



Armour Energy Limited

4 February 2016

AEGP Australia and Armour Energy Northern Territory Farm-out Agreement Update

Further to its announcements of 18 January and 29 January 2016 in relation to the proceedings instituted by AEGP Australia Pty Ltd (**AEGP**) in the Supreme Court of Queensland (**Proceedings**) and the issue by Armour of a Notice to Complete to AEGP requiring completion by AEGP to take place on 2 February 2016, Armour Energy Limited (**Armour**; ASX:AJQ) wishes to provide the following update.

As previously advised, Armour Energy considers that all of the conditions precedent relating to the Northern Territory tenements the subject of a farm-out agreement with AEGP, which is affiliated with American Energy Partners, (**Farm-out Agreement**) have been satisfied. On 29 January 2016, Armour issued a Notice to Complete to AEGP requiring completion by AEGP to take place on 2 February 2016.

AEGP failed to complete on 2 February 2016. Consequently, Armour is seeking specific performance of the Farm-out Agreement, given the way Armour alleges it should have been performed.

Accordingly, on Wednesday 3 February 2016, Armour instituted separate proceedings in the Supreme Court seeking:

1. a declaration that the Farm-out Agreement should be completed and specifically performed;
2. an order that the Farm-out Agreement be specifically performed;
3. alternatively, a declaration that Armour has used all reasonable endeavours to ensure that the relevant condition as to the assignment of all relevant native title agreements by Armour to AEGP, has been satisfied as expeditiously as possible, and before the relevant deadline in the Farm-out Agreement; and
4. alternatively, a declaration that Armour is entitled to terminate the Farm-out Agreement.

Update on Share Subscription Agreement

As previously advised to the market, Armour and AEGP have entered into a Share Subscription Agreement, pursuant to which AEGP will subscribe for two separate tranches of Armour Shares at \$0.20 per Share.

The first tranche of Shares pursuant to the Share Subscription Agreement were issued to AEGP on 4 November 2015 (refer to Armour announcement dated 4 November 2015).

The completion for the second tranche of Shares pursuant to the Share Subscription Agreement is due on the completion date of the Farm-out Agreement.



In the event that the Farm-out Agreement is terminated prior to its completion, the Share Subscription Agreement will automatically terminate.

Armour will update the market with any further developments as they occur.

A handwritten signature in blue ink, appearing to read "K. Schlobohm".

On behalf of the board
Karl Schlobohm
Company Secretary

For further information contact:

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