

23 October 2015

ASX Announcement & Media Release

Cleansing Notice for Entitlement Offer

Cleansing Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)

This notice is given by FAR Ltd (ASX: FAR) (ABN 41 009 117 293) (**FAR**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (the **Act**) as notionally modified by the Australian Securities and Investments Commission Class Order [CO 08/35].

FAR today announced that it intends to raise approximately \$40 million (before costs) through an equity raising comprising:

- a placement of fully paid ordinary shares to institutional and sophisticated investors to raise \$25 million; and
- an underwritten pro-rata non-renounceable entitlement offer of fully paid ordinary shares to existing eligible shareholders to raise approximately \$15 million (**Entitlement Offer**).

The Entitlement Offer consists of an offer of 1 fully paid FAR ordinary share (**New Shares**) for every 17 FAR fully paid ordinary shares held as at 7.00pm (Melbourne time) on Thursday 29 October 2015 (**Record Date**) by eligible shareholders with a registered address in Australia or New Zealand (**Eligible Shareholders**) at an issue price of A\$0.08 (8 cents) per New Share. The Entitlement Offer will be made pursuant to an Entitlement Offer booklet (**Offer Document**). The Entitlement Offer is jointly lead managed and underwritten by Royal Bank of Canada (trading as RBC Capital Markets) and Bell Potter Securities Limited (**Joint Lead Managers**).

Eligible Shareholders may, in addition to taking up their entitlements in full, apply for additional shares (**Additional Shares**) in excess of their entitlements at the same price as under the Entitlement Offer (**Top-Up Facility**). Additional Shares will only be available where there is a shortfall between applications received from Eligible Shareholders and the number of New Shares (**Shortfall**), and subject to the allocation policy described below and set out in the Offer Document.

FAR proposes to adopt the following allocation policy for allocating Shortfall:

- (a) If there is a Shortfall, each Eligible Shareholder who has applied for Additional Shares through the Top-Up Facility will be entitled to be allocated their pro-rata share of the Shortfall having regard to their holdings at the Record Date (if an Eligible Shareholder has made an application for Additional Shares for an amount less than the amount of Additional Shares that the Eligible Shareholder would otherwise be allocated under this process, the Eligible Shareholder will be allocated the amount applied for).
- (b) The allocation process described above will be repeated in relation to any remaining Shortfall and any subsequent Shortfall, until either all New Shares proposed to be issued have been allocated or all Shortfall applications have been satisfied in full.
- (c) If, following the above allocation, there remains a Shortfall, it will then be allocated to the Joint Lead Managers, to be allocated to any sub-underwriters.

For avoidance of doubt, the Corporations Act 20% relevant interest level applies to limit the acquisition of Additional Shares through the Top-Up Facility.

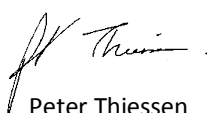
FAR advises that:

- (a) the New Shares will be offered for issue without disclosure under Part 6D.2 of the Act;
- (b) the notice is being given under section 708AA(2)(f) of the Act;
- (c) as at the date of this notice, FAR has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to FAR; and
 - (ii) section 674 of the Act;
- (d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act; and
- (e) the potential affect the Entitlement Offer will have on the control of FAR is as follows:
 - (i) If all Eligible Shareholders take up their entitlements under the Entitlement Offer, then the Entitlement Offer will have no effect on the control of FAR.
 - (ii) If some Eligible Shareholders do not take up all of their entitlements under the Entitlement Offer, then the interests of those Eligible Shareholders will be diluted.
 - (iii) The proportional interests of shareholders who are not Eligible Shareholders will be diluted because such shareholders are not entitled to participate in the Entitlement Offer.

Having regard to:

- (iv) the composition of FAR's share register; and
- (v) the terms of the Entitlement Offer, the commitments received under the Placement, the underwriting and sub-underwriting arrangements in place for the Entitlement Offer and the nature of the underwriters and sub-underwriters,

FAR does not believe that any person will increase their voting power in FAR pursuant to the Entitlement Offer in a way that will have any material impact on the control of FAR.



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