



SAMUEL TERRY
ASSET MANAGEMENT

31 January 2022

Off-market takeover offer for FAR Limited (ACN 009 117 293) (ASX: FAR) at \$0.45 cash per share

Samuel Terry Asset Management Pty Ltd as trustee for Samuel Terry Absolute Return Active Fund (ABN 67 302 926 069) (**Bidder**) is pleased to announce an off-market takeover offer (the **Offer**) to acquire all the issued fully paid ordinary shares in FAR Limited (ACN 009 117 293) (ASX: FAR) (**FAR**) for \$0.45 cash per share (the **Offer Price**).

Bidder currently has a relevant interest of approximately 4.9% in FAR through the holding of Samuel Terry Asset Management Pty Ltd as trustee for Samuel Terry Absolute Return Fund. In making the Offer, Bidder is seeking to increase its interest in FAR to at least 50.1% (on a fully diluted basis).

Summary of the Offer

The Offer Price of \$0.45 per share is based on the closing price of FAR shares on ASX at the close of trading on 28 January 2022 (being the last trading day prior to the announcement of the Offer).

The Offer Price represents a premium of:

- 23.3% to the last closing price of FAR shares on ASX on 28 January 2022 of \$0.365; and
- 18.8% to the one month volume weighted average price of FAR shares of \$0.379.

The Offer provides investors with an opportunity to divest as much of their shareholding in FAR as deemed appropriate, in an orderly manner and without the need to pay brokerage fees, and with the opportunity to receive certain value.

The Offer is subject to a minimum acceptance condition of Bidder having a relevant interest in at least 50.1% of all FAR shares (on a fully diluted basis). The Offer is also conditional upon: no material adverse change in relation to FAR, the S&P/ASX200 index or the Brent Crude Futures Price; no material acquisitions, disposals or new commitments in relation to FAR and its subsidiaries; FAR declares no distributions; no regulatory action and customary no prescribed occurrences in relation to FAR. The Offer conditions are set out in full in the Appendix to this announcement.

The Offer is expected to open on 14 February 2022 and close at 7.00pm (Sydney time) on 14 March 2022, unless extended (although this is subject to change).

Bidder's Statement

Bidder will lodge a copy of its Bidder's Statement with ASIC, and send a copy to FAR and the ASX, today. The Bidder's Statement will contain detailed information relevant to the Offer, including how to accept. The Bidder's Statement is expected to be sent to FAR's shareholders on or about 14 February 2022 (although this is subject to change).

Media Enquiries

Fred Woollard
Director, Samuel Terry Asset Management Pty Ltd
fred@samuelterry.com.au
0400 001 976

Legal Advisor

Allens > Linklaters

About Samuel Terry Asset Management

Samuel Terry Asset Management Pty Ltd (**STAM**) is making the offer in its capacity as trustee for Samuel Terry Absolute Return Active Fund. STAM is a boutique investment management company based in Sydney established in April 2004. It is the investment manager and trustee of the Samuel Terry Absolute Return Active Fund and Samuel Terry Absolute Return Fund which are trusts whose units are stapled together to form the Samuel Terry Absolute Return Group (the **Fund**). The size of the Fund is approximately \$420 million. The Fund invests in Australian and international debt and equity securities, which may be listed or unlisted, and derivatives.

Further information about STAM and the Fund are available on STAM's website, <https://www.samuelterry.com.au>.

Appendix

Conditions of the Offer

The Offer will be subject to the following conditions:

1 Minimum acceptance

During, or at the end of, the Offer Period, the number of Shares in which Bidder has Relevant Interests in is at least 50.1% of all Shares (on a fully diluted basis).

2 No material acquisitions, disposals or new commitments

Except for any proposed transaction publicly announced by FAR before the Announcement Date, during the period from the Announcement Date and the end of the Offer Period (each inclusive) neither FAR nor any other entity within the FAR Group:

- (a) acquires or disposes of, or enters into or announces any agreement for the acquisition or disposal of, any asset or business, or enters into any corporate transaction, which would or would be likely to involve a material change in:
 - (i) the manner in which FAR or the FAR Group as a whole, conducts its business; or
 - (ii) the nature (including balance sheet classification), extent or value of the assets or liabilities of FAR or the FAR Group as a whole;
- (b) without limiting the generality of paragraph 2(a), does, agrees to do, announces an intention to do, or discloses the existence of (without having disclosed to ASX prior to the Announcement Date) any of the following:
 - (i) make any change to its constitutional documents;
 - (ii) commence business activities not already carried out as at the Announcement Date;
 - (iii) acquire, lease, dispose of any business, assets, entity or undertaking, the value of which exceeds US\$5,000,000 (individually or in aggregate);
 - (iv) enter into any contract or commitment (including in respect of financial indebtedness) requiring payments by the FAR Group in excess of US\$5,000,000 (individually or in aggregate) other than any payment required by law; or
 - (v) incur capital expenditure of more than US\$5,000,000 (individually or in aggregate).

3 No restraints

Prior to the end of the Offer Period:

- (a) there is not in effect any temporary or final order, decision or decree issued by any court of competent jurisdiction or Public Authority;
- (b) no action or investigation is announced, commenced or threatened by any Public Authority; and
- (c) no application is made to any Public Authority (other than by Bidder or any of its Associates),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel under, or relating to a breach of, Chapter 6, 6A, 6B or 6C of the Corporations Act or relating to unacceptable circumstances within the meaning of section

657A of the Corporations Act), the effect of which restrains, prohibits, threatens to restrain or prohibit, or otherwise materially adversely impacts upon, the making of the Offer or the acquisition of any Shares under the Offer.

4 No material adverse change

- (a) Between and including the Announcement Date and the end of the Offer Period, no change, event, circumstance, occurrence or matter occurs, is announced, is disclosed or otherwise becomes known to Bidder or the FAR Board (whether it becomes public or not) which (whether individually or when aggregated with all such changes, events, circumstances, occurrences or matters) has had or is reasonably likely to have the effect of a diminution in the value of the consolidated net assets of the FAR Group, taken as a whole, of at least US\$5,000,000, as against the consolidated net asset position of the FAR Group as at 30 June 2021, except for any change, event, circumstance, occurrence or matter publicly announced by FAR to the ASX prior to the Announcement Date.
- (b) Between and including the Announcement Date and the end of the Offer Period, the S&P/ASX 200 index is not below 5,500 at any time on any ASX trading day.
- (c) On any day between and including the Announcement Date and the end of the Offer Period, the Brent Crude Futures Price for the quoted day is not below US\$65 per barrel.

5 No Prescribed Occurrences

During the period from the date of this Bidder's Statement to the end of the Offer Period (each inclusive), none of the following occurrences (each a **Prescribed Occurrence**, being the prescribed occurrences listed in section 652C of the Corporations Act) happens:

- (a) FAR converts all or any of its shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (b) FAR or a subsidiary of FAR resolves to reduce its share capital in any way;
- (c) FAR or a subsidiary of FAR enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) FAR or a subsidiary of FAR issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option (including in connection with any performance awards under any FAR Group performance plan);
- (e) FAR or a subsidiary of FAR issues, or agrees to issue, convertible notes;
- (f) FAR or a subsidiary of FAR disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) FAR or a subsidiary of FAR charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) FAR or a subsidiary of FAR resolves to be wound up;
- (i) a liquidator or provisional liquidator of FAR or of a subsidiary of FAR is appointed;
- (j) a court makes an order for the winding up of FAR or of a subsidiary of FAR;
- (k) an administrator of FAR or of a subsidiary of FAR is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) FAR or a subsidiary of FAR executes a deed of company arrangement; or

- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of FAR or a subsidiary of FAR.

6 No distributions

Between the Announcement Date and the end of the Offer Period (each inclusive) FAR does not make, determine as payable or declare any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).

Definitions used in Appendix

Announcement Date means 31 January 2022.

ASIC means the Australian Securities and Investments Commission.

Associates has the meaning set out in section 12(2)(b) and (c) of the Corporations Act, where for the purposes of section 12, the 'designated body' is FAR.

ASX means ASX Limited (ABN 98 008 624 691) or, as the context requires, the financial market operated by it.

Bidder means Samuel Terry Asset Management Pty Ltd (ACN 108 611 785) as trustee for Samuel Terry Absolute Return Active Fund (ABN 67 302 926 069).

Bidder's Statement means the bidder's statement to be prepared by Bidder in relation to the Offer and includes any supplementary or replacement bidder's statement.

Brent Crude Futures Price means the un-weighted arithmetic intraday average of all settlement prices of the ICE Brent Crude Futures monthly contract for the front month as published by the Intercontinental Exchange.

Corporations Act means the *Corporations Act 2001* (Cth).

FAR means FAR Limited (ACN 009 117 293).

FAR Group means FAR and its Subsidiaries as at the date of this Bidder's Statement.

Offer means an off-market takeover offer to be made by Bidder under Chapter 6 of the Corporations Act to acquire all of the Shares, including as varied or extended in accordance with the Corporations Act.

Offer Period means the period during which the Offer will remain open for acceptance by Shareholders.

Public Authority means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister, ASIC, ASX, the Takeovers Panel and any regulatory organisation established under statute or any stock exchange.

Relevant Interest has the meaning given to that term in sections 608 and 609 of the Corporations Act.

Shareholder means a person registered in the register of members of FAR as a holder of Shares.

Shares mean fully paid ordinary shares in FAR.

Subsidiary has the meaning given to that term in the Corporations Act.