

Form 605
Corporations Act 2001
Section 671B

Notice of ceasing to be a substantial holder

To Company Name/Scheme Armour Energy Limited (Armour)

ACN/ARSN 141 198 414

1. Details of substantial holder (1)

Name AEGP Australia Pty Ltd (AEGP) and the persons set out at Annexure A

ACN/ARSN (if applicable) 605 683 798

The holder ceased to be a substantial holder on 18/08/2016
The previous notice was given to the company on 12/01/2016
The previous notice was dated 12/01/2016

2. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest (2) of the substantial holder or an associate (3) in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

| Date of change | Person whose relevant interest changed | Nature of change (4) | Consideration given in relation to change (5) | Class (6) and number of securities affected | Person's votes affected |
|----------------|--|---|---|---|-------------------------|
| 18/08/2016 | AEGP Australia Pty Ltd | Cessation of relevant interest in Armour shares resulting from the settlement and release deed dated 15 August 2016 (Settlement Deed) at Annexure B | The benefit of the terms of the Settlement Deed at Annexure B | 40,063,785 Ordinary Shares | 12.41% |
| 18/08/2016 | AELP NT Australia Holdings Ltd | Cessation of relevant interest pursuant to section 608(3) of the Corporations Act | N/A | 40,063,785 Ordinary Shares | 12.41% |
| 18/08/2016 | Arcadia Capital Australia, LLC | Cessation of relevant interest pursuant to section 608(3) of the Corporations Act | N/A | 40,063,785 Ordinary Shares | 12.41% |

3. Changes in association

The persons who have become associates (3) of, ceased to be associates of, or have changed the nature of their association (7) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

| Name and ACN/ARSN (if applicable) | Nature of association |
|-----------------------------------|-----------------------|
| N/A | N/A |
| N/A | N/A |

4. Addresses

The addresses of persons named in this form are as follows:

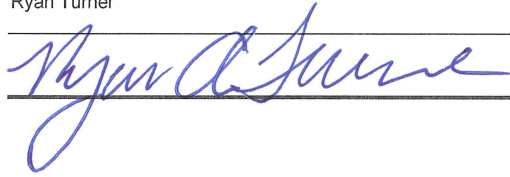
| Name | Address |
|--------------------------------|---|
| AEGP Australia Pty Ltd | C/- King & Wood Mallesons, Governor Phillip Tower Level 61, 1 Farrer Place, Sydney NSW 2000 |
| AELP NT Australia Holdings Ltd | Codan Services Limited, Clarendon House, Church Street, Hamilton HM 11, Bermuda |
| Arcadia Capital Australia, LLC | 301 N.W 63 rd , Suite 600 Oklahoma City OK 73116, United States of America |

Signature

print name Ryan Turner

capacity Director

sign here



date

8 / 18 / 16

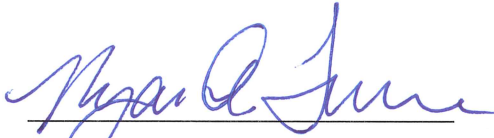
ANNEXURE A

This is Annexure A of one page referred to in Form 605 – Notice of ceasing to be a substantial holder.

Company ceasing to be a substantial holder: AEGP Australia Pty Ltd ACN 605 683 798

Table of other relevant interests, who are no longer substantial shareholders:

| Person | ACN (if applicable) | Place of incorporation |
|--------------------------------|---------------------|-----------------------------------|
| AELP NT Australia Holdings Ltd | | Bermuda |
| Arcadia Capital Australia, LLC | | Oklahoma, United State of America |



Signature

Ryan Turner

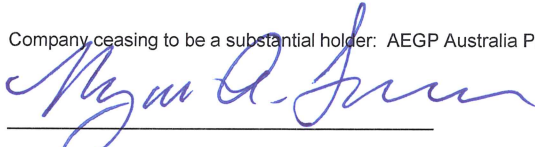
Print name

8-18-2016
Date

ANNEXURE B

This is Annexure B of 21 pages referred to in Form 605 – Notice of ceasing to be a substantial holder.

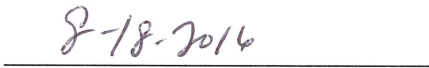
Company ceasing to be a substantial holder: AEGP Australia Pty Ltd ACN 605 683 798



Signature

Ryan Turner

Print name



Date

Armour Energy Limited

AEGP Australia Pty Ltd

Settlement and Release Deed

3466-5838-7715v1Ref: DJA.DM9118241

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Date 15 AUGUST 2016

Parties

Armour Energy Limited ACN 141 198 414 of Level 27, 111 Eagle Street, Brisbane, QLD 4000 (**Armour**)

AEGP Australia Pty Ltd ACN 605 683 798 of C/- King & Wood Mallesons Governor Phillip Tower Level 61, 1 Farrer Place, Sydney NSW 2000 (**AEGP**)

Background

- A On 11 September 2015, Armour and AEGP entered into the Farm-Out Agreement, Operating Agreement, Option Deed, Share Subscription Agreement.
- B On 11 September 2015, Armour executed the Deed Poll for the benefit of AEAQ. The obligations of Armour under the Deed Poll only existed from 11 September 2015 and were extinguished by the entry into the Farm-Out Agreement by Armour and AEGP. For the avoidance of doubt, Armour and AEAQ acknowledge that the Deed Poll is of no further effect.
- C On 14 January 2016, AEGP commenced proceedings against Armour by originating application in Supreme Court of Queensland proceeding 635 of 2016.
- D On 3 February 2016, Armour commenced proceedings against AEGP by claim and statement of claim in Supreme Court of Queensland proceeding 1235 of 2016. Proceeding 635 of 2016 was consolidated into proceeding 1235 of 2016 by order of the court dated 9 February 2016.
- E On 15 February 2016, AEGP filed its defence and counterclaim in proceeding 1235 of 2016. An amended defence and counterclaim was filed by AEGP on 4 March 2016 and a further amended defence and counterclaim on 21 March 2016.
- F Mr Aubrey Kerr McClendon died on 2 March 2016. Prior to his death, Mr McClendon was a director and the ultimate indirect owner of AEGP. Mr Tom J Bialock was appointed personal representative of the Estate of Mr McClendon by order of the District Court of Oklahoma County dated 13 May 2016.
- G The trial of proceeding 1235 of 2016 was heard by Justice Atkinson on 16, 17 and 18 March 2016.
- H AEGP is the owner of the Armour Shares.
- I On 14 July 2016, Justice Atkinson delivered judgment in proceeding 1235 of 2016, ordering the Farm-Out Agreement should be specifically performed.
- J AEGP is unable to specifically perform the Farm-Out Agreement as ordered by Justice Atkinson.
- K The parties have agreed to settle the Dispute on the terms set out in this deed.

Agreed terms

1 Definitions

In this document these terms have the following meanings:

| | |
|-----------------------------|---|
| AEAQ | American Energy – Acquisitions, LLC (a company registered in Oklahoma, United States of America) Filing Number 3512411927 of 301 NW 63 rd Street, Suite 600, Oklahoma City, OK, 73116, United States of America. |
| Arcadia Capital | Arcadia Capital, LLC (a company registered in Oklahoma, United States of America) Filing Number 3512388779 of 301 NW 63 rd Street, Suite 600, Oklahoma City, OK, 73116, United States of America. |
| Arcadia Security | The collateral provided by AEGP for the benefit of Arcadia Capital pursuant to: (a) the loan agreement dated 8 June 2016; and (b) the general security deed dated 8 June 2016. |
| Armour Debt | The sum of US\$13,000,000 owed by AEGP to Armour by reason that AEGP is unable to specifically perform the Farm-Out Agreement. |
| Agreements | The Farm-Out Agreement, Operating Agreement, Option Deed, Share Subscription Agreement and Deeds of Variation. |
| Armour Shares | the 40,063,785 shares in Armour held by AEGP, including any right or option in respect of those shares. |
| Ancillary Agreements | Without admission as to the existence of any such agreements, any other understandings, arrangements or agreements, or any other relationship giving rise to any rights or obligations, in writing or otherwise, arising between Armour and its Related Entities, on the one hand, and AEGP and its Related Entities, on the other hand, with the exception of this deed. |

| | |
|---------------------------------|---|
| Claims | All Liabilities, claims, demands, suits, causes of action, proceedings, accounts, cross-claims, loss, damages, debts, verdicts, orders (including any costs orders) and judgments whatsoever and however arising, known or unknown, direct or indirect, actual, constructive or contingent, whether at law or in equity or under any statute. |
| Confidential Information | The Confidential Information as defined in the Confidentiality Deeds. |
| Confidentiality Deeds | The following deeds: <ul style="list-style-type: none">(a) the confidentiality deed between Armour and AEAQ dated 17 July 2015; and(b) the confidentiality deed between Armour, AEGP and AEAQ dated 13 October 2015. |
| Court | The Supreme Court of Queensland. |
| Deeds of Variation | The following agreements: <ul style="list-style-type: none">(c) the deed of variation to the Farm-Out Agreement between Armour and AEGP dated 13 October 2015; and(d) the deed of variation to the Option Deed between Armour and AEGP dated 13 October 2015. |
| Deed Poll | Deed Poll dated 11 September 2015 executed by Armour for the benefit of AEAQ. |
| Dispute | All Claims arising out of, or relating in any way to, the: <ul style="list-style-type: none">(a) negotiations leading to the Agreements or the Deed Poll;(b) Agreements and the Deed Poll;(c) Ancillary Agreements;(d) performance of the Agreements, the Deed Poll or Ancillary Agreements;(e) any representations, warranties or undertakings relating to the Parties, the Agreements, the Deed Poll or the Ancillary Agreements, or the performance of Agreements, the Deed Poll or the Ancillary Agreements;(f) Proceedings;(g) Judgment; |

- (h) Arcadia Security and Security Interest; and
- (i) facts, matters and circumstances which gave rise to paragraphs (a) to (h) above.

Encumbrance Any mortgage, charge (whether fixed or floating), pledge, lien or other security interest of any kind.

Farm-Out Agreement The Farm-Out Agreement between Armour and AEGP entered into on 11 September 2015, as amended from time to time.

[REDACTED]

Judgment The judgment referred to in paragraph I of the Background to this deed.

Liabilities Any present or future liability, indebtedness or obligation for the payment or repayment of money, whether actual or contingent.

Operating Agreement The Operating Agreement between Armour and AEGP entered into on 11 September 2015.

Option Deed The Option Deed between Armour and AEGP entered into on 11 September 2015, as amended from time to time.

Orders Orders in the form attached as Annexure A.

Parties The parties referred to on page one of this document.

Proceedings Supreme Court of Queensland proceeding 635 of 2016 between AEGP and Armour and Supreme Court of Queensland proceeding 1235 of 2016 between Armour and AEGP.

Property Any property or asset owned legally or beneficially and including any present or future right or interest in:

- (a) shares, securities, units, options, convertible notes, equity, ownership interest or other instrument or a combination thereof;
- (b) rights or property attaching to or arising out of or otherwise in respect of the holding of an asset or any right or interest in any asset, including any dividends, distributions, profit or income;
- (c) real or personal property;

- (d) intellectual property;
- (e) loans or other financial indebtedness;
- (f) revenues, claims, rights of any description or causes of action.

| | |
|-------------------------------------|---|
| Related Parties | The current and former officers, directors, employees, partners, members, managers, shareholders, representatives, attorneys, agents, accountants, subsidiaries, parent companies, and other affiliates of a party, and each of their respective predecessors, successors, assigns, principals, and agents. |
| Security Interest | The security interest granted by AEGP to Arcadia Capital registered on the Personal Property Securities Register on 20 June 2016 (Registration number 201606200063428). |
| Share Subscription Agreement | The Share Subscription Agreement between Armour and AEGP entered into on 11 September 2015. |
| Termination Date | 19 August 2016. |

2 Armour Debt

2.1 Consent to Armour Debt

- (a) Armour and AEGP agree that the loss to Armour caused by the inability of AEGP to specifically perform the Farm-Out Agreement in accordance with the Judgment is the Armour Debt.
- (b) Subject to **clause 2.2**, Armour and AEGP agree that Armour is entitled to judgment for the Armour Debt.

2.2 Undertaking not to enter Judgment

- (a) Subject to this **clause 2**, provided AEGP complies with its obligations under **clauses 3 and 4** of this deed then Armour undertakes not to take any steps to enter judgment for the Armour Debt.
- (b) If within 12 months of the obligations in **clauses 3 and 4** being completed:
 - (i) the transactions in **clauses 3 and 4** of this deed are not set aside or held to be ineffective or unenforceable either wholly or in part on any basis; and
 - (ii) if Armour has not received notice of any intended application to set aside or render ineffective or unenforceable either wholly or in part on any basis the transactions in **clauses 3 and 4** of this deed;

then Armour acknowledges that AEGP has no further obligation in relation to the Armour Debt.

- (c) Should AEGP receive notice of any application or intended application to set aside the transactions in **clauses 3 and 4** of this deed, it must within 2 business days give written notice to Armour.

2.3 Consent to enter Judgment

If within 12 months of the obligations in **clauses 3 and 4** being completed, the transactions in those clauses are held to be ineffective or unenforceable either wholly or in part on any basis or if the transactions are set aside either wholly or in part:

- (a) Armour is entitled to enter judgment in the Proceedings for the Armour Debt and the costs of entering that judgment;
- (b) AEGP consents to judgment for the Armour Debt being entered and this deed may be relied upon as evidence of its consent;
- (c) an affidavit of behalf of Armour exhibiting a copy of this deed and stating that Armour is entitled to judgment pursuant to the terms of this deed will be sufficient evidence in support of the judgment for the Armour Debt;
- (d) Armour is entitled to enforce the judgment for the Armour Debt without restriction.

3 Release of the Arcadia Security

By the Termination Date, AEGP must deliver, or cause to be delivered, to Armour:

- (a) a deed of discharge and release in connection with AEGP's obligations under the Arcadia Security executed by Arcadia Capital;
- (b) a deed of release of any Encumbrance held by Arcadia Capital over any Property of AEGP, including under the Arcadia Security and the Security Interest executed by Arcadia Capital; and
- (c) confirmation that the registration of any Encumbrance held by Arcadia Capital over any Property of AEGP, including under the Arcadia Security and the Security Interest, has been removed from the Personal Property Securities Register.

4 Transfer of the Armour Shares

4.1 Transfer of the Armour Shares

By the Termination Date, AEGP shall;

- (a) cause a new wholly owned subsidiary to be incorporated, for the sole purpose of acquiring the Armour Shares (**Newco**) with one ordinary

- share on issue (**Newco Share**) (the documentation necessary for Newco to be prepared by Armour's lawyers at Armour's cost);
- (b) cause the Armour Shares to be transferred free of any further consideration and of all Encumbrances to Newco (the documentation necessary for such transfer to be prepared by Armour's lawyers, and any expenses in respect of such transfer, at Armour's cost);
 - (c) deliver to Armour an executed transfer of the Newco Share free of all Encumbrances to Armour;
 - (d) do all acts and things to transfer the Newco Share to Armour free of any further consideration;
 - (e) cause the director or directors of Newco to resign;
 - (f) cause each of the directors of Armour being Nicholas Mather, William Stubbs, Stephen Bizzell and Roland Sleeman, to be appointed as directors of Newco.

5 Termination of the Agreements

- (a) On the Termination Date, and conditional upon AEGP complying with its obligations under **clauses 3 and 4**, Armour and AEGP agree that the Agreements will immediately terminate.
- (b) Armour and AEGP agree that on termination of the Agreements pursuant to **clause 5(a)**:
 - (i) all rights and liabilities under the Agreements will extinguish, including any rights and obligations which purport to survive termination of the Agreements or the Deed Poll;
 - (ii) Armour and AEGP are not required to comply with any obligations under those agreements, including those expressed in the Agreements to survive termination; and
 - (iii) no other rights or liabilities arise as between the Parties by reason of the termination, whether under the Agreements or under the general law, except as set out in this deed.

6 Warranties

6.1 Warranties by all Parties

Each of the Parties warrants that:

- (a) it has relied on its own enquiries and has not entered into this document in reliance on or as a result of any representation, promise, statement, conduct or inducement to that party or on behalf of the other party otherwise than as set out in this document.
- (b) the matters set forth in the Background above are true and correct;

- (c) before signing this document it received independent legal advice as to the meaning and effect of the document; and
- (d) it is aware that each other party is relying upon these warranties in executing this document.

6.2 AEGP's Warranties

AEGP warrants and represents to Armour that:

- (a) AEGP has the legal right and full power and authority to enter into this deed and has taken all necessary action to authorise the execution, delivery and performance of this deed in accordance with its terms;
- (b) this deed constitutes a legally valid and binding obligation of AEGP enforceable in accordance with its terms;
- (c) the execution, delivery and performance of this deed by AEGP will not violate any provision of any Encumbrance or other document which is binding on AEGP and does not and will not result in the creation or imposition of any Encumbrance or restriction of any nature on any of its Property or the acceleration of the date of payment of any obligation existing under any Encumbrance or other document which is binding on AEGP;
- (d) once AEGP has obtained the releases and confirmations referred to in **clause 3**, the Armour Shares are, or will be:
 - (i) legally and beneficially owned by AEGP;
 - (ii) in the possession or under the control of AEGP; and
 - (iii) the absolute property of AEGP free of all Encumbrances and other third party rights including any Security Interest as defined in the *Personal Property Securities Act 2009* (Cth);
- (e) as at the date of it executing this deed, AEGP owns no Property, or has any entitlement to, right or interest in, any Property other than the Armour Shares and [REDACTED];
- (f) [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
- (g) AEGP will not take any steps in relation to Agreements which in any way arise out of, or are related to, the outcome of the Northern Territory election on 27 August 2016 and any subsequent laws or policies implemented by the successful government;
- (h) as at the date of executing this deed, AEGP is solvent.

6.3 Armour's Warranties

Armour warrants and represents to AEGP that:

- (a) Armour has the legal right and full power and authority to enter into this deed and has taken all necessary action to authorise the execution, delivery and performance of this deed in accordance with its terms;
- (b) this deed constitutes a legally valid and binding obligation of Armour enforceable in accordance with its terms.

7 Orders and No Appeal

- (a) AEGP agrees that it will not appeal the judgment of Justice Atkinson in Supreme Court proceeding 1235 of 2016.
- (b) Once AEGP has complied with its obligations under **clauses 3 and 4**:
 - (i) Armour and AEGP will consent to the Orders being made.
 - (ii) Armour must procure that its solicitors email Her Honour Justice Atkinson's Associate to request the Court make the Orders before 11 August 2016, or failing that, as soon as possible thereafter.

8 Release

On the Termination Date, and conditional upon AEGP complying with its obligations under **clauses 3 and 4**:

- (a) AEGP releases and discharges Armour and its Related Parties from all Claims which it has or which but for this document could, would or might at any time hereafter have or have had against Armour and its Related Parties in connection with or arising out of, either directly or indirectly, the Dispute;
- (b) Armour releases and discharges AEGP and its Related Parties from all Claims which it has or which but for this document could, would or might at any time hereafter have or have had against AEGP and its Related Parties in connection with or arising out of, either directly or indirectly, the Dispute, other than any Claims Armour has against AEGP in respect of the orders or judgment under **clause 2.3** of this deed.

9 Covenant not to sue

On the Termination Date, and conditional upon AEGP complying with its obligations under **clauses 3 and 4**, each of Armour and AEGP agree not to sue each other (and each other's respective Related Parties) in respect of any Claims which they have or which but for this document could, would or might at any time in the future, have had against each other in connection with or

arising out of, either directly or indirectly, the Dispute, other than any Claims Armour has against AEGP in respect of the orders or judgment under **clause 2.3** of this deed.

10 Bar to further Proceedings

On the Termination Date, and conditional upon AEGP complying with its obligations under **clauses 3 and 4**, this document may be pleaded as a full and complete defence by Armour, AEGP, and each of their respective Related Parties to any proceedings or claims arising out of the facts, matters and circumstances referred to in the Dispute, other than any Claims Armour has against AEGP in respect of the orders or judgment under **clause 2.3** of this deed.

11 No admission of liability

Nothing in this document constitutes an admission by any party to this document of any liability in respect of the Proceedings.

12 Costs of the Proceedings

Armour and AEGP will each pay their own costs of the Proceedings.

13 Confidentiality

13.1 Non Disclosure

The negotiations of the Parties, the subject matter, terms and existence of this deed must be kept confidential.

13.2 Disclosure

It is not a breach of **clause 13.1** for any party to disclose the negotiations of the Parties, the subject matter, terms and existence of this deed, if that disclosure:

- (a) is required by law or court order; or
- (b) is required for the purposes of any audit or accounting of a party or any Related Party; or
- (c) is made to any other entity for internal reporting or external auditing purposes where, for the purposes of that other entity's financial reporting obligations, the party to this document forms part of the economic entity of the other entity; or
- (d) is required by the listing rules of any stock exchange; or

- (e) is necessary to enforce or to give effect to the provisions and obligations under this document; or
- (f) is of information publicly available otherwise than as a result of a failure to observe obligations under this **clause 13**; or
- (g) is to the party's professional advisers, bankers, financial advisers and financiers, on receipt of a written undertaking from that person to keep the terms confidential;
- (h) is to a party's members, shareholders, subsidiaries, parent, insurers, directors, officers, managers, employees, agents, assigns and beneficiaries or any of them; or
- (i) is made with the prior written consent of the other party to this document. That consent must not be unreasonably withheld, but only to the extent necessary for that purpose.

13.3 Confidential Information

AEGP and AEAQ is required to keep confidential any Confidential Information provided to it under the Confidentiality Deeds.

14 Termination of this deed

If AEGP fails to comply with its obligations under **clauses 3 and 4**, then upon Armour providing written notice to Gilbert + Tobin Lawyers on behalf of AEGP, this deed will immediately terminate.

15 General

15.1 Stamp duty

- (a) As between the Parties, Armour is liable for and must pay all stamp duty (including any fine or penalty except where it arises from default by the other party) on or relating to this document, any document executed under it or any dutiable transaction evidenced or effected by it.
- (b) If a party other than Armour pays any stamp duty (including any fine or penalty) on or relating to this document, any document executed under it or any dutiable transaction evidenced or effected by it, Armour must pay that amount to the paying party on demand.

15.2 GST

- (a) Unless the context otherwise requires, expressions which are not defined, but which have a defined meaning in the *A New Tax System (Goods and Services Tax) Act 1999 (Cth)*, have the same meaning when used in this clause.

- (b) Unless otherwise expressly stated, all prices or other sums payable or consideration to be provided under or in accordance with this document are exclusive of GST. If the Commissioner of Taxation assesses GST on any supply made under or in accordance with this document and the consideration is exclusive of GST, the recipient of the taxable supply must pay to the supplier an additional amount equal to the GST payable on or for the taxable supply.
- (c) A party is not obliged to pay an amount under this clause, until given a valid tax invoice for the supply.
- (d) Where a party is required under or in connection with this document to pay for, reimburse or contribute to any expense, loss, liability or outgoing suffered or incurred by another party or indemnify another party in relation to such an expense, loss, liability or outgoing (**Reimbursable Expense**), the amount required to be paid, reimbursed or contributed by the first party will be reduced by the amount of any input tax credits to which the other party (or the representative member of a GST group of which the party is a member) is entitled in respect of the Reimbursable Expense.

15.3 Legal costs of this document

Each party must pay its own legal and other costs and expenses of negotiating, preparing, executing and performing its obligations under this document and any other document contemplated by this document.

15.4 Amendment

This document may only be varied or replaced by a document duly executed by the Parties.

15.5 Waiver and exercise of rights

- (a) A single or partial exercise or waiver by a party of a right relating to this document does not prevent any other exercise of that right or the exercise of any other right.
- (b) A party is not liable for any loss, cost or expense of any other party caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right.

15.6 Rights cumulative

Except as expressly stated otherwise in this document, the rights of a party under this document are cumulative and are in addition to any other rights of that party.

15.7 Consents

Except as expressly stated otherwise in this document, a party may conditionally or unconditionally give or withhold any consent to be given under this document and is not obliged to give its reasons for doing so.

15.8 Further steps

Each party must promptly do whatever any other party reasonably requires of it to give effect to this document and to perform its obligations under it.

15.9 Governing law and jurisdiction

- (a) This document is governed by and is to be construed in accordance with the laws applicable in Queensland.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Queensland and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

15.10 Assignment

- (a) A party must not assign or deal with any right under this document without the prior written consent of the other Parties.
- (b) Any purported dealing in breach of this clause is of no effect.

15.11 Liability

An obligation of two or more persons binds them separately and together.

15.12 Counterparts

This document may consist of a number of counterparts and, if so, the counterparts taken together constitute one document.

15.13 Entire understanding

- (a) This document contains the entire understanding between the Parties as to the subject matter of this document.
- (b) All previous negotiations, understandings, representations, warranties, memoranda or commitments concerning the subject matter of this document are merged in and superseded by this document and are of no effect. No party is liable to any other party in respect of those matters.
- (c) No oral explanation or information provided by any party to another:
 - (i) affects the meaning or interpretation of this document; or
 - (ii) constitutes any collateral agreement, warranty or understanding between any of the Parties.

15.14 Effect of execution

This document is not binding on any party unless it or a counterpart has been duly executed by each person named as a party to this document.

15.15 Construction

Unless expressed to the contrary, in this document:

- (a) words in the singular include the plural and vice versa;

- (b) any gender includes the other genders;
- (c) if a word or phrase is defined its other grammatical forms have corresponding meanings;
- (d) 'includes' means includes, without limitation;
- (e) no rule of construction will apply to a clause to the disadvantage of a party merely because that party put forward the clause or would otherwise benefit from it; and
- (f) a reference to:
 - (i) a person includes a partnership, joint venture, unincorporated association, corporation and a government or statutory body or authority;
 - (ii) any legislation or subordinate legislation includes any corresponding later legislation or subordinate legislation; and
 - (iii) an obligation includes a warranty or representation and a reference to a failure to comply with an obligation includes a breach of warranty or representation
- (g) '\$' or 'dollars' is a reference to Australian currency;
- (h) time is of the essence.

15.16 Deed

- (a) This document is a deed. Factors which might suggest otherwise are to be disregarded.
- (b) This document operates as a deed poll given by each Party in favour of and for the benefit of each person or entity having the benefit of the releases in **clause 8** of this deed, so that this deed may be directly enforced by, or on behalf of those persons.

Execution

Executed as a deed.

Executed by Armour Energy Limited)
)

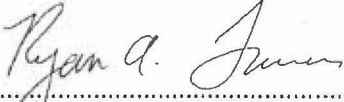

.....
Company Secretary/~~Director~~

KARL SCHLOBOKOV
.....
Name of Company Secretary/~~Director~~
(print)


.....
Director

NICHOLAS MATHEW
.....
Name of Director (print)

Executed by AEGP Australia Pty Ltd)
)


.....
Sole Director and Sole Company
Secretary

Ryan A. Turner
.....
Name of Sole Director and Sole Company
Secretary (print)

AEQ joins in the execution of this document solely for purposes of confirming that the matters set out in paragraph B of the Background and clause 13.3 are true and correct.

Signed, sealed and delivered by)
American Energy – Acquisitions, LLC)
by the party's attorney pursuant to power)
of attorney dated who states)
that no notice of revocation of the power of)
attorney has been received in the)
presence of:)
)

.....
Witness

.....
Name of Witness (print)

.....
Attorney

.....
Name of Attorney (print)

Execution

Executed as a deed.

Executed by Armour Energy Limited)
)


.....
Company Secretary/Director

KARL SCHROBOTENY
.....
Name of Company Secretary/Director
(print)


.....
Director

NICHOLAS PATERSON
.....
Name of Director (print)

Executed by AEGP Australia Pty Ltd)
)

.....
Sole Director and Sole Company
Secretary


.....
Name of Sole Director and Sole Company
Secretary (print)

AEAQ joins in the execution of this document solely for purposes of confirming that the matters set out in paragraph B of the Background and clause 13.3 are true and correct.

Signed, sealed and delivered by)
American Energy – Acquisitions, LLC)
by the party's attorney pursuant to power)
of attorney dated ~~11.26.15~~ who states)
that no notice of revocation of the power of)
attorney has been received in the)
presence of)


.....
Witness

Kiran A. Phansalkar
.....
Name of Witness (print)


.....
Attorney

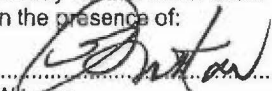
Thomas J. Blalock, Attorney-in-Fact
.....
Name of Attorney (print)

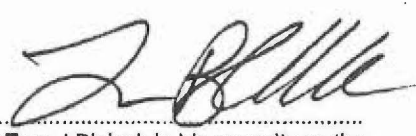
Corrs Chambers Westgarth

The Estate of Aubrey Kerr McClendon, in its capacity as the ultimate indirect owner of AEGP, joins in the execution of this document solely for purposes of consenting to the transactions contemplated herein.

Signed, sealed and delivered by Mr Tom)
J Blalock in his capacity as the)
personal representative of the Estate of)
Aubrey Kerr McClendon appointed)
pursuant to the order of the Oklahoma)
County District Court dated 13 May 2016,)
in the presence of:)

Witness


.....
Kiran A. Phansalkar
.....
Name of Witness (print)


.....
Mr Tom J Blalock in his capacity as the
personal representative of the Estate of
Aubrey Kerr McClendon

Annexure A
SUPREME COURT OF QUEENSLAND

REGISTRY: Brisbane
NUMBER: 1235/16

Plaintiff **ARMOUR ENERGY LIMITED ACN 141 198 414**

 AND

Defendant **AEGP AUSTRALIA PTY LTD ACN 605 683 798**

ORDER

Before: Justice Atkinson

Date: August 2016

Initiating document:

BY CONSENT, THE ORDER OF THE COURT IS THAT:

- 1 The proceedings be adjourned generally to a date to be fixed and may be brought back before the court on 7 days written notice.

- 2 If the proceedings are not brought back before the court within 18 months of the date of this order, then the proceedings are discontinued.

- 3 Each party is to pay its own costs of the proceedings and any previous costs orders in the proceedings are vacated.

Signed:
 Solicitor for the Plaintiff

Signed:
 Solicitor for the Defendant