

22 July 2021

ASX Announcement & Media Release

Company update, capital return and reinstatement of FAR's securities

FAR Limited (ASX:FAR) provides the following company update.

Sale of Senegal RSSD completed

The Company announced on 7 July 2021 the completion of the sale of the Senegal RSSD project. The Company now has cash at hand of US\$127 million (approximately A\$173M) with no debt. Additional future 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.

Capital return

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 80c 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.

Recommencement of trading on ASX

FAR's securities have been suspended from trading since September 2020 due to the inclusion of a disclaimer of review opinion in the audit report of the Company's financial accounts for the half year ended 30 June 2020. FAR has now applied to the ASX for reinstatement of FAR's securities. As requested by the ASX in order for this to occur, this announcement is accompanied by the quarterly activity report for the period ending 30 June and an investor presentation that addresses the current and future activities for oil and gas exploration by FAR. There is to be no change to the activities of FAR, which is to remain an oil and gas exploration company.

Exploration for the remainder of 2021: The Gambia

The Company continues with operations in preparation for drilling the Bambo-1 well offshore The Gambia, scheduled for commencement at the end of October. The well is part of the 2021 work program for the A2 and A5 licences held offshore Gambia where FAR is the Operator and has a 50% working interest. The Bambo-1 well is designed to drill three prospects with a total estimated recoverable prospective resource of 1,118 mmbbls (arithmetic sum of Best Estimate prospective resource, 559 mmbbls net to FAR, unrisks) and the chance of geological success for the various horizons range from 7% to 37% (refer ASX announcement 16 June 2021: *Gambia drilling on target for Q4*). The approved budget for the well is US\$51M (FAR share US\$25.5M) with US\$6.5M expended to date. FAR's share of the well costs, 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 has advised that this announcement and accompanying Q2 report and Investor Presentation are sufficient to satisfy the ASX requirements for the reinstatement of FAR's shares on Friday 23 July 2021. FAR is in compliance with the Listing Rules, in particular Listing Rule 3.1.

This ASX announcement was approved and authorised for release by FAR's board of directors.

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