to fully retire this debt. The support of the Noteholders with these recent amendments, consents and waivers provides a clear path to achieving this."

This Announcement has been authorised & approved by the Board of Armour Energy for ASX lodgement.

Geoff Walker
CFO & Company Secretary

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