

## Armour Energy Limited

3 January 2019

### M.H. Carnegie & Co Pty Ltd Seeks Early Redemption of Convertible Notes

#### Highlights:

- M.H. Carnegie & Co Pty Ltd seeks early redemption of Convertible Notes held by an investment fund it manages.
- Early redemption requires payment of 110% of face value (approximately \$15,200,000) plus accrued interest to the MHC Fund by either Armour redeeming the Convertible Notes, or by third parties purchasing the Convertible Notes within 60 days.
- Armour is in discussions with third parties interested in acquiring the relevant Convertible Notes from MHC Fund.

Armour Energy Ltd (ASX: AJQ, the **Company** or **Armour**) refers to its announcements to the ASX on each of 26 July 2018, 30 May 2017 and 16 December 2016, setting out the terms of a Convertible Redeemable Notes Trust Deed (the **Note Deed**).

Armour currently has on issue a total of 373,799,804 Convertible Notes with a face value of \$0.11 each (**Notes**). The Notes have a maturity date of 30 September 2019. Unless otherwise agreed, pursuant to the Note Deed, if not converted or redeemed before that date, the Notes will be redeemed at maturity at their face value plus the amount of any outstanding interest. The Notes are fully transferrable.

Armour advises that it has received an irrevocable notice of redemption (**Redemption Notice**) from M.H. Carnegie & Co Pty Ltd (**MHC**) in respect of 125,807,782 Notes (the **MHC Notes**) held by MHC Fund Services 2A Pty Ltd (**MHC Fund**). As contained in the Convertible Notes Terms of Issue, MHC Fund as the cornerstone investor in the Convertible Note issue has the right to early redemption of the funds they have subscribed in the event certain conditions are subsequently not met or waived by them. The receipt of the Redemption Notice does not have any immediate impact on the Tribeca Facility (referred to in the Company's announcement of 26 July 2018), or any other Convertible Notes on issue.

Pursuant to the terms of the Note Deed, the Company now has up to 60 days to either find a buyer for the MHC Notes or to redeem them. The redemption amount will be an amount equalling 110% of the face value of the MHC Notes (\$15,200,000), plus the amount of any accrued but unpaid interest as at the date of redemption (the **Redemption Amount**). If the MHC Notes are transferred to a third party, MHC must receive the full Redemption Amount.

The Company advises that it is already in discussions with third parties to purchase some or all of the MHC Notes. As these discussions are still ongoing, the Company will update the market as to their progress as appropriate.



On behalf of the Board  
Karl Schlobohm  
Company Secretary



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