

17 December 2020

ASX Announcement & Media Release

Remus Non-Binding Indicative Proposal

FAR Limited (ASX: FAR) has received a conditional non-binding indicative proposal from Remus Horizons PCC Limited, a private investment fund regulated by the Guernsey Financial Services Commission, to engage in further discussions and further investigations for the purpose of evaluating its capacity to make an offer or announce an intention to make an offer to acquire 100% of the shares of FAR at 2.1c cash per share (the "Proposal").

FAR cautions that the Proposal is not a legally binding offer, there is no certainty that the Proposal will necessarily eventuate, and that the Proposal terms are uncertain at this stage. Accordingly, care needs to be used in assessing the Proposal.

Remus has stated that the price represents a premium to the cash backing per share that would exist if FAR was to complete the sale of the RSSD project to Woodside Energy (Senegal) BV (which pre-empted the earlier proposed sale to ONGC Videsh Vankorneft Pte Ltd).

Remus has stated that it is conditional (amongst other things) on:

- The FAR shareholder meeting to consider approving the sale of the RSSD project scheduled for Monday 21 December 2020 being rescheduled.
- FAR providing access to management and information in relation to the RSSD project and Remus being satisfied with such information.
- No superior proposal emerging.

Remus has stated that the Proposal will be funded from available internal cash reserves and that any formal binding offer would not include any financing conditions.

Remus has stated that Remus is willing to discuss the possibility of making available a zero coupon bridge loan to FAR of up to US\$50 million from the date of any binding offer on terms and subject to conditions to be agreed to enable FAR to meet its valid funding calls in relation to its interest in the RSSD project and other necessary working capital requirements.

Remus has stated that it is well placed to move quickly to complete its confirmatory investigations and has committed to engage collaboratively with FAR to progress the Proposal. FAR is in the process of seeking clarification from Remus regarding various aspects associated with the Proposal.

In these circumstances, FAR has determined to postpone the shareholder meeting currently scheduled for 21 December 2020 to 10.00 am on 21 January 2021.

This will enable further time for FAR and its shareholders to be able to obtain further information in relation to the Proposal and assess the relative merits of the sale alternative and the Proposal. FAR will in due course distribute updated meeting information in this regard.

FAR has appointed Baker McKenzie to advise in relation to the Proposal.

This announcement has been authorised for release by the FAR Board.

For more information please contact:

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