

22 July 2021

01 April – 30 June 2021

Q2 Report

Highlights

- Completion of Senegal RSSD sale to Woodside and sale proceeds of US\$126 million*
- Appointment of new Chairman and non-executive director*
- Mobilisation of drill ship for Bambo-1 well, offshore The Gambia, scheduled for mid-October
- Planned capital return to shareholders of A\$0.80 per share*

Project's update

Offshore Senegal Rufisque, Sangomar and Sandomar Deep (FAR13.7% Working Interest (WI))

On 19 January 2021 the FAR group executed a Sale and Purchase Agreement with Woodside in relation to FAR's Senegal RSSD asset. Shareholders approved the sale of FAR's interest in the RSSD project to Woodside at a General Meeting held on 28 April. In the intervening period, FAR and Woodside worked cooperatively to satisfy the conditions precedent for the sale and close out remaining tasks.

In events post the end of the quarter, formal completion of the sale took place on 6 July in Senegal and monies received by FAR in Australia on 7 July. As consideration for the sale Woodside has paid FAR US\$45 million and reimbursed FAR's share of working capital for the RSSD Project from 1 January 2020 of approximately US\$82 million, totalling US\$126 million (including deductions for interest charged on outstanding cash calls).

Additional payments to FAR, up to US\$55 million, are contingent on future oil price and timing of first oil. First oil is targeted for 2023.

Following the completion of the sale to Woodside, FAR has no remaining interest in Offshore Senegal.

The Gambia

Blocks A2/A5 (FAR 50% WI and Operator)

FAR continued operational preparations for drilling the Bambo-1 well in Q4 of 2021 (see location map, Figure 1).

FAR has contracted Exceed's wells management team in Aberdeen to assist with the planning and execution of the well.

The contract for the drillship was executed during the quarter and rig owner and operator, Stena, has advised the window for mobilisation of the Stena IceMax drillship to Gambia to be in the second half of October.

In early July, the bundled services contract with Schlumberger was executed for delivery of the drilling fluids and cement for drilling operations

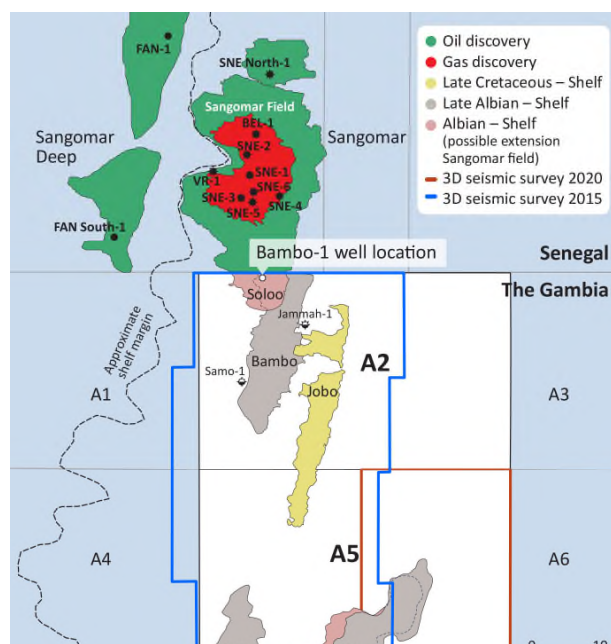


Figure 1: Location of FAR's Gambian blocks showing the Bambo-1 well location, south of the mapped Sangomar Field.

* Sale of Senegal RSSD, appointment of new directors and announcement of capital return are events following 30 June.

and rental of the wireline services and logging equipment for the well. This equipment is all scheduled to be delivered to the drill ship or FAR's base of operations at the Port of Dakar prior to spud in late October/early November. The exact date of spud will be dependent on mobilisation of the drill ship. Other contracts for key services are in place, and long-lead materials and equipment have been ordered and drill pipe for the operation has been delivered to the Dakar shore base. In the forthcoming quarter, FAR expects to award contracts for helicopter services and marine support vessels that will transport crew and equipment to the drill ship.

The Environment and Social Impact Assessment (ESIA) has been approved and a range of secondary level permits are in progress with the regulatory authorities of The Gambia.

The well is designed to drill into a series of vertically stacked targets (Figure 2) with a combined estimated recoverable, prospective resource of 1,118 mmbbls (arithmetic sum of the Best Estimates, unrisks, 559 mmbbls net to FAR*) and the chance of geological success for the various horizons ranges from 7% to 37% (Table 1).

The targets are:

1. Bambo - A shallower reservoir not intersected during the Senegal campaign.
2. Soloo - The extension of the hydrocarbon-bearing reservoirs in the adjacent Sangomar Oil Field, Senegal.
3. Soloo Deep (S552 & S562) – two additional horizons, also not penetrated during the Senegal drilling campaigns. Soloo Deep has a lower chance of success but higher potential volumes.

Gambia Prospects	Reservoir	Block	Best Estimate (P50) *
			mmbbls
Bambo	S390	A2	464
	S400	A2	75
Soloo	S410	A2	150
	S440	A2	51
Soloo Deep	S552	A2	238
	S562	A2	140
Bambo, Soloo, Soloo Deep (arithmetic Sum)		A2	1,118
Jobo	S172	A2/A5	280
Jatto	S176	A5	137
Malo	S480	A5	43
	S540	A5	222
A2 & A5 Prospective Resources			1,800
Prospective Resource net to FAR (arithmetic sum)			900

*The estimated quantities of Petroleum that may potentially be recovered by the future application of a development project relate to undiscovered accumulations. These estimates have an associated risk of discovery and a further risk of development. Further exploration and appraisal is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. Refer to the Cautionary Statement in this report (Page 7) relating to estimates of prospective and contingent resources.

Table 1: FAR's prospective resources for Blocks A2 & A5, offshore The Gambia

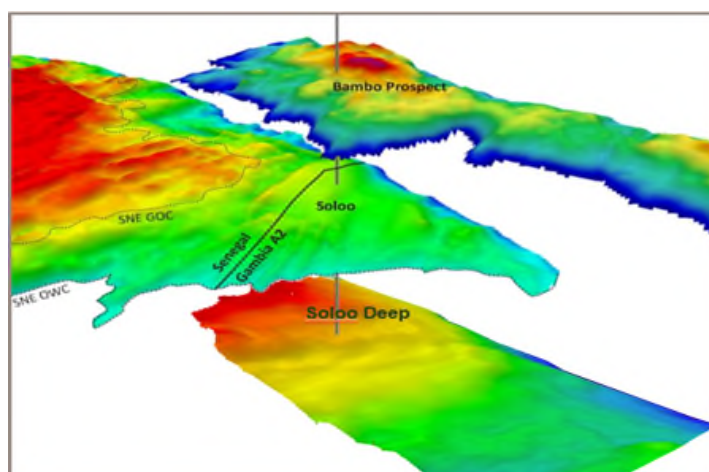


Figure 2: Vertically stacked targets at Bambo-1

The approved budget for the Bambo-1 well is US\$51M with US\$6.5M expended to date. At 50% working interest, FAR's share of the budgeted well cost is US\$25.5M with US\$22.25M yet to be spent. FAR's share of the well cost will be funded from cash at hand.

Outside well preparations for the drilling of the Bambo-1 well, FAR is undertaking success case planning in the event of a discovery and continuing evaluation of the additional prospects in A2 and A5 (Jobo, Jatto and Marlo) as well as reviewing opportunities for additional acreage in a success case. Success in the Bambo-1 well will high grade these other prospects for drilling in the future.

Guinea-Bissau (FAR 21.43% WI)

The Sinapa (Block 2) and Esperança (Blocks 4A and 5A) licences in Guinea-Bissau have been extended for 3 years and are valid until 2 October 2023 during which time there is an obligation on the Joint Venture to drill an exploration well. FAR is working with new operator, PetroNor, to finalise the 2022 work program and budget for approval and finalisation by the end of October. FAR has commenced a farm down of its interest prior to drilling a well before October 2023.

PetroNor and FAR are undertaking a full review of a potential well location for the 2023 program with the Atum Prospect the key drill target (mapped to contain Best Estimate Prospective Resource of 471 mmbbls, gross, unrisked, 235 mmbbls net to FAR*)

The Operator is also undertaking a review of the commerciality of the Sinapa discovery in the offshore shallow water. Sinapa contains 13.4 mmbbls of oil with 2.9 mmbbls net to FAR in 2C contingent resources (Best Estimate*). In addition, there is an estimated 72 mmbbls of prospective resource in the West and East Sinapa Prospects that are able to be tied into a potential development at Sinapa (Best Estimate, unrisked, 15.4 mmbbls net to FAR*).

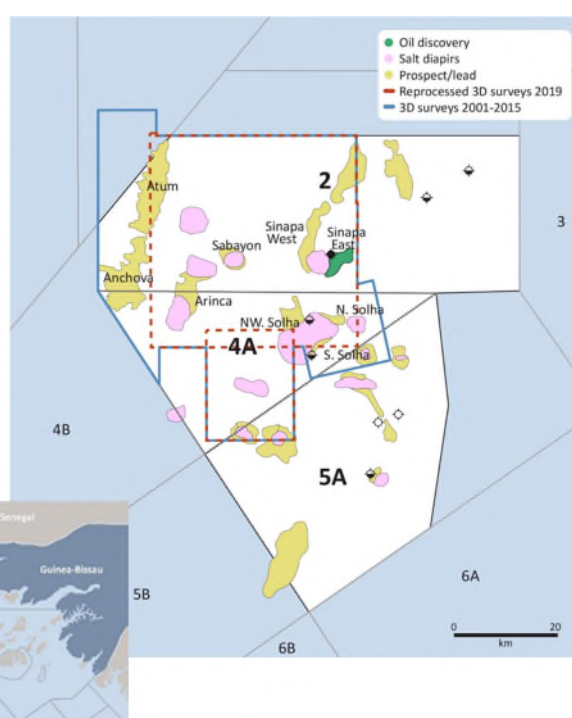


Figure 3: Location of exploration permits offshore Guinea-Bissau

* Refer to disclaimer on Page 7.

NW Shelf (Australia 100% WI and Operator)

Through its wholly owned subsidiary, Lightmark Enterprises Pty Ltd, FAR has a 100% interest in Petroleum Exploration Permit WA-458-P, which is in the prolific oil-producing Dampier Sub-basin along Australia's North West Shelf.

Divestment activities for some or all of FAR's interest in WA-458-P is ongoing. FAR has a "drill or drop" obligation on the licence in early 2022.

Community and Social Projects

During the quarter, FAR on behalf of The Gambian joint venture partners, continued works on the Ndemban Clinic which is being converted into a COVID-19 testing and treatment center. The project involves the repairs and refurbishment to several buildings and upgrades to the water supply system. The project is now mostly completed, and the clinic has been put into service. Finishing touches to the project will be completed in the next month.

Corporate

On Monday 21 June, FAR announced the resignation of non-executive director, Timothy Woodall, and as a result, the resolution to re-elect Mr Woodall to the FAR board was withdrawn at the AGM.

FAR held its Annual General Meeting of Shareholders in Melbourne and online on Tuesday 22 June. At the meeting shareholders voted for a 1:100 share consolidation which was completed in early July. At the meeting, FAR recorded a 'first strike' vote against the remuneration report.

Following the end of the quarter, on 1 July FAR announced the resignation of non-executive chairman, Nicholas Limb, and non-executive director, Reginald Nelson coincident with the appointment of Patrick O'Connor (non-executive chairman) and Robert Kaye SC (non-executive director) to the FAR board.

The new independent non-executive directors Patrick O'Connor (Chairman) and Robert Kaye SC, together with managing director Cath Norman have undertaken a review of the capital management of the Senegal sale proceeds taking into account committed exploration costs and working capital requirements with the surplus, being approximately A\$80M (at the rate of \$A0.80 per share), to be returned to shareholders by way of capital return.

The Company contemplates making an application to the Australian Tax Office for a class ruling seeking advice to the effect that the capital return is not assessable to Australian resident shareholders holding their shares on capital account. It is proposed to put the capital return to shareholders for their approval at a general meeting of shareholders, as is mandated by legislative requirements. This will contain precise timing and other details.

FAR's share of the forthcoming Bambo-1 well, offshore The Gambia, contingency, success case options as well as expenditure on other assets and general administration costs will be funded from cash at hand following the capital return.

ASX suspended FAR's shares from trading in September 2020 and following the sale of the Senegal project, the ASX has advised that it will reinstate trading of FAR's securities on Friday, 23 July 2021.

Project Table

Project	Permits	Activity	FAR paying Interest held	Beneficial interest	Operator
Senegal**	Rufisque, Sangomar and Sangomar Deep	Exploitation	13.6667%	13.6667%	Woodside Energy (Senegal) B.V.
		Exploration	16.67%	15.0%	
The Gambia	Blocks A2 and A5	Exploration	50.00%	50.0%	FAR
Guinea-Bissau	Blocks 2, 4A and 5A	Exploration	21.43%	21.43%	PetroNor*
Australia	WA-458-P	Exploration	100.00%	100.0%	FAR

* Government of Guinea-Bissau approved the purchase of Svenska's interest by PetroNor in April 2021

** FAR disposed of its entire interest in the Senegal project on 6 July 2021 (event following the end of the quarter)

Top 10 shareholders (12 July 2021)

	Shareholder	Units	%
1.	CITICORP NOMINEES PTY LIMITED	25,796,773	25.85
2.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,239,402	5.25
3.	JP MORGAN NOMINEES AUSTRALIA PTY LIMITED	5,238,795	5.25
4.	FARJOY PTY LTD	5,144,633	5.16
5.	CITY SECURITIES LTD	3,070,307	3.08
6.	MORGAN STANLEY AUSTRALIA SECURITIES PTY LTD	2,321,755	2.33
7.	HSBC CUSTODY NOMINEES LIMITED-GSCO ECA	2,315,276	2.32
8.	CS FORTH NOMINEES PTY LIMITED	1,874,967	1.88
9.	NATIONAL NOMINEES LIMITED	1,353,149	1.36
10.	BNP PARIBAS NOMS PTY LTD	870,107	0.87
	TOTAL	53,225,164	53.34

Additional Notes to Appendix 5B

Appendix 5B reference	ASX description reference	FAR commentary
1.2 (a)	Exploration and evaluation costs expensed	The FAR group accounts for the cost of exploring and evaluating discoveries under the successful efforts method. During the quarter, the company spent US\$0.21M on exploration and evaluation expenditure, including general permit activity, geological and geophysical costs and seismic processing, mainly relating to its Gambian and Guinea-Bissau projects.
1.2 (e)	Administration and corporate costs	Included in these costs are expenditures associated with operating the Company's office, ASX listing fees, insurances, software licences, audit, tax, legal and other administrative costs.
1.4	Interest received	FAR holds a significant portion of its cash in interest bearing accounts in order to optimise interest income. The amount of interest received varies each quarter based on the interest rate, the term held in the interest-bearing account and the maturity dates.
1.8	Other	Payments related to discontinued Senegal RSSD operations
2.1 (d)	Exploration and evaluation capitalised	During the quarter FAR spent US\$1.17M on well planning activities for the Gambia project.
2.1 (f)	Oil and gas properties	At quarter end FAR was in default for cash call amounts totalling US\$85.3M for the period Jan-Jun 2021 (inclusive). FAR has recorded a payable of US\$96.2M relating to the Senegal project in its financial statements at quarter end comprising of its share of the under contributions (resulting from the default cash calls) plus working capital.
4.5	Effect of movement in exchange rates	The AUD weakened against the USD during the quarter which resulted in a foreign exchange translation adjustment on the AUD cash held that decreased the Company's USD equivalent cash holdings by US\$0.03M.
6.1	Aggregate amount of payments to related parties and their associates	These costs include payments to Directors in respect to remuneration for the Managing Director, Executive Director (ED) and the Company's Non-Executive Directors (NED).
8.0	Future operating activities	For the upcoming quarter FAR forecasts US\$9.08M of exploration and evaluation expenditure, and US\$2.17M in corporate costs (inclusive of one-off termination payments, insurance renewal and costs to close RSSD sale). These expenditures will be funded by the US\$126M FAR received on 7 July 2021 for the completion of the sale of its entire Senegal RSSD Interest. In Q3 2021 the company anticipates approximately A\$80M (at a rate of A\$0.80 per share) to be returned to shareholders by way of capital return, subject to shareholder approval.

For more information please contact:

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Disclaimers

The resources estimate presented in this report have been prepared by the Company in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System June 2018, approved by the Society of Petroleum Engineers and have been prepared using probabilistic and deterministic methods.

Prospective Resources - *The Prospective Resource estimates presented in this report are prepared as at 16/6/2021 (Reference: FAR ASX release of the same date). Prospective Resources relate to undiscovered accumulations. The estimated resources represent those volumes which may potentially be recovered by the application of a future development project(s). These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. The Best Estimates in each case represent that, in the case of a successful discovery, there is a 50% probability that the resource volume will be in excess of the amounts reported. The resource estimates are unrisks and have not been adjusted for the chance of discovery or chance of development. The 100% basis and net to FAR Prospective Resource estimates include Government share of production applicable under the Production Sharing Contract or License.*

Competent Person Statement Information - *The hydrocarbon resource estimates in this report have been compiled by Peter Nicholls, the FAR Limited exploration manager. Mr Nicholls has over 40 years of experience in petroleum geophysics and geology and is a member of the American Association of Petroleum Geology, the Society of Petroleum Engineers, and the Petroleum Exploration Society of Australia. Mr Nicholls consents to the inclusion of the information in this report relating to hydrocarbon Contingent and Prospective Resources in the form and context in which it appears. The Contingent and Prospective Resource estimates contained in this report are in accordance with the standard definitions set out by the Society of Petroleum Engineers, Petroleum Resource Management System.*

Forward looking statements - *This document may include forward looking statements. Forward looking statements include, are not necessarily limited to, statements concerning FAR's planned operation program and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward looking statements. Although FAR Ltd believes its expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements. The entity confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning this announcement continue to apply and have not materially changed.*

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

(Expressed in **United States dollars** unless otherwise stated)

Name of entity

FAR Limited

ABN

41 009 117 293

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (6 months) US\$'000
1. Cash flows from operating activities			
1.1 Receipts from customers		21	22
1.2 Payments for			
(a) exploration & evaluation		(210)	(332)
(b) development		-	-
(c) production		-	-
(d) staff costs		(1,095)	(2,020)
(e) administration and corporate costs [#]		137	(326)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		1	3
1.5 Interest and other costs of finance paid		(5)	(11)
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		-	-
1.8 Other – costs related to discontinued operations [#]		(2,844)	(2,844)
1.9 Net cash from / (used in) operating activities		(3,995)	(5,508)

[#] includes reallocation from administration and corporate to discontinued operations.

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(2)	(3)
(d) exploration & evaluation	(468)	(1,636)
(e) investments	-	-
(f) oil and gas properties	-	(15,439)
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(470)	(17,078)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other - payment of lease liabilities	(166)	(264)
Other – finance costs default period interest charged	-	(43)
3.10 Net cash from / (used in) financing activities	(166)	(307)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	7,968	25,934
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,995)	(5,508)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(470)	(17,078)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(166)	(307)
4.5	Effect of movement in exchange rates on cash held	(25)	271
4.6	Cash and cash equivalents at end of period	3,312	3,312

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter US\$'000	Previous quarter US\$'000
5.1	Bank balances	434	769
5.2	Call deposits	2,655	6,972
5.3	Bank overdrafts	-	-
5.4	Other (provide details) ⁽ⁱ⁾	223	227
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,312	7,968

(i) restricted cash and not readily available for use. This term deposit is held as security over the Company's corporate head office lease in the form of a bank guarantee.

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
US\$'000**

322

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities		Total facility amount at quarter end US\$'000	Amount drawn at quarter end US\$'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>			
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	US\$'000
8.1	Net cash used in operating activities (Item 1.9)	(3,995)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(468)
	Capitalised development expenditure for oil & gas properties (item 2.1(f))	-
8.3	Total relevant outgoings (Item 8.1 + item 8.2)	(4,463)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,312
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	3,312
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3) <i>*this is not reflective of forecast expenditure, for further details please see reference 8.0 of the Additional notes to Appendix 5B in the Activities Report</i>	0.74

Note: if the entity has reported positive relevant outgoings (ie: a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: No. On 7 July 2021 received US\$126 million (including deductions for interest charged on outstanding cash calls) for the completion of the sale of FAR's share in RSSD project to Woodside. In Q3 2021 the company anticipates approximately A\$80M (at a rate of 80 cents per share) to be returned to shareholders by way of capital return.

8.8.2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes. See 8.8.1 above.

8.8.3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, see 8.8.1 above.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 22 July 2021

Authorised by: FAR Limited Board of Directors.....

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.