



ABN 41009 117 293

Addendum to Notice of General Meeting and Explanatory Statement

For the General Meeting which was to be held at 10.00am (Melbourne time) on Monday, 21 December 2020 which has been postponed to, and which is rescheduled to be held at, **10.00am (Melbourne time) on Thursday, 18 February 2021** or at any adjournment or further postponement thereof.

Due to the ongoing COVID-19 related restrictions on gatherings and travel the General Meeting will be held virtually.

This is an important document. Please read it carefully.

This document is an addendum to the Notice of General Meeting (“Notice”) and accompanying Explanatory Statement dated 18 November 2020 for the General Meeting of FAR Limited shareholders that was scheduled to be held on Monday, 21 December 2020 (“Addendum”).

This Addendum supplements the Notice and Explanatory Statement and should be read together with the Notice and Explanatory Statement.

A new Proxy Form is provided with this Addendum for shareholders wishing to change a Proxy Form which has already been submitted or to submit a Proxy Form for the first time.

TIME AND PLACE OF RESCHEDULED MEETING, PROXY FORM AND LOGISTICAL MATTERS

Date of Postponed General Meeting

As previously announced, the General Meeting of the shareholders of the Company scheduled to be held at 10.00am (Melbourne time) on Monday, 21 December 2020 has been postponed and will now be held at **10.00am (Melbourne time) on Thursday, 18 February 2021** or at any adjournment or further postponement thereof (“Postponed Meeting”).

The Postponed Meeting will be held virtually and the details to access the Postponed Meeting are unchanged from that set out in the Notice. The Postponed Meeting will be broadcast by Encore Events Technology. Shareholders can view and participate in the meeting by registering to attend at www.far.com.au/gm.

The postponement enables shareholders to obtain and consider further information in relation to the proposal from Remus Horizons PCC Limited to acquire 100% of the shares of the Company ("Remus Proposal") which was first announced to ASX on 17 December 2020 and which is further described in the Addendum.

As at the date of this Addendum, the Remus Proposal remains non-binding and has not been formalised. FAR cautions that there is no certainty that the Remus Proposal will necessarily eventuate and care needs to be used in assessing the Remus Proposal at this time.

The business described in the Notice as supplemented by this Addendum is the subject of the Postponed Meeting. That business comprises the following:

RESOLUTION 1 – DISPOSAL OF INTEREST IN THE RSSD PROJECT

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 11.2 and for all other purposes, approval is given for the disposal of the Company's interest in the RSSD Project on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

For reasons of brevity, this Addendum does not generally repeat information contained in the Notice which should be read in conjunction with this Addendum.

Capitalised terms used in this Addendum which are not defined in it have the same meaning given in the Notice.

Voting by Proxy

A new Proxy Form accompanies this Addendum and is being provided to all shareholders. Shareholders are advised that:

- If you have already voted and do not wish to change your proxy vote, you do not need to take any action. The Proxy Form you previously submitted remains valid and will be accepted by the Company.
- If you have already submitted a Proxy Form and you wish to change your proxy vote, please complete and return the new Proxy Form accompanying this Addendum.
- If you have not returned a Proxy Form, please complete and return the new Proxy Form accompanying this Addendum.

If you choose to submit a new Proxy Form, you must send the completed and signed Proxy Form by post to Computershare, GPO Box 242, Melbourne, Victoria 3001; or by facsimile to Computershare on facsimile number outside Australia +61 (3) 9473 2555 or within Australia 1800 783 447 so that it is received not later than **10.00am (Melbourne time) on Tuesday, 16 February 2021**. Proxy Forms received later than this time will be invalid.

Shareholders are advised to read the instructions on how to vote which are included in the Notice and on the Proxy Form.

Voting Entitlement

Paragraph 2 under the sub-heading “Notes” is replaced as follows:

For the purposes of the Corporations Act, securities will be taken to be held by persons who are registered holders as at 7.00pm (Melbourne time) on 16 February 2021.

Voting Exclusions

The same voting exclusions contained in the Notice apply to the Postponed Meeting.

Voting online during the meeting

Voting at the meeting can be accessed 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 see the [Lumi Lite – Online Voting Guide Here](#).

Shareholders who are unable to participate online, should lodge their proxy in accordance with the Notice of Meeting and this Addendum.

Enquiries

Shareholders are invited to contact the Company Secretary, Elisha Larkin, on +61 3 9618 2550 if they have any queries in respect of the matters set out herein.

This Addendum is dated 8 February 2021



Elisha Larkin, Company Secretary

SUPPLEMENTARY INFORMATION FOR EXPLANATORY STATEMENT

The Company provides shareholders with the following supplementary information, which supplements the information contained in the Explanatory Statement forming part of the Notice. Please refer to the Explanatory Statement forming part of the Notice if you wish to remind yourself of the background in this regard, a copy of which can be accessed [here](#).

A. Non-Binding Indicative Proposal from Remus announced on 17 December 2020

On 17 December 2020, the Company announced to ASX that it had 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 the Company at 2.1c cash per share (the "Remus Proposal"). The Company cautioned that the Remus Proposal was not a legally binding offer, there was no certainty that the Proposal will necessarily eventuate, and that the Remus Proposal terms were uncertain at that stage. Accordingly, the Company noted that care needed to be used in assessing the Remus Proposal.

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

The Company noted that Remus stated that the Remus Proposal was conditional (amongst other things) on:

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

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

The Company noted that Remus has stated that Remus is willing to discuss the possibility of making available a zero, coupon bridge loan to the Company 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.

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

In these circumstances, the Company advised that it had determined to postpone the shareholder meeting currently scheduled for 21 December 2020 to 10.00 am on 21 January 2021.

The Company noted that this will enable further time for the Company and its shareholders to be able to obtain further information in relation to the Remus Proposal and assess the relative merits of the Woodside Sale alternative and the Remus Proposal. The Company noted that it would in due course distribute updated meeting information in this regard.

The Company noted that it had appointed Baker McKenzie to advise in relation to the Remus Proposal.

B. Update on Remus Proposal and Woodside Sale announced on 8 January 2021

On 8 January 2021, the Company announced to ASX that, subject to the qualifications relating to the non-binding nature of the Remus Proposal, the Company 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 the Company.
- 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 the Company together with other customary conditions.

In these circumstances, the Company announced that it 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**.

The Company noted that this will enable further time for 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. The Company noted that it will in due course distribute updated meeting information in this regard. The Company noted that it was not presently inclined to further postpone the shareholder meeting to consider updates in relation to the Remus Proposal.

The Company noted that In the meantime, it was 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.

The Company advised that it was 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, the Company's cash position as at 8 January 2021 was approximately US\$10.3 million.

The Company noted that Remus had also advised the terms that, subject to Remus board approval, it may make available to the Company a US\$50 million working capital loan facility ("Bridge Loan") to enable the Company to meet its cash calls under the RSSD project. The Company 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.

C. Signing of RSSD Project Sale Contract with Woodside announced on 20 January 2021

On 20 January 2021, the Company announced to ASX that it had executed a Sale and Purchase Agreement with Woodside in relation to the Woodside Sale.

The Company noted that the agreement was on the same terms and conditions as the previously announced sale to ONGC Videsh Vankoreft Pte Ltd which Woodside pre-empted, details of which are detailed in the Company's Notice of Meeting dated 18 November 2020.

The Company noted that shareholders are due to consider authorising the agreement at a shareholders meeting to be held on 18 February 2021 and that the Company would provide shareholders with further information in advance of that meeting. Such information will enable them to consider the Woodside sale in the context of the Remus Proposal (should Remus provide the Company with a binding proposal prior to the shareholder's meeting). The Company noted that at this time the Remus Proposal was non-binding and conditional on the Woodside Sale not occurring.

D. Cash Position and Impact if the Woodside Sale is Not Approved

As at 31 January 2021, the Company's cash position was approximately US\$9.9 million. All RSSD Project cash calls for the 2020 calendar year have been paid.

The Company is currently in default with respect to its January 2021 RSSD Project cash call of US\$19.9 million. FAR anticipates remaining in default until completion of the Woodside Sale (assuming it occurs) at which time Woodside will assume responsibility for attending to payment. FAR has until mid-July 2021 to remedy the default or risk losing its interest in the RSSD Project.

If shareholders do not approve the Woodside Sale and the Remus Proposal proceeds, the Company may be able to enter into a Bridge Loan with Remus on the basis as described above to meet its cash calls.

If shareholders do not approve the Woodside Sale and the Remus Proposal does not proceed, in the absence of any other material development that may arise in the future, the Company is not likely to be able to meet its cash calls.

E. Status of the Conditions and Timing associated with the Woodside Sale

The Woodside Sale is subject to various conditions precedent (which the parties need to use reasonable endeavours to satisfy), including the following:

- The written approval of the Minister of Petroleum and Energies for the Republic of Senegal to the transfer of the Transferring Interest to the Purchaser being obtained. The Company has sought such approval. Approval is not expected to be obtained prior to the shareholders meeting. The Company does not know any reason why such approval would not be forthcoming in due course.
- Shareholder Approval - ASX Listing Rule 11.2 requires that the Company obtains shareholder approval in relation to the Woodside Sale. This is the reason for the approval currently being sought at the shareholders meeting. No break fee is payable by the Company to Woodside if shareholders decline to provide their approval.

Third Party Agreement Termination - The Woodside Sale is subject to the termination or satisfactory resolution of an agreement between the Company and a third party, details of which are currently commercial in confidence. There has only been very minor progress in this regard, and the current status of this is uncertain. Woodside has the discretion to waive this condition.

The Woodside Sale does not require FIRB approval since it does not involve the sale of an Australian asset.

The Woodside Sale agreement includes other provisions which are customary for a sale and purchase agreement of its type, such as vendor warranties, vendor and purchaser indemnities and certain rights for Woodside to terminate following the occurrence a material adverse event that cannot be remedied.

The Company is presently contemplating completion of the Woodside Sale during April 2021. However, the timing of completion cannot be definitively determined at this time.

The Woodside Sale agreement allows for up until early June 2021 for satisfaction of the conditions or such later date as is agreed.

F. Impact if the Woodside Sale is Approved and Completes

If the Woodside Sale is approved by shareholders and completes, the Company is expected to have consolidated total assets relating to exploration and evaluation assets associated with its interests in The Gambia and Guinea-Bissau in the order of US\$5 million. In addition, the Company expects to have cash of approximately US\$130 million and no debt. This would position the Company to continue its exploration in its highly prospective Gambian and Guinea-Bissau acreage and execute a new long-term strategy.

G. Directors Recommendation and Chairman's Voting Intentions

The Directors note that the Remus Proposal is inherently uncertain as at the date of this Addendum. The Directors also note that the shareholders meeting has been postponed twice from the original date of 21 December 2020 to allow the Remus Proposal to become a binding offer. As at the date of this Addendum this has not eventuated.

In the absence of a binding Remus Proposal or any alternative offer which may emerge, the Directors unanimously recommend that shareholders vote in favour of the resolution.

In the absence of a binding Remus Proposal or any alternative offer which may emerge, the Chairman of the meeting intends to vote undirected proxies in favour of the resolution.

In exceptional circumstances, the Chairman of the meeting may change his/her voting intention, in which case an ASX announcement will be made.

If a binding Remus Proposal eventuates or an alternative offer emerges, the Directors will update shareholders accordingly and may reconsider their recommendation and the Chairman's voting intentions as outlined above.