

14 November 2019

ASX Announcement & Media Release

Financing update for the SNE field development

FAR Limited (ASX: FAR) has previously indicated that it has a broad range of financing options for the development of the SNE field under investigation. In anticipation, FAR has for some time been seeking the best debt financing solution for the Company.

As previously advised, there are a range of possible financing methods available for consideration, but we have been most pleased with the responses from a range of Australian and international banks and have decided to pursue a conventional bank lending arrangement as the preferred option.

As part of this process FAR has appointed Macquarie Bank Limited as an arranger of a debt facility to arrange and manage the syndication of the following facility:

- Facility amount of up to US\$350 million
- 7-year term
- All-in interest below 10% (margin + LIBOR⁽¹⁾)(payable on drawn funds)
- Commitment fee of 40% of margin (payable on undrawn funds)
- Senior secured on FAR's 13.67%⁽²⁾ interest in SNE with the support of a parent company guarantee from FAR Limited

FAR is targeting binding and committed terms upon completion of each banks' credit approval process on or before the end of 2019. While there is substantial progress on the financing, no commitment to provide finance has been provided to date, and credit approval and underwriting from the banks has not yet been achieved and therefore it is not certain that a financing will proceed as outlined.

FAR expects to make further announcements as this financing progresses.

FAR managing director Cath Norman, said, *"On October 30, FAR released the economic data for the development of the world class SNE oil field, offshore Senegal. SNE's robust project economics, underpinned by attractive fiscal terms and an experienced offshore operator has seen significant interest by banks over the last 3 months in providing a debt facility."*

Footnotes; 1- LIBOR is the London Inter-Bank Offer Rate and is currently 1.6% at 6 November 2019, 2- Post Petrosen accretion rights

For more information please contact:

FAR Limited

Cath Norman Managing Director

Angelique Callegari Investor Relations

T: +61 3 9618 2550

F: +61 3 9620 5200

E: info@far.com.au

Level 17, 530 Collins Street

Melbourne VIC 3000 Australia

far.com.au

