

8 January 2021

ASX Announcement & Media Release

Update on Remus Proposal and Woodside Sale

FAR Limited (ASX: FAR) provides the following update in relation to its previous announcements regarding:

- The Remus conditional non-binding indicative proposal of a potential offer from Remus Horizons PCC Limited to acquire 100% of the shares in FAR at 2.1c cash per share ("Remus Proposal").
- The proposed sale by FAR of its interest in the RSSD project to Woodside Energy (Senegal) BV subject to FAR shareholder approval and certain other conditions ("Woodside Sale").

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

Subject to the qualification in the paragraph above, FAR has obtained further information from Remus in relation to the Remus Proposal as follows:

- Remus is presently finalising the funding arrangements in advance of making the proposed offer.
- The only internal and regulatory approval required to proceed with the offer is the final approval of the Remus Board and final review and confirmation of documentation.
- Remus is presently satisfied that it will not need to undertake any further due diligence on FAR.
- FIRB approval is not required and any offer made will not be conditional on FIRB approval.
- Any proposed offer is expected to be subject to a requirement that Remus achieves a controlling interest in FAR together with other customary conditions.

In these circumstances, FAR has determined to further postpone the shareholder meeting to consider approving the Woodside Sale currently scheduled for 21 January 2021 to 10.00 am on 18 February 2021.

This will enable further time for FAR shareholders to see if the Remus Proposal eventuates, if so assess its merits, and consider the Woodside Sale on the basis of more detailed information. FAR will in due course distribute updated meeting information in this regard. FAR is not presently inclined to further postpone the shareholder meeting to consider updates in relation to the Remus Proposal.

In the meantime, FAR is continuing to advance negotiations with Woodside in relation to the form of the Woodside Sale proposed contractual documentation following Woodside's pre-emptive rights exercise.

FAR advises that it is in the process of paying the RSSD project November 2020 cash call (US\$8.96 million plus interest) and the December 2020 cash call (US\$6.48 million plus interest). Following these payments, FAR's cash position is approximately US\$10.3 million.

Remus has also advised the terms that, subject to Remus board approval, it may make available to FAR a US\$50 million working capital loan facility ("Bridge Loan") to enable FAR to meet its cash calls under the RSSD project. FAR may wish to enter into the Bridge Loan, but is not obliged to do so. The terms of the Bridge Loan have not been negotiated or finalised. Details are intended to be disclosed at the time of announcement of any formal proposal, assuming the Remus Proposal proceeds.

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

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