

## ASX – RNS Announcement

14 September 2020

ASX: OEX

AIM: OEX

### Re: Armour Share Purchase Agreement – Update

Oilex Limited (Oilex or the Company) announces that it has agreed to amend the Share Purchase Agreement (SPA) with Armour Energy Limited (Armour) (ASX:AJQ), as announced on 15 June 2020, for the proposed sale of all of its interests in the Cooper-Eromanga Basin (Proposed Transaction). Pursuant to the SPA, Armour will acquire 100% of the issued capital of CoEra Limited (CoEra), a wholly owned Company subsidiary which holds all of Oilex's interests in the Cooper-Eromanga Basin.

The amendments:

- a) extend the completion date from 15 September 2020 until 15 October 2020 to enable Armour to seek its shareholder approval pursuant to ASX Listing Rule 7, with such shareholder meeting scheduled for September 18 2020, and allow additional time to satisfy the Conditions Precedent (see below);
- b) amend the date upon which Armour pays to Oilex the past costs of \$125,000 to within 5 Business Days after receipt of Armour's above shareholder approval; and
- c) reduce the timeframe for the Tranche 2 share adjustment (see below) from 90 days to 60 days from completion.


### Background

The Company previously announced that it had entered into a conditional binding SPA with Armour to sell all of its interests in the Cooper-Eromanga Basin including a:

- 79.33% direct interest in two Petroleum Exploration Licences (PEL 112 and PEL 444) with an option to acquire the remaining 20.67%; and
- right to acquire 27 Petroleum Retention Licences from Senex Limited (Northern Fairway PRLs)
- the successful bid Block CO2019-C (PELA 677).

As consideration for the Proposed Transaction, at completion Armour will issue up to 34.5 million new Armour shares to Oilex (or its nominees) as follows:

Tranche 1	24,500,000 fully paid ordinary shares in Armour upon completion of the Proposed Transaction (Consideration Shares); and
Tranche 2	If, at any time within 60 days from completion of the Proposed Transaction, the closing Volume Weighted Price Average of Armour shares trading on the ASX falls below \$0.037 then Armour shall be required to issue such additional shares in itself to Oilex, or its nominee to ensure Oilex receives a consideration value of A\$905,000. Any such Adjustment Shares issued shall: <ul style="list-style-type: none"><li>• not exceed an amount of ten (10) million Armour shares;</li><li>• be subject to any required shareholder or regulatory approval.</li></ul>

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The Consideration Shares issued will be subject to a twelve (12) month voluntary escrow from completion.

The Company will nominate Orthogonal Enterprises Pty Ltd to receive up to 3.45 million shares (10%) of the Consideration Shares as payment for services rendered in assisting the Company to build its Cooper-Eromanga portfolio.

### Conditions Precedent

Pursuant to the SPA, completion is subject to the satisfaction of various conditions precedent on or before 15 October 2020 (15 September 2020 prior to the abovementioned amendment) including the successful:

- assignment of the option to acquire the remaining 20.67% interest in PEL 112 and PEL 444;
- novation of the agreement with Senex Energy Limited including the execution of various deeds of assignment of assumption to enable Armour to acquire the Northern Fairway PRLs; and
- receipt of Armour shareholder approval to issue the Consideration Shares.

Assuming completion of the Proposed Transaction, Oilex will no longer have any oil and gas asset interests in the Cooper-Eromanga Basin save for its shareholding in Armour.

For and on behalf of Oilex Ltd



**Joe Salomon**  
**Executive Chairman**

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