

25 March 2020

## *ASX Announcement & Media Release*

### **FAR update**

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FAR Limited (ASX: FAR) has implemented plans to ensure business continuity and preserve the Company's cash (~A\$150M at end of February 2020) in the wake of the COVID-19 pandemic and recent crash in oil price.

The FAR board recognises that this is an extraordinary business climate that is affecting FAR's ability to deliver work programs in all its assets. The Senegal and Gambian Governments have now closed their borders. Where possible, the company is looking to suspend expenditure and conserve FAR's cash until the global climate is more predictable and stable.

FAR operates a PEARL approach to risk mitigation and management in the company where the acronym stands for People, Environment, Assets, Reputation and Legal.

In order to keep our people safe at this time, FAR has adopted a work from home practice for its staff and contractors and this has been in place for the past week. With the nature of the FAR business being predominantly focused in Africa, all of our staff are used to working from home to accommodate the African time zone so this has been implemented with minimal disruption. FAR's Australian citizens who were traveling on business have returned and are completing the last few days of their mandatory isolation periods.

#### **Gambia Blocks A2 and A5**

As operator of the A2 and A5 blocks, offshore Gambia, FAR has been making preparations to drill an exploration well in the second half of this year. These plans now need to be adjusted as a result of the COVID-19 pandemic.

To remove the risk to FAR personnel and contractors, and in recognition that international supply of services is currently uncertain, FAR will be temporarily suspending the drilling plans. The project is currently at an early stage and at a good hold-point for reactivation at some time in the future. Other work in the block will be optimised to suit the business requirements and all licence obligations will continue. This program adjustment will be done in consultation with our partner Petronas and the Government of The Gambia.

FAR and its partners will continue to assess the situation on the ground with a view to reactivating the drilling project when it is safe and sensible to do so. Under the licence, the well is not obliged to be drilled until Q3 2021.

#### **Sangomar development, offshore Senegal**

In the current oil price and economic environment, FAR is working with the Operator, Woodside, and our joint venture partners to explore and evaluate all options to preserve and enhance the value of this world class development. Further details will be announced upon completion of the review, however, it will include how the costs can be reduced, expenditure delayed or both and any impact on the timeline to first oil.

FAR's discussions with financiers are materially compromised in the present market conditions. Disruptions caused by the COVID-19 pandemic and the crash in oil price are presenting challenges to our debt process. The company will provide further information as soon as possible.

## Annual General Meeting

FAR aims to hold the AGM as contemplated on 27 May 2020 but this year it will be available via the web. The Company will be working with Computershare, the corporate share registry, to finalise arrangements and instructions for shareholders will be mailed out with our Notice of Meeting towards the end of April.

FAR Managing Director Cath Norman, said, *"The rapid decline in oil prices has created a significant headwind for energy companies, and the board of directors feel it is prudent to adjust our spending levels in order to protect our balance sheet and ensure sustainability of our business based on our current understanding of market conditions. The Senegal JV is working to better understand the impact on the Sangomar development of the COVID-19 virus and we anticipate releasing an update in the near future."*

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### 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**

