

ASX Announcement

Armour successfully completes Placement & institutional component of Entitlement Offer

27 March 2023

Not for release to US wire services or distribution in the United States

Armour Energy Limited (**Armour** or the **Company**) (ASX:AJQ), an Australian exploration and production company with a vast portfolio of conventional and unconventional resources, is pleased to announce the successful completion of the fully underwritten institutional component of its recently announced \$32.0 million capital raising program (see ASX announcement dated 23 March 2023).

HIGHLIGHTS

- Successful completion of the bookbuild for the Institutional Placement, raising approximately \$2.7 million (**Institutional Placement**)
- Successful completion of the bookbuild for the institutional component of the 1 for 1 accelerated non-renounceable entitlement offer (**Institutional Entitlement Offer**), raising approximately \$2.9 million at \$0.004 per New Share (**Offer Price**)
- Cornerstone support by existing major shareholders DGR Global Limited, Tenstar Trading Ltd and entities affiliated with Bizzell Capital Partners Pty Ltd
- The Institutional Placement and Institutional Entitlement Offer is being undertaken as part of Armour's ongoing recapitalisation program allowing for a reduction in Secured Amortising Note debt and a refinancing of the maturing MOG Note debt and to enable exploration and development activities to be undertaken to advance production
- The offer documents in respect of the fully underwritten retail component of the Entitlement Offer which is expected to raise up to approximately \$6.4 million (**Retail Entitlement Offer**) will be dispatched on Wednesday, 29 March 2023. The Retail Entitlement Offer is expected to close at 5:00pm AEDT on Thursday, 20 April 2023
- Full subscription of the issue of new convertible notes (**Armour Notes**) to raise approximately \$20.0 million (**Armour Notes Issue**) subject to shareholder approval and to the consent of holders of Armour's existing Secured Amortising Notes

COMPLETION OF OFFER

The institutional component of the capital raising program was well supported by existing major shareholders. Funds raised from the Placement and Institutional Entitlement Offer will be used for debt repayment, production enhancement funding and additional working capital. DGR Global Limited, Armour Energy's largest shareholder, took up its Entitlement under the Institutional Entitlement Offer to the



extent permitted under the *Corporations Act 2001* (Cth). DGR Global Limited is a partial sub-underwriter to the Entitlement Offer.

The Institutional Offer will result in approximately 663.3 million New Shares being issued to institutional investors via the Institutional Placement raising approximately \$2.7 million and 722.9 million New Shares being issued through the Institutional Entitlement Offer, raising approximately \$2.9 million.

The Institutional Placement and Institutional Entitlement Offer was priced at \$0.004 per New Share, representing a 33.3% discount to the last traded price of \$0.006 on Wednesday, 22 March 2023. New Shares will rank equally in all respects with existing shares in Armour from allotment. Settlement of the Institutional Placement and Institutional Entitlement Offer is scheduled for Wednesday, 29 March 2023 with New Shares expected to be allotted on Thursday, 30 March 2023 and trading on a normal settlement basis on the ASX on Friday, 31 March 2023.

Wilsons Corporate Finance Limited acted as sole Lead Manager and Underwriter to the Institutional Placement and Institutional Entitlement Offer.

COMMENCEMENT OF RETAIL ENTITLEMENT OFFER

The retail component of the Entitlement Offer is expected to raise up to approximately \$6.4 million (**Retail Entitlement Offer**). The Retail Entitlement Offer is fully underwritten by Wilsons Corporate Finance Limited.

Under the Retail Entitlement Offer, eligible retail shareholders with a registered address in Australia or New Zealand (**Eligible Retail Shareholders**) will have the opportunity to subscribe for 1 New Share for every 1 existing Armour share held as at 7:00pm AEDT on Monday, 27 March 2023 (**Record Date**) at a fixed issue price of A\$0.004 per share (**Offer Price**).

Eligible Retail Shareholders will be invited to participate in the Retail Entitlement Offer at the same offer price and entitlement ratio as the Institutional Entitlement Offer. Retail Offer Booklets are expected to be dispatched on Wednesday, 29 March 2023, and the Retail Entitlement Offer is expected to close at 5:00pm AEDT on Thursday, 20 April 2023.

Eligible Retail Shareholders may subscribe for all, or part of their entitlement under the Retail Entitlement Offer. In addition to each Eligible Retail Shareholder's Entitlement under the Retail Entitlement Offer, Eligible Retail Shareholders will be offered the opportunity to apply for additional New Shares under a "top up" facility (**Top Up Facility**). Eligible Retail Shareholders are not assured of being allocated any New Shares in excess of their Entitlement under the Top Up Facility. New Shares allocated under the Top Up Facility will be allocated in accordance with the allocation policy outlined in the Retail Offer Booklet. Armour retains absolute discretion regarding allocation under the Top-Up Facility.

If Eligible Retail Shareholders take no action, they will not be allocated New Shares and their Entitlements will lapse. Eligible Retail Shareholders who do not take up their



Entitlements in full under the Retail Entitlement Offer will not receive any value or payment for those entitlements they do not take up. The Retail Entitlement Offer is non-renounceable and cannot be traded on ASX or any other exchange, nor can it be privately transferred.

The terms and conditions under which the Eligible Retail Shareholders may participate in the Retail Entitlement Offer will be outlined in the Retail Offer Booklet, which is expected to be available on the ASX website on 27 March 2023.

Existing retail shareholders with a registered address outside Australia and New Zealand on the Record Date or who are acting for the account or benefit of persons in the United States will be ineligible to participate in the Retail Entitlement Offer. Determination of eligibility of investors for the purposes of the Retail Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Armour (in consultation with the lead manager and underwriter, Wilsons Corporate Finance Limited).

DIRECTOR PARTICIPATION AND CONDITIONAL PLACEMENT

Armour Director's Mr Nicholas Mather and Mr Stephen Bizzell have taken up their entitlements in full in the Institutional Entitlement Offer. Current director, Mr Eytan Uliel, and proposed director, Mr Bill Ovenden, have entered into binding commitments to subscribe for shortfall securities in the Retail Entitlement Offer. Other investors, including DGR Global Ltd and Tenstar Trading Ltd and entities associated with Mr Mather and Mr Bizzell, have also entered into binding commitments to subscribe for shortfall securities in the Retail Entitlement Offer.

In the event that there is insufficient shortfall remaining in the Retail Entitlement Offer after allowing for any subscriptions by other shareholders under the Top Up Facility, the Company intends to undertake a further Conditional Placement to accommodate these subscriptions. Armour will seek shareholder approval at an Extraordinary General Meeting of shareholders to undertake the Conditional Placement.

ARMOUR NOTES ISSUE

Armour intends to also seek shareholder approval at the Extraordinary General Meeting to undertake the Armour Notes Issue to raise approximately \$20.0 million (before costs) through the issuance of Armour Notes. The Company also intends to seek consent from holders of Armour's Secured Amortising Notes for the Armour Notes Issue. A summary of the terms of the Armour Notes is set out in Annexure A to the Company's announcement dated 23 March 2023.

The Armour Notes Issue is fully underwritten and lead managed by Bizzell Capital Partners Pty Ltd.



EXTRAORDINARY GENERAL MEETING

The Company intends to hold a meeting of shareholders to be held on Tuesday, 2 May 2023 to obtain approvals with respect to a number of resolutions. The Notice of Extraordinary General Meeting for the meeting is expected to be dispatched to shareholders on Friday, 31 March 2023. In addition to the shareholder approvals to be sought for the Conditional Placement and Armour Notes issue, the board of the Company also intends to seek approval to consolidate the Company's securities at the Extraordinary General Meeting.

INDICATIVE 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 AEDT)	Monday, 27 March
Retail Entitlement offer opens (9am AEDT) 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 AEDT)	Thursday, 20 April
Announcement of results of the Retail Entitlement Offer	Wednesday, 26 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 new AJQ notes	Tuesday, 28 March



The timetable above is indicative only. The Company, in consultation with the lead manager and underwriter, reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the Listing Rules and other applicable laws.

ENQUIRIES

If shareholders have any questions about the Entitlement Offer please contact the Company on (07) 3303 0620 (within Australia) or +61 7 3303 0620 (outside Australia) between 8:30am and 5:30pm (AEDT), Monday to Friday during the Retail Offer Period. For all other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

Following release of this announcement, the Company has requested of the Australian Securities Exchange that trading of its shares be reinstated.

This announcement has been authorised and approved by the Board of Armour Energy for lodgement with ASX.

For more information, please contact:

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Executive Chairman
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IMPORTANT NOTICE

Not an offer in the United States

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be unlawful. The New Shares have not been, and will not be registered under the US Securities Act of 1933, as amended (US Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, in the United States unless they have been registered under the US Securities Act (which Armour Energy Limited has no obligation or intention to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any applicable U.S. state securities laws.

The information in this announcement is of general background and does not purport to be complete. It should be read in conjunction with Armour Energy Limited's other periodic and continuous disclosure announcements lodged with ASX Limited, which are available at www.asx.com.au.

Forward looking statements

This announcement contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of Armour, its directors and management. This includes statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based.

These statements may assume the success of Armour's business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, none of Armour, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. The forward-looking statements are based on



information available to Armour as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), none of Armour, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

General

This announcement is subject to the same “Disclaimers” that appear on slides 2 and 3 of the investor presentation released to the ASX on 23 March 2023 with any necessary contextual changes.

Own enquiries

Investors should make and rely upon their own enquiries before deciding to acquire or deal in Armour’s securities.