



ABN 41 009 117 293

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact

Control Number:

SRN/HIN:



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10.00 am (Melbourne time) Saturday 19 December 2020**.

18 November 2020

Dear Shareholders,

I write to provide you with details of FAR Limited's forthcoming General Meeting, to be held online at 10am on 21 December 2020. This meeting has been convened for the sole purpose of seeking shareholder approval for the Company's proposed sale of our Senegal asset to ONGC, as announced to the market on 11 November 2020.

Since the initial discovery, the oil price and investment climate for oil and gas has been extremely volatile. With a strengthening of the oil price at the end of 2019 and forecast growth in demand for oil consumption in emerging economies bolstering the market outlook, FAR was poised to continue its participation in the Senegal Field Development through to cash flow in 2023. Regrettably, the COVID-19 pandemic has caused the deepest recession in memory and a tightening of capital lending to oil developments has meant that FAR's debt arrangements could not be finalised and consequently, the Board took the decision to sell all or part of the RSSD project. This decision was in the face of the Joint Venture committing to the development in December 2019. As a result, and without certainty that FAR could restore its debt facilities within the appropriate timeframe, FAR faced the considerable risk of forfeiture of the asset.

The proposed sale to ONGC is the result of a seven-month process in which many international oil companies reviewed the opportunity. We are pleased to have agreed terms with ONGC and look forward to satisfying the conditions precedent for the sale, which includes a vote for shareholder approval, and completing the transaction around the end of January.

Pursuant to the Joint Operating Agreement, our co-venturers in the RSSD project have been offered the right to pre-empt the sale and purchase FAR's interest under the same terms and conditions as ONGC. In either case, FAR requires shareholder approval and hence, at our General Meeting in December, we are seeking approval to sell to ONGC or a pre-empting co-venturer.

The sale of the Senegal asset is important for our company and I urge all shareholders to vote FOR this resolution. As you will read in the Notice of Meeting and FAR's announcements since March, without any debt facility, FAR cannot afford to continue to participate in the Sangomar Field Development. The sale will free FAR of this obligation going forward and leave us with the capital to pursue our projects in The Gambia and Guinea-Bissau and forge a new strategy for the future.

The meeting will be held online due to ongoing COVID-19 related restrictions. The full Notice of Meeting and details on how to participate and vote at the online meeting can be found on our website www.far.com.au/gm. In summary:

- The General Meeting will be made accessible to shareholders via an online platform and includes facilities for shareholders to view and hear the discussion and to submit questions in relation to the business of the meeting. You can register to attend the meeting at www.far.com.au/gm. We encourage you to pre-register in order to receive the meeting details in advance.

- Voting in real time will be available directly through <https://web.lumiagm.com/> (meeting ID 317-957-256) using your HIN/SRN and the post code of your registered address. Overseas shareholders should use their country code in place of an Australian post code. Online voting registration will open 30 minutes prior to the meeting. For further information you can find the Lumi Online Voting Guide at www.far.com.au/gm.
- Shareholders who are unable to participate online, should lodge your proxy online or by post in accordance with the Notice of Meeting and your proxy form.

The Directors encourage you to participate in the shareholder meeting by lodging a proxy form in advance of the meeting. You can also raise questions of the Company in advance of the meeting by emailing your questions to info@far.com.au

I thank our shareholders for their support and patience over the course of 2020.

Yours sincerely

Nicholas Limb
Chairman