



RESTRUCTURING ANNOUNCED – ARMSTRONG AND JOSEPH CAPITAL AGREEMENTS SIGNED

Avira Energy Limited (ASX:MGS) ('AVW' or 'the Company') is pleased to announce that Armstrong Industries HK Limited ('Armstrong') has signed a Termination Deed and a Subscription Agreement relating to Preference Shares agreeing to the following terms, subject to shareholder and regulatory approval:

- The Armstrong \$1,500,000 Convertible Notes due for redemption on 11 November 2017 plus interest due and payable thereunder will be converted into preference shares on a dollar for dollar basis at a conversion price of \$0.19 per preference share.
- Preference shares are to be issued in the same class and on the same terms as those already on issue to Cloud Adventurer Limited and Marvel Network Limited, namely:
 - Holders of preference shares rank equally with holders of fully paid ordinary shareholders in respect of dividends. Preference shareholders will have no voting rights at general meetings other than on matters relating to the modification of the rights attaching to the preference shares or matters requiring the consent of preference holders.
 - On a return of capital on liquidation of AVW, the preference shareholders will have the right to be paid in priority to any return of assets in respect of any other class of shares.
 - The preference holders have the right to convert all or some of the preference shares into ordinary shares at any time before the redemption of the preference shares, on a one for one basis.
 - Any unconverted preference shares may be redeemed by AVW at its sole discretion and
 - AVW has the right to convert all of the preference shares into ordinary shares at any time after 16 September 2021.

Furthermore, AVW is also pleased to announce that Joseph Capital (Hong Kong) Limited ('Joseph Capital') has signed a Termination Deed relating to the Unsecured Convertible Note Deed agreeing to the following terms, subject to shareholder and regulatory approval:

- Extinguishment of the \$500,000 Convertible Note due for redemption on 19 October 2017 and all remaining interest due and payable to Joseph Capital via the transfer of 16,949,176 Cauldron Energy Limited ('CXU') ordinary shares held by AVW, to Joseph Capital or its nominee.

Conversion of the Armstrong convertible notes to preference shares is conditional upon AVW obtaining shareholder approval for the extinguishment of the \$500,000 Convertible Note and all remaining interest due and payable to Joseph Capital via the transfer of 16,949,176 Cauldron Energy Limited ('CXU') ordinary shares held by AVW, to Joseph Capital or its nominee.

ASX RELEASE

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AVW

REGISTRY

Computershare

SHARES ON ISSUE

48,306,640

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Conversion and extinguishment of the Armstrong and Joseph Capital convertible notes are conditional upon all necessary shareholder and regulatory approval, including an application to the ASX for a waiver regarding the terms of the preference shares, similar to that granted in respect of the preference shares already on issue to Cloud Adventurer Limited and Marvel Network Limited.

A notice of meeting will be circulated to shareholders in due course.