

14 April 2021

ASX Announcement & Media Release

Remus Takeover Offer

FAR Limited (ASX: FAR) advises that it has received the accompanying letter from Remus Horizons PCC Limited advising its intention to make a takeover offer for FAR shares at 2.1 cents per share.

The proposed takeover is conditional only on shareholders rejecting the sale of FAR's interest in the RSSD Project and the FAR Directors confirming that there is no intention to dispose of this interest prior to the closing of the takeover offer.

FAR shareholders are due to consider approving this sale at a shareholders' meeting which has been convened for tomorrow, 15 April 2021.

The FAR Board recognises that FAR shareholders are likely to want an opportunity to consider the implications of this prior to voting on the sale resolution.

Accordingly the FAR Board intends to address this development as the first item of business at the meeting, including whether shareholders would seek more time to consider its implications.

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

For more information please contact:

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14 April 2021

The Directors
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OFF-MARKET TAKEOVER OFFER BY REMUS HORIZONS PCC LIMITED FOR FAR LIMITED

Remus Horizons PCC Limited (acting for and solely on behalf of, and solely in relation to, its Cleopatra Cell), a private investment fund regulated by the Guernsey Financial Services Commission and incorporated as a protected cell company in the Island of Guernsey with registration number 67754 (**Remus**), hereby confirms its intent to proceed to make an off-market takeover offer (**Remus Offer**) for all of the ordinary shares in FAR Limited (ACN 009 117 293) (**FAR**) for A\$0.021 cash per FAR share (**Share**).

Remus requests that FAR publicly release this letter on the ASX announcements platform.

The Remus Offer presents a clear alternative for FAR shareholders (**Shareholders**) to the proposed sale of FAR's entire interest in the Production Sharing Contract for the Rufisque, Sangomar, and Sangomar Deep Offshore Blocks offshore Senegal and the Sangomar JOA (**RSSD Project**) to Woodside Limited (**Woodside**) which is to be considered by Shareholders at an Extraordinary General Meeting presently scheduled for 15 April 2021 (**Asset Transaction**). Specifically:

- The Remus Offer price of A\$0.021 per Share represents approximately 23% more than the cash backing of A\$0.0171 per Share that would exist if FAR was to proceed to complete the sale of its interest in the RSSD Project in accordance with the Asset Transaction, as originally announced by FAR on 11 November 2020¹ and Woodside's subsequent exercise of its right of pre-emption² and entry into the Woodside Sale Agreement as announced by FAR on 20 January 2021; and
- The Remus Offer provides a route whereby Shareholders may exit their investment for cash at a price which represents superior value compared with remaining a Shareholder and should be seen as attractive when considered in the context of the significant risks and uncertainties of remaining a Shareholder, including:

¹ The FAR announcement of 11 November 2020 states that, on completion of the Asset Transaction, "FAR's estimated cash position is expected to be approximately US\$130 million". At a 0.76/1.00 exchange rate, this is equal to A\$171 million, or A\$0.0171 per Share. The Offer Price of A\$0.021 is 23% higher than A\$0.0171.

² Woodside's pre-emption is on the same terms and conditions as the proposed sale to ONGC.

- the inability to sell shares while FAR remains suspended from quotation on the ASX;
- FAR's stated intention to use proceeds from the proposed Asset Transaction to rebuild FAR and further FAR's other West African prospects offshore the Gambia and Guinea-Bissau with the value proposition of this business plan being uncertain, long term and subject to significant risks;
- in the event the Asset Transaction proceeds then the Shares may trade at a lower price than the approximate \$0.0171 anticipated cash backing; and
- No alternative takeover offer has been made for FAR by any party.

Details regarding Remus and the Remus Offer are provided below.

ABOUT REMUS

As prefaced earlier, Remus is a private investment fund incorporated as a protected cell company in Guernsey on 27 May 2020 with registration number 67754.

Remus is regulated by the Guernsey Financial Services Commission and controlled and managed by Remus Horizons Management Company Limited, a company incorporated in Guernsey, which is in turn directly controlled by Remus Corporation UK Ltd, a company incorporated in the United Kingdom. Remus has appointed IQ EQ Fund Services (Guernsey) Limited to act as administrator of Remus, to both the fund and each of its cells.

Remus' objective is to achieve outright ownership of FAR and subsequently fund the Phase 1 development of the RSSD Project. The Remus Offer is consistent with Remus' strategic objectives to acquire petroleum development and production assets in targeted geographies, including the African Continent.

REMUS FUNDING

Remus has a present funding capacity totalling US\$400 million of which it has currently allocated up to US\$250 million towards the acquisition of FAR and the provision of additional funds to FAR post the completion of the acquisition or through a potential working capital support bridge loan (see details later in this letter). This being more than sufficient to fund the total consideration payable to Shareholders under the Remus Offer of approximately A\$210 million.

For completeness we confirm Remus' present funding represents unconditional investment commitments from accredited investors and that Remus is well advanced with securing additional funding which it recognises will be required to meet funding calls in relation to the RSSD Project in the event the Remus Offer is successful.

CONDITIONS OF THE REMUS OFFER

The Remus Offer is conditional only upon FAR and/or its subsidiaries not proceeding with the proposal to sell the RSSD Project to Woodside and FAR or any of FAR's subsidiaries otherwise disposing of the RSSD Project, agreeing to dispose of, granting or agreeing to grant any other right or entitlement the effect of which would result in the disposal or loss of control of FAR's interest in the RSSD Project or any of its assets which has a book value of more than US\$5 million. For the avoidance of doubt, neither:

- FAR's announcement to ASX on 11 November 2020 of
 - its entry into the Asset Transaction, and
 - its intention to dispose of its interest in the RSSD Project; nor
- Woodside's subsequent exercise of its pre-emptive right under the terms of the relevant joint operating agreement in respect of the acquisition of FAR's interest in the RSSD Project,

will breach this condition (but the completion of any such disposal will).

For clarity if Shareholders reject the Asset Transaction and the FAR directors confirm there is no intention to dispose of the RSSD Project in any other manner prior to the closing of the Remus Offer, Remus will declare the Remus offer unconditional. Also, upon the Remus Offer becoming unconditional, Remus will ensure that Shareholders who accept the Offer will be paid for their acceptance shares within 14 days of the receipt of the acceptance by Remus' handling agent in Australia.

Attention is drawn to:

- the Remus Offer is not conditional on funding (see details under the heading "Remus Funding" above); and
- the Rums Offer is not conditional on any minimum acceptance level.

TIMETABLE FOR THE REMUS OFFER

Remus is proceeding to finalise its Bidder's Statement for the Remus Offer such that it is presented to FAR, ASX and ASIC as soon as possible and in any event no later than 14 days of this letter.

Remus would be pleased if FAR would consider permitting the early release of its Bidder's Statement to Shareholders and is hopeful that FAR's directors will recommend Shareholders accept the Remus Offer.

Remus presently proposes that the Remus Offer will be open for a period of 1 month, however, Remus reserves its rights to extend this period.

WORKING CAPITAL SUPPORT

Remus recognises that FAR is subject to near term funding constraints. As such, Remus is willing to discuss making available a bridge loan to FAR on terms and subject to conditions to be agreed, to enable FAR to meet its funding calls in relation to its interest in the RSSD Project and other necessary working capital requirements.

RECOMMENDATION BY THE FAR BOARD

We are hopeful that the FAR board of directors will form the view that a successful Remus take-over of FAR will present a superior outcome to Shareholders than the Asset Transaction and as such will withdraw from the Asset Transaction or recommend that Shareholders reject it and instead recommend Shareholders accept the Remus Offer.

CONTACT DETAILS

The primary person to contact regarding the Remus Offer is Sath Kanagarajah, Chief Executive Officer, Remus Corporation:

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Yours sincerely



Sath Kanagarajah
Chief Executive Officer
Remus Corporation