

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

29 March 2023

Dear Shareholder

NOTICE TO ELIGIBLE RETAIL SHAREHOLDERS

On 23 March 2023, Armour Energy Limited (ACN 141 198 414) (**Company** or **Armour Energy**) announced that it is undertaking:

- an institutional placement of fully paid ordinary shares (**New Shares**) to raise approximately \$2.7 million before costs (**Placement**); and
- a fully underwritten 1 for 1 pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) to raise approximately \$9.3 million before costs.

The Placement and Entitlement Offer are managed and fully underwritten by Wilsons Corporate Finance Limited (ACN 057 547 323).

Armour will also seek shareholder approval and consent from holders of Armour's existing Secured Amortising Notes to issue new convertible notes to raise approximately \$20 million (**Armour Notes Issue**). The Armour Notes Issue will be managed and fully underwritten by Bizzell Capital Partners Pty Ltd (ACN 118 741 012).

Details of the Entitlement Offer

The Entitlement Offer is being made pursuant to section 708AA of the *Corporations Act 2001* (Cth) (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*) (**ASIC Instruments**), which allows the Entitlement Offer to be made without a prospectus.

The Entitlement Offer comprises an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**).

The Institutional Entitlement Offer has already closed and the results have been announced to the ASX.

Shareholders who are entitled to participate in the Retail Entitlement Offer (**Eligible Retail Shareholders**) may subscribe for one New Share for every existing share held on the Record Date (as defined below), at an issue price of \$0.004 per New Share

The Company has today lodged a Retail Entitlement Offer booklet with the ASX which sets out further details in respect of the Retail Entitlement Offer (**Retail Entitlement Offer Booklet**).

Eligibility criteria

Eligible Retail Shareholders include persons who:

- are registered as a holder of fully paid ordinary shares in Armour Energy as at 7:00 pm (AEDT) on Monday, 27 March 2023 (**Record Date**);
- have a registered address in Australia or New Zealand as noted on the Company's share register, or are a Shareholder that the Company has otherwise determined is eligible to participate in the Retail Entitlement Offer;
- are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States (to the extent such person holds existing shares for the account or benefit of such person in the United States);

- were not invited to participate in the Institutional Entitlement Offer and were not treated as an “ineligible institutional shareholder” under the Institutional Entitlement Offer (other than as nominee or custodian, in each case in respect of other underlying holdings); and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer, **(Eligible Retail Shareholder)**.

The Company has determined, pursuant to section 9A(3) of the Corporations Act and Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to make offers to shareholders in countries outside of Australia or New Zealand in connection with the Retail Entitlement Offer. This is due to the legal and regulatory requirements in countries outside of Australia or New Zealand and the potential costs to the Company of complying with these requirements, compared with the relatively small number of shareholders in those countries, the relatively small number of existing Armour Energy ordinary shares they hold and the relatively low value of New Shares to which those shareholders would otherwise be entitled to subscribe for.

Retail Offer Booklet

This letter is not an offer document but is a notice of some key terms and conditions of the Retail Entitlement Offer.

Full details of the Retail Entitlement Offer are set out in the Retail Entitlement Offer Booklet. Eligible Retail Shareholders can access a copy of the Retail Offer Booklet, together with a personalised Entitlement and Acceptance Form which contains details of their entitlements under the Retail Entitlement Offer, at the following link: <https://events.miraqle.com/ajq-offer>.

Actions which may be taken by Eligible Retail Shareholders

If you are an Eligible Retail Shareholder, you may take any one of the following actions:

- take up all of your Entitlement;
- take-up all of your Entitlement and apply for additional New Shares under the top-up facility;
- take up part of your Entitlement and allow the balance to lapse; or
- do nothing, in which case your entitlement will lapse and you will receive no value for those lapsed Entitlements.

Your entitlements under the Retail Entitlement Offer may have value and it is important you determine whether to take up (in whole or in part) or do nothing in respect of your entitlement. There are a number of matters that you should consider in relation to taking up your entitlement. You should ensure that you understand the tax consequences of any action that you take, and you should consider seeking advice from your professional adviser.

The Retail Entitlement Offer is non-renounceable and therefore the entitlements that you would have been entitled to, or the underlying shares that you may have subscribed for, will not be offered for sale and no amount will be payable to you. This is not an offer of New Shares to you, nor an invitation for you to apply for New Shares.

Taking up an entitlement

If you wish to take up all, or part of, your entitlements under the Retail Entitlement Offer, please pay your application monies by following the instructions set out on the personalised Entitlement and Acceptance Form. Application Monies must be received before 5:00pm (AEDT) on Thursday, 20 April 2023. Nominees must not take up entitlements under the Retail Entitlement Offer on behalf of, or send any documents related to the Retail Entitlement Offer to, any person in the United States.

Further information

For further information regarding the Entitlement Offer, please contact the Company on (07) 3303 0620 (within Australia) or +61 7 3303 0620 (outside Australia) between 8.30am to 5.00pm (AEDT) Monday to Friday during the offer period. Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser.

On behalf of the Directors, I thank you for your ongoing support of the Company.

Yours sincerely,

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

Nicholas Mather
Executive Chairman
Armour Energy Limited

Important information

This letter is issued by Armour Energy. This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any entitlements or securities in Armour Energy in any jurisdiction. This letter does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of entitlements or Armour Energy securities.

This letter may not be released or distributed in the United States. This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any person in the United States. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction. In particular, the New Shares have not been, and will not be, registered under the United States Securities Act of 1933 (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements, the New Shares may not be issued to, purchased or traded by, or taken up or exercised by, any person in the United States or any person acting for the account or benefit of a person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable United States state securities laws. The entitlements and New Shares to be offered in the Entitlement Offer will only be offered outside the United States in "offshore transactions" (as defined in Rule 902(h) of the Securities Act) in reliance on Regulation S under the U.S. Securities Act.