



## Armour Energy Limited

18 January 2016

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

Armour Energy advises that AEGP Australia Pty Ltd (**AEGP**) has instituted proceedings in the Supreme Court of Queensland in respect of the Farm-out Agreement in respect of Armour Energy's Northern Territory tenements (**Farm-out Agreement**).

Armour Energy advised in its Second Supplementary Target's Statement issued on 12 January 2016 in relation to the off-market takeover offer to acquire 13.62% of the Shares of Armour Energy Shareholders at \$0.25 per Share (**Proportionate Offer**) that AEGP failed to accept the form of deeds provided by midnight on 9 January 2016 and as a result the condition precedent to assign to AEGP the interest in the native title agreement was incapable of satisfaction by the time required.

As such, Armour Energy may either seek to terminate the Farm-out Agreement (in which case the Farm-out Agreement would not proceed), or to re-negotiate it.

The Proportionate Offer by AEGO closed on 12 January 2016 and Armour Energy understands accepting shareholders will be paid within 21 days (ie. on or before 2 February 2016).

AEGP is seeking a number of rulings in respect of the Farm-out Agreement, including a declaration, particularly, that Armour Energy is not entitled to terminate the Farm-out Agreement or to seek to terminate the Farm-out Agreement.

The proceedings are returnable on 9 February 2016.

Armour Energy maintains its view of the rights available to it under the Farm-out Agreement, including a right to terminate as a consequence of a condition precedent relating to the assignment to AEGP of an interest in certain native title agreements under the Farm-out Agreement having become incapable of being satisfied. Armour Energy intends to vigorously defend its position and will update the market in due course.

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

On behalf of the board  
Karl Schlobohm  
Company Secretary

#### For further information contact:

Robbert de Weijer – CEO  
07 – 3303 0620

Karl Schlobohm – Company Secretary  
07-3303 0661