

24 December 2019

ASX Announcement & Media Release

Sangomar Field Development, FID and Financing Update

FAR Limited (ASX: FAR), as a partner in the Sangomar Field Development offshore Senegal, provides the following end of year update for shareholders.

Senegal Government Delegation Visit to Australia

The Minister of Petrole and Energies, Mouhamadou Makhtar Cisse and the Director General of Petrosen (the State oil company of Senegal), Mamdou Faye, accompanied by a delegation of Senegalese dignitaries recently visited FAR's offices in Melbourne to meet the FAR team and attend meetings with the FAR Board and senior managers and attended a reception organised by FAR which was also attended by Leigh Kennedy, the Energy Manager from the Australian Trade and Investment Commission and Michael Bula, Consulate General of the Republic of Senegal. This successful visit has further cemented the strong relationship between FAR and the people of Senegal.



Minister Cisse with FAR's Managing Director, Cath Norman and Chairman Nic Limb in the FAR offices and the delegation enjoys a walk around the Melbourne CBD.

Development Activities

The 2020 Work Program and Budget (WP&B) has been unanimously approved by the joint venture and will now be submitted to the Minister of Energy for consideration as part of the process for approval of the Development and Exploitation Plan, expected by Presidential decree in the coming weeks.

FID Update

Following the successful A\$146 million equity placement on 12 December 2019, on 19 December, FAR's board of directors met and unanimously gave their support for FAR to take FID for the Sangomar field development on the basis that FAR will receive binding and committed financing term sheets for the senior debt facility and conditional on the Operator taking their unconditional FID.

Financing Activities

Further to FAR's conditional equity placement announcement of 12 December 2019, the FAR team continues to make progress with the required financing for the Sangomar field development.

Senior Debt

FAR is pursuing a senior secured Reserve Based Lending (RBL) facility from a number of financial institutions including, as previously announced, Macquarie Bank. Negotiations are continuing and the Company is pleased with the material progress that has been made in the past weeks, including agreement on an initial facility limit of US\$300 million and a long-form term sheet.

During the week ending 20 December, two banks advised that their participation in the RBL had received credit approval. A third bank advised it will seek credit approval during the week of 6 January 2020. FAR expects to announce further details on the RBL facility immediately following this institution's credit committee, but in any event before the shareholder general meeting scheduled for 16 January 2020.

Junior Debt

FAR has received a number of proposals to provide a junior debt facility. FAR remains in discussions with several potential junior debt providers including international oil traders.

Equity Raising

As previously advised, the recent equity placement is conditional on a shareholder meeting and finalising a senior debt term sheet.

FAR managing director Cath Norman, said, *"It has been an eventful end to the year for the FAR team, firstly in enjoying a visit from the Senegal Minister of Energy and the Director General of Petrosen who led a delegation visiting the FAR offices in mid-December. In the run-in to the Christmas break, we have confirmed that 2 of the 3 lead arrangers to our debt facility have completed their internal credit approvals and the third lead arranger will be following 6 January next year. It is very pleasing that FAR's financing is coming together, ready to commence the execution phase of the field development and exploitation in January 2020.*

The Government of Senegal remains committed to closing out all existing issues before the end of the year and the Joint Venture expects to receive the Presidential decree confirming the Exploitation Authorisation in the coming weeks. These events are aimed to coincide with each party to the Joint Venture taking their FID's in time for the project execution to start-up.

FAR will update shareholders as more information comes to bear regarding the project progression to FID and financing.

We look forward to welcoming shareholders to our General Meeting on 16 January and wish all of our shareholders a Merry Christmas and best wishes for 2020."

This announcement has been approved for release by the FAR Limited disclosure committee.

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