



armour energy

Pathway to sustainable growth

23 March 2023

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Statements in this presentation as to gas and mineral resources has been compiled from data provided by Armour's Reservoir Engineering Advisor, Mr John Mackintosh. Mr Mackintosh has over 25 years of diverse oil and gas industry experience and has significant reservoir engineering, production technology and operations experience in multiple basins worldwide with a variety of International Operators and Consulting firms. He has previously held roles in Santos (Australia/Houston), Halliburton Consulting (Russia), Wintershall (Norway) and Apache (Egypt). Mr Mackintosh has sufficient experience that is relevant to Armour Energy and Lakes Blue Energy for reserves and resources to qualify as a Reserves and Resources Evaluator as defined in the ASX Listing Rules. Mr Mackintosh has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.



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Near-term catalysts



New Management, Revised Strategy,
Disciplined Approach



Integrated Optimisation Initiative
(Wells-Reservoir-Facilities) to 10+ TJ/Day



Myall Creek 3D seismic reprocessing &
development drilling program



Drill 'Enterprise North-1' Well (Otway Basin)



Accelerated Surat development campaign
target 20 TJ/Day



Vision & Strategy

Our vision is to build a leading exploration and production company, focussed on responsible and sustainable energy supply to the East Coast markets from our high quality and diverse assets.

We will achieve this by;



Prioritised long-term returns through disciplined capital allocation



Focus on immediate opportunities to grow production



Strengthen the balance sheet



Maintain top quartile safety and environmental performance



Build resources and reserves through exploration

Executive Summary

Strategically aligned restructuring funded via equity raising and conversion of debt

1. Capital Raising	<ul style="list-style-type: none">• \$32.0 m fully underwritten capital raising, comprising of:<ul style="list-style-type: none">– An Upfront Placement to raise up to approximately \$2.7 million– An accelerated non-renounceable, pro rata 1:1 entitlement offer to raise up to approximately \$9.3 million– New AJQ convertible notes to raise approximately \$20.0million (fully underwritten)– Conversion of maturing MOG Notes and Debt (subject to shareholder and Senior Secured Noteholder approval) of up to approximately \$20 million into shares and new AJQ convertible notes• Equity Raising will be conducted at a price of \$0.004 per share, representing a:<ul style="list-style-type: none">– 33.3% discount to the last close of \$0.006 as at Wednesday, 22 March 2023
2. Strategic Rationale	<ul style="list-style-type: none">• Armour's debt profile is currently hampering the ability to increase production to 10+ TJ/day• Capital raising will allow for a reduction and restructuring of debt and enable more funds to be directed into the integrated production optimisation initiative and drilling the Enterprise North 1 well in the Otway Basin• Take advantage of opportunities presented through the robust East Coast gas market• Additional capital raised will be allocated to accelerating the Surat Basin drilling campaign to advance to 20 TJ/ day faster than expected• The Company intends to complete its recapitalisation program and repay the balance of the Senior Secured Debt through a combination of some or all of the following: further Armour Notes issues; gas prepayment arrangements; proceeds from joint venture funding arrangements; and a future equity issue.
3. Cornerstone Investment	<ul style="list-style-type: none">• Armour Energy has secured \$32m of commitments in the capital raising via existing shareholders, including:<ul style="list-style-type: none">– DGR – 19.9% (post capital raise) via equity and debt conversion– Tenstar – 15% (post capital raise) via cash injection; and– BCP and affiliates – 5% (post capital raise) via cash and debt conversion
4. Timing and Conditions¹	<ul style="list-style-type: none">• Placement and Institutional Entitlement offer opens Thursday, 23 March 2023 and closes Friday, 24 March 2023• Retail Entitlement Offer opens Wednesday, 29 March and closes Thursday, 20 April

Experience Board & Management and continued focus on improving governance



Nick Mather

Founding Director and Executive Chairman

- More than 35 years experience in junior resource sector
- Former Founding Director, Arrow Energy Limited
- Former Director Bow Energy Limited
- Managing Director of DGR Global Limited, Founder of SolGold plc, Waratah Coal, Orbis Gold & Bemax Resources



Bill Ovenden*

Advisor to the Board

- Former Executive Vice President Exploration and Subsurface at Santos Ltd
- 38 years experience in oil and gas industry with ExxonMobil, Sun Oil and Ampolex Ltd
- Deep knowledge of Australian Onshore Petroleum



Stephen Bizzell

Non-Executive Director

- Corporate advisor with extensive finance, governance and resource and energy sectors experience
- Former Founding Executive Director of Arrow Energy Limited, Bow Energy and Stanmore Resources
- Currently the Chairman of Bizzell Capital Partners, MAAS Group Holdings and Savannah Goldfields
- Director of Strike Energy and Renascor Resources.



Christian Lange*

Chief Executive Officer

- More than 30-years global oil & gas experience
- Former executive, operations, strategy, M&A, capital markets, Schlumberger Ltd
- Former Managing Director of Neptune Energy Services Limited
- Founder & Managing Director of Griffin Energy Solutions.



Eytan Uliel

Non-Executive Director

- Finance executive with significant oil and gas industry experience
- Chief Executive Officer of Challenger Energy Group plc
- Former CFO and CCO of Dart Energy Limited
- Former CCO of Arrow Energy International Ltd.



Geoff Walker

Chief Financial Officer

- Chartered accountant and member of the Australian Institute of Company Directors
- 30+ years of commercial experience including CFO of ASX listed Eagers Automotive Limited (APE)
- Former CFO of Range International Limited (RAN)
- Extensive experience formulating and executing strategic initiatives and managing change

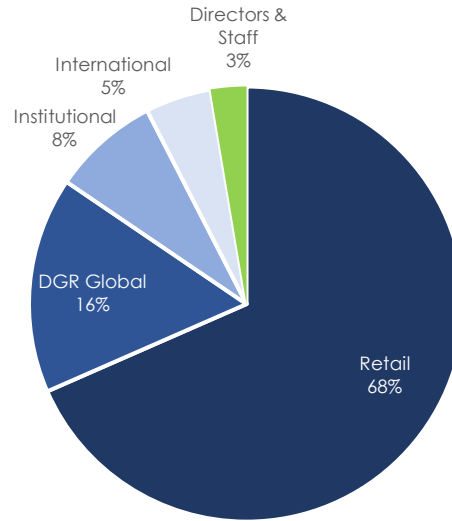
Armour Energy Snapshot



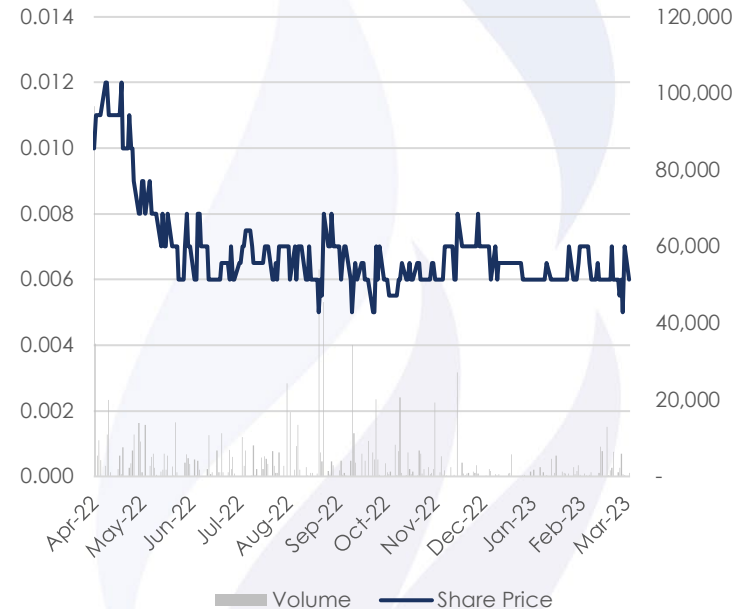
Snapshot

ASX Code	AJQ
Shares (Ordinary)	2,331,998,158
Options (Unlisted)	50,000,000
Options (Listed)	748,548,084
Unsecured Notes	\$18.6m
Senior Secured Notes	\$18.6m
Share Price	\$0.006
Market Capitalisation	\$14.0m
Enterprise Value	\$51.2m
Cash on Hand*	\$1.1m
Total No. Shareholders	2,194

Ownership



Share price



* as per AJQ quarterly 31/12/22. Secured Notes are net of the interest reserve account, and the unsecured notes are adjusted to account for redemptions since the balance date.



The Armour Portfolio

Armour Energy Portfolio



Surat Basin



Otway/Gippsland Basin



McArthur Basin

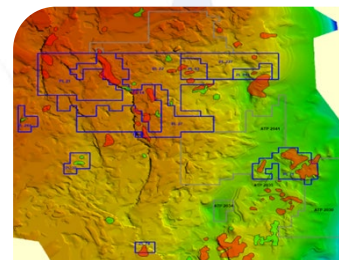


Cooper Basin

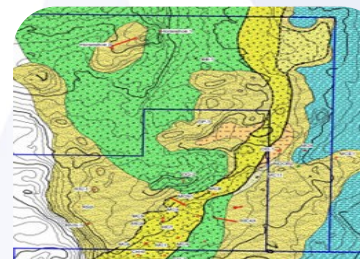
Queensland	Victoria	Northern Territory	South Australia
Onshore Fields	Onshore Fields	Onshore Fields	Onshore Fields
Conventional & Unconventional	Conventional	Conventional & Unconventional	Conventional & Unconventional
Liquids rich Gas, Oil, LPG	Liquids rich Gas, Oil	Gas, Oil	Gas, Oil
Producing & Exploration	Exploration	Exploration & Appraisal	Exploration & Appraisal
100% Operated Kincora Plant 100% of Newstead 10PJ storage	51% Operator*	100% Operator	100% Operator
12 PL's 6 ATP's 2 PCA's	*PEP169 PEP166 (25%)	6 EP's 7 EPA's	3 PEL's 27 PRL's
650k acres	710k acres	7,170k acres	1,160k acres

Surat Basin Overview

No. of Permits	<ul style="list-style-type: none"> • 6 Exploration Licenses (ATPs) • 12 Petroleum Licenses (PLs) • 2 Potential Commercial Areas (PCAs)
Area	<ul style="list-style-type: none"> • 2,860 sq km
Interest	<ul style="list-style-type: none"> • Operator of all licences
Key Assets	<ul style="list-style-type: none"> • Producing Roma Shelf gas fields with stacked Permian to Jurassic reservoirs • Kincora Gas Plant and pipeline infrastructure • Newstead Gas Storage Facility
FY23 Production	<ul style="list-style-type: none"> • Targeting CY 23 exit rate of 10 TJ/Day of sales gas and 20 TJ/Day by end 2025.
Strategy	<ul style="list-style-type: none"> • Value build from <ul style="list-style-type: none"> ○ Production well workover and recompleate ○ Plant & compressor upgrades ○ New 3D seismic acquisition ○ Multiple appraisal & exploration drilling targets
Next Steps	<ul style="list-style-type: none"> • Continue workover and stimulation program • Potential high delivery new drill step out targets identified • Use existing and new 3D seismic to maximise chance of commercial success • Apply innovative techniques such as iodine to detect hydrocarbon microseepages to surface • Integrate all data sources to identify potential new oil and gas fairways



Large acreage position in producing basin



Along channel opportunities Myall Creek (3D)

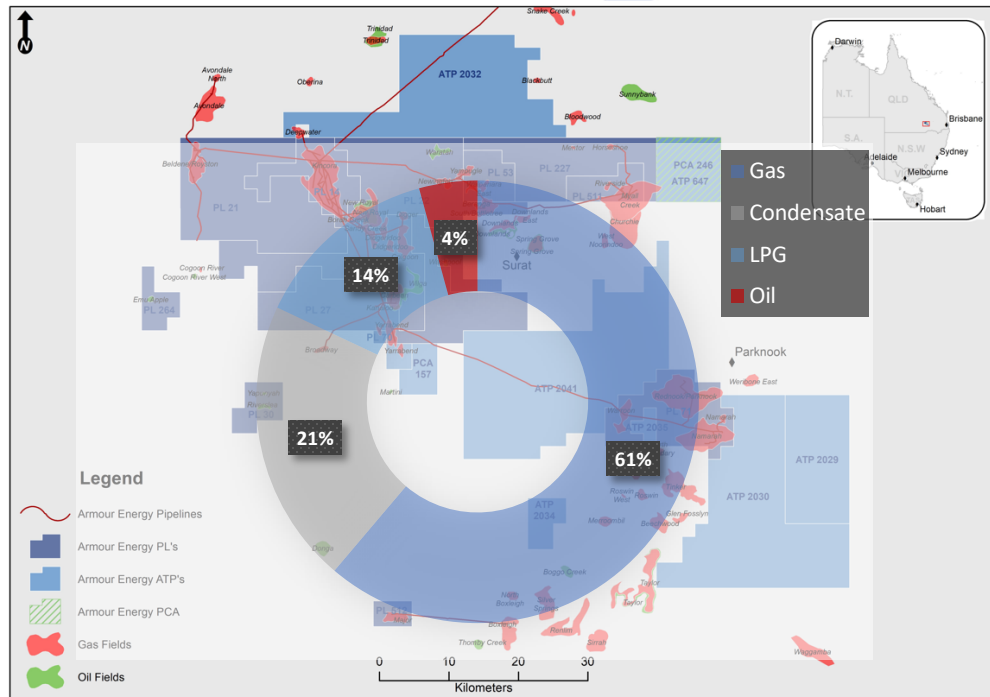


New drill MCE, Parknook, Rednook

Surat Basin (Kincora Plant) Revenues & Reserves

Revenue Stream (FY22)	A\$'000
Gas	11,005
Oil	765
Gas Condensate	3,743
LPG	2,472
Total	17,985

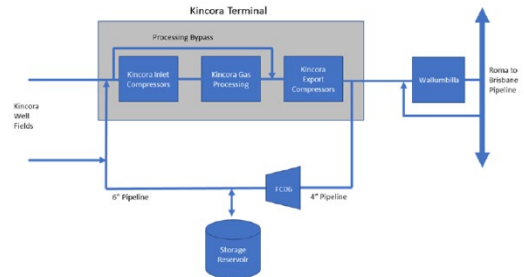
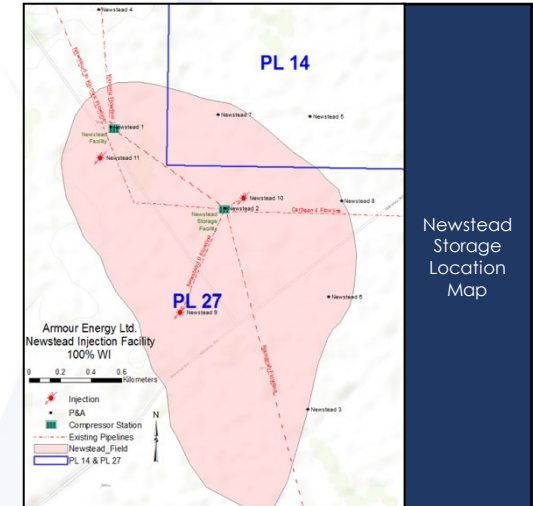
Surat Basin Reserves	1P	2P	3P
Raw Gas (BCF)	35	133	298
Sales Gas (PJ)	40	151	339
LPG (k Tonnes)	82	313	700
Condensate (k Bbls)	396	1,504	3,369
Oil (k Bbls)	224	1,200	2,619



Material reserves position supports uplift and long-term production

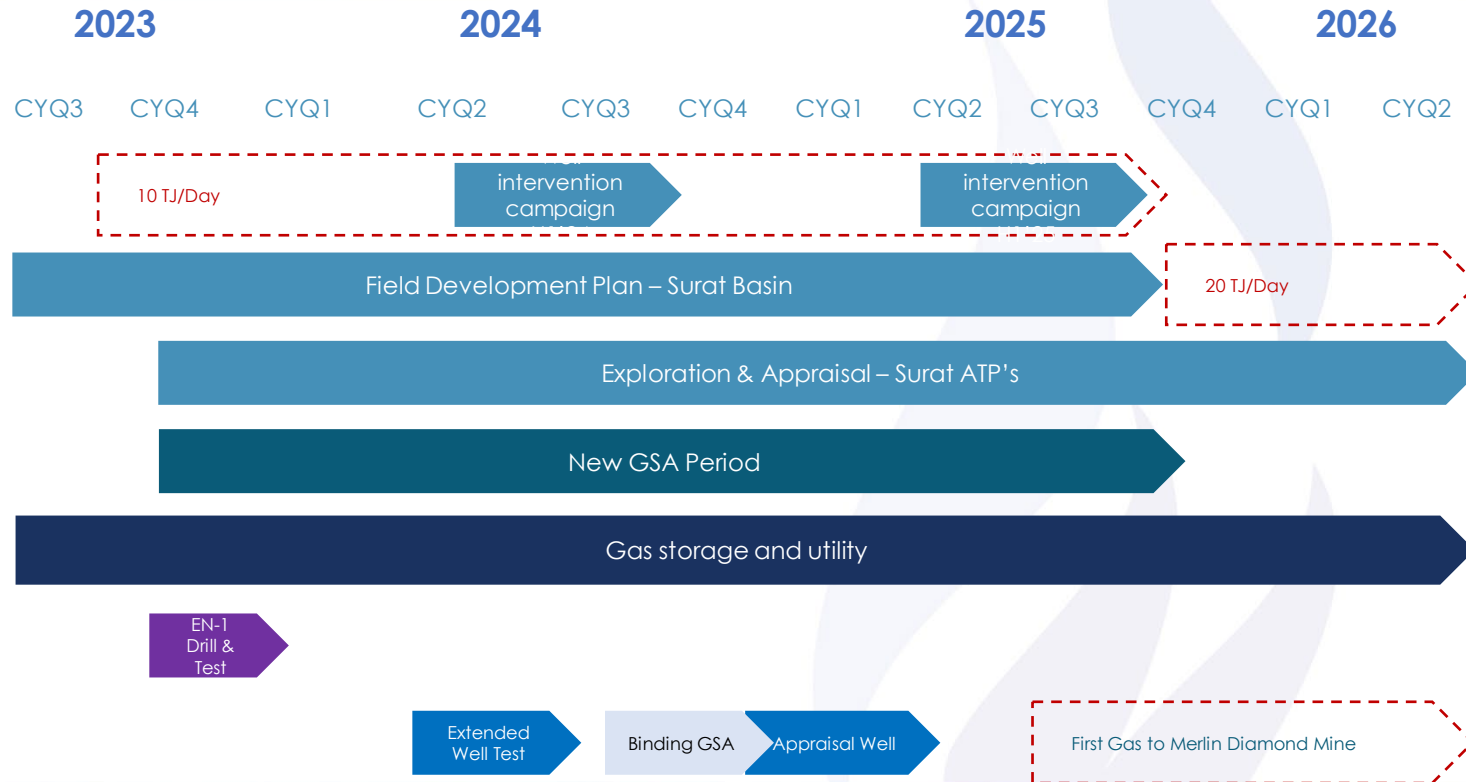
Newstead Storage Facility Asset Overview

Tenure background	<ul style="list-style-type: none"> PL 27
Area	<ul style="list-style-type: none"> 453 acres
Interest	<ul style="list-style-type: none"> Armour 100% interest
Key Assets	<ul style="list-style-type: none"> High quality Basal Evergreen Sand channel with good connectivity and proven tank like behaviour 3-way dip closure, depletion drive wet gas reservoir Three existing operational injector/redraw wells Pipeline connection to Kincora Gas Plant and Wallumbilla Hub
Storage Capacity	<ul style="list-style-type: none"> Up to 7,450 MMscf storage potential (Environmental Authority License limit and at original reservoir pressure)
Strategy	<ul style="list-style-type: none"> Value build from <ul style="list-style-type: none"> Improve deliverability through de-bottlenecking line constraints, injector well workovers + new injector wells Injection and redraw rates currently limited by well condition, however, Armour has modelled theoretical injection and redraw rates of up to 10 MMscfd Upgrade metering and injection facilities to enable intra-daily withdrawal and injection capability via Wallumbilla
Next Steps	<ul style="list-style-type: none"> Establish long term partnerships with gas trader and/or producer with access to East Coast gas market* Establish timeline to refurbish and upgrade Newstead injection and metering facilities



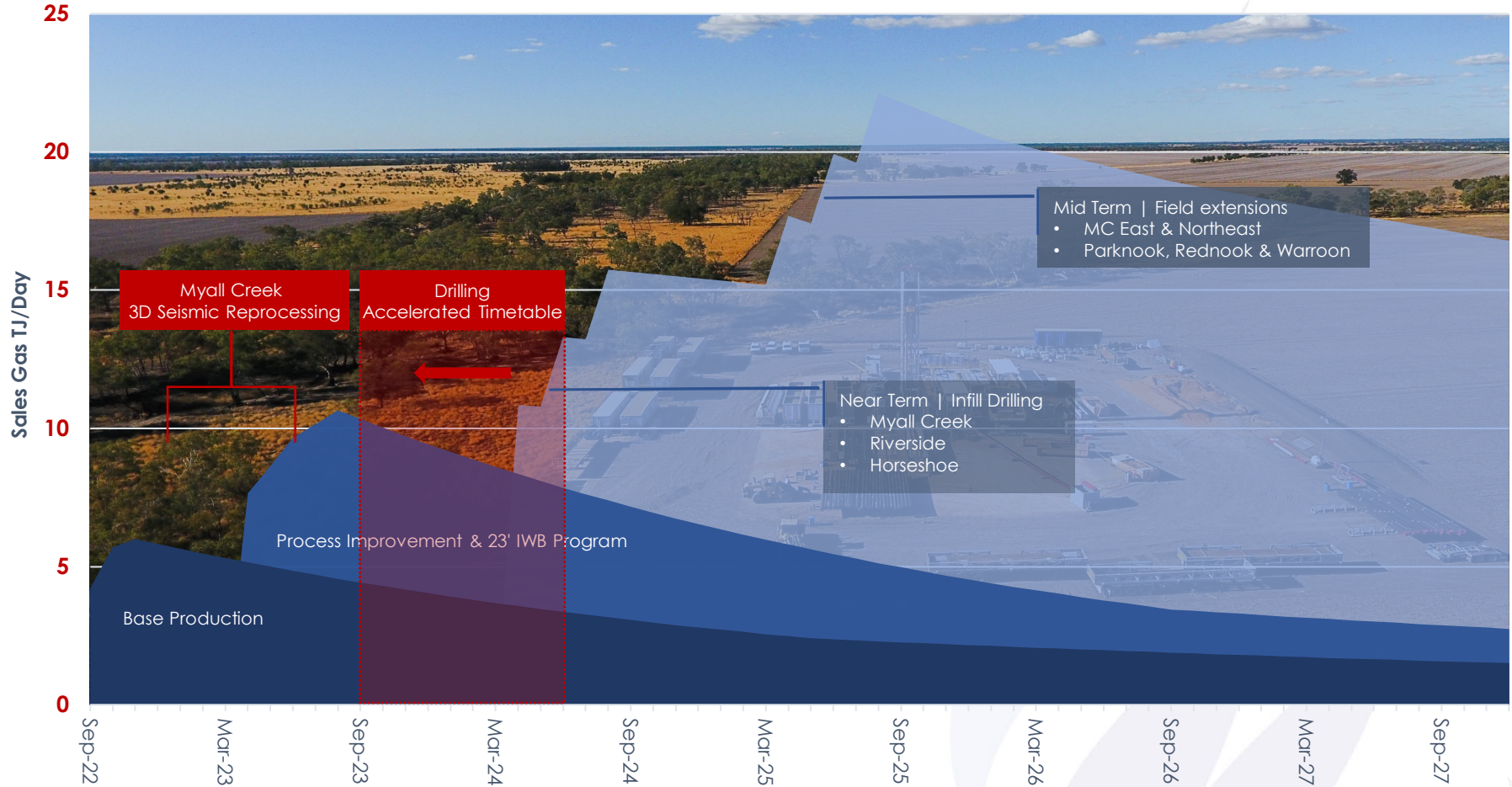
Injection with the Reinstatement of Available Equipment

Strategic Pathway

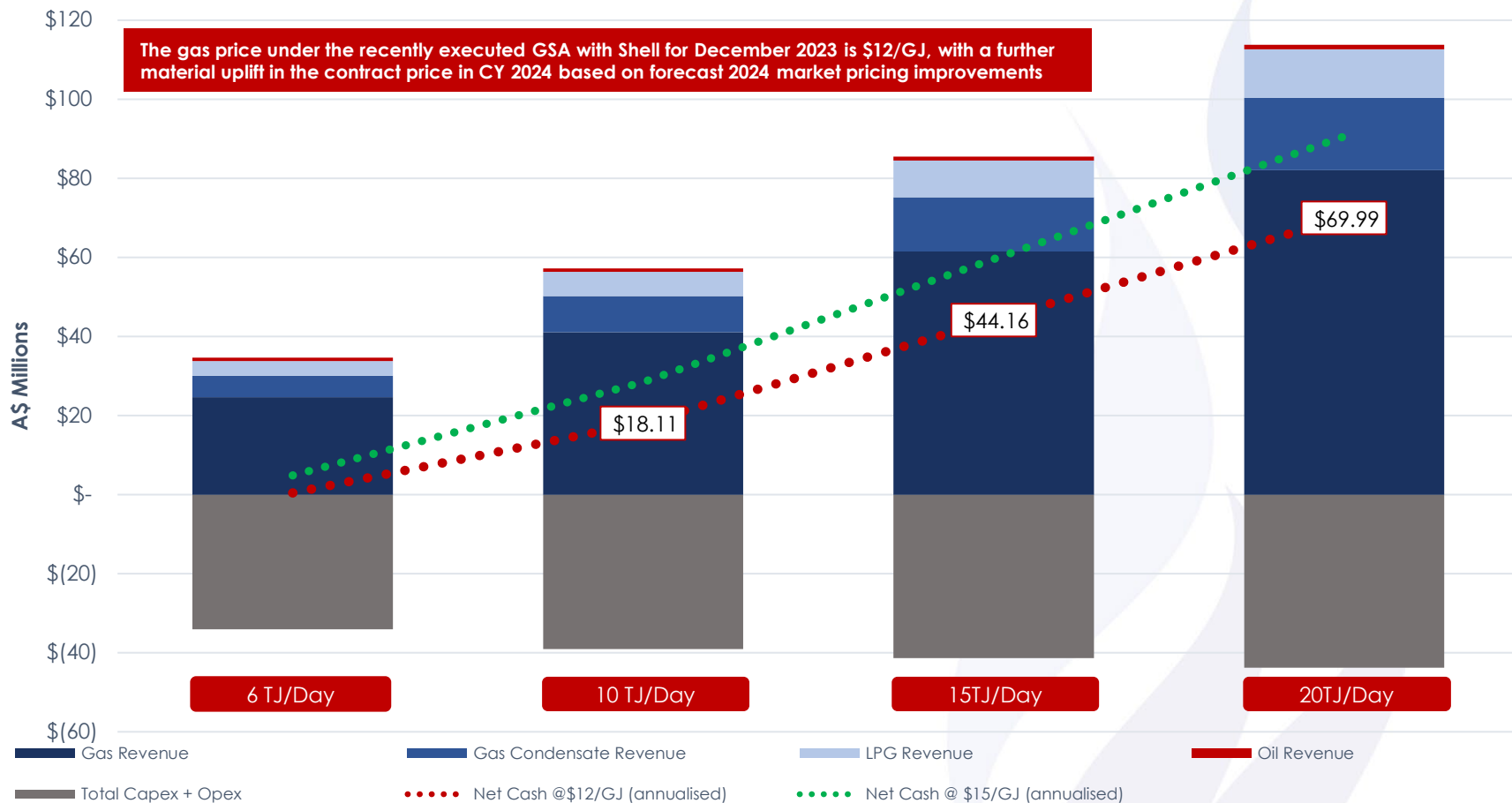


Surat Basin

Surat Basin – Integrated Field Optimisation & Field Development Profile



Surat Basin: Pathway to profitability (\$12/GJ)



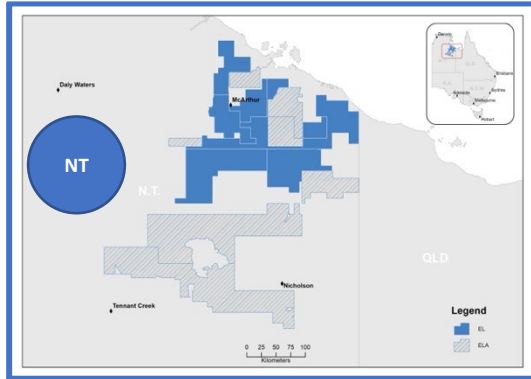
Gas Sales Agreement – Shell Australia



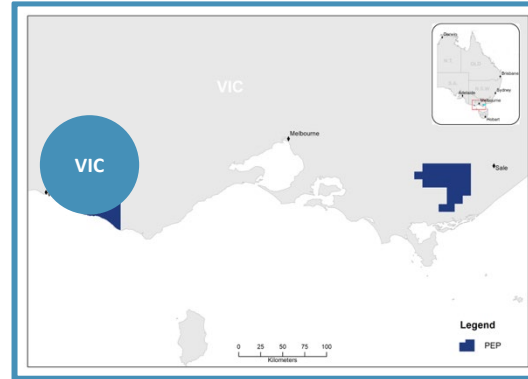
- Armour and Shell have entered into a 13-month gas sales agreement (GSA) from December 1st 2023 on **materially improved pricing**.
- The gas price for December 2023 is **\$12/GJ**, with a material uplift in the contract price in CY 2024 based on forecast 2024 market pricing improvements.
- The MSA provides the framework terms that can be used for transactions to utilise the **Newstead Gas Storage** facility, 100% owned and operated by Armour, to take advantage of gas demand cycles.
- Armour, with technical and operational support from SLB (formerly Schlumberger), has developed an **extensive program to uplift production** from its Surat Basin portfolio.

Strategic de-risking

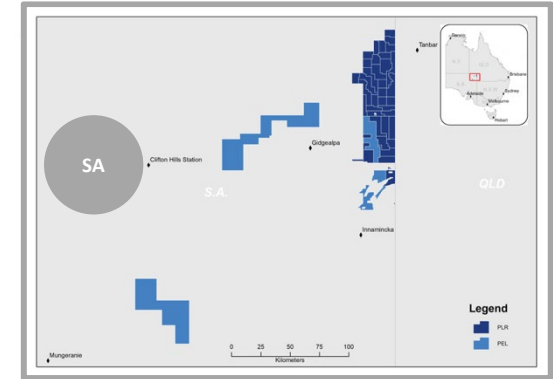
Diverse portfolio of high-quality prospects provides platform for growth and cash flow generation



- 2 tier focus exploration strategy:
 - Fast track conventional plays
 - Continue to develop unconventional shale plays
- Re-analyse drilling & flow test data from Glyde discovery well
- Glyde discovery reservoir & resource assessment.
- Operational appraisal plan:
 - Re-entry and extended flow test of Glyde discovery well
 - Assessing shallow 3D seismic imaging solutions to position appraisal wells
- 2D seismic to cover extents of the conventional play fairway for follow up exploration drilling targets.
- Clear path to commercialisation (Merlin Diamond Mine).



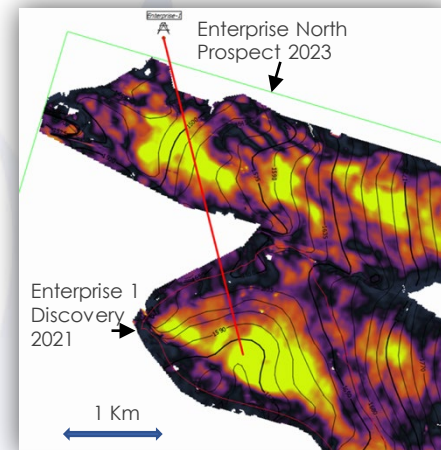
- Drill and evaluate Enterprise North-1 exploration well (kept as a future producer well – nearest tie-in ~350m).
- Reprocessing of available 3D seismic data to better image Enterprise North and identify follow up exploration prospects.
- Develop a ranked prospect & leads resources and risk inventory to high grade drilling candidates.
- Clear path to accelerated commercialisation with 2 existing production facilities located on Armour Acreage



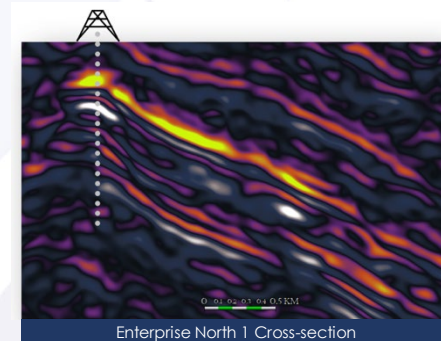
- Resource assessment and appraisal of the Paning-1 tight gas discovery
- Acquire a large-scale passive audio-electro-magnetic (AEM) airborne survey over licence areas - de-risk potential focus areas & high-grade future exploration
- Reprocess and interpret existing 3D seismic to assist in identifying subtle stacked and stratigraphic oil traps in the Triassic and Jurassic intervals.
- Develop a ranked prospect & leads resources and risk inventory to high grade drilling candidates.

Victoria Asset Overview

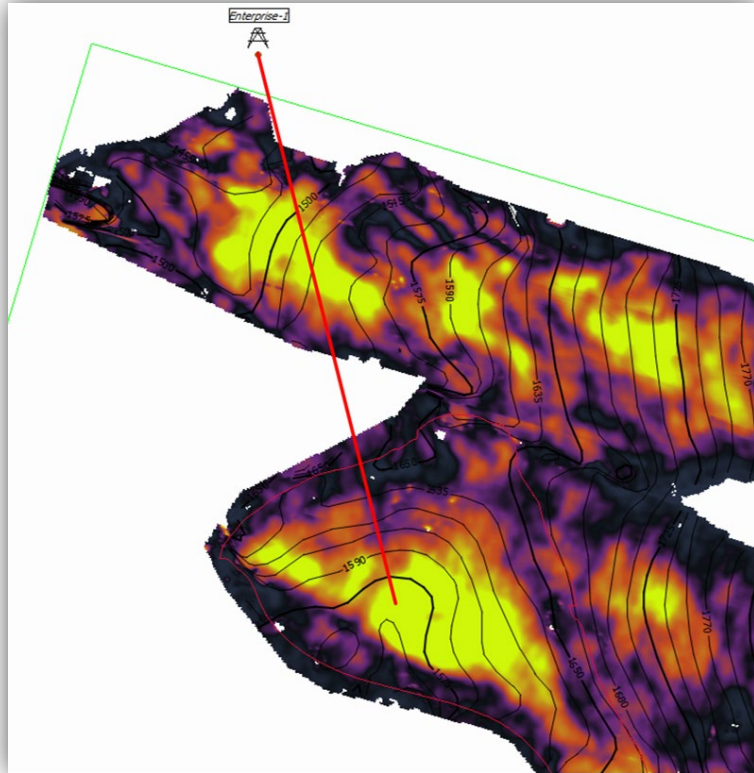
No. of Permits	<ul style="list-style-type: none"> 2 Exploration Licences (PEPs) Onshore Otway and Gippsland Basins
Area	<ul style="list-style-type: none"> 2,889 km²
Interest	<ul style="list-style-type: none"> 51% interest in Otway PEP169 and 25% interest in Gippsland PEP166
Key Assets	<ul style="list-style-type: none"> Otway Basin: <ul style="list-style-type: none"> Enterprise North is a drill ready conventional exploration prospect less than 1km from the Enterprise-1 gas discovery of 161 PJ (Beach Energy, 2020) Enterprise North is targeting 10s up to 100s BCF gas & associated condensate World Class clastic reservoir with multi-Darcy deliverability The nearest tie-in point to a gas processing facility is only 350 m from the proposed wellsite making for remarkably attractive economics - clear path to accelerated commercialisation Gippsland Basin: <ul style="list-style-type: none"> 57% of total oil production in Australia come from the Gippsland Basin, Australia's premier oil provenance ~ Approximately 5 billion barrels produced Live oil has been recovered from a nearby well onshore – Wombat 3 Potential for new oil province onshore
CY22 Production	<ul style="list-style-type: none"> Not yet on production
Strategy	<ul style="list-style-type: none"> Value build from <ul style="list-style-type: none"> Environmental and Native title/cultural heritage approvals underway for the Enterprise North 1 exploration well Subsurface review of the broader permit prospectivity & the building of an extensive inventory of follow up prospects and leads is currently underway
Next Steps	<ul style="list-style-type: none"> Enterprise North -1 exploration well scheduled drilling for Q4 '23 / Q1'24 Reprocessing of 3D seismic data being considered to de-risk existing and high-grade follow up exploration opportunities Evaluate gas sales opportunities – capacity exists in multiple processing facilities within 15 km



Interpreted gas charged sands cause a brightening amplitude anomaly on the seismic – a very strong correlation in the Otway Basin



PEP 169 – Enterprise North



Highlights

- Enterprise North is a drill ready prospect following reinterpretation of merged 3D seismic
- Various workstreams being rapidly progressed to enable the drilling of the prospect scheduled for Q3'23/Q'24
- The drilling location is near the Enterprise-1 (Beach Energy) well location <1km – the last discovery in the basin 2020
- The nearest tie-in point to a gas processing facility is 350m from the proposed wellsite making for remarkably attractive economics - **clear path to accelerated commercialisation**
- Targeting 10s to 100s bcf of gas and associated condensate
- World Class clastic reservoir with multi-Darcy deliverability
- Subsurface review and the building of an extensive inventory of follow up prospects and leads is currently underway

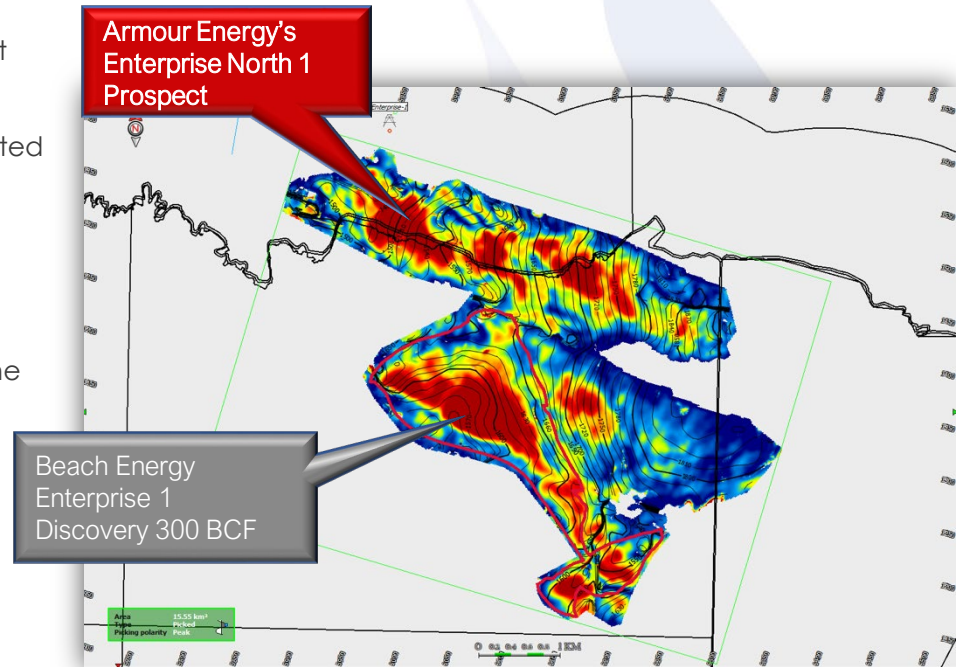
Enterprise North



- Enterprise North-1 is 2.4 km from Enterprise-1 in a proven Waarre Sandstone Reservoir with 115 m of net gas reservoir thickness.
- New transition zone data allows the seismic to be calibrated to known fields (Minerva and Enterprise) reducing subsurface risk.
- Success case would see Enterprise North-1 cased and suspended as a future producer.
- 3D seismic Merge to better image the northern zone of the Enterprise North structure is under evaluation.

HIGHLY PRODUCTIVE RESERVOIRS – WORLD CLASS

- Waarre Sandstones (A & C)
- High porosity (19- 25%) and permeability (1-10 Darcy)
- Capable of gas rates between 10 to 60+ Million scfd
- High condensate ratio at Enterprise 1 of 25 bbl /MMscf



South Australia Asset Overview

No. of Permits

- 3 Exploration Licences (PELs)
- 27 Retention Licences (PRLs)

Area

- 5,242 km²

Interest

- 100% interest in all licences

Key Assets

- A large acreage position in South Australian Cooper Basin
- Paning Gas Discovery – Deep Permian wet gas play - 100's of BCF to TCF potential
- Extending the Western Flank Oil Fairway – Multiple stacked reservoir oil exploration potential – outboard of and extending the fairway between producing “Western Flank” and nearby production in Queensland

CY22 Production

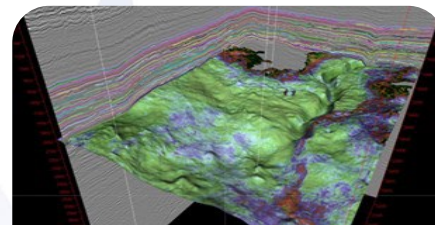
- Not yet on production

Strategy

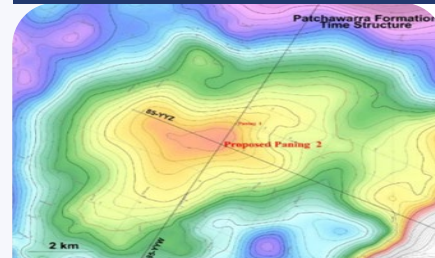
- Value build from
 - Focus on conventional Jurassic/Triassic Oil and Permian Wet Gas
 - Appraisal and development of Paning tight gas discovery and greater wet gas play
 - Identify and de-risk multiple exploration drilling targets close to existing infrastructure

Next Steps

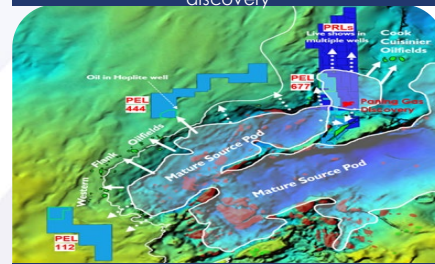
- Appraisal planning for the Paning gas discovery – re-entry & optimised reservoir stimulation – recent Armour frac stimulation modelling identifies significant upside
- Reprocess and interpret existing 3D seismic to assist in identifying subtle stacked and stratigraphic oil traps in the Triassic and Jurassic intervals
- Resource assessment to high-grade an inventory of prospects & leads to guide or future exploration drilling focus
- Acquire a large-scale passive audio-electro-magnetic (AEM) airborne survey over licence areas – to identify hydrocarbon fluid migration pathways in the subsurface to de-risk focus areas and high-grade future exploration - contract executed Jan '23, survey schedule mid '23



Many opportunities seen on 3D Seismic



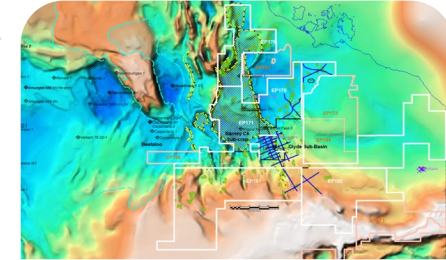
Potential for large gas filled closure at Paning discovery



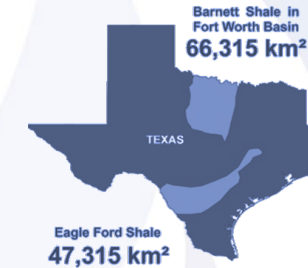
Large acreage position in prolific basin

Northern Territory Asset Overview

No. of Permits	<ul style="list-style-type: none"> • 6 Exploration Licences (EPs) • 7 Applications (EPAs)
Area	<ul style="list-style-type: none"> • Extensive tenure position - 66,100 km²
Interest	<ul style="list-style-type: none"> • 100% interest in all licences
Key Assets	<ul style="list-style-type: none"> • Conventional gas & pervasive unconventional shale gas potential identified in the Basin - Contingent and Prospective resources booked (4.6 TCF conventional & 28.1 TCF unconventional mid-case prospective gas resource) • Proterozoic shale source potential of the neighbouring Beetaloo Basin Velkerri Formation is comparable to the McArthur Basin Barney Creek Fm • McArthur Basin Glyde shallow conventional gas discovery flowed 3.3 MMCFD without fracing, recent modelling suggest flow rate potential up to 6.2 MMCFD
CY22 Production	<ul style="list-style-type: none"> • Not yet on production, HOA executed Feb '23 to deliver Glyde gas from mid '25 to the Merlin Diamond Project within 20 km for ~14 years (life of mine)
Strategy	<ul style="list-style-type: none"> • Value build from 2 Tier Exploration Strategy <ul style="list-style-type: none"> ◦ 1st - Fast track conventional plays (near to mid-term value add) ◦ 2nd - Continue to develop unconventional shale plays (mid- to long term value add) • Well testing, appraisal & development drilling of Glyde gas discovery • Acquisition of 2D/3D seismic to identify future prospects and appraise the Glyde well
Next Steps	<ul style="list-style-type: none"> • Environmental and Native title/cultural heritage approvals for seismic acquisition and exploration and appraisal drilling activities • Fast track Glyde appraisal and development drilling • Evaluate pipeline and portable power station generation options • Gas Sales Agreement for Glyde-Merlin Diamond Project



Large acreage position in unexplored basin – better than Beetaloo?



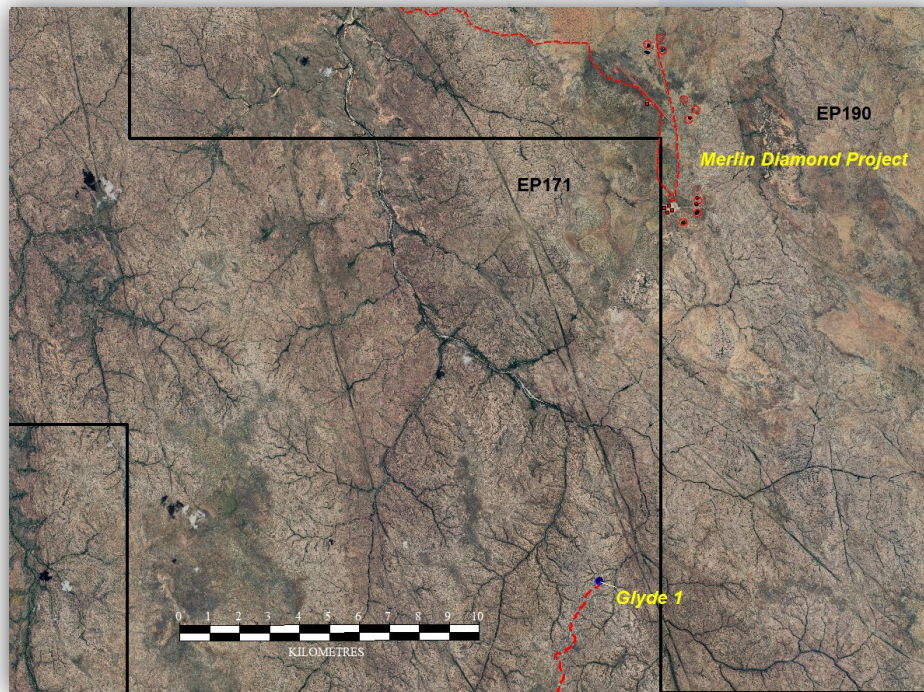
Tenure position as extensive as the entire Barnett Shale or Eagle Ford Shale plays in Texas



Proven unstimulated gas flows to surface – wells can be drilled at a fraction of the cost

HOA with Australian Natural Diamonds

- Australian Natural Diamond Company acquired the Merlin Diamond Project in the NT
- Merlin is ~12km as the crow flies from the 'Glyde' discovery
- Est. **1.5 TJ/Day** Gas for power generation
- Potential to supply gas to mining fleet (phase-2)
- Accelerated early gas potential
- Commission H2'25
- 14-year term
- Further development potential upside



Investment Drivers

Undervalued, diverse & extensive assets with multiple income potential

Core Producing Business



Extensive development portfolio



Strong market fundamentals



Ready route to market with excess capacity



Varied income streams – Oil, Gas, LPG & Gas Condensate



Government support for energy transition and domestic producers

Exploration Opportunities



Transformational upside



Staged approach to investing



Low-cost initial de-risking



Ready route to markets



Short cycle time to commercialisation



Capital Raise Information

Capital Raise - Highlights

Structure	<ul style="list-style-type: none"> \$32m fully underwritten capital raising, comprising of: <ul style="list-style-type: none"> An Upfront Placement to raise up to approximately \$2.7 million An accelerated non-renounceable, pro rata 1:1 entitlement offer to raise up to approximately \$9.3 million New AJQ convertible notes to raise approximately \$20 million (fully underwritten) Conversion of maturing MOG Notes and Debt (subject to shareholder and Senior Secured Noteholder approval) of up to approximately \$20 million into shares and new AJQ convertible notes
Issue Price	<p>The issue price of \$0.004 per share represents a discount of:</p> <ul style="list-style-type: none"> 33.3% discount to the last close of \$0.006 as at Wednesday, 22 March 2023 33.3% discount to the 5 day VWAP of \$0.006
Institutional Offer	<ul style="list-style-type: none"> Institutional Entitlement Offer and Placement to be conducted on Thursday, 23 March – Friday, 24 March 2023 Entitlements not taken up and those of ineligible shareholders will be sold at the Offer Price
Retail Offer¹	<ul style="list-style-type: none"> Retail Entitlement Offer to open on Wednesday, 29 March 2023 and close Thursday, 20 April 2023 Only eligible shareholders with an Australia or New Zealand registered address may participate in the Retail Entitlement Offer
Ranking	<ul style="list-style-type: none"> The New Shares issued under the offer will rank equally with existing Armour shares on issue on the relevant date
Cornerstone Investment	<ul style="list-style-type: none"> Armour Energy has secured \$32m of cornerstone investors in the capital raising via existing shareholders, including: <ul style="list-style-type: none"> DGR – 19.9% (post capital raise) via equity and debt conversion Tenstar – 15% (post capital raise) via cash injection; and BCP and affiliates – 5% (post capital raise) via cash and debt conversion
Director participation	<ul style="list-style-type: none"> The Directors and Key Management Personnel intend to participate in the capital raising, subject to any necessary approvals
EGM	<ul style="list-style-type: none"> EGM will be held to approve the New AJQ convertible notes issue and share consolidation on Tuesday, 2 May 2023
Record Date	<ul style="list-style-type: none"> 7.00pm (AEDT) on Monday, 27 March 2023
Lead Manager & Underwriters	<ul style="list-style-type: none"> Wilsons Corporate Finance Limited ("Wilsons") is Sole Lead Manager and Underwriter to the Placement and ANREO Bizzell Capital Partners Pty Limited ("Bizzell Capital") is Sole Lead Manager and Underwriter to the new AJQ Note issue

Notes: 1) The Retail Entitlement Offer is only available to eligible retail shareholders of AJQ with a registered address on the Company's share register in Australia or New Zealand on the Record Date – see the Retail Offer Booklet for further details on eligibility once available

Funding Plan



Source of funds	AUD\$ million
Placement	2.7
ANREO	9.3
New AJQ notes	20.0
Total	32.0

Use of funds	AUD\$ million
Existing Debt repayment <ul style="list-style-type: none">Secured Notes reduced to \$12.5mMOG Notes reduced to \$0m (through conversion to shares and New AJQ notes)	24.6
Surat Basin production enhancement & optimisation and exploration	4.4
Corporate, Technical Operating costs	3.0
Total	32.0

Pro forma capitalization and shareholdings



Capitalisation ¹	Existing	Post-offer
Shares (Ordinary)	2,331,998,158	5,327,360,336
Offer Price	0.006	0.004
Current Market Cap	\$ 14.0 m	\$ 9.3 m
New equity raised	-	\$ 12.0 m
Post-offer Market Cap		\$ 21.3 m
Unsecured Notes	\$ 18.6 m	-
Senior Secured Notes	\$ 18.6 m	\$ 12.5 m
New Notes	-	\$ 20.0 m
Cash on hand	(\$ 1.1 m)	(\$ 7.7 m)
Enterprise valuation	\$ 50.0 m	\$ 46.1 m

Shareholder summary ¹	Existing %	Post-Offer %
DGR	16.1%	19.9%
Tenstar	6.6%	15%
BCP and affiliates	1.2%	5%
Other existing s/holders	76.2%	60%
Total	100.0%	100.0%

* New Armour note terms: 3 year maturity, 10% coupon, 0.6c conversion, secured once FIIG security released

Summary pro-forma balance sheet



(\$'000)	Current	Impact of equity raising	Pro-forma
Cash and Cash Equivalents	1,065	6,670	7,735
Other Current Assets	8,553	-	8,553
Total Current Assets	9,618	6,670	16,288
Total Non-Current Assets	95,251	-	95,251
Total Assets	104,869	6,670	111,539
Secured Notes	18,560	(6,000)	12,560
MOG Notes	18,580	(18,580)	-
Total Current Liabilities	51,632	(24,580)	27,052
Armour Notes*	-	19,266	19,266
Total Non-Current Liabilities	7,446	19,266	26,712
Total Liabilities	59,078	(5,314)	53,764
Equity	45,791	11,984	57,775

* New Armour note terms: 3 year maturity, 10% coupon, 0.6c conversion, secured once FIIG security released

Indicative Offer Timetable

Event	2023
Trading halt and announcement of the Entitlement offer	Thursday, 23 March
Placement and Institutional Entitlement Offer	Thursday, 23 – Friday, 24 March
Announcement of the results of the Placement Institutional Entitlement offer	Monday, 27 March
Trading halt lifted and Shares recommence trading	Monday, 27 March
Entitlement Offer Record Date (7pm AEST)	Monday, 27 March
Retail Entitlement offer opens (9am AEST) and retail booklet dispatched	Wednesday, 29 March
Settlement of the Institutional Entitlement Offer	Wednesday, 29 March
Issue of Shares issued under the Institutional Entitlement Offer	Thursday, 30 March
Trading of securities under the Institutional Entitlement offer	Friday, 31 March
Retail Entitlement Offer closes (5pm AEST)	Thursday, 20 April
Announcement of results of the Retail Entitlement Offer	Wednesday, 26 April
Settlement of the Retail Entitlement Offer	Thursday, 27 April
Issue of Shares under the Retail Entitlement Offer	Friday, 28 April
Normal Trading of new Shares under the Retail Entitlement Offer	Monday, 1 May
Notice of EGM for approval of the New AJQ notes	Friday, 31 March
EGM and vote on New AJQ notes	Tuesday, 2 May

The above timetable is indicative only and subject to change.



Notes to Raising

Summary of Underwriting Agreements

Wilsons Underwriting Agreement

Armour has entered into a conditional underwriting agreement with Wilsons Corporate Finance Limited (Wilsons) dated 23 March 2023 (Wilsons Underwriting Agreement) pursuant to which Wilsons has agreed to fully underwrite the placement of ordinary shares (Placement) and the accelerated non-renounceable pro-rata entitlement offer (Entitlement Offer).

Key Terms of the Wilsons Underwriting Agreement

Conditions Precedent

Wilsons' obligations to underwrite and manage the Placement and Entitlement Offer are conditional on the satisfaction of various customary conditions, including (but not limited to):

- the due diligence questionnaire and due diligence materials being in a form satisfactory to Wilsons; and
- Armour's continued satisfaction of its obligations to ASX regarding the Placement and Entitlement Offer (including obtaining and lodging necessary documentation and satisfying customary procedural requirements).

Non-qualified Termination Events

Wilsons may, by notice to Armour, immediately terminate its obligations under the Wilsons Underwriting Agreement without any cost or liability on the occurrence of certain customary termination events, including but not limited to:

- **(ASX approval):** unconditional approval (or conditional approval, provided such condition would not, in the reasonable opinion of Wilsons, have a material adverse effect on the success or settlement of the Placement and Entitlement Offer) by ASX for official quotation of the new shares under the Placement and Entitlement Offer is refused or is not granted, or if granted, is modified (in a manner which would, in the reasonable opinion of Wilsons) have a material adverse effect on the success or settlement of the Placement and Entitlement Offer) or withdrawn;
- **(listing):** Armour ceases to be admitted to the official list of ASX or Armour shares are suspended from trading on, or cease to be quoted on, ASX (which, for the avoidance of doubt, does not include any voluntary suspension otherwise implemented with the prior written consent of Wilsons (such consent not to be unreasonably withheld or delayed));
- **(insolvency)** Armour or an Armour group member is insolvent or there is an act or omission, or a step is taken, or a circumstance arises, which is likely to result in Armour or an Armour group member insolvent;

- **(withdrawal)** Armour withdraws all or any part of the Entitlement Offer and Placement without the prior written consent of Wilsons (such consent not to be unreasonably withheld or delayed);
- **(information documents)**
 - a document issued to the market and to institutional investors or shareholders in connection with the Entitlement Offer and Placement (**Information Document**) omits material information required by the ASX Listing Rules, the Corporations Act or any other applicable law, contains a statement which is or becomes misleading or deceptive or is likely to mislead or deceive (whether by omission or otherwise) or contains an expression of opinion or intention that is not fairly or properly supportable in a material respect;
 - there are no reasonable grounds for the making of any statement in the Information Documents relating to future matters; or
 - an Information Document otherwise fails to comply with the Corporations Act or the ASX Listing Rules;
- **(information)** the Due Diligence Committee Report or any information supplied by or on behalf of Armour to Wilsons is false, misleading or deceptive, or is likely to mislead or deceive, whether by omission or otherwise, in any material respect, in each case when considered in its final form;
- **(illegality)** there is an event or occurrence, including any statute, order, rule or regulation or order of any governmental agency which makes it illegal for Wilsons to satisfy an obligation under the Wilsons Underwriting Agreement to underwrite any of the new shares under the Entitlement Offer and Placement;
- **(ASIC) ASIC:**
 - makes an application for an order under Part 9.5 of the Corporations Act in relation to the Entitlement Offer and Placement or the Information Documents;
 - commences any investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth) in relation to the Placement of Entitlement Offer or the Information Documents;
 - holds, or gives notice of intention to hold, a hearing or investigation in relation to the Placement and Entitlement Offer or Armour or any of Armour's directors or officers (as that term is defined in the Corporations Act); or
 - prosecutes or gives notice of an intention to prosecute or commences proceedings against, or gives notice of an intention to commence proceedings against, Armour or any of its directors, officers, employees or agents in relation to the Placement and Entitlement Offer;

Summary of Underwriting Agreements

- **(disqualification):** a director of Armour is disqualified from managing a corporation under Part 2D.6 of the Corporations Act;
- **(prosecution):** Armour or any of its directors or officers (as that term is defined in the Corporations Act) commits an act of fraud or is charged with an indictable offence relating to any financial or corporate matter;
- **(prescribed occurrence):** a Prescribed Occurrence (being, an event specified in paragraphs (a) to (h) of subsection 652C(1) of the Corporations Act) in respect of Armour occurs during the offer period, other than:
 - as expressly contemplated by the Wilsons Underwriting Agreement, including for avoidance of doubt the issue of the new convertible notes subject to obtaining shareholder approval; or
 - as permitted with Wilsons' prior written consent, which consent may not be unreasonably withheld or delayed;
- **(Certificate)** a certificate which is required to be given by Armour under the Wilsons Underwriting Agreement is not given when required or a statement in a certificate that is given is untrue or misleading or deceptive in a material respect;
- **(unable to issue New Shares)** Armour is prevented from allotting and issuing the New Shares under the ASX Listing Rules, the Corporations Act or any other applicable laws, by an order of a court of competent jurisdiction or by a governmental agency;
- **(market fall)** at any time any of the S&P/ASX 300 Resources Index falls to a level that is 90% or less of the level as at the close of trading on the last trading day before the date of the Wilsons Underwriting Agreement and is at or below that level at the close of trading:
 - for two consecutive business days during any time after the date the Wilsons Underwriting Agreement; or
 - the business day immediately prior to, completion of the Placement and Entitlement Offer;
- **(Waivers / exemptions)** ASX or ASIC withdraws, revokes, or amends any issued ASX waivers or the ASIC Exemptions, as applicable; or
- **(Debt facilities):**
 - any debt facility of Armour or an Armour group member terminated by the lender or amended in a material respect without Wilsons' prior written consent;
 - an Armour group member breaches, or defaults under, any provision, undertaking, covenant or ratio of a debt or financing arrangement or any related documentation to which that entity is a party; or

- an event of default or review event has resulted in a lender or financier exercising its rights to accelerate or require repayment of the debt or financing or other similar event occurs under or in respect to any such debt or financing arrangement or related documentation.
- **(Convertible note issue):**
 - the underwriting agreement with Bizzell Capital Partners Pty Ltd in respect of the issue of convertible notes is terminated for any reason; or
 - Bizzell Capital Partners Pty Ltd does not fully underwrite the convertible note issue.

Materiality qualified termination events

In addition to the non-qualified Termination Events, Wilsons may terminate the Wilsons Underwriting Agreement without any cost or liability if a materiality qualified termination event occurs, provided that Wilsons has reasonable grounds to believe and does believe that the event:

- is likely to have a materially adverse effect on the success of, or the ability of Wilsons to market or promote or settle, or the settlement of, the Placement and Entitlement Offer;
- has given or could reasonably be expected to give rise to a contravention by, or a liability (including for involvement in a contravention) of, Wilsons under any law or regulation or
- has or is likely to have a material adverse effect on the willingness of investors to subscribe for New Shares A Materiality Qualified Termination Event includes the following,

(Qualified Termination Right)

Wilsons may exercise its Qualified Termination Right on the occurrence of the following:

- (Compliance with regulatory requirements) Armour fails to comply with its constitution, the ASX Listing Rules, the Corporations Act, other applicable laws, or an order or binding requirement by or on behalf of ASIC, ASX or any government department or any governmental, semi-governmental or judicial entity or authority;
- (Suspension or limitation on trading) trading in all securities quoted or listed on any one or more of ASX, the London Stock Exchange or the New York Stock Exchange, or any financial market, trading board, security settlement or clearance services operated by any of them, is suspended or materially limited for one or a substantial part of a day on which that exchange is open for trading and where that suspension or limitation occurs:
 - on or before the Accelerated Allotment Date (being, Thursday, 30 March 2023); or

Summary of Underwriting Agreements

- on the day prior to the Retail Settlement Date (being, Thursday, 27 April 2023) or from that date up to and including the Retail Allotment Date (being, Friday, 28 April 2023);
- **(Moratorium)** a general moratorium on commercial banking activities in Australia, the United States of America or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries;
- **(General disruption)** there occurs, in Wilsons' reasonable opinion, any adverse change or disruption to the financial markets of Australia, the United States of America, Japan or the United Kingdom, the effect of which makes it impractical (in Wilsons' reasonable opinion) to proceed with the Placement and Entitlement Offer;
- **(Hostilities)** the outbreak of hostilities not presently existing (whether war has been declared or not), or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States of America, the People's Republic of China, Japan, North Korea, the United Kingdom, any member state of the European Union, Ukraine or Russia, or a major terrorist act is perpetrated in or by any of those countries or by or in respect of any diplomatic, military, commercial or political establishment of any of these countries elsewhere in the world, or a national emergency is declared in any of those countries;
- **(Breach)** Armour breaches or fails to perform or observe any of its obligations or undertakings under, or any other term or condition of, the Wilsons Underwriting Agreement;
- **(Warranties)** a representation or warranty made or given by Armour under the Wilsons Underwriting Agreement is breached or is, or proves to be, or has been, or becomes, untrue or incorrect or misleading or deceptive;
- **(Change in management)** there is a change (or a change is announced) in the directors or the chief executive officer of Armour, other than one which has already been fully and fairly disclosed to ASX before the date of the Wilsons Underwriting Agreement;
- **(Supplementary or corrective disclosure)** an obligation arises on Armour to give ASX a notice in accordance with section 708AA(12) (as modified by ASIC Instrument 2016/84);
- **(Cleansing Statements)** a cleansing statement is defective within the meaning of sections 708AA(11) (as modified by ASIC Instrument 2016/84) or 708A(10) (as applicable), or a notice is issued or is required to be issued under sections 708AA(10) (as modified by ASIC Instrument 2016/84) or 708A(9) (as applicable) to correct the cleansing statement;
- **(Timetable)** any event specified in the timetable is delayed by more than 1 business day without the prior written approval of Wilsons;

- **(Change in law or policy)** there is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a law or any new regulation to be made under any law, or a Governmental Agency adopts a major change in monetary or fiscal policy, or there is any official announcement on behalf of the Government of the Commonwealth of Australia or any State or Territory of Australia or a Governmental Agency that a law or any new regulation will be introduced or such a change in policy adopted (as the case may be), any of which does or in the reasonable opinion of Wilsons is likely to prohibit or adversely affect or otherwise regulate the Placement and Entitlement Offer, capital issues or stock markets; or
- **(Adverse change)** any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Group, including any adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Group from those respectively disclosed in any Information Document.

If Wilsons terminates the Wilsons Underwriting Agreement, it will be relieved of all further obligations that remain to be performed under the Wilsons Underwriting Agreement. Termination by Wilsons will discharge Armour's obligation to pay Wilsons any fees, costs, charges or expenses which as at termination are not yet accrued.

Details of the fees payable to Wilsons are set out in the Appendix 3B lodged by Armour on 23 March 2023.

BCP Underwriting Agreement

Armour has entered into a conditional underwriting agreement with Bizzell Capital Partners Pty Ltd (**BCP**) dated 23 March 2023 (**BCP Underwriting Agreement**) under which BCP has agreed to fully underwrite the issue of a convertible notes (**Armour Notes Issue**), subject to the terms and conditions of the BCP Underwriting Agreement.

Key Terms of the BCP Underwriting Agreement

Conditional obligation of BCP

BCP's obligations under the BCP Underwriting Agreement, including to underwrite and manage the Armour Notes Issue, are conditional upon the satisfaction of various conditions, including:

- the Company entering into the Wilsons Underwriting Agreement in relation to the Placement and the Entitlement Offer;

Summary of Underwriting Agreements

- approval being obtained by the Company from the holders of secured amortising notes issued by the Company for the issue of Armour Notes as "permitted indebtedness" under the terms of the secured amortising notes; and
- the Company obtaining relevant shareholder approval as required under the ASX Listing Rules in connection with the Armour Notes Issue.

Termination Events

BCP may, by notice to Armour, immediately terminate its obligations under the BCP Underwriting Agreement at any time prior to the Shortfall Notification Date (being, 26 July 2023) if an Event of Termination occurs. An Event of Termination includes the following:

- **(Market Fall)** if the S&P/ASX 200 Index is, at any time after the date of BCP Underwriting Agreement, prior to the subscription date more than 10% below the level of that Index at the close of ASX trading on the business day before the date of the BCP Underwriting Agreement;
- **(Material Adverse Effect)**: any change, event or serious of events which, in the reasonable opinion of BCP, is likely to have a material adverse effect;
- **(withdrawal)**: Armour withdraws or terminates the Armour Notes Issue;
- **(repayment)**: any circumstance that arises after the date of the BCP Underwriting Agreement that results in Armour either repaying the money received from applicants (other than to applicants whose applications were not accepted in whole or in part) or offering applicants an opportunity to withdraw their applications for Convertible Notes and be repaid their application money;
- **(no certificate)**: Armour does not provide a closing certificate required by any shortfall, in a form consistent with the BCP Underwriting Agreement;
- **(judgment)**: a judgment in an amount exceeding \$1,000,000 is obtained against Armour or a related body corporate (as that term is defined in the Corporations Act) of Armour and is not set aside or satisfied within 14 days;
- **(process)**: any distress, attachment, execution or other process of a governmental agency (defined as any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity) in an amount exceeding \$1,000,000 is issued against, levied or enforced upon any of the assets of Armour or a related body corporate of Armour and is not set aside or satisfied within 14 days;
- **(financial assistance)**: Armour or a related body corporate passes or takes any steps to pass a resolution under section 260B of the Corporations Act, without the prior written consent of BCP;

- **(suspends payment)**: Armour or a related body corporate of Armour suspends payment of its debts generally;
- **(insolvency)**: Armour or a related body corporate of Armour is or becomes unable to pay its debts when they are due or is or becomes unable to pay its debts within the meaning of the Corporations Act) or is presumed to be insolvent under the Corporations Act;
- **(arrangements)** Armour or a related body corporate of Armour enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them;
- **(ceasing business)**: Armour or a related body corporate of Armour ceases or threatens to cease to carry on business;
- **(international events or events involving financial markets)**: no happening of any international event or series of events involving financial markets, commodities markets or investment generally which might have a material adverse effect on Armour, its assets, business, prospects or which might materially prejudice the success of the initial placement of securities and/or the Convertible Note, as the case may be.
- **(material contracts)**: any material contract to which Armour is a party is terminated or amended without the prior written consent of BCP and which consent shall not be unreasonably withheld;
- **(change to Constitution)**: prior to the Allotment Date (being, 1 August 2023), the Constitution of Armour or a related body corporate of Armour is amended without the prior written consent of BCP, which shall not be unreasonably withheld;
- **(material breach)**: Armour breaches any of their material obligations under the BCP Underwriting Agreement;
- **(representations and warranties)**: any representation or warranty contained in the BCP Underwriting Agreement on the part of Armour is breached or becomes false, misleading or incorrect to a material extent;
- **(prescribed occurrence)**: an event specified in section 652C(1) or section 652C(2) Corporations Act, but replacing 'target' with 'Company'; or
- **(failure to comply)**: Armour or any related body corporate of Armour fails to comply with any of the following:
 - a provision of its Constitution;
 - any statute;

Summary of Underwriting Agreements

- a requirement, order or request made by or on behalf of the ASIC, the ASX or any a government department or any governmental, semi-governmental or judicial entity; or
- any agreement entered into by it;
- **(Listing):** Armour ceases to be admitted to the official list of ASX or the Shares are suspended from trading on, or cease to be quoted on, ASX (which, for the avoidance of doubt, does not include any voluntary suspension otherwise implemented with the prior written consent of BCP (such consent not to be unreasonably withheld or delayed));
- **(ASIC):**
 - **(unable to issue Notes)** Armour is prevented from allotting and issuing the Notes under the ASX Listing Rules, the Corporations Act or any other applicable laws, by an order of a court of competent jurisdiction or by a government department or any governmental, semi-governmental or judicial entity;
 - **(Waivers / exemptions)** ASX or ASIC withdraws, revokes, or amends the ASX Waivers or the ASIC Exemptions, as applicable
- **(Debt facilities):**
 - any debt facility of Armour or a group member is terminated by the lender or amended in a material respect without BCP's prior written consent;
 - a group member breaches, or defaults under, any provision, undertaking, covenant or ratio of a debt or financing arrangement or any related documentation to which that entity is a party; or
 - an event of default or review event has resulted in a lender or financier exercising its rights to accelerate or require repayment of the debt or financing or other similar event occurs under or in respect to any such debt or financing arrangement or related documentation.
- **(Suspension or limitation on trading):** trading in all securities quoted or listed on any one or more of ASX, the London Stock Exchange or the New York Stock Exchange, or any financial market, trading board, security settlement or clearance services operated by any of them, is suspended or materially limited for one or a substantial part of a day on which that exchange is open for trading and where that suspension or limitation occurs on or before the Allotment Date;
- **(Moratorium):** a general moratorium on commercial banking activities in Australia, the United States of America or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries;

- **(General disruption):** there occurs, in BCP's reasonable opinion, any adverse change or disruption to the financial markets of Australia, the United States of America, Japan or the United Kingdom, the effect of which makes its impractical (in BCP's reasonable opinion) to proceed with the Offer;
- **(Hostilities):** the outbreak of hostilities not presently existing (whether war has been declared or not), or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States of America, the People's Republic of China, Japan, North Korea, the United Kingdom, any member state of the European Union, Ukraine or Russia, or a major terrorist act is perpetrated in or by any of those countries or by or in respect of any diplomatic, military, commercial or political establishment of any of these countries elsewhere in the world, or a national emergency is declared in any of those countries;
- **(Change in management):** there is a change (or a change is announced) in the directors or the chief executive officer of Armour, other than one which has already been fully and fairly disclosed to ASX before the date of this agreement; and
- **(Adverse change):** any adverse change occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the group, including any adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the group from those respectively disclosed in any Information Document.

If an Event of Termination occurs, BCP may not terminate unless it reasonably believes that the event has or is likely to have a materially adverse effect on the outcome of the Armour Notes Issue, or could give rise to liability for BCP under any law or regulation and BCP has afforded the Company a reasonable time (not exceeding 10 business days) to remedy the event if the event is capable of remedy.

If BCP terminates the BCP Underwriting Agreement upon the occurrence of an Event of Termination, such termination will not affect BCP's:

- rights and remedies in respect of any breach of the BCP Underwriting Agreement by Armour occurring prior to the date of termination; and
- right to be reimbursed for all costs incurred pursuant to the BCP Underwriting Agreement, prior to the date of termination.

Details of the fees payable to BCP are set out in the Appendix 3B lodged by Armour on 23 March 2023.

Foreign Selling Restrictions

This presentation does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. In particular, this presentation may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

New Zealand: This presentation has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (**FMC Act**). The New Shares are not being offered to the public within New Zealand other than to existing shareholders of Armour Energy with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016. Other than under the Entitlement Offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
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Key Risks

This section describes potential risks associated with Armour's business & risks associated with an investment in Armour. It does not purport to list every risk that may be associated with an investment in Armour now or in the future & the occurrence or consequences of some of the risks described in this section are partially or completely outside the control of Armour or its directors & senior management team.

This assessment is based on the knowledge of the directors as at the date of this presentation but there is no guarantee or assurance that the importance of different risks will not change or other risks emerge. Prospective investors should satisfy themselves that they have a sufficient understanding of these matters, including the risks described below. Prospective investors should also consult their own financial, legal, tax and/or other professional advisers about risks associated with an investment.

Risk specific to an investment in Armour Energy

a) Commodity Price Risk

Armour Energy sells natural gas, LPG, condensate, and oil. Prices for these commodities has been very volatile over the last three years. For example, the Brent oil price fell to A\$21/bbl in April 2020 but has increased to >US\$100/bbl recently. Similarly, the spot gas price in the East Coast market has been volatile. Since the start of 2020, the Short-Term Trading Market price (spot gas price) reached a minimum of A\$2.31/GJ and a maximum of \$50.11/GJ. Armour Energy has a term contract with APLNG at a fixed price, escalating at CPI. However, Armour is exposed to spot pricing for its gas sales above 5TJ/d, and also for its sale of LPG, condensate, and oil.

b) Uganda Risk

The Company holds 16.83% of Armour Energy International Limited (Armour Energy International) which controls 100% of Armour Energy Uganda SMC (Armour Energy Uganda). Armour Energy Uganda holds the Kanywataba Exploration Licence located in Lake Albert, Uganda. On 1 February 2023, Armour Energy International requested a two year extension of the Kanywataba Exploration Licence. If this extension is approved, the Kanywataba Exploration Licence will expire on 28 May 2025. However, if Armour Energy International is not granted the extension and does not complete the required work program by the licence expiry date (being 28 May 2023), the Company will be liable to pay the Ugandan Government approximately US\$1,009,800 (being 16.83% of the total liability for the Kanywataba Exploration Licence if the work program is not completed). Armour Energy International will also forfeit its performance guarantee of US\$200,000 held by the Ugandan government if the work program is not completed. The Company's contribution to this performance guarantee is US\$33,660.

c) Secured Amortising Notes Risk

The Company has Secure Amortising Notes (**Notes**) on issue. The Notes were issued by Armour in March 2019 and the terms of issue have been amended as disclosed in Armour's ASX Announcements on 26 March 2020, 31 March 2021, 23 July 2021 and 11 April 2022. The Notes (as amended) require certain financial conditions to be satisfied on either an ongoing basis or on specified dates (**Financial Undertakings**). This requires the management of the Company to monitor and manage the operations, the financial performance and the funding and capital requirements of the Company to ensure that these Financial Undertakings are satisfied.

The Company made a \$2.475 million principal amortisation payment to the holders of the Notes on 29 December 2022. The remaining face value of the Secured Notes outstanding following the principal and interest payment that was made on 29 December 2022 is now \$19,967,200 (original face value of the Secured Notes at the time of issue was \$55,000,000).

The Secured Notes currently have a principal and interest repayment schedule through until 29 March 2024. As at 31 December 2022 Armour had not met certain Financial Undertakings pursuant to the Terms and Conditions of the Secured Amortising Notes including the Debt Service Cover Ratio, the Leverage Ratio and Minimum Cash Balance.

As at the date of this presentation, the Company has not sought or received any waiver for breach of these Financial Undertakings.

It is the current intention of Armour to repay the Secured Notes from the ongoing recapitalization program in order to remedy the breach under the Equity Cure provisions of the agreement. Consent from Noteholders to waive any breaches of these Financial Undertakings and with respect to future maintenance of these Financial Undertakings may be required to be obtained by Armour if repayment of the Secured Notes does not occur (i.e. the Equity Cure) in a timely manner. Armour has sought and obtained similar consents and waivers from the Noteholders in the past.

Even if the company successfully raises the full amount of funds sought under the Entitlement Offer, there can be no assurance that default will not occur under the Financial Undertakings at some time in the future. In the event that the Company is unable to comply with the conditions of the Notes (as amended) and a breach of the Conditions occurs (or a current breach continues unremedied), then any Noteholder may require redemption of the Secured Amortising Notes held by that Noteholder, and the Note Trustee must (if requested to in writing by Noteholders holding in aggregate 25% or more of the Outstanding Principal Amount, (as defined)) require redemption of all the Secured Amortising Notes. In these circumstances the Secured Amortising Notes would become immediately due and payable. In total this would amount to \$19,967,200 plus accrued interest (assuming for example that all Secured Amortising Notes had become immediately due and payable).

Key Risks, continued

If the Company or the Guarantors (pursuant to the Guarantee given by certain of the Company's subsidiaries in respect of the Notes) could not repay the amount due and payable then the Security Trustee could exercise its rights under the Security for the benefit of the Noteholders to enforce the Security.

This may include appointing receivers to sell assets subject to the Security (and there can be no assurance that there will be at that time an active and liquid market for the assets the subject of the Security or that the market value of the assets will be equal to or greater than the outstanding amount owed in respect of the Notes) and may ultimately result in external administration for the Company. In such circumstances, as the Shareholders will rank behind the secured creditors and other creditors preferred at law in order of priority for payment, it is unlikely that Shareholders would receive any money and accordingly, would result in an entire loss of invested capital.

As noted above, the Company will monitor the on-going financial performance of the Company having regard to the management and satisfaction of on-going Financial Undertakings and may, if required, adopt a course of action which seeks to prevent a breach of the Financial Undertakings, including, without limitation, any one or a combination of the following actions (noting that some of the following actions are themselves regulated under the Conditions of the Notes):

- a) the disposal of assets of the Company;
- b) raising of further equity capital or issue of further Armour Notes;
- c) the entry into joint venture / farm-in arrangements with third parties; or
- d) the negotiation of further amended Conditions (including the Financial Undertakings) with the holders of the Notes.

d) Regulatory risk and government policy

The availability and rights to explore and produce oil and gas, as well as industry profitability generally, can be affected by changes in government policy that are beyond the control of the Company. The governments of the relevant States and Territories in which the Company has interests conduct reviews from time to time of policies in connection with the granting and administration of petroleum tenements. Changing attitudes to environmental, land care, cultural heritage or traditional religious artefacts and indigenous land rights issues, together with the nature of the political process, provide the possibility for future policy changes. There is a risk that such changes may affect the Company's exploration plans or, indeed, its rights and/or obligations with respect to the tenements.

e) Uncertainty over development of projects and exploration risk

Oil and gas exploration and development are high risk undertakings. The Company's performance depends on the successful exploration and/or acquisition of resources or reserves and commercial production therefrom. There can be no assurances that the Company's exploration programs relating to any projects or tenements that the Company has or may acquire in the future, will result in the discovery of a significant gas and/ or associated liquids target, and even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. The Company's potential future earnings, profitability and commercialisation of gas and/ or associated liquids reserves, and resources will be dependent on the successful discovery and subsequent extraction of those resources to the extent

that may be required to fulfil commercial obligations. Successful commodity development and production is dependent on obtaining all necessary consent and approvals and the successful design, construction and operation of efficient gathering, processing and transportation facilities.

No assurance can be given that the Company will be able to obtain all necessary consents and approvals in a timely manner, or at all. Successful commodity development is also dependent on appropriate development and/or expansion of both new and existing facilities required to connect resources to market by the Company and, in certain instances, by third parties. No assurance can be given that the Company can rely on the timely development and/or expansion of such facilities.

f) Health and safety risk

As with any gas or associated liquids project, there are health and safety risks associated with the Company's gas operations in Australia and overseas. The Company manages these risks, through the application of structured health and safety management systems. As the operator of plant and equipment, the Company has specific legislative obligations to ensure that its personnel and contractors operate in a safe working environment.

g) Insurance

The Company maintains insurance within ranges of coverage the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance, however, can be given that the Company will be able to continue to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

Key Risks, continued

h) Operational risks and costs

The Company is currently a producer of oil and gas which is sold under commercial contracts. The Company's immediate plans and objectives are dependent upon a continuation of such production generating operating surpluses to assist the Company in funding its planned expenditure programs. Whether it can do so will depend largely upon an efficient and successful, operation and exploitation of the resources and associated business activities and management of commercial factors. Operation and exploitation may from time to time be hampered on occasions by unforeseen operating risks, as would any other industry.

For example, force majeure events, power outages, critical equipment or pipe failures, and environmental hazards such as noise, odours, gas leaks, hazardous substances spills, other weather events, industrial accidents and other accidents, unforeseen cost changes and other incidents beyond the control of the Company can negatively impact on the Company's activities, thereby affecting its profitability and ultimately, the value of its securities. Ultimate success depends on the discovery and delineation of economically recoverable mineral resources, establishment of efficient exploration operations, obtaining necessary titles and access to projects, as well as government and other regulatory approvals.

The exploration and mining activities of the Company may be affected by a number of factors, including but not limited to geological conditions; seasonal weather patterns; equipment difficulties and failures, technical difficulties and failures; continued availability of the necessary technical equipment, plant and appropriately skilled and experienced technicians; improper, defective and negligent use of technical plant and equipment; improper, defective and negligent conduct by employees, consultants and contractors; adverse changes in government policy or legislation; and access to the required level of funding.

i) Competition risk

The gas and associated liquids industry that the Company is involved in is highly competitive in Australia. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which may positively or negatively affect the operating and financial performance of the Company's projects and business. There can be no assurance that the Company can compete effectively with numerous other gas and associated liquids companies in the search for gas and associated liquids reserves and resources.

j) Business risk

There are risks inherent in doing business, such as unexpected changes in regulatory requirements, trade barriers, longer payment cycles, problems in collecting accounts receivable, network and infrastructure issues and potentially adverse tax consequences, any of which could adversely impact on the success of the Company's operations.

k) Contractual and joint venture risks

The Company's ability to efficiently conduct its operations in a number of respects depends upon third party product and service providers and contracts. Accordingly, in some circumstances, contractual arrangements have been entered into by the Company and its subsidiaries. As in any contractual relationship, the ability for the Company to ultimately receive benefits from these contracts is dependent upon the relevant third party complying with its contractual obligations. To the extent that such third parties default in their obligations, it may be necessary for the Company to enforce its rights under any of the contracts and pursue legal action.

Such legal action may be costly, and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms. Additionally, some existing contractual arrangements have been entered into by the Company and its subsidiaries may be subject to the consent

of third parties being obtained to enable the Company to carry on all of its planned business and other activities and to obtain full contractual benefits.

No assurance can be given that any such required consent will be forthcoming. Failure by the Company to obtain such consent may result in the Company not being able to carry on all of its planned business and other activities or proceed with its rights under any of the relevant contracts requiring such consent. A number of the Company's projects are already the subject of joint venture arrangements. Additionally, the Company may wish to develop its projects or future projects through further joint venture arrangements. Any joint ventures entered into by, or interests in joint ventures assigned to, the Company could be affected by the failure or default of any of the joint venture participants.

l) Product sales, commodity prices and transportation

The Company's potential future revenues will be derived mainly from the sale of gas and/or associated liquids. Consequently, the Company's potential future earnings, profitability and growth are likely to be closely related to both the price of gas and associated liquids and the cost to extract, process and transport the gas and/or associated liquids to the market. Whilst the Company has entered into gas sale agreements with Australian Pacific LNG Marketing Pty Ltd (APLNG), there can be no assurance that the Company will ultimately be able to sell or transport the gas and/or associated liquids that it produces on commercial terms to APLNG or other parties. Gas is a traded commodity in Australia and its long-term price may rise or fall.

In December 2022, the Australian Government introduced the Competition and Consumer (Gas Market Emergency Price) Order 2022 (Cth) pursuant to section 53M of the Competition and Consumer Act 2010, which implemented a \$12/GJ price cap with immediate effect for a period of 12 months. This price cap and any further changes to legislation regulating the price of gas in Australia may impact the profitability of the Company's gas operations.

Key Risks, continued

Additionally, Armour is a party to a gas sales agreement with APLNG that has a minimum contract quantity of 5 TJ/d. Armour is currently short falling the minimum contract quantity. Armour is paying penalties to the customer in line with its contractual obligations arising from the shortfall. Armour is evaluating its options to increase production which would mitigate the shortfall penalties.

Gas transport prices in open access transmission gas pipelines are subject to available capacity and are generally subject to regulation in Australia although gas transport capacity is also a traded commodity particularly when capacity is restricted. This can result in gas transport prices that are higher than regulated or, in the worst case, delay to or even inability to transport at an economic price. Additionally, the Company's prospects and perceived value will be influenced from time to time by the prevailing short-term prices of the commodities targeted in its exploration programs.

Commodity prices fluctuate and are affected by factors including supply and demand for mineral products, hedge activities associated with commodity markets, the costs of production and general global economic and financial market conditions. Commodity prices are also affected by the outlook for inflation, interest rates, currency exchange rates and supply and demand factors. These factors may have an adverse effect on the Company's exploration and any subsequent development and production activities, as well as its ability to fund its future activities. These factors may cause volatility which in turn, may affect the Company's ability to finance its future exploration and/or bring the Company's products to market.

m) Tenements

A failure to adhere to the requirements to exceed certain levels of expenditure on concessions and tenements held by the Group in various jurisdictions may make certain concessions and tenements subject to possible forfeiture. All granted concessions and tenements (with the exception of ATP 2029, and Petroleum Lease 21 (PL21) which

are discussed below) are currently in good standing and, in accordance with normal industry practice, the Company surrenders some or all un-prospective parts of its concessions and tenements at the appropriate time so as to manage its minimum expenditure obligations and to retain the capacity to apply for additional prospective areas.

In respect of granted tenements, no assurance can be given that the Company will be successful in managing its minimum expenditure obligations and retaining such tenements and no assurance can be given that the Company will be successful in being awarded the tenements sought under its tender.

On 30 July 2019, the Company lodged an application to declare potential commercial area over ATP 2029 (PCA Application). On 30 July 2019, the Company lodged a renewal of ATP 2029 beyond the maximum statutory period of 12 years (Renewal Application). ATP 2029 took effect on 1 August 2007 and consequently was due to expire on 31 July 2019, however it continues in force by virtue of the PCA Application. Despite the Company making further submissions to the relevant government authority, on 28 May 2020 the PCA Application was refused. As at the date of this presentation, the Company has lodged an application in the Land Court to appeal the decision to refuse the PCA Application in respect of ATP 2029 (PCA (A) 295). However, there can be no guarantee that such appeal will be successful. If the appeal is unsuccessful, PCA 295 will not be granted and ATP 2029 will not be renewed.

Petroleum Lease PL21 (PL21) was granted on 21 April 1983 and was due to expire on 18 April 2019. By way of transfer of the Kincora assets from Origin to Armour, Armour obtained PL21 on or around September 2015. On 17 April 2019, the Company made an application to renew the existing PL21 (PL(A)1071 Application). This PL(A)1071 Application forms part of a project based Later Development Plan (LDP) over the Kincora Project area. However, at the time of the PL(A)1071 Application, the Company has not completed its work program under PL21.

On 13 September 2019, the Company received a request for additional information from the DoR in relation to other petroleum lease applications as part of the Kincora Project and more generally. On 20 November 2019 the Company provided information to DoR in response to the notices.

At the date of this presentation, DoR have not yet provided a response on the PL(A)1071 Application (or the rest of the LDP). In the event that the PL(A)1071 Application is approved, it is possible that conditions may be attached to the PL(A)1071 Application in respect of the uncompleted work program for PL21. In the event that DoR rejects the PL(A)1071 Application, PL21 may be at risk of forfeiture, subject to any review or appeal rights the Company may have under the relevant legislation.

n) Unforeseen expenses

The Company's cost estimates and financial forecasts include appropriate provisions for material risks and uncertainties and are considered to be fit for purpose for the proposed activities of the Company. If risks and uncertainties prove to be greater than expected, or if new currently unforeseen material risks and uncertainties arise, the expenditure proposals of the Company are likely to be adversely affected.

o) Reliance on key personnel and employees

In formulating its exploration programs, the Company relies to a significant extent upon the experience and expertise of the Directors and management. These persons possess knowledge of many of the Company's tenements through extensive personal experience of prospecting in those areas. Although information concerning the Company's tenements has been chronicled, the loss of one or more of these key personnel may adversely affect the Company's prospects of pursuing its exploration programmes within the timeframes and within the cost structure currently envisaged. Although the key personnel have a considerable amount of experience and have previously been successful in their

Key Risks, continued

pursuits of important prospecting discoveries, there is no guarantee or assurance that they will be successful in their objectives pursuant to this Company. The ability of the Company to achieve its objectives depends on being able to both recruit and retain certain key employees, skilled operators and tradespeople. Whilst the Company has entered into employment contracts with key employees, the retention of their services cannot be guaranteed. The loss of, or inability to recruit, key employees or skilled operators and tradespeople could significantly affect the performance of the Company's operations.

p) Business risk

There are risks inherent in doing business, such as unexpected changes in regulatory requirements, trade barriers, longer payment cycles, problems in collecting accounts receivable, network and infrastructure issues and potentially adverse tax consequences, any of which could adversely impact on the success of the Company's operations.

q) Investment speculative

Potential investors should consider that an investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares.

r) Australian Native Title risk and Aboriginal Cultural Heritage

The Native Title Act 1993 (Cth) recognises certain rights of indigenous Australians over land where those rights have not been extinguished. These rights, where they exist, may impact on the ability of the Company to carry out exploration and in future, mining activities, or obtain exploration or mining licences in Australia. In applying for licences over crown land, the Company must observe the provisions of Native Title legislation.

In Queensland, the Aboriginal Cultural Heritage Act 2003 (Qld) and the Torres Strait Islander Cultural Heritage Act 2003 (Qld) impose duties of care which require persons, including

the Company, to take all reasonable and practical measures to avoid damaging or destroying Aboriginal cultural heritage. In carrying out exploration and/or mining operations, the Company must observe Native Title legislation (where applicable), Aboriginal heritage legislation and heritage legislation which protects sites and objects of significance and these may delay or impact adversely on the Company's operations in Australia.

s) Environmental risks

The Company's projects are subject to laws and regulations in relation to environmental matters. As a result, there is the risk that the Company may incur liability under these laws and regulations. The Company proposes to comply with applicable laws and regulations and conduct its programs in a responsible manner with regard to the environment.

t) Funding

The Company must undertake significant capital expenditures in order to conduct its development appraisal and exploration activities. Limitations on the access to adequate funding could have a material adverse effect on the business, results from operations, financial condition and prospects.

u) Kincora Project Reliance Risk

The Company's key operating asset is the Kincora Project which restarted production in December 2017. The Company derives significant operating revenues from the Kincora Project. The Company's operations at the Kincora Project may from time to time be hampered on occasions by unforeseen operating risks. Should an event occur which forced the closure of, or otherwise disrupted or interrupted, the Kincora Gas Plant for a material period of time, it would likely have a significant impact on the Company's commercial contracts and the operating revenue and ultimate funds available to the Company. In particular, events such as force majeure events, power outages, critical equipment or pipe failures, and environmental hazards such as noise, odours, gas leaks, hazardous substances spills, other

weather events, industrial accidents and other accidents, unforeseen cost changes and other incidents beyond the control of the Company could negatively impact on the Company's activities at the Kincora Project, thereby affecting its profitability and ultimately, the value of its securities. The Company maintains insurance within ranges of coverage the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted at the Kincora Gas Plant. No assurance, however, can be given that the Company will be able to continue to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

General risks

a) Market risk

The market price of listed securities can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the Australian resources sector and exploration companies in particular. The Shares carry no guarantee in respect of profitability, dividends, return on capital, or the price at which they may trade on the ASX. There are a number of factors (both national and international) that may affect the market price and neither the Company nor its Directors have control of those factors.

b) General Economic Conditions

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that economic climate include the general level of economic activity, interest rates, inflation, supply and demand, industrial disruption and other economic factors. The price of commodities will also be of particular relevance to the Company. These factors are beyond the control of the Company and the Company cannot, with any degree of certainty, predict how they will impact on the Company.

General Risks, continued

c) Industrial risk

Industrial disruptions, work stoppages and accidents in the course of the Company's operations could result in losses and delays, which may adversely affect profitability.

d) Management actions

The Directors will, to the best of their knowledge, experience and ability (in conjunction with management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its securities.

e) Taxation and royalties

In all places where the Company has operations, in addition to the normal level of income tax imposed on all industries, the Company may be required to pay government royalties, indirect taxes, goods and services tax and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies. In Australia, the Federal Government introduced the Petroleum Resources Rent Tax (PRRT) to tax profits generated from the exploitation of onshore oil and gas projects, to apply from 1 July 2012. It is possible that the PRRT may adversely affect the Company to the extent that the PRRT applies to gas and associated liquids produced and sold by the Company from onshore production. The Company may also be required to pay private royalties which may be affected by a number of factors including Government taxation and royalties, commodity prices and eligible deductions such as certain Company expenses. Profitability can be affected by changes to private royalties.

f) Legislative changes

Changes in government regulations and policies may adversely affect the financial performance or the current and proposed operations generally of the Company.

g) Foreign exchange

Foreign exchange rates fluctuate over time. Fluctuating exchange rates have a direct effect on the Company's operating costs and cash flows expressed in Australian dollars. The Company does not currently have any formal currency hedging in place, which means that adverse changes to foreign exchange rates may have an adverse effect on the Company and its business.

h) Resource estimates

Resource estimates are not precise and involve expressions of judgement based on knowledge, experience and industry practice. Estimates, which were valid when made, may change significantly when new information becomes available. In addition, resource estimates depend to a significant extent on interpretation of geological boundaries, which may prove to be inaccurate. Should the company encounter unusual mineralisation to that predicted by past drilling and mining, resource estimates may have to be adjusted and feasibility studies may have to be altered in a way that could either benefit or adversely affect the Company's financial projections.

Speculative nature of investment

The above list of risk factors is not to be taken as exhaustive of the risks faced by the Company or by Shareholders in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares. Shares in Armour Energy carry no guarantee with respect to the payment of dividends, returns, returns of capital or market value at any time.

