Annual Report 2019

FAR's journey to first oil

FAR Limited

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Expressed in United States dollars (USD, US$ or $) unless otherwise stated.

Forward looking statements

This document may include forward looking statements. Forward looking statements include, but 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.

AT A GLANCE

Headquartered Melbourne Australia

West Africa focused

Mauritania-Senegal-Gambia-Guinea-Bissau-Conakry ('MSGBC') Basin

	Blocks
Senegal (country office)	3
The Gambia (country office)	2
Guinea-Bissau	2
Kenya	1
Australia	1

5 years on

Sangomar Field: world's largest oil discovery 2014

13 years

building relationships in Senegal

FAR is transitioning from exploration/evaluation to a **development** company

2020/21

Exploration drilling

Senegal

The Gambia

Guinea-Bissau

2023

Targeting 1st production

CHAIRMAN'S REVIEW

> *We continue to focus on creating and maintaining long term value in the company.*
>
> **Nic Limb**
> – Chairman

Fellow shareholders,

As we leave the last decade behind us, it is a good time to reflect on the enormous exploration success our company has achieved over these past six years. As a result of the success, FAR is laying the foundation to become one of Australia's true oil exploration and production companies, with oil production scheduled to commence in 2023.

Notwithstanding the challenges that 2020 has thrown at us to date, 2019 was a very productive year for FAR as, together with our Joint Venture (JV) Partners, we progressed the Sangomar Oil Field offshore Senegal to the development stage.

Since the discovery of the Sangomar Oil Field offshore Senegal in 2014, FAR has had great success with the drill bit, making four independent discoveries offshore Senegal, including the Sangomar, FAN, FAN South and SNE North discoveries, and drilling seven successful appraisal wells over the Sangomar Field. The JV progressed Front End Engineering and Design ('FEED') studies for the Sangomar development throughout 2019, culminating in the final submission of the Development and Exploitation Plan to the Government of Senegal on December 2, 2019.

The submission was the result of a considerable effort by all JV partners and we thank them for their efforts. It was an enormous achievement to complete FEED studies, agree economic viability, conduct the external audit of reserves and FEED studies and for each party to be positioned for financing their share of the development costs before submission of the Development and Exploitation Plan.

The Exploitation Award by Presidential decree, approving the development was issued within 6 weeks of submission on January 8, 2020, shortly after the end of the reporting year.

It is worth noting that the Sangomar Field development has been modelled to flow an average of US$180 million of net cash flow per year to FAR for the first three years. The reason that the net cash flow is so high is that the cost base is low. At first oil, the break-even oil price is assessed to be US$22 per barrel for Phase 1.

The Sangomar JV has already purchased the oil tanker that will undergo conversion to an FPSO (Floating Production, Storage and Offloading vessel) from the second half of 2020, and construction of subsea facilities is underway.

Let's keep at the front and centre of our minds that the Sangomar Field was the largest oil discovery in the world for 2014 and has grown significantly through appraisal drilling since this time. The field has an estimated 5 billion barrels of oil in place and total recoverable oil is currently assessed to be 641 million barrels. It is highly likely that once development drilling has commenced and we better understand the performance of the key reservoirs, that the oil recovery ratio can be significantly improved, and reserves increased. This will add significant value for FAR shareholders.

The JV also intends to drill an appraisal well into either the FAN or SNE North discoveries prior to the commencement of the Sangomar development drilling. Success in appraisal of either discovery will also add significantly to the reserves inventory for the development and both discoveries are within tie back range of the Sangomar hub development.

Notwithstanding the strong project economics and progress to date, FAR remains highly cognisant of the potential for the current COVID-19 outbreak and co-incident oil price slump to slow down the delivery of equipment and services. FAR is working with the Operator, Woodside, and our joint venture partners to understand where costs can be cut and payments can be deferred. FAR looks forward to updating shareholders as plans are cemented. FAR's discussions with financiers are materially compromised in the present market conditions. Disruptions caused by the COVID-19 pandemic and the crash in oil price are presenting challenges to our debt process. The company will provide further information as soon as possible.

FAR clearly maps the Sangomar Oil Field extending south into the A2 and A5 exploration blocks offshore The Gambia. FAR is operator of these two blocks and a 50% partner with PETRONAS, the State-owned oil company of Malaysia. These two blocks will be a key focus for FAR with an exploration well planned in 2020/21.

In October 2019, the Government of The Gambia issued new licences to FAR for the A2 and A5 blocks, resetting the exploration phases and granting FAR an additional 10% working interest. As a result, the Government is no longer a party in the JV and FAR has 2 years from 31 October 2019 to drill an exploration well on either the A2 or A5 block. FAR acquired new 3D seismic data over the A5 permit over the end of 2019 and data has recently been delivered to our offices in Melbourne before commencement of the data processing.

FAR has mapped a number of prospects and leads in the A2 and A5 blocks and is currently looking for a farmin partner to share the cost of drilling the next exploration well. Under the agreement with PETRONAS, FAR will operate this well and on making a discovery, PETRONAS will have the option to take over the operatorship of the Joint Venture for the development phase.

Over the year, work continued on our Guinea-Bissau acreage. Plans to drill have been suspended following the recent contested Presidential election results. Our partner Svenska shares our view that it is important to have political stability before we make the large investment in being the first to drill offshore Guinea-Bissau for nearly 25 years.

The acreage offshore Guinea-Bissau is along the palaeo shelf edge trend on which the Sangomar discovery sits. It is a poorly explored geological trend and an important future opportunity for FAR's shareholders.

Over the year, FAR expanded the team in Senegal and opened FAR's first office in country. This team will be key to overseeing FAR's interests in Senegal and the region and is a great testimony to FAR promoting Senegalese and Gambians to run the Senegalese and Gambian FAR companies. FAR prides itself in having an inclusive and diverse workforce and our brand has a strong reputation in the countries in which we operate. We continue to undertake fantastic social programs as FAR and also with our JV partners.

FAR's partners continue to be important to our business and our collaboration with AMOG to provide our engineering services has again proved to be a very positive one over the year. We were very saddened by the loss of Professor Andrew Potts, AMOG's founder, early in 2019. He has left a wonderful legacy of cooperation between our two companies and will be sorely missed.

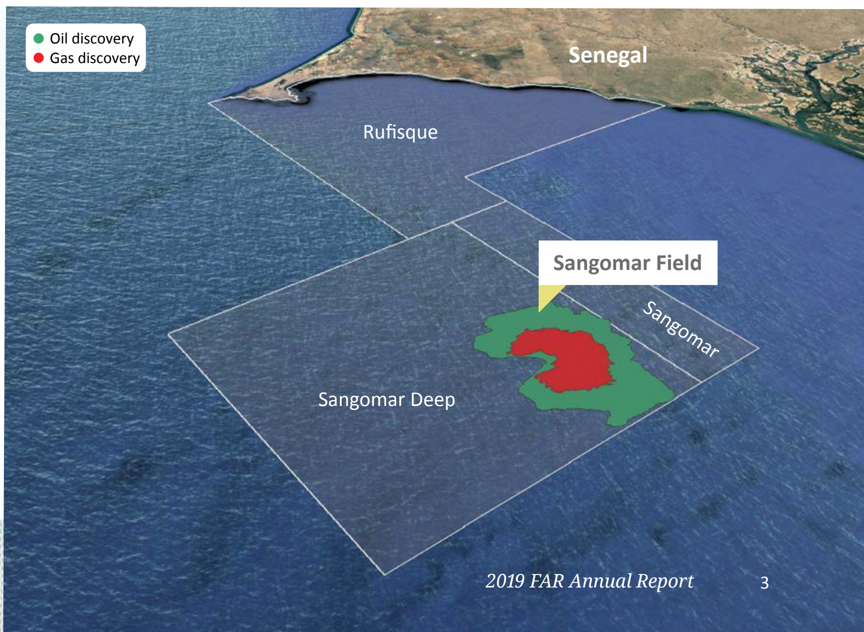
As you will be aware, following the sale of ConocoPhillips interest in the Senegal project to Woodside and failed efforts to amicably resolve the dispute, FAR commenced arbitration proceedings in the International Court of Arbitration in June 2017. Hearings were held in July 2019 and in February 2020, we received the tribunal's ruling that pre-emptive rights did not apply to this transaction and that they had no jurisdiction to rule on the important issue of whether there was a right offered by ConocoPhillips to FAR. The parties have agreed to a settlement of the dispute with each party withdrawing its respective claims and bearing its own fees, costs and expenses in the arbitration.

2020 has not been kind to FAR nor any of our peers so far. This coming year will see FAR continue to tightly manage our costs and resources. The 2019 year was a relentless one for the FAR team and I thank them on behalf of the Board for another year of enormous achievement for our company where all strategic milestones were met. The markets have not been favourable to us and as a result, for another year the Board has used its discretion and not awarded any STI's or LTI's for 2019.

At the time of writing we are being consumed by the global COVID-19 crisis and an oil war between major producing countries with an associated crash in the oil price. It is impossible to predict how events are likely to unfold and so our immediate focus is on preserving value as best we can in these difficult times and acting decisively and quickly as events demand.

I wish to thank our shareholders for your ongoing support over a tough year in the global markets especially for oil and gas. I assure all of our shareholders that we continue to focus on creating and maintaining long term value in the company.

Nic Limb
Chairman



COMPANY HIGHLIGHTS

Successful completion of

A$45M **capital raise**

May 2019

Additional 10% **interest** in Gambian blocks

Experienced Board and Management – **appointed Julian Fowles to FAR Board**

Development and Exploitation plan submitted for Sangomar Field

approved Jan 2020

Planning progressed to **drill another well in The Gambia in 2020/21**

Broader portfolio of highly prospective exploration opportunities in Africa

Prospective resources in The Gambia

1.2 billion bbls

Sangomar Field development:

2P reserves

28 mmbbls

net to FAR (phase 1 Senegal)

2C resources

32 mmbbls

net to FAR (additional phases)

"2019 was a pivotal year for our company. Approval of the Sangomar Field development positions FAR well for being one of the leading oil producers listed on the ASX and cements our reputation as a serious player in the MSGBC Basin. There is much to do before first oil but this field will undoubtedly prove to be worthy of its world class title."

Cath Norman
– Managing Director

FAR hosts the Senegal Minister of Petroleum and Energies, Mouhamadou Cisse in Melbourne along with a government delegation with members from Petrosen and CosPetrogaz.

SENEGAL HIGHLIGHTS

Economics

230 mmbbl reserves to be developed Phase 1

US$22/bbl breakeven cost

~5B bbl oil in place

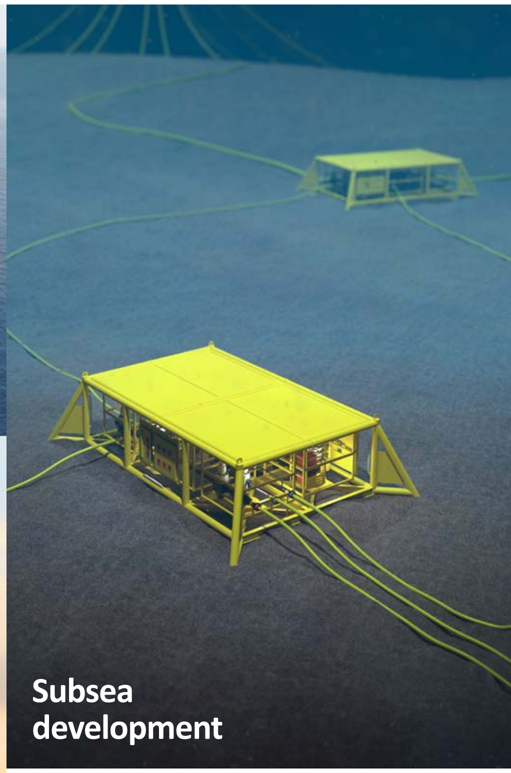
Technical

Front End Engineering and Design (FEED) completed

Construction

Contracts awarded:

Drill rig & services (Diamond Offshore)



Subsea development

FPSO (Modec)

Regulatory

Environmental approval secured

Exploitation Authorisation granted

Host government agreement executed

Final Investment Decision (FID)

Jan 2020

PSC extended to evaluate other Senegal discoveries

Financing

Equity raising completed for

A$157M

Jan 2020

OPERATIONS REVIEW

FAR has operated and non-operated assets focussing on the Mauritania-Senegal-Gambia-Guinea-Bissau-Conakry Basin in West Africa. FAR's assets include offshore acreage in Senegal, The Gambia, Guinea-Bissau and Australia.

In Senegal, FAR is developing the world class Sangomar Field (formerly SNE) which is one of the largest oil discoveries of the last ten years and post project delivery in early 2023 is expected to make FAR one the largest ASX listed oil producers.

> *The Sangomar Field FID was a major milestone for FAR, and follows years of analysis, review and diligence from a small, dedicated and experienced technical and commercial team. Operating the Samo-1 well at the end of 2018 was a significant achievement and was followed in 2019 with the evaluation of the well results and joint venture decision to conduct further exploration drilling in 2020. Leveraging our knowledge has enabled FAR to have built an extensive quality acreage position within our focus area of the MSGBC Basin.*

Peter Nicholls
– Exploration Manager

Introduction

FAR's transformation from explorer to future producer commenced in 2019 with the achievement of a number of significant milestones.

During the year, FAR accelerated plans to reach FID, fulfilling technical, commercial and regulatory requirements that resulted in sanctioning the development of the world-class Sangomar Field offshore Senegal in January 2020. The Sangomar development is expected to deliver significant and sustainable value to the Company's shareholders and stakeholders for many years.

Following the drilling of Samo-1 and guided by the extensive information gathered from drilling of the well, 2019 saw FAR's exploration team evaluate, refine and refocus its exploration models of the MSGBC Basin.

Our collective years of experience within this basin, combined with our innovative use of leading-edge technologies and strong relationships within the region has resulted in the creation of an invaluable asset for the Company. FAR will again aim to be at the forefront of West Africa exploration in 2020 as we participate in an exploration well in The Gambia within the MSGBC Basin to further unlock value for the Company.

SENEGAL

RUFISQUE OFFSHORE, SANGOMAR OFFSHORE & SANGOMAR OFFSHORE DEEP BLOCKS

Mauritania-Senegal-Guinea-Bissau-Conakry Basin

Exploitation Area 15% paying interest & 15% beneficial interest

Exploration Area 16.67% paying interest & 15% beneficial interest

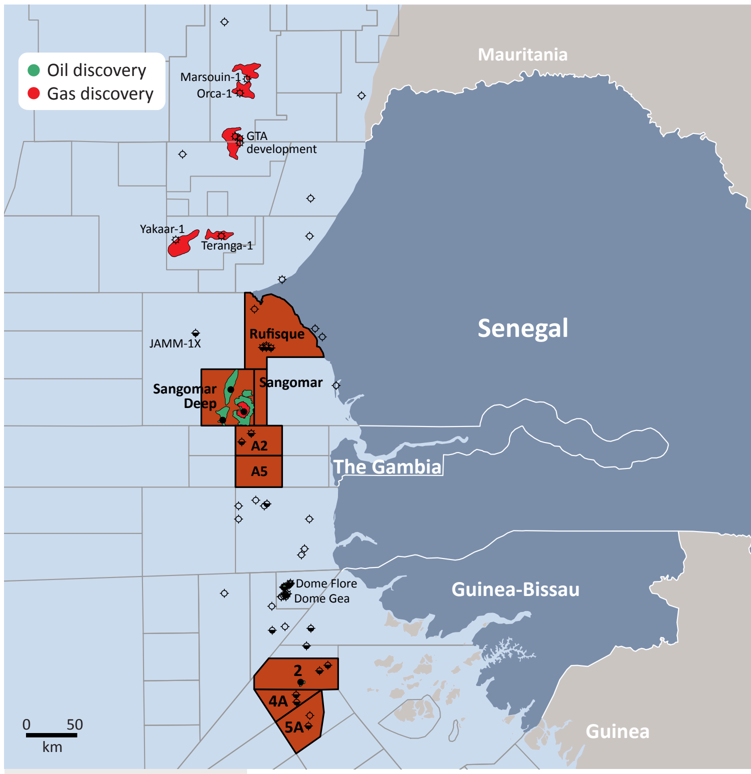
Operator: Woodside Energy (Senegal) B.V.

Sangomar Field positive final investment decision taken

The Rufisque, Sangomar and Sangomar Deep ('RSSD') joint venture participants committed significant resources throughout 2019 towards sanctioning development of the Sangomar Field (previously called the SNE Field) with the Final Investment Decision ('FID') taken in January 2020. Funding activities equally played a significant role in 2019 as FAR pursued various options for financing its share of the development capital.

The Sangomar Field was discovered in 2014 with the drilling of SNE-1. Two phases of appraisal drilling followed and a further 3D seismic survey acquired, along with significant mapping, data review and evaluation which was compiled into an Evaluation Report (including a statement of commerciality) and submitted to the Government of Senegal in 2018. Front-end engineering design (FEED) activities progressed over 2019 to confirm the preferred development plan and finalise costs for funding prior to entering the construction and drilling phase of the development. The fully costed Development and Exploitation Plan was submitted to the Government of Senegal in late 2019, with the Exploitation Authorisation issued to the joint venture participants (JV) in January 2020.

The Sangomar Field will be developed using a conventional (and often utilised) development concept with subsea production and injection wells tied back to a standard floating production, storage and offloading (FPSO) vessel. The size of the field in terms of in-place reserves, the number of reservoir intervals and its aerial extent will result in the field being developed over a number of phases. Phase 1 of the development will involve 23 development wells targeting 231 mmbbls reserves (100%, ca. 28 mmbbls reserves FAR net entitlement) in four reservoir units. A further 253 mmbbls of contingent resources (100%, ca. 32 mmbbls resources FAR net entitlement), are currently planned to be developed in future phases of the Sangomar Field development. These future phases are envisioned to target the wider area of the field plus additional reservoir intervals and be optimised using information gathered during Phase 1 development and early field-life production results.



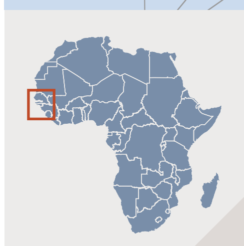


FIGURE 1: MSGBC basin showing FAR's blocks and Sangomar Field

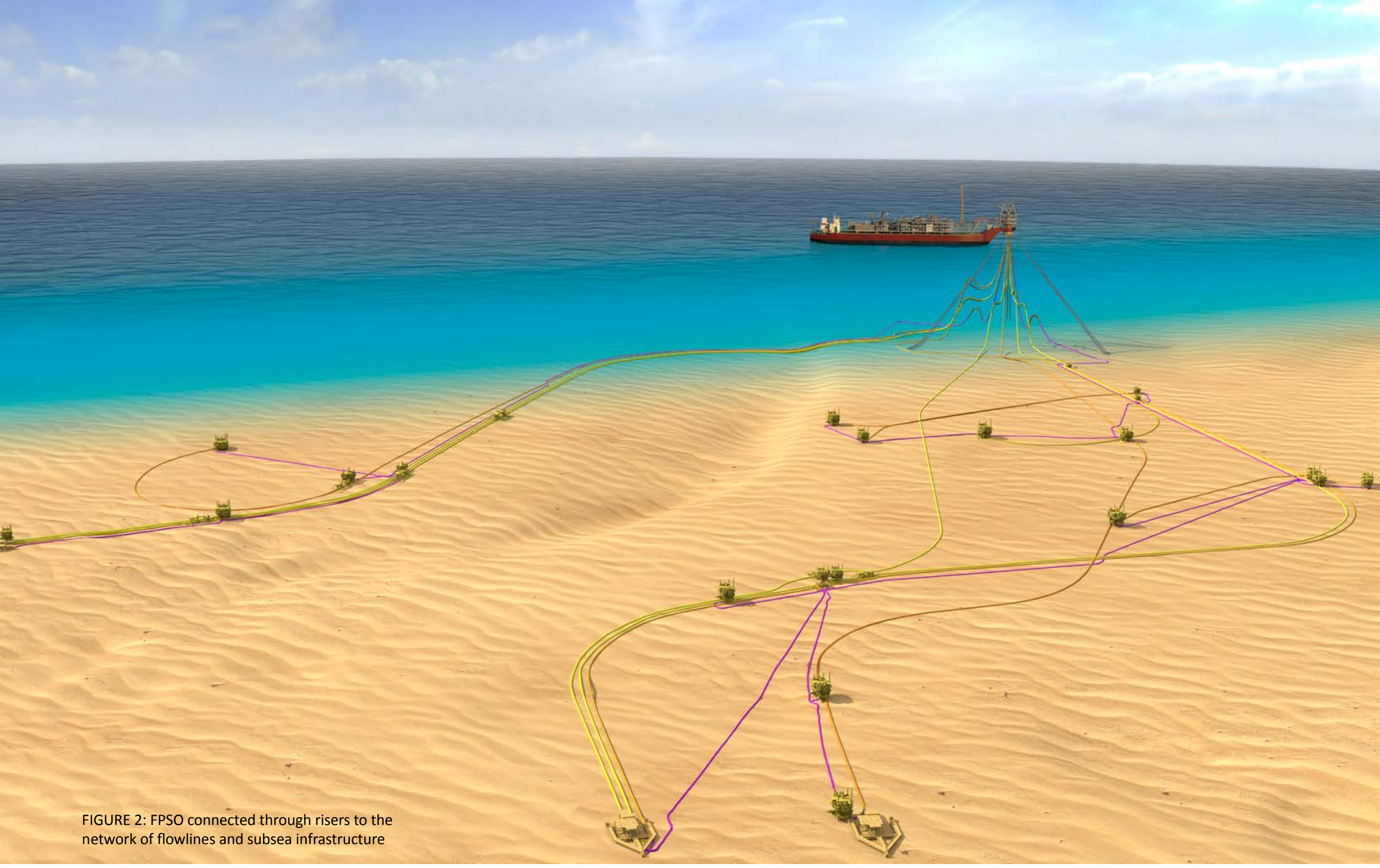


FIGURE 2: FPSO connected through risers to the network of flowlines and subsea infrastructure

The FPSO is designed for production of 100,000 bbl/day of oil which will be processed on the facility before export via tankers. The FPSO is designed to allow for the efficient integration of future development phases, including the potential for delivery of gas to Senegal.

Development activities are progressing through 2020 and beyond, with contracts for construction of the FPSO, and notices to proceed with drilling and subsea construction and installation issued in January 2020.

A large high-density 3D survey (HD3D) was acquired in 2019 across the Sangomar Field and the FAN and Spica exploration areas. The portion of the seismic survey over the Sangomar Field was acquired along multiple sail line directions to form a Multi-Azimuth (MAZ) survey. Seismic processing is underway and is expected to be completed during 2020.

The high density, MAZ survey across the Sangomar Field is expected to substantially enhance the imaging and resolution of the seismic data and improve prediction of reservoir distribution and quality.

> *"I have been involved in the RSSD project since 2004 and country representative of FAR since 2009. In that time, we have created excellent working relationships with the Government of Senegal which has played an important role for the success of the company. FAR's contribution to local communities through social investment is welcomed by the Senegalese people and contributes to improve the quality of life here for so many."*
>
> **Mme Gogne Seye**
> – Deputy General Manager, Senegal

This data will be available to use for final placement of the development wells in Sangomar and will serve as a base line survey for possible future 4D surveys to aid efficient recovery of the hydrocarbons from the field.

The HD3D data across the FAN discovery will be used to assess potential appraisal locations and determine the potential for commercial development of the field. It will also be used to evaluate other prospects identified in the immediate area around the FAN-1 discovery well. Similarly, the HD3D data across the SNE North discovery will be used to further evaluate the discovery and evaluate other prospects for potential as drill candidates. Discoveries in these areas will have potential to be tied back to the Sangomar facility. Having taken FID post year end, FAR now has 2P reserves of 28 mmbbls (net economic interest) attributed with this Phase 1 development (Table 1).

Through its interest in the Sangomar Field in Senegal, FAR has commenced its transformation from explorer to producer with an enviable position in an emerging giant hydrocarbon producing province. With development activities underway, FAR's experienced and dedicated operating teams are determined to meet the challenges in unlocking the Sangomar Field's full potential.

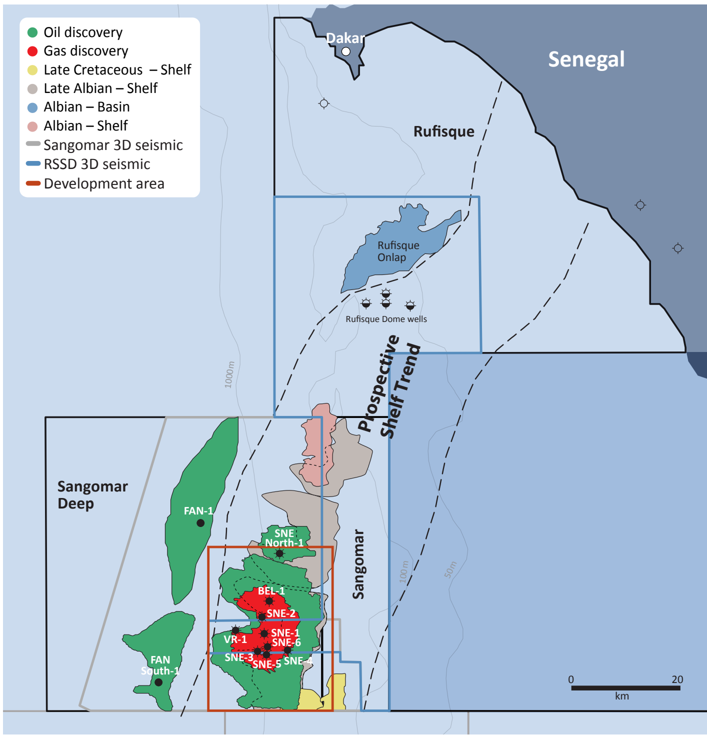


FIGURE 3 : Map showing all prospects and discoveries in FAR's Senegal blocks.

TABLE 1: Summary of Senegal reserves and contingent and prospective resources

		Reserves*		
Senegal Discoveries	**Play**	**1P** (mmbbls)	**2P** (mmbbls)	**3P** (mmbbls)
Sangomar Field	*Albian Shelf Edge*	162	231	312
FAR net economic interest			28	

		Contingent Resources*		
Senegal Discoveries	**Play**	**1C** (mmbbls)	**2C** (mmbbls)	**3C** (mmbbls)
Sangomar Field	*Albian Shelf Edge*	107	253	307
FAN	*Albian Basin*	30	198	637
Total Contingent Resources		137	451	944
Total net to FAR (13.67%)		**19**	**62**	**129**

		Prospective Resources*			
Senegal Prospects	**Play**	**Low Estimate** (mmbbls) **P90**	**Best Estimate** (mmbbls) **P50**	**High Estimate** (mmbbls) **P10**	**Probability of Success (%)**
Spica	*Albian Shelf*	58	132	254	32%
Rufisque	*Albian Basin*	28	181	849	14%
Leebeer	*Late Cretaceous Shelf*	68	216	584	33%
Leraw	*Late Cretaceous Shelf*	24	77	216	18%
Jabbah	*Late Cretaceous Shelf*	14	35	75	21%
Jabbah Deep	*Late Cretaceous Shelf*	15	32	67	14%
Total all Prospective Resources		207	673	2,045	
Total net to FAR (15%)		**32**	**101**	**307**	

Refer to disclaimers and notes to Reserve estimates and Contingent and Prospective Resource estimates on page 21 of the annual report.

THE GAMBIA

BLOCK A2 & A5

Mauritania-Senegal-Guinea-Bissau-Conakry Basin

50% paying & beneficial interest

Operator: FAR Ltd

Drilling preparations underway

FAR's expansion into neighbouring The Gambia in late Q1 2017 met the company's strategic objective of continuing to explore the conventional liquids-rich plays within the MSGBC Basin. In late 2018, as Operator of the A2 and A5 Blocks, FAR drilled The Gambia's first offshore well in almost 40 years and the country's first ever deep water well – all within 18 months of being on title – a remarkable achievement for a junior explorer. Importantly, these activities were delivered with operational safety and drilling efficiency on a par with much larger and more experienced operators.

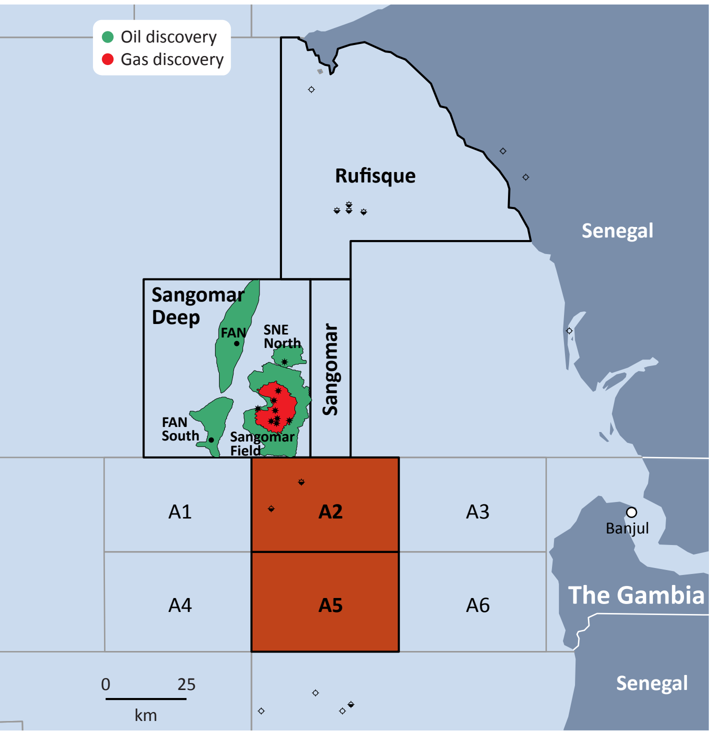


FIGURE 4: Map showing FAR's Gambian blocks in relation to the Sangomar Field

During H1 2019, FAR's exploration team continued to analyse and interpret the results of the Samo-1 well. The final assessment and evaluation of the well results indicate excellent quality reservoirs were encountered as predicted, sealing shale intervals at the primary and secondary objectives were not effective in containing hydrocarbons that had migrated into the structure, as demonstrated by oil shows at multiple levels in the well.

Integrating data from Samo-1 into FAR's existing geological and geophysical models has been vital in developing an improved understanding of the petroleum system within this basin and as a result, further prospectivity has been identified within our blocks. An assessment of the potential hydrocarbon resources contained within the A2 and A5 licences revealed a combined prospective resources upgrade to approximately 1.3 billion barrels (Unrisked, Best Estimate, 100% gross basis) contained in several large shelf-edge prospects and leads in a similar depositional setting to the Sangomar Field adjacent in Senegal (see Table 2).

Ongoing geotechnical work incorporating results from Samo-1 included the commencement of reprocessing the 2015 vintage seismic in A2 in addition to applying Full Waveform Inversion ('FWI') processing to improve existing depth models. The complex geological overburden in the shallower sections highlighted the need for a high-resolution velocity model which will be provided by FWI processing.

During the year, FAR renegotiated the A2 and A5 licenses with the Government of The Gambia. On 1 October 2019, FAR Gambia Ltd and its co-licensee, PC Gambia Ltd, a subsidiary of PETRONAS, entered new Petroleum Exploration, Development and Production Licences for both A2 and A5.

> *We are very excited to re-ignite our work in The Gambia under our revised licences, with the 3D seismic acquisition program in early 2020 and drilling again.*

Rolf Stork
– Asset Manager, The Gambia

The new licence terms reset the exploration periods and afford more time and options for FAR and PETRONAS to fully explore the acreage with increased working interests of 50% in each block. Key terms of the new licences include: (i) a three-year Initial Exploration Period, plus two optional extension periods of two years each; (ii) a commitment to drill one well in the first two years in either block and to acquire, process and interpret 450km^2 of 3D seismic in the first three years; and (iii) signature bonuses totalling US$4.5M for the two licences.

Following award of the new licences, the joint venture began planning for a new 3D seismic survey to be acquired over the eastern half of A5 where numerous leads have been identified. Acquiring data in shallow waters of the proposed area (less than 100m) and ensuring sufficient 3D coverage to confirm structural closures of mapped leads are two of the key challenges of this survey. In late Q4 2019, the A2 and A5 joint venture awarded Shearwater GeoServices a survey contract to acquire seismic data using a sophisticated multi-measurement streamer system known as IsoMetrix, which has several advantages over conventional 3D marine acquisition systems. Approval for the survey was granted by The Gambian authorities in January 2020 and consequently, Shearwater GeoServices mobilised the SW Amundsen to offshore The Gambia where seismic acquisition commenced. Data acquisition was completed in early 2020.

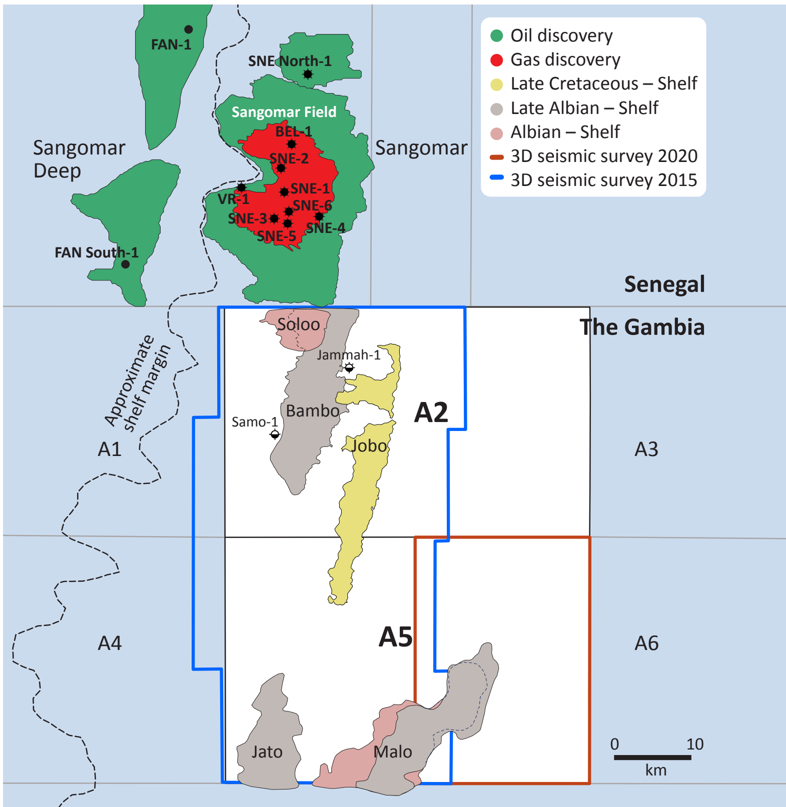


FIGURE 5: Map showing prospects in Blocks A2 and A5, The Gambia

TABLE 2: Summary of prospective resources in Blocks A2 and A5, The Gambia

The Gambia Prospects	Block	Prospective Resources* Low Estimate (mmbbls) P90	Best Estimate (mmbbls) P50	High Estimate (mmbbls) P10
Soloo 410	A2	66	126	214
Soloo S440	A2	7	26	66
Soloo (Arithmetic Sum)	A2	73	152	280
Bambo S390	A2	137	464	1,155
Jobo S172	A2 & A5	81	280	847
Jatto S176	A2 & A5	71	137	237
Malo S480	A5	12	43	143
Malo S540	A5	87	222	495
Malo (Arithmetic Sum)	A5	99	265	638
Total all Prospective Resources		461	1,298	3,157
Total net to FAR (50%)		**231**	**649**	**1,579**

Refer to disclaimers and notes to Reserve estimates and Contingent and Prospective Resource estimates on page 21 of the annual report.

With renewed prospectivity and ongoing geotechnical projects including seismic reprocessing and new 3D acquisition to assist with maturing leads and prospects to drillable status, the A2 and A5 joint venture initiated well planning activities in Q4 2019. Technical and commercial analysis supports drilling to test the Soloo prospect (152 mmbbls, P50, gross), which FAR has mapped as the southern culmination of the Sangomar Field extending into The Gambia. The Soloo prospect has two main reservoir targets that were both hydrocarbon-bearing in the Sangomar wells with preparations now underway for the commencement of drilling operations in the commencement of drilling operations. Initial planning has further highlighted the opportunity to locate a single well to intersect both the Soloo prospect and a shallower, secondary target at the Bambo prospect (464 mmbbls, P50, gross).

The operational team that managed the Samo-1 well campaign was reassembled in Q4 2019 with significant progress being made, including (i) the appointment of Exceed Energy as drilling campaign managers to execute and perform contractual, engineering, logistical and technical assurances at each stage of the campaign; (ii) re-engagement with previously qualified suppliers and sub-contractors for procurement of long-lead items such as wellheads and drill casing; and (iii) advancing contractor qualifications for selection of a suitable mobile offshore drilling unit ('MODU'). This will include obtaining all necessary Government and regulatory approvals as well as satisfying and securing all Health, Safety, Security and Environment ('HSSE') and Environment and Social Impact Assessment ('ESIA') provisions ahead of planned drilling. As operator of the A2 and A5 licences, FAR expects to make announcements in respect of material developments to its well planning and progress in bringing a new partner to fund FAR's share of the drilling costs during 2020.

GUINEA-BISSAU

SINAPA (BLOCK 2)
ESPERANCA (BLOCK 4A & 5A)

Mauritania-Senegal-Guinea-Bissau-Conakry Basin

21.43% paying & beneficial interest

Operator:
Svenska Petroleum Exploration AB

Compelling exploration in the southern MSGBC Basin

Preparations to test the deepwater potential of the southern margins of the prolific MSGBC Basin underway. Nearby exploration activities to intensify interest offshore Guinea-Bissau.

The Sinapa and Esperanca participants conducted well planning activities for the large deep-water Atum prospect (471 mmbbls, P50, gross) during 2019. These activities advanced considerably with the execution and delivery of several Tier 1 services that included the call-offs for ordering of long lead items such as complete sets of wellheads and intermediate casing supply.

Despite significant progress made by the Joint Venture during the year, the uncertainty arising from successive legislative and presidential elections held at various times throughout 2019 led Operator to propose suspending well planning operations for Atum-1X from Q4 2019 until elections had concluded and a legitimate president was decided. Operator anticipated a delay of at least six (6) months to the original planning schedule. After year end, a new president of Guinea-Bissau was inaugurated at the end of February 2020.

The Sinapa and Esperanca Licences are currently within an extension period of Phase 2, Part 2 of the Initial Term, which is due to end in November 2020. The Joint Venturers, with the support of the National Oil Company of Guinea-Bissau (Petroguin), agreed to apply for a further 3-year extension to the current exploration phase in order to meet the outstanding obligations on the licences. The Joint Venture expects to resume well planning in H1 2020 once it receives the Presidential Decree endorsing the licence extensions.

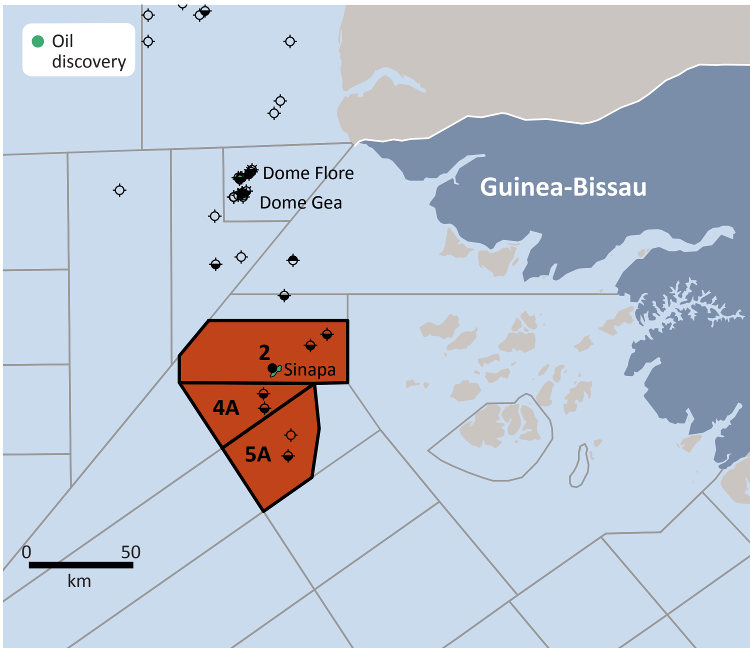


FIGURE 6: Location of FAR's blocks offshore Guinea-Bissau

TABLE 3: Summary of contingent and prospective resources in Blocks 2, 4A & 5A in Guinea-Bissau

	Contingent Resources*		
Guinea-Bissau Discoveries	**1C** (mmbbls)	**2C** (mmbbls)	**3C** (mmbbls)
Sinapa	4.4	13.4	38.9
Total Contingent Resources(i)	**4.4**	**13.4**	**38.9**
Total net to FAR (21.43%)	**0.9**	**2.9**	**8.3**

	Prospective Resources*		
Guinea-Bissau Prospects	**Low Estimate** (mmbbls) **P90**	**Best Estimate** (mmbbls) **P50**	**High Estimate** (mmbbls) **P10**
East Sinapa	1.8	7.5	34.2
West Sinapa	17.7	64.7	251.7
Atum	144	471.7	1,569.6
North Solha	6	28.4	131.6
Arinca	10	59.2	393
Sabayon	3.4	18.1	88.2
Other leads	85.4	303.7	1,032
Total all Prospective Resources	**269**	**954**	**3,500**
Total net to FAR (21.43%)	**57**	**204**	**749**

Refer to disclaimers and notes to Reserve estimates and Contingent and Prospective Resource estimates on page 21 of the annual report.

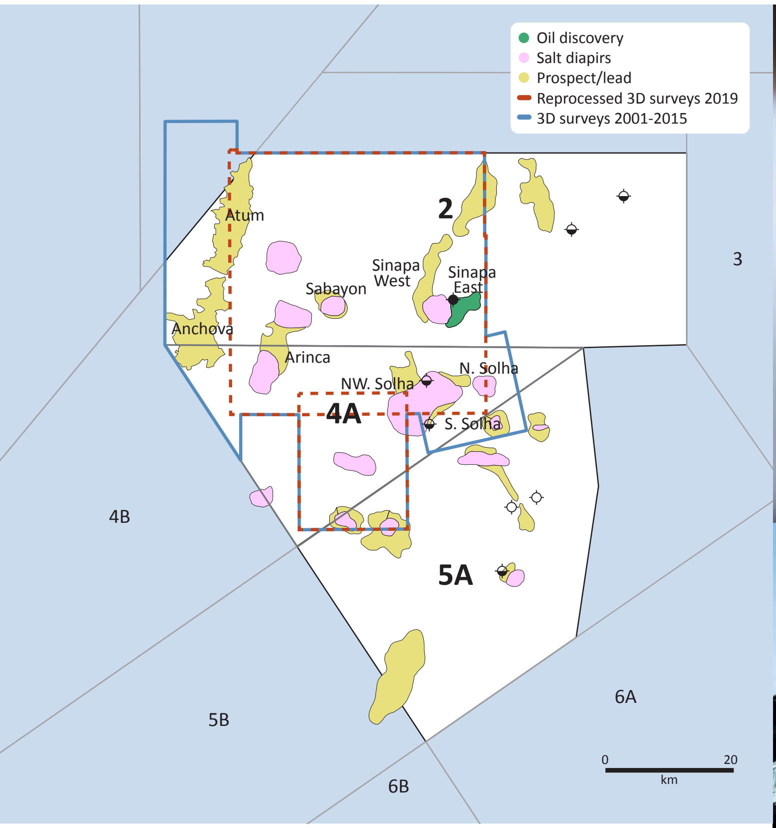
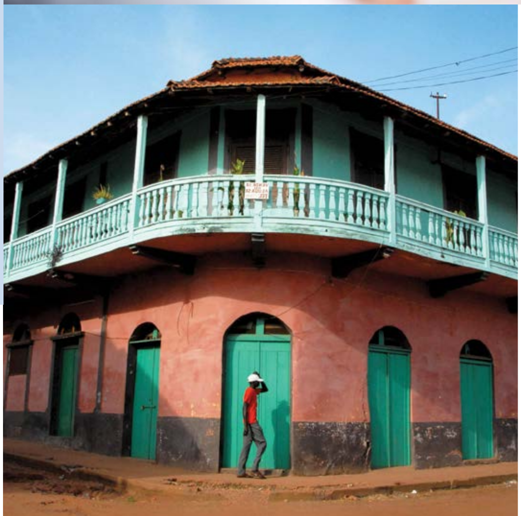


FIGURE 7: Block 2 & Blocks 4A/5A prospects, offshore Guinea-Bissau



KENYA

BLOCK L6

Lamu Basin, Kenya

60% paying and beneficial interest

Operator: FAR Ltd

Offshore East Africa

As Operator of the Block L6 joint venture, FAR did not undertake any petroleum operations in 2019. FAR continued in its attempts to secure land access to the Kipini and Botanical Wildlife Conservancy ('Conservancy') throughout the year. FAR has exhausted most options available after consulting with and gaining the support from almost every level of Government from the Kenya Wildlife and Kenya Forestry Services, the National Environmental Management Authority and the National Land Commission, through to The Ministry of Lands and ultimately to the Office of The Prime Minister of Kenya. Despite support from these Government agencies and regulators, the board of the Conservancy upheld its refusal to allow the joint venture access across its lands.

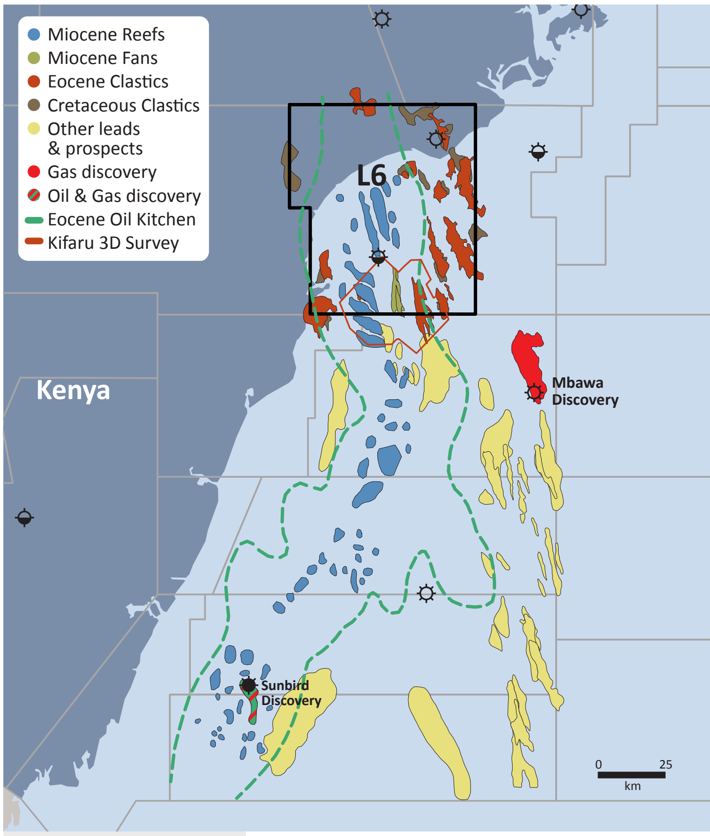
Since mid-2017 FAR has declared force majeure over Block L6. The force majeure, on which basis the Ministry granted the Block L6 PSC a 12-month non-operations extension, continues to apply.

In Q3 2019, FAR visited the Kenyan Ministry of Petroleum and Mining ('Ministry') and met with the Principal Secretary and his team to discuss the future of the Block L6 joint venture and to consider options with the Government. FAR expects to make an announcement regarding its future exploration endeavours in Kenya in 2020.

TABLE 4: Summary of prospective resources in Block L6, Kenya

Kenya Prospects Onshore L6	**Play**	**Prospective Resources*** **Best Estimate** (mmbbls) **P50**
Mamba	*Eocene Clastics*	31
Kudu	*Eocene Clastics*	115
Other Late Cretaceous Clastics Play		31
Total onshore Prospective Resources		**177**
Total net to FAR (60%) – onshore prospects		**106**
Total all Prospective Resources		**3,754**
Total net to FAR (60%)		**2,252**

Refer to disclaimers and notes to Reserve estimates and Contingent and Prospective Resource estimates on page 21 of the annual report



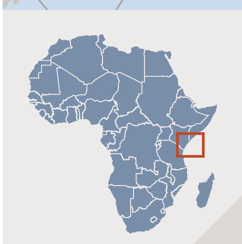


FIGURE 8: Leads and prospects mapped offshore Kenya

WESTERN AUSTRALIA

PETROLEUM EXPLORATION PERMIT WA-458-P

Dampier Sub-basin, Northern Carnarvon Basin, North West Shelf

100% paying and beneficial interest

Operator: FAR Ltd

FAR's Australian asset lies in the Dampier Sub-basin on the North West Shelf

In early Q1 2019, seismic acquisition of FAR's phase of the Davros Extension Multiclient 3D survey was safely completed over WA-458-P, in fulfilment of the Permit Year 2 work commitment of the Primary Work Programme.

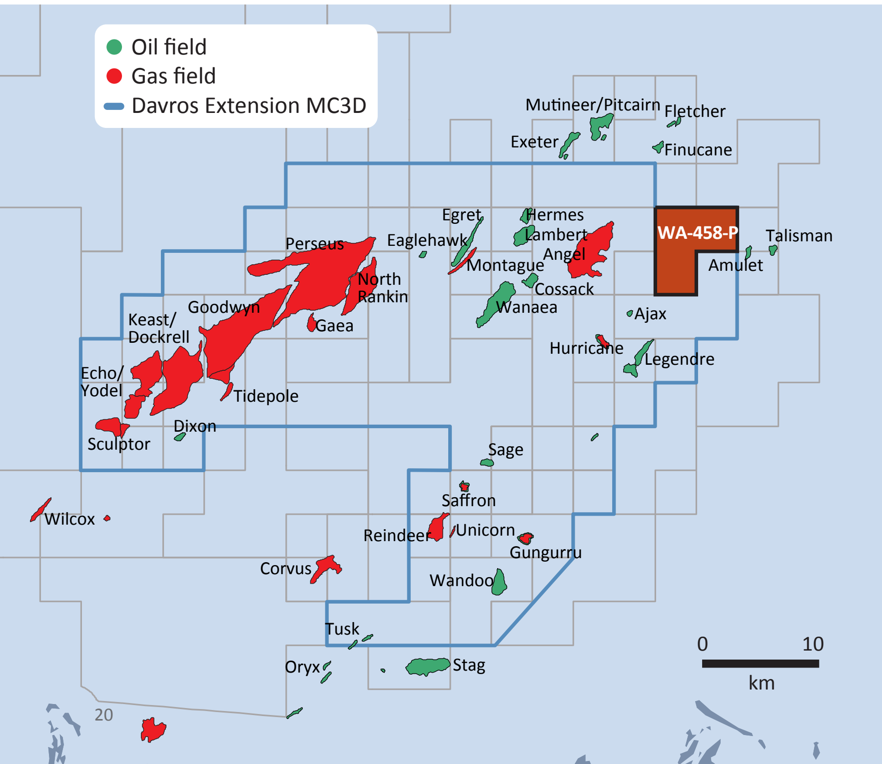
This concludes the seismic acquisition covering the entire WA-458-P block. The seismic was acquired by CGG in a number of phases, commencing in 2015, and was being processed for much of the year. In February 2020, FAR received a fast-track seismic volume from CGG who is also conducting the seismic processing. Final data is expected by end of Q2 2020. This new data will benefit from the modern acquisition configurations, and improved processing techniques which have been applied.

This data will be valuable in the ongoing evaluation of the prospects identified in the block through 2020. The prospects in WA-458-P are low risk in proven commercial plays within a prolific basin. The immediate region contains numerous discoveries and fields with hydrocarbons in the same reservoir units and trapping styles as the identified prospects in WA-458-P.

TABLE 5: Summary of prospective resources for Block WA-458-P

Australia Prospects WA-458-P	Prospective Resources* Best Estimate (mmbbls) P50
Top Angel Play	20.7
Lower Angel Structural Play	5.8
Lower Angel Stratigraphic Play	152.2
Oxfordian Fan Play	126.8
Legendre Structural Play	53.4
Total all Prospective Resources	358.9
Total net to FAR prospects (100%)	**358.9**

Refer to disclaimers and notes to Reserve estimates and Contingent and Prospective Resource estimates on page 21 of the annual report.



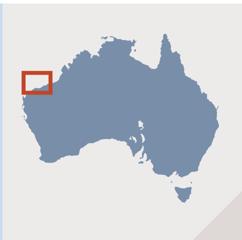
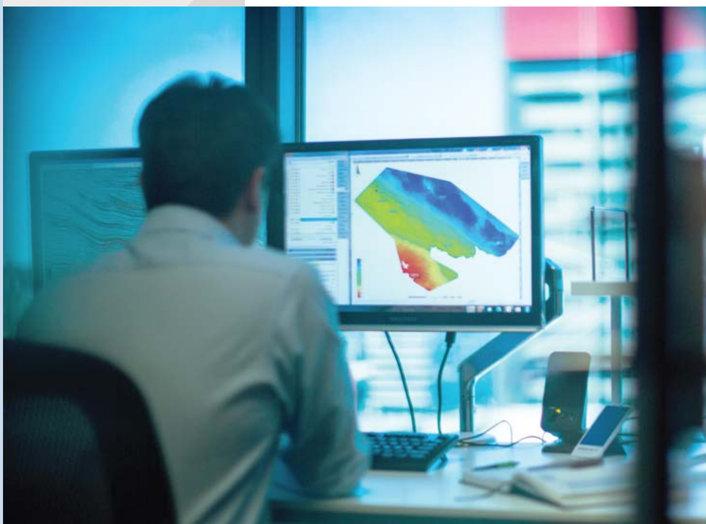


FIGURE 9: Location of Block WA-458-P and oil & gas fields in the region



Corporate Activity

At the end of the financial year FAR's cash position was US$13.75 million. FAR holds the majority of its cash in US$ – the currency in which the majority of costs are incurred.

Exploration Assets

FAR holds a wide portfolio of exploration licenses across Africa and Australia. The core focus area for the company is Africa, and specifically offshore West Africa after making the basin opening FAN-1 and SNE-1 oil discoveries in 2014.

FAR has now drilled an 11 well drilling program offshore Senegal and completed appraisal of the world-class Sangomar Field. FAR and its Joint Venture partners are yet to complete the evaluation of the FAN-1, FAN South-1 and SNE North-1 discoveries made in the 11 well drilling program.

FAR operates Blocks A2 and A5 offshore The Gambia which are adjacent to and on trend with the giant Sangomar oil field. Exploration permits in Guinea-Bissau and Kenya represent FAR's other African assets. As at the end of 2019, the Company assets are tabled below.

Project	Asset	FAR Paying Interest	Beneficial Interest	Operator
Senegal	Rufisque, Sangomar and Sangomar Deep	16.67%	15.00%	Woodside Energy (Senegal) B.V.
The Gambia	Block A2 and A5	50.00%	50.00%	FAR
Guinea-Bissau	Sinapa and Esperanca	21.43%	21.43%	Svenska
Kenya	Block L6	60.00%	60.00%	FAR
Australia	WA-458-P	100.00%	100.00%	FAR

***Disclaimers**

Reserves – The Reserves estimates presented in this report are prepared as at 20/1/2020 (reference FAR ASX release). The estimates 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. The Reserves estimates provided in this report are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations. All necessary approvals have been obtained, capital funds have been committed, and implementation of the development project is ready to begin. The Reserves estimates are Best Estimates and represent that there is a 50% probability that the actual resource volume will be in excess of the amounts reported. The 100% basis and net to FAR Reserves estimates include Government share of production applicable under the Production Sharing Contract or License.

Prospective and Contingent Resources – All contingent and prospective resource estimates presented in this report are prepared as at 27/2/2013, 11/3/2014, 5/2/2014, 13/04/2015, 13/4/2016, 23/08/2016, 7/2/2017 and 21/11/2017 (Reference: FAR ASX releases of the same dates). The estimates have been prepared by the Company in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System, 2007 approved by the Society of Petroleum Engineers and have been prepared using probabilistic methods. The contingent resource estimates provided in this report are those quantities of petroleum to be potentially recoverable from known accumulations, but the project is not considered mature enough for commercial development due to one or more contingencies. The prospective resource estimates provided in this report are Best Estimates and represent that there is a 50% probability that the actual resource volume will be in excess of the amounts reported. The estimates are unrisked and have not been adjusted for both an associated chance of discovery and a chance of development. The 100% basis and net to FAR contingent and prospective resource estimates include Government share of production applicable under the Production Sharing Contract or Licence.

Competent Person Statement Information – The hydrocarbon resource estimates in this report have been compiled by Peter Nicholls, the FAR Ltd exploration manager. Mr Nicholls has over 30 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, but 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.

***Notes to Contingent & Prospective Resources Estimates**

1. The estimated quantities of Prospective Resources stated throughout the report may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. 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.
2. The recoverable hydrocarbon volume estimates prepared by the company and stated in the tables throughout the report have been prepared in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System, 2007 and 2011 approved by the Society of Petroleum Engineers.
3. The Prospective resource estimates have been estimated using deterministic methods using best estimates of all parameters.
4. The barrel of oil equivalent (BOE) is a unit of energy based on the approximate energy released by burning one barrel (42 U.S. gallons or 158.9873 litres) of crude. One BOE is roughly equivalent to 5,800 cubic feet (164 cubic meters) of typical natural gas, which is the conversion used in this analysis to calculate BOE for the gas volumes. The value is necessarily approximate as various grades of oil and gas have slightly different heating values.
5. The Best Estimates reported represent that there is a 50% probability that the actual resource volume will be in excess of the amounts reported.
6. The estimates for unrisked Prospective Resources have not been adjusted for both an associated chance of discovery and a chance of development.
7. The chance of development is the chance that once discovered, an accumulation will be commercially developed.
8. Prospective Resources means those quantities of petroleum which are estimated, as of a given date to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development.
9. In the table, the abbreviation 'mmbbls' means millions of barrels of oil or condensate and 'bcf' means billions of cubic feet of gas.

GOVERNANCE & SUSTAINABILITY

FAR is committed to managing its environmental, social and governance ('ESG') responsibilities and to embedding ESG into FAR's philosophy, practices and business processes.

FAR's commitment to ESG is guided by the PEARL principle – People, Environment, Assets, Reputation and Legal, in that order of priority. PEARL is embedded throughout our organisation, from the most detailed Health, Safety and Environment plan on a rig, to our risk management process, to the social investments we make in our host countries.

- **P** eople
- **E** nvironment
- **A** ssets
- **R** eputation
- **L** egal

"FAR's mission is to create shareholder value through exploration for oil and gas while operating to industry best practise standards, and we believe that a strong focus on ESG is key to achieving our mission. In 2019 FAR strengthened its ESG capability with key appointments to the Board and executive of the Company."

Elisha Larkin
– Company Secretary

Corporate Governance

Australian Securities Exchange Listing Rule 4.10.3 requires companies to disclose the extent to which they have complied with the best practice recommendations of the ASX Corporate Governance Council.

FAR's 2019 Corporate Governance Statement can be viewed on the Company's website at **www.far.com.au/governance-social-responsibility/**.

People

FAR is focussed on growing a business of diverse individuals in a high performing, inclusive culture and providing a safe working environment for all FAR people and the consultants and partners that work with the Company.

Safety

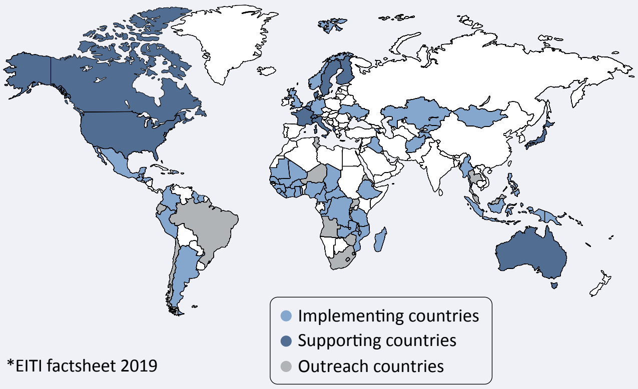
The health, safety and wellbeing of FAR's people and the communities in which we operate are of utmost importance to the Company. FAR will continue to develop and promote a culture of safe practices and ethics and will endeavour to ensure there are no occupational health issues in the workplace. FAR's expectation is to work incident free, every hour, every day, everywhere and encourage all FAR people to make a personal commitment to ensure they and those they work alongside are incident and injury free.

FAR has invested in developing best practice policies and training to support health, safety and wellbeing, including Whistleblower, Diversity and Human Rights and Child Protection policies and customised crisis-management training.

Transparency

FAR is a member of the Extractive Industries Transparency Initiative ('EITI'), along with the governments of Senegal and Australia. EITI is the global standard to promote the open and accountable management of oil, gas and mineral resources. Guided by the belief that a country's natural resources belong to its citizens, the EITI has established a global standard to promote the open and accountable management of oil, gas and mineral resources. Further information about the EITI can be found on the EITI website **www.eiti.org**.

52 countries implement the EITI standard*



*EITI factsheet 2019

Social Contribution

FAR is an active participant in its host country communities, employing staff and investing in community and social projects. Our 2019 Sponsorships and Investments were:

THE GAMBIA:

GBVA VOLLEYBALL SPONSORSHIP

FAR sponsored the Gambia Volleyball Federation National Beach Volleyball Championship, the most important domestic competition in beach volleyball. This competition supports the evolution of a strong national team to represent The Gambia in international beach volleyball competitions. We were proud to sponsor these games and provide an opportunity for the youths of the country to showcase and enhance their playing skills.

ELECTRIFICATION AND RENOVATION OF SERAKUNDA LOWER BASIC SCHOOL

Following the successful renovation of primary schools in Senegal, FAR undertook a renovation of a Gambian primary school as part of the Gambian Joint Venture's social program. Works have now been completed in The Gambia at the Serrekunda Lower Basic School, which caters for 1,500 students from grades 1 to 6. Electrical works were completed including installation of over 1000m of electrical cabling, installation of waterproof lighting, demolition and reinstallation of concrete columns and roofing replacement as well as new plastering and painting.

The objective of the lighting was to improve safety and security around the school and to provide a well-lit area that could be used for community activities in the evening. The basic maintenance and repairs to the school were well needed to ensure the safety of the students. Rolf Stork, the FAR Gambian Asset Manager was present for the ceremony to celebrate the completion of the works. The newly lit school grounds were immediately used for soccer training by local enthusiasts – more photos and videos can be found on our website and YouTube channel.

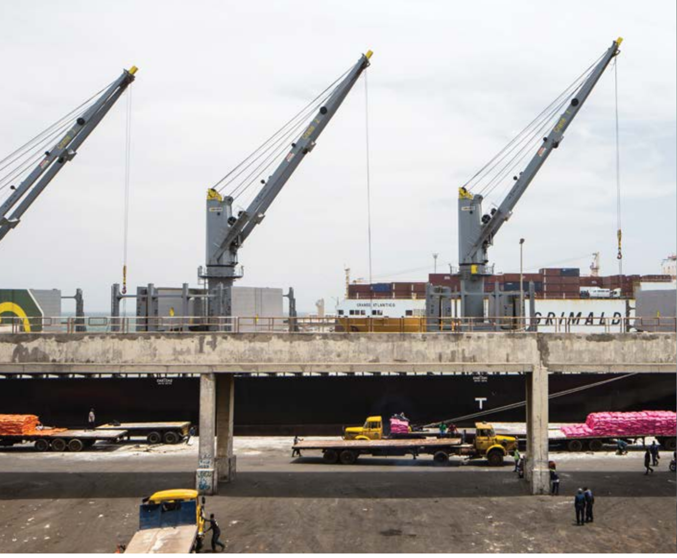
> *"FAR Gambia is committed to undertaking social and community programs intended to contribute to sustainable social development by working with local communities and host Government institutions. We aim to complement The Gambia Government development objectives and contribute to improve the quality of life of the local community with special focus on the vital areas of education, community health and development, youth engagement, and environmental protection."*
>
> **Mr Abdoulie Sallah**
> – The Gambia Office Manager

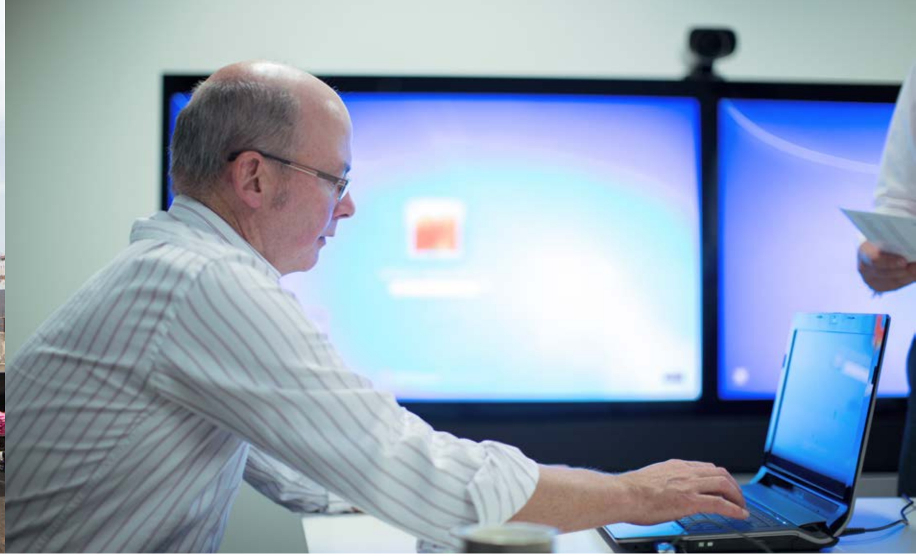
SENEGAL:

- FOOTBALL AND BASKETBALL GEAR TO LOCAL FOOTBALL CLUBS
- CLEANING TOOLS TO LOCAL COMMUNITIES
- DISTRIBUTION OF SCHOOL SUPPLIES TO 600 STUDENTS OF LOCAL PRIMARY SCHOOLS
- ANTI-MALARIA KITS TO THIADIAYE'S HEALTH CENTER

The Sangomar Field development will lead to thousands of jobs for the people of Senegal

Over 10% **of project incomes** will be recovered by Senegal in the form of government share of oil and taxes





Environment & Climate Change

FAR recognises its responsibility to support greenhouse gas emissions reduction initiatives where it can. FAR supports host governments in their efforts to take action on these emissions whilst maintaining a secure and affordable energy supply during a transition to a lower emissions future. FAR acknowledges its own responsibilities in this context and its commitment to be part of a combined approach to a reduction in greenhouse gas emissions. FAR acknowledges the Paris Agreement, which pledges to limit the rise in temperature to below two degrees Celsius and supports efforts to create a coordinated global emissions reduction process.

As FAR looks to the future as a producer of oil and gas, FAR strives to do so in line with best industry practice and looks to do this in collaboration with host governments, joint venture partners and other stakeholders.

Climate-related Disclosure

In early 2019, the ASX updated the ASX Corporate Governance Principles and Recommendations to address new and emerging issues, with a particular emphasis on climate change. These updates included changes to the Recommendations that fall under Principle 7, which states that listed entities should recognise and manage risk, and that a "listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework."

The new commentary makes clear that this includes the board "satisfying itself that the risk management framework deals adequately with contemporary and emerging risks such as… climate change."

It encourages listed entities to adopt the framework of the Financial Stability Board's Taskforce on Climate-related Financial Disclosures (TCFD) to determine whether they have material exposure to climate change risk, and if so, to consider making disclosures recommended by the TCFD. The commentary adopts the TCFD's schema of categorising risks as physical, or transitional. The commentary also encourages "entities that believe they do not have any material exposure to environmental or social risks to consider carefully their basis for that belief and to benchmark their disclosures in this regard against those made by their peers."

FAR is working towards implementing the recommendations of the TCFD. A number of climate-related disclosures are made below and in the Directors' Report and FAR undertakes to expand its climate-related disclosure capability during 2020. As FAR transitions from an exploration company to an oil and gas producer, the Company intends to work with its joint venture partners, contractors and other stakeholders to further enhance climate-related disclosures.

Managing GHG emissions

FAR estimates that corporate travel, corporate office electricity and seismic data acquisition represented the most significant greenhouse gas (GHG) emission producing activities for 2019. Travel and office related emissions are estimated below.

2019 ESTIMATED CO_2 EMISSIONS*

Corporate Travel
710 tonnes

Corporate Office Electricity
79.4 tonnes

*Best estimate for FAR staff and contractors only, not audited

FAR has implemented prudent, practical and cost-effective actions to reduce our GHG emissions, and FAR's leadership is actively considering a number of new efforts to manage and reduce our GHG emissions.

FAR works with host governments and Joint Venture partners to seek alternatives to flaring and venting hydrocarbons from exploration and future production wells, noting that flaring in most of the jurisdictions in which FAR operates is not permitted or highly restricted. In most of FAR's Joint Ventures, the North Sea standards apply.

Contribution to a low-carbon transition

The Sangomar Field is in the first quartile of quality and low sulphur content and accordingly will be one of the cleanest crude streams in the world when in production. The use of high-sulphur residual fuel leads to large emissions of smog-inducing nitrous oxides, health damaging fine particles and sulphur dioxide which can cause acid rain. The International Marine Organization (IMO) has enforced rules limiting sulphur emissions from marine traffic.

Domestic production will allow Senegal to transition to cleaner fuel sources and reduce its CO_2 emissions by an estimated 50 thousand tonnes per year by replacing imported crude.

FAR's sustainability and climate change policies can be found on the Company's website at **www.far.com.au**

Current and future actions to reduce GHG emissions

CURRENTLY:

Using energy-efficient products and low emissions technologies

Encouraging video conference calls amongst staff, (available to team members from the office, home and on mobile devices) partners, governments and shareholders in lieu of travel and face to face meetings (where practical)

Seeking independent expert input into our Climate Change Policy

Regularly reviewing opportunities to improve energy efficiency

ACTIVELY CONSIDERING:

Encouraging climate change considerations in our procurement and supply chains

Embedding climate change adoption into executive KPIs and associated incentives where appropriate

Seeking alternatives to flaring and venting hydrocarbons from exploration and future production wells

Promoting transparency by publishing a sustainability report in due course as FAR comes closer to oil and gas production

As Operator of our project in The Gambia, FAR works closely with contracted partners to ensure assets are safely and efficiently deployed. FAR has a track record of running projects on budget and within tight timeframes, from seismic acquisition to well drilling.

Assets, Reputation & Legal

The PEARL principle also informs our approach to managing our assets, reputation, legal obligations and risk generally. FAR strives to undertake all of its activities to the highest possible technical and operational standards. FAR enjoys success in partnering with multinational partners in the oil industry and a number of host governments. FAR's good reputation in the oil industry has been the foundation of this success and FAR works hard to ensure, through good governance, that our reputation remains strong.

FAR employs a dedicated Legal Counsel with vast oil and gas experience, as well as using external experts as required, including within our host countries.

Further information on our risk management approach and assets can be found in the Directors Report and Operations Report.

DIRECTORS' REPORT

> *With the appointment of Dr. Julian Fowles this year, we saw an additional 30 years of international oil and gas industry experience brought to the FAR board*

Tim Woodall
– Executive Director

Sangomar Field official FID signing ceremony

The directors of FAR Ltd submit herewith the Annual Financial Report of the Company and its subsidiaries (the Group) for the year ended 31 December 2019. In order to comply with the provisions of the Corporations Act 2001, the directors' report follows:

DIRECTORS

The names of directors in office during the year and up to the date of this report are:

Nicholas Limb
Catherine Norman
Timothy Woodall
Reginald Nelson
Julian Fowles (appointed 15 October 2019)

INFORMATION ON DIRECTORS

The directors of the Company in office during or since the end of the financial year are:

Nicholas James Limb
– Non-Executive Chairman
BSc (Hons), MAusIMM
(appointed 28 November 2011)

Mr Limb is a professional geophysicist and has extensive experience in the management of resource companies. Additionally, he has a considerable background in capital markets having worked in investment banking for approximately 10 years. Mr Limb was appointed as Chair on 19 April 2012. He is Chair of the nomination and risk committees and a member of the remuneration and audit committees.

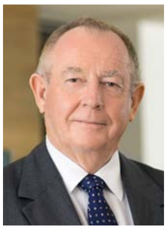
Catherine Margaret Norman
– Managing Director
BSc (Geophysics)
(appointed 28 November 2011)

Ms Norman is a professional geophysicist who has over 30 years' experience in the minerals and oil and gas exploration industry, having held executive positions both in Australia and the UK and carried out operating assignments in Europe, Africa, the Middle East and Australia. Ms Norman served as Managing Director of Flow Energy Limited from 2005 and was appointed Managing Director of FAR Ltd on 28 November 2011. She is a member of the risk committee.

Timothy Roy Woodall
– Executive Director
BEc, FCPA, GAICD
(appointed 1 August 2017)

Mr Woodall has over 25 years' experience in international M&A and finance, specialising in the oil and gas sector. His expertise includes being the founder and Managing Director of a boutique advisory firm, the CEO of an international technical consulting firm and senior roles in New York and London with global investment banks. Additionally, he has held senior executive positions with exploration and production companies in Australia and the USA.

Mr Woodall relinquished his non-executive role and became an executive director of the Company effective 1 September 2019. He is a member of the risk committee. He was a member of FAR's audit, remuneration and nomination committees until 29 August 2019.



Reginald George Nelson
– Non-Executive Director
BSc, Hon Life Member Society of Exploration Geophysicists, FAusIMM, FAICD
(appointed 9 April 2015)

Mr Nelson is an exploration geophysicist with over 50 years of experience in the petroleum and minerals industries and has served as a director of various ASX listed companies for 27 years. He held the positions of Managing Director/CEO of Beach Energy Limited from 1995 to 2015. He is a former Chairman of the Australian Petroleum Production and Exploration Association (APPEA) and is a recipient of APPEA's Reg Sprigg Gold Medal award for outstanding services to the Australian oil and gas industry. He was appointed by the Premier of South Australia as Chairman of the South Australian Minerals and Petroleum Expert Group (SAMPEG) in December 2016 and is also an Emeritus Life Member of the Society of Exploration Geophysicists (awarded 1989). Mr Nelson is Lead Independent Director and Chair of FAR's audit and remuneration committees and a member of the nomination and risk committees.

Dr. Julian David Fowles
– Non-Executive Director
PhD, BSc (Hons), GDipAFI, GAICD
(appointed 15 October 2019)

Dr. Fowles is a geologist with over 30 years' experience across many operating environments and regimes, including 17 years with Shell International. Most recently Dr. Fowles was a senior executive with Oil Search Limited, leading the PNG operated and non-operated oil and LNG production and development businesses. He is a member of FAR's audit, remuneration, nomination and risk committees.

DIRECTORSHIPS OF OTHER LISTED COMPANIES

Directorships of other listed companies held by directors in the 3 years immediately before the end of the financial year are as follows:

Name	Company	Period of directorship
N J Limb	Mineral Deposits Limited	1994 - 2018
R G Nelson	Vintage Energy Ltd	2017- current
T R Woodall	Central Petroleum Limited	2017 - 2018
Dr. J D Fowles	Central Petroleum Limited	2019 - current

DIRECTORS' SHAREHOLDINGS

The following table sets out each director's relevant interest in shares and performance rights over shares of the Company at the date of this report:

Director	No. of fully paid ordinary shares	No. of rights over ordinary shares
N J Limb	45,614,021	-
C M Norman	25,319,972	2,163,000
T R Woodall	3,655,882	-
R G Nelson	2,205,882	-
Dr. J D Fowles	1,495,882	-

COMPANY SECRETARY

Elisha Larkin
BComm(Hons)/BAgrSci(Hons), MCommLaw
(appointed 21 January 2020)

Ms Larkin has over 15 years' experience in a number of commercial and governance positions including most recently as a senior executive and Company Secretary of biotechnology company Hexima Limited. Elisha has a Masters of Commercial Law from the University of Melbourne majoring in corporate governance and intellectual property law, and honours degrees in Agricultural Science and Commerce from the University of Melbourne.

Peter Thiessen
B.Bus, CA
(resigned 21 January 2020)

Mr Thiessen, Chartered Accountant, held the position of Company Secretary of FAR Ltd at the end of the financial year. He joined FAR Ltd in 2012 and continues to serve as the Chief Financial Officer of the Group.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Information about the remuneration of key management personnel ('KMP') is set out in the remuneration report section of this directors' report. The KMP refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

SHARE OPTIONS AND PERFORMANCE RIGHTS GRANTED TO DIRECTORS AND SENIOR MANAGEMENT

No share options or share performance rights were granted to directors during the year, nor since the end of the financial year.

PRINCIPAL ACTIVITIES

The principal activities of the Company and of the Group during the course of the financial year were:

- Conducting exploration for and development of oil and gas deposits;
- Conducting activities to identify and evaluate new exploration projects; and
- Monetisation of oil exploration and production interests.

There were no significant changes in the nature of these activities during the year.

OPERATING RESULTS

The net loss of the Group for the year ended 31 December 2019 after income tax was US$21,144,093 (2018: US$11,621,926).

Results for the year

	FY19 US$	FY18 US$	Change %
Profit & loss			
Revenue	370,160	1,710,341	(78.4)
Expenses	(21,514,253)	(13,332,267)	61.4
Loss for the period	(21,144,093)	(11,621,926)	81.9
Basic EPS (US cents per share)	(0.35)	(0.21)	66.7
Financial position			
Net assets	129,305,580	120,106,526	7.7
Cash balance	13,752,652	19,540,172	(29.6)
Cash flows			
Operating cash outflows	(19,280,647)	(17,645,848)	10.1
Investing cash outflows	(16,035,813)	(1,629,214)	884.3
Financing cash inflows	29,731,205	-	

Financial result

The group reported a loss for the 2019 year of US$21,144,093 which is 81.9% higher than the prior year loss of US$11,621,926. The increased loss is predominantly due to higher exploration expenses of US$16,548,737 (2018: US$8,560,358), decreased revenue of US$370,160 (2018: US$1,710,341) comprising interest income of US$355,202, and increased other expenses of US$2,423,233 including US$1,880,698 of international arbitration costs. Partly offsetting these items was a gain recognised from the reversal of the group's share of the Gambia Block provision for doubtful debts, relating to previously unfunded cash contributions due to the joint venture.

The exploration expenses were significantly higher during the current year due mostly to higher costs in The Gambia of US$11,417,935 (2018: US$2,308,757). These higher Gambia costs represent the ongoing geological and geotechnical work and associated costs with the successful renegotiation of the A2 and A5 licences with the Government of the Gambia resulting in an increase to FAR's interest in each of the A2 and A5 licences to 50% (from 40%). The Gambia exploration expenditure in the prior year was particularly low due to the offsetting of proceeds of US$15,906,040 received from PETRONAS for the farm out of its interest in blocks A2 and A5.

The lower Senegal costs during the year of US$2,921,320 (2018: US$4,485,653) primarily represent joint venture exploration expenditure, management oversight and project finance related costs.

Financial position

Net assets increased during the year by 7.7% or US$9,199,054 to US$129,305,850 as a result of an increase in total assets of US$12,471,059 offset by an increase in total liabilities of US$3,272,005, described further below.

The increase in total assets during the year can be mostly explained by the increase in exploration and evaluation assets of US$19,409,775 and the decrease in cash of US$5,787,520.

The increase of US$19,409,775 in exploration and evaluation assets to US$119,397,714 primarily represents the capitalisation of Senegal Front End Engineering and Design (FEED) activities costs of US$18,043,283 year-on-year. The decrease of US$5,787,520 in cash during the year to US$13,752,652 was due mainly to payments for exploration and evaluation expenditure of US$33,870,983 principally relating to Senegal FEED activities of US$18,043,283 and The Gambia exploration work program and licence renegotiation costs of US$10,638,057. These costs were funded from both existing cash reserves and the capital raising proceeds of US$30,056,193 received in May 2019.

The increase in total liabilities during the year of US$3,272,005 was due to an increase in trade payables of US$2,404,683 and an increase in lease liabilities of US$816,715 which were booked for the first time in accordance with the new Lease Accounting Standard.

As at 31 December 2019 the Group had no borrowings or undrawn financing facilities. However, the Group is currently arranging finance facilities for use in the future in order to meet its ongoing Senegal project expenditure obligations and commitments (see Note 13).

Business Strategy and prospects

The Company is currently focussed on oil and gas exploration and appraisal in Africa and Australia. The Company continues to progress its current portfolio of projects and assess new oil and gas exploration opportunities principally in Africa to grow its pipeline of projects. The Company's strategy is to identify and secure high potential exploration licences and permits at an early stage in the exploration cycle and add value and mitigate technical, operational and financial risks through prioritising and diversifying its exploration, appraisal and development activities and entering commercial arrangements including farm-outs and sale and purchase transactions. During the year the Company continued to explore and evaluate its current portfolio of projects. In Senegal, the Company continued pre-development activities for the exploitation of the Sangomar Field, including lodging the Exploitation Plan with the Government of Senegal and progressing its financing plans.

REVIEW OF OPERATIONS

A review of the operations of the Company and the Group is set out in the Operations Review section of this Annual Report.

DIVIDENDS

The directors recommend that no dividend be paid for the year ended 31 December 2019 nor have any been paid or declared during the year (2018: NIL).

MATERIAL BUSINESS RISKS

The international scope of the Group's operations, the nature of the oil and gas industry and external economic factors mean that a range of factors may impact results. Material macro-economic risks that could impact the Company's results and performance include oil and gas commodity prices, climate-related risk, exchange rates and global factors affecting capital markets and the availability of financing. Material business risks that could impact the Company's performance are described below.

The Group seeks to integrate risk management practices into all facets of its business and uses risk assessment as an integral part of decision making. The Group uses a corporate risk register to ensure that all material risks are identified, objectively assessed, managed, monitored and responded to in an appropriate manner. The Group updates the corporate risk register on a quarterly basis and maintains and regularly updates risk registers for key projects. Group risk is reviewed at all meetings of the board of directors.

The Group assesses risk using a PEARL philosophy, where PEARL is an acronym for people, environment, assets, regulatory and legal. People are the highest priority followed by environment and so on. This risk assessment philosophy flows through the Group's crisis management systems.

TECHNICAL AND OPERATIONAL RISKS

Exploration

Oil and Gas exploration is speculative by nature and therefore carries a degree of risk associated with the discovery of hydrocarbons in commercial quantities. Exploration activity may be adversely influenced by a number of different factors including, amongst other things, new subsurface geological and geophysical data, drilling results including the presence, prevalence and composition of hydrocarbons, force majeure circumstances, drilling cost overruns for unforeseen subsurface operating conditions or unplanned events or equipment difficulties, changes to resource estimates, lack of availability of drill rigs, seismic vessels and other integral exploration equipment and services.

Other operational risks

In addition to the risks listed above the Group's operations are potentially subject to other industry operating risks including fire, explosions, blow outs, pipe failures, abnormally pressured formations and environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures, or discharge of toxic gases. The occurrence of any of these risks could result in injury or loss of life; damage to or destruction of property, natural resources, or equipment; pollution or other environmental damage; clean-up responsibilities; regulatory investigation and penalties or suspension of operations – all of which could also result in substantial losses to the Group. Damages occurring to third parties as a result of such risks may also give rise to claims against the Group.

The Group manages operational risk through a variety of means including selecting suitably experienced qualified joint arrangement partners, contractors and operators; regular monitoring of the performance of contractors and operators in accordance with the Group's policies; recruitment and retention of appropriately qualified employees and contractors and establishment and use of Group-wide risk management system. Where possible, the Group insures against these risks and as needed implements specific insurance policies in relation to drilling operations that are consistent with good industry practice.

DEBT FINANCING RISK

Refer to Note 3(e) of the Notes to the financial statements for further details.

PROJECT DEVELOPMENT AND COST RISKS

Successful project development is subject to a range of risks and uncertainties. These risks and uncertainties in part relate to the estimated quantities of petroleum that may potentially be recovered. They also relate to the costs involved of project development and subsequent production, which are subject to a range of qualifications, assumptions and limitations. They also relate to the timing of project development and subsequent production, which is subject to a range of factors many of which are not within FAR's control.

JOINT OPERATION RISK

The use of joint operations is common in the oil and gas industry and usually exist through all stages of the oil and gas life cycle. Joint operation arrangements, amongst other things, mainly serve to share the obligations and benefits of exploration, development and production of oil. The key risk that is mitigated is the large cost associated with exploration and capital intensive development phases. However, failure to establish alignment between joint operation participants, poor performance or cost overruns by third party joint operation operators, or the failure of joint operation partners to meet their commitments and share of costs and liabilities could have a material impact on the Group's business.

The Group manages joint operation risk through careful joint operation partner selection (when applicable) stakeholder engagement and relationship management. Commercial and legal agreements are also in place across all joint operations and define the responsibilities and obligations of the joint operation parties and rights of the Group.

GOVERNMENT AND REGULATOR RISK

The Group's rights, obligations and commercial arrangements through all stages of the oil and gas lifecycle (exploration, development, production) in international oil and gas permits are commonly defined in agreements entered into with the relevant country's Government as well as in the country's petroleum and tax related legislation and other laws. These agreements and laws are at risk of amendment by future Governments which accordingly could materially and adversely impact on the Group's rights and commercial arrangements. Further, due to the evolving nature of exploration work programs as new technical data becomes available and due to the fluctuating availability of petroleum equipment and services, the Group may seek to negotiate variations to permit agreements in particular in relation to the duration of the exploration phase in the permit and the work program commitments.

The Group manages Government and Regulator risk through careful Government and Regulator relationship management. Failure to maintain mutually acceptable arrangements between the Group and Government and regulator could have a material impact on the Group's business including forfeit or relinquishment of permits or commercially less advantageous terms being imposed on permits. Refer Note 3(e) for further details.

SOVEREIGN RISK

The Group strategy is focused on building an exploration and production company in the MSGBC Basin, offshore NW Africa. Some countries within which the Group operates are developing countries that have political and regulatory tax structures that are maturing and have potential for further change. Uncertainty may exist as to the stability of the regulatory and political environment and there is potential for events to have a material impact on the investment and security environment within the country. The Group manages sovereign risk through closely monitoring political developments and events in country. For countries where the Group has a large investment (Senegal and The Gambia), the Group has a local office, staffed to ensure close monitoring and feedback. The Group manages and amends its investment profile within a country by taking into consideration developments in the security and business environment.

ENVIRONMENTAL RISKS

Oil and gas operations have inherent risks and liabilities associated with ensuring operations are carried out in a manner that is responsible to the environment. Although the Group operates within the prevailing environmental laws and regulations, such laws and regulations are continually changing and as such, the Group could be subject to changing obligations or unanticipated environmental incidents that, as a result, could impact costs, provisions and other facets of the Group's operations.

The Group complies with all environmental laws and regulations and, where laws and regulations do not exist, it aims to operate at the highest industry standard for environmental compliance. The Group identifies risks, threats, hazards and other environmental considerations and implements control measures to mitigate such risks. Any accidents, incidents or near misses are reported to the Board. Careful selection and engagement of contractors is undertaken to ensure adherence to the Group's policies and appropriate contingency arrangements are put in place which include but are not limited to having insurances in place that are consistent with good industry practice; and, selection and retention of appropriately qualified personnel.

CLIMATE-RELATED RISKS

The Group supports the goal of the Paris Agreement to limit global warming to no more than 2 degrees Celsius above preindustrial temperatures. We have been monitoring the impacts that the Paris Agreement and its target are having on domestic governments (in particular, on regulators), and more broadly on the efforts of the financial sector to better align itself with those goals. These trends are having an impact on the oil and gas market which we anticipate will continue in the short, medium and long-term.

In that context, the Group considers that oil and gas will remain a large part of the global energy mix into the future and recognises its responsibility to support national greenhouse gas emissions reduction initiatives where it can. The Group supports governments in their efforts to take action on these emissions whilst maintaining a secure and affordable energy supply during a transition to a lower emissions future. The Group acknowledges its own responsibilities in this context and its commitment to be part of a combined approach to a global reduction in greenhouse gas emissions. In particular, the Group believes that natural gas will play a crucial role in transitioning towards lower-emissions sources of energy, and to avoiding the uptake of energy sources with high carbon emissions, such as coal or diesel.

The Group has commenced initial steps towards undertaking an assessment of climate change-related risks and opportunities in alignment with the recommendations contained in the Final Report of the Taskforce on Climate-related Financial Disclosures (TCFD). We will report the findings of that process as appropriate and in accordance with our legal and regulatory obligations.

In advance of more detailed findings and appropriate disclosures, we make the following observations. First, in terms of the Group's own greenhouse gas emissions from development and production, these are currently negligible. Accordingly, there is limited scope to reduce these further at present. At the same time, the Group undertakes prudent, practical and cost-effective actions to be energy efficient to support emission reductions.

Second, climate-related risks are included in the Group's risk register and are embedded into the Group's core economic model. They include physical, market and transition risks. The Group has identified climate-related risk in respect of the provision of both equity and debt to oil and gas developments as a material risk to the Group. Oil and gas projects require substantial capital expenditure during development, and anything that restricts access to the necessary capital is a risk to the business. The Group actively manages this risk by seeking to broaden its potential funding options where possible. The Group expects this to be an ongoing significant business risk.

The Group acknowledges that as the Group moves closer to oil or gas production, the types and extents of climate change-related risks will likely change. Additionally, the general transition and physical risks arising from climate change are evolving as the global warming that has already occurred begins to manifest in additional physical risks, and as governments, markets, companies and the public respond to those changes, thereby creating new transition risks. In order to assess whether such matters might become a material risk, the Group is actively monitoring these developments and commits to regularly reviewing and updating its climate change policy in order to consider ongoing developments, including regulatory developments, community expectations and peer approaches to climate change.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The review of operations on pages 8 to 21 sets outs a number of matters that have had a significant effect on the state of affairs of the Group.

Other than those matters, there were no other significant changes in the state of affairs of the Group during the reporting period.

SUBSEQUENT EVENTS

Refer to Note 31 of the Notes to the financial statements.

LIKELY DEVELOPMENTS

Additional comments on expected results on operations of the Group are included in the Annual Report under the Operations Review.

The Group intends to continue its present range of activities during the forthcoming year. In accordance with its strategy, the Group may participate in exploration and appraisal wells and new projects and may grow its exploration portfolio by farming into or acquiring new exploration licences. Other information on likely developments and the expected results of operations have not been included in this report, because, in the opinion of the directors, these would be speculative, and it may not be in the best interests of the Group.

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the company, the company secretary and all executive officers of the company and of any related body corporate against a liability incurred as such a director, or company secretary to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or any of the related body corporate against a liability incurred as such an officer or auditor.

DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended (while they were a director or committee member) by each director:

	Board of Directors' Meetings		Remuneration Committee		Audit Committee		Nomination Committee		Risk Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
N J Limb	8	8	2	2	4	4	2	2	3	3
C M Norman	8	8	-	-	-	-	-	-	3	3
R G Nelson	8	8	2	2	4	4	2	2	3	3
T R Woodall	8	8	-	-	3	3	1	1	3	3
J D Fowles	3	3	2	2	1	1	1	1	2	2

ENVIRONMENTAL REGULATIONS

The Group's oil and gas operations are subject to environmental regulation under the legislation of the respective states and countries within which it operates. Approvals, licences, hearings and other regulatory requirements are performed by the operators of each permit or lease on behalf of joint operations in which the Group participates. The Group is potentially liable for any environmental damage from its activities, the extent of which cannot presently be quantified and would in any event be reduced by insurance carried by the Group or operator.

The Group applies the extensive oil and gas experience of its personnel to develop strategies to identify and mitigate environmental risks. Compliance by operators with environmental regulations is governed by the terms of respective joint operating agreements and is otherwise conducted using oil industry best practices. The Board actively monitors compliance with state and joint operation regulations and as at the date of this report is not aware of any material breaches in respect of these regulations.

PROCEEDINGS ON BEHALF OF THE COMPANY

At the date of this report, the directors are not aware of any proceedings brought on behalf of the Company or Group, nor has any application been made in respect of the Company under section 237 of the Corporations Act 2001.

NON-AUDIT SERVICES

The Company may decide to employ the Auditor on assignments additional to their statutory audit duties where the Auditor's expertise and experience with the Group is important.

The amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 30 to the financial statements.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 46 of the Annual Report.

REMUNERATION REPORT – AUDITED

Introduction

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of FAR Ltd's KMP for the financial year ended 31 December 2019. KMP refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group. The prescribed details of each person covered by this report are detailed below under the following headings:

- key management personnel;
- remuneration governance framework;
- executive remuneration arrangements;
- key terms of employment contracts;
- executive remuneration tables; and
- non-executive remuneration.

1. Key Management personnel

The directors and other KMP of the Group during or since the end of the financial year were:

Non-Executive Directors	Position
Nicholas James Limb	Chairman, Non-Executive Director
Reginald George Nelson	Non-Executive Director
Timothy Roy Woodall	Non-Executive Director (1 Jan 2019 – 31 Aug 2019)
Julian David Fowles	Non-Executive Director (appointed 15 Oct 2019)

Executive Directors and Senior Executives	Position
Catherine Margaret Norman	Managing Director
Timothy Roy Woodall	Executive Director (effective 1 Sep 2019)
Elisha Louise Larkin	Company Secretary (appointed 21 Jan 2020)
Peter John Nicholls	Exploration Manager
Peter Anthony Thiessen	Chief Financial Officer (resigned Company Secretary on 21 Jan 2020)
Michael Howard John Cowie	General Counsel

2. Reporting in USD

In this reports, remuneration and benefits have been presented in USD, unless otherwise stated. This approach is consistent with the consolidated financial statements of the Company. Remuneration is usually paid in Australian dollars (AUD or AU$) and, for reporting purposes, converted to USD based on average exchange rate for the payment period.

3. Remuneration governance framework

The Remuneration Committee is responsible for reviewing and making recommendations on the remuneration packages of new and existing board members and senior executives and to oversee the remuneration of employees of the Company.

The objectives and responsibilities of the Remuneration Committee are documented in the charter approved by the board. A copy of the charter is available on the Company's website.

The Remuneration Committee must comprise at least three members and consist of independent directors. The Remuneration Committee comprises of R G Nelson (Chairman), N J Limb, and J D Fowles, each of whom are non-executive directors and considered by the company to be independent. Tim Woodall was a member of the remuneration committee until 29 August 2019.

Objectives

The objectives of the Remuneration Committee are defined in the charter and include:

- To review and make recommendations on the remuneration packages of new and existing Board members and Senior Executives of FAR Ltd;
- To oversee the remuneration of employees of the Company; and
- The Committee makes recommendations to the Board of Directors and does not relieve the Board of its responsibilities in these matters.

Responsibilities

The responsibilities of the Remuneration Committee as defined in the charter are as follows:

- Review and make recommendations to the Board on the remuneration packages of the roles of Chairman, Managing Director, other Directors and other Senior Executives;
- Review and make recommendations to the Board on the remuneration packages, and terms and conditions of any new appointee to the roles of Chairman, Managing Director, other Directors and other Senior Executives;
- Review the Managing Director's recommendations in regard to proposed remuneration packages of employees;
- Consider the adoption of appropriate long-term and short-term incentives and bonus plans and review adopted plans on a regular basis to ensure they comply with legislation and regulatory requirements, reflect industry standards and are effective in meeting the Company's objectives;
- Review participants in the incentive and bonus plans; and
- Review the Remuneration Report as part of the Directors Report in the Annual Financial Statements of the Company.

4. Executive remuneration arrangements

4.1 Principles and strategy

Objectives

The Remuneration Committee advises the Board on remuneration for the Executive and oversees the Company's executive remuneration policy which aims to:

- reward executives fairly and responsibly in accordance with market rates and practices to ensure that the Company provides competitive rewards that attract, retain and motivate executives of a high calibre;
- set high levels of performance which are clearly linked to an executive's remuneration;
- structure remuneration at a level that reflects the executive's duties and accountabilities;
- benchmark remuneration against appropriate comparator groups;
- align executive incentive rewards with the creation of value for shareholders;
- align remuneration with the Company's long-term strategic plans and business objectives; and
- comply with applicable legal requirements and appropriate governance standards.

Mix of remuneration

The Company policy is to remunerate executives under a Total Remuneration Package (TRP) which includes:

- Fixed remuneration
- Short-term incentives ('STI') – 'at risk' remuneration based on performance
- Long-term incentives ('LTI') – 'at risk' remuneration based on performance

Total remuneration packages for the Managing Director, Executive Director and Senior Executives comprise the following components:

		Performance Remuneration 'at risk'	
	Total Fixed remuneration	STI(i)	LTI(i)
Executive Director	100%	25%	25%
Managing Director	100%	25%	25%
Senior Executives	100%	25%	25%

(i) percentage is relative to total fixed remuneration (TFR)

Benchmarking performance

The Company seeks to attract and retain suitably qualified senior executives and technical personnel and to ensure that salary packages are reasonable and competitive. To achieve this the Company has benchmarked fixed remuneration levels and 'at risk' remuneration structures for both STI and LTI against data on Australian upstream oil and gas companies.

The Company seeks to return value to shareholders and incentivise executives to focus on the Company's long-term strategy and growth opportunities. These incentives are conditional on performance conditions tied to the three year total shareholder return (TSR) of the Company and to the three year TSR of the comparator group in the ASX 300 Energy Index.

Company performance

FAR's remuneration policy is aimed at the alignment of KMP remuneration with the performance of the overall exploration and appraisal program and commercial transactions which ultimately result in shareholder value creation through share price. The following table outlines FAR's financial performance over the last five years as required by the Corporations Act 2001.

	31 Dec 2019 US$	31 Dec 2018 US$	31 Dec 2017 US$	31 Dec 2016 US$	31 Dec 2015 US$
Revenue	370,160	1,710,341	457,072	124,729	215,611
Loss from continuing operations	(21,144,093)	(11,621,926)	(31,837,800)	(16,371,927)	(14,735,276)
Loss from continuing & discontinued operations	(21,144,093)	(11,621,926)	(31,837,800)	(16,371,927)	(14,735,276)
Share price at start of year (AUD)	6.7 cents	7.7 cents	7.5 cents	8.3 cents	8.6 cents
Share price at end of year (AUD)	4.4 cents	6.7 cents	7.7 cents	7.5 cents	8.3 cents
Dividend	-	-	-	-	-
Basic loss per share – US cents per share	(0.35)	(0.21)	(0.62)	(0.39)	(0.43)
Diluted loss per share – US cents per share	(0.35)	(0.21)	(0.62)	(0.39)	(0.43)

An overview of the Company's policy with respect to each component of employee 'pay mix' is outlined below.

4.2 Fixed remuneration

Fixed remuneration consists of cash based salary and superannuation contributions.

Remuneration levels are reviewed annually by the Remuneration Committee. The process considers the individual performance having regard to overall Company performance. The Remuneration Committee seeks to ensure the Company retains and attracts a talented, knowledgeable and experienced workforce by ensuring the remuneration reflects market competitive rates, using the industry mid-range as a guide and is reflective of the individual's role, responsibilities and experience.

For details of fixed remuneration paid to directors and senior executives refer to sections 6.1 and 7.

4.3 Short-term incentives

STI are awarded in the form of cash bonuses. These benefits are 'at risk' based on performance during the year. They are designed to incentivise and provide competitive reward for achievement of Company wide and individual performance targets. Key Performance Indicators (KPI's) are linked to strategic objectives.

At the completion of the year the Board determined that no performance related STI bonus would be paid for year-end 2019 due to the below expectation share price performance.

For further details refer to section 6.1 and 6.2.

4.4 Long-term incentives

LTI are 'at risk' performance benefits awarded in the form of performance rights with vesting conditions tied to retention, and TSR both on an Absolute TSR and Relative TSR basis.

The purpose of the LTI structure is to incentivise and provide competitive reward for continued service and achievement of long-term strategic growth objectives.

LTI opportunities are reviewed and established (or deferred) annually by the Remuneration Committee at the beginning of each period, giving due consideration to the Company's remuneration principles.

Performance Rights Plan and the remuneration policy

The shareholders of the Company approved a Performance Rights Plan ('Plan') at the annual general meeting held on 13 May 2016. The Plan was put in place for the award of long-term performance benefits.

The Plan is designed to:

- promote the long-term success of the Group;
- provide strategic, value-based reward for Eligible Persons who make a key contribution to that success;
- align Eligible Persons interests with the interests of the Company's shareholders; and
- promote the retention of Eligible Persons.

The key elements of the remuneration policy together with the Plan include:

- Rights are granted at the discretion of the Board based on the recommendation of the Remuneration Committee and the percentages relative to total fixed remuneration (TFR). Due consideration is given to the number of shares and incentives on issue and issued in the prior five years.
- The performance measures with separate vesting criteria include:
  - Absolute TSR; and
  - Relative TSR
- The vesting period is for three years and rights lapse after three years if not vested.
- Rights granted in a particular financial year are tested for vesting over the performance period.
- Generally, with respect to TSR provisions, vesting will occur on a proportionate straight-line basis.

Vesting of performance rights will typically be subject to continuing employment of the eligible executives. Subject to Board discretion, rights will generally lapse on an executive's resignation or dismissal. In exceptional circumstances and where a termination is for reasons including retirement, death, total and permanent disablement, change of control and bona fide redundancy, unless it determines otherwise, the Board has the discretion to determine the extent to which all or part of any unvested equity may vest and the specific performance testing to be applied.

The maximum number of rights that can be granted as a percentage of fixed remuneration at the time of grant and converted to a number of rights using the 20-day volume weighted average price ('VWAP') of the FAR share price preceding grant is as follows:

Maximum percentage of Fixed Remuneration on which the number of rights are calculated

	Absolute TSR vesting condition	Relative TSR vesting condition	Total
Executive Director	12.5%	12.5%	25%
Managing Director	12.5%	12.5%	25%
Senior Executives	12.5%	12.5%	25%

The above table represents the maximum percentage of fixed remuneration on which the number of rights to be awarded are calculated.

Absolute TSR grants

(i) Number of rights calculated using the 20-day VWAP of the FAR share price preceding 1 February each year

(ii) Vest after the three-year performance period according to the Company's Absolute TSR for that three year period

(iii) The vesting scales to apply for Absolute TSR grants are as follows:

FAR TSR	% of rights to vest
<15% CAGR	-
15% CAGR	50%
>15% and <25% CAGR	Pro rata
25% CAGR	100%

CAGR = Compound Annual Growth Rate

Relative TSR

(i) Number of rights calculated using the 20-day VWAP of the FAR share price preceding 1 February each year

(ii) Vest after the three-year performance period according to the Company's TSR relative to the comparator group companies in the S&P/ASX Energy 300 Index.

(iii) The vesting scales to apply for Absolute TSR grants are as follows:

FAR TSR relative to TSR of comparator group companies in S&P/ASX Energy 300 Index	% of rights to vest
<50%	-
50%	50%
>50% and <75%	Pro rata
75%	100%

For an analysis of rights granted, vested and forfeited for the year ended 31 December 2019, refer to section 6.3.1.

Employee Share Option Plan

The shareholders of the Company approved an Executive Incentive Plan at the annual general meeting held on 15 May 2015, prior to then the Company did not have a formal share-based compensation scheme and granted options at the discretion of the Board. In accordance with the provisions of the approved plan, the Board at its discretion may grant options to any full-time or permanent part-time employee or officer, or director of the Company to purchase parcels of ordinary shares. All options issued to directors are granted in accordance with a resolution of shareholders.

Each employee option converts into one ordinary share of FAR Ltd on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options neither carry rights to dividends nor voting rights. Options may be exercised at the applicable exercise price from the date of vesting to the date of expiry. See section 6.3.2 for exercise prices.

No options were granted during the year.

5. Key terms of employment contracts

The table below details the key terms of the employment contracts for the Managing Director, Executive Director and other Senior Executives of the Company:

Name	Contract duration	Termination notice by the company	Termination notice by the executive
C M Norman	Ongoing, no fixed term	12 months	3 months
T R Woodall	Ongoing no fixed term	12 months	3 months
E L Larkin[(i)]	Ongoing, no fixed term	3 months	1 month
P A Thiessen	Ongoing, no fixed term	12 months	2 months
P J Nicholls[(ii)]	Ongoing, no fixed term	By giving notice of a breach of contract	-
M H J Cowie	Ongoing, no fixed term	2 months	2 months

(i) E L Larkin was appointed Company Secretary on 21 January 2020.

(ii) P J Nicholls is a consultant and not an employee of the Company.

6. Executive Remuneration tables

6.1 Remuneration statutory tables

The table below details the remuneration of KMP during the year ended 31 December 2019. All KMP were remunerated in Australian Dollars. Remuneration has been presented in US dollars and all components have been translated from AUD to US dollars using an average exchange rate as follows:

For the year ended: 31 December 2019	Short-term employee benefits			Post-employment(iii)	Equity-settled share-based payment(ii)	Long-term employee benefits(i)		
	Salary and fees US$	STI US$	Termination US$	Superannuation contributions US$	Performance rights US$	Long service leave US$	Total US$	Performance Related %
C M Norman	491,962	-	-	14,445	36,747	16,451	559,605	6.6
T R Woodall(iv)	140,038	-	-	4,870	-	400	145,308	-
P J Nicholls(v)	326,356	-	-	-	64,709	-	391,065	16.5
P A Thiessen	238,710	-	-	14,445	46,494	16,100	315,749	14.7
M H J Cowie	277,522	-	-	14,445	16,962	1,638	310,567	5.5
	1,474,588	**-**	**-**	**48,205**	**164,912**	**34,589**	**1,722,294**	
31 December 2018								
C M Norman	518,417	-	-	15,166	70,096	19,102	622,781	11.3
B J M Clube(vi)	392,828	-	392,586	11,330	(73,148)	7,912	731,508	-
P J Nicholls(v)	342,181	-	-	-	90,987	-	433,168	21.0
P A Thiessen	251,850	-	-	15,166	64,968	6,492	338,476	19.2
M H J Cowie(vii)	243,196	-	-	13,917	9,294	701	267,108	3.5
	1,748,472	**-**	**392,586**	**55,579**	**162,197**	**34,207**	**2,393,041**	

(i) Long-term employee benefits represent long service leave (LSL) entitlements, measured on an accruals basis. The amount included above relates to movement in each executive's entitlement over the year.

(ii) The figures provided in 'Equity-settled share-based payments' were not provided in cash to the KMP during the financial period. These amounts are calculated in accordance with accounting standards and represent the amortisation of accounting fair values of performance rights that have been granted to KMP in this or prior financial years. The fair value of performance rights have been measured using a generally accepted valuation model. The fair values are then amortised over the entire vesting period of the equity instruments. Total remuneration shown in 'total' therefore includes a portion of the fair value of unvested equity compensation during the year. The amount included as remuneration is not related to or indicative of the benefit (if any) that individuals may ultimately realise should these equity instruments vest and be exercised.

Performance rights issued to KMP are unvested at balance date and have no exercise price. These performance rights have vesting conditions as outlined in Section 4.4 of this remuneration report.

(iii) Represent company contributions to superannuation under the Superannuation Guarantee legislation (SGC) and does not include amounts salary sacrificed.

(iv) T R Woodall became an Executive Director on 1 September 2019. As a result, Mr Woodall's remuneration for the year ended 31 December 2019 has been split to illustrate the remuneration received in his role as Executive Director from this date. The remuneration received in his role as non-executive director has been disclosed in Section 7 of this remuneration report.

(v) P J Nicholls is a consultant and not an employee of the Company. An additional amount of US$20,606 (2018: US$168,174) was paid to Mimosa Grand Pty Ltd for the provision of geological services which Mr Nicholls has a beneficial interest and is not included in the table.

(vi) B J M Clube ceased employment on 31 August 2018. Salary and fees include annual leave entitlement of US$76,526 paid on termination. Further, the fair value of share-based payments expense previously recognised has been reversed.

(vii) M H J Cowie became a KMP on 1 February 2018 when he was appointed as General Counsel. Figures shown for the previous corresponding year are for the period 1 February – 31 December 2018.

6.1.2 Actual pay

The table below provides a summary of actual remuneration paid to the Executives in the 2019 year. The accounting values of the Executives' remuneration reported in accordance with the Accounting Standards may not always reflect what the Executives have actually received, particularly due to the valuation of the share-based payments. The table below seeks to clarify this by setting out the actual remuneration that the Executives have been paid in the financial year. All KMP were remunerated in Australian Dollars. Remuneration has been presented in US dollars and all components have been translated from AUD to US dollars using an average exchange rate.

Executive remuneration details prepared in accordance with statutory requirements and the Accounting Standards are presented in 6.1 Remuneration table.

For the year ended: 31 December 2019	Salary and fees US$	STI[ii] US$	Termination US$	Superannuation US$	Total US$
C M Norman	491,962	-	-	14,445	506,407
T R Woodall[i]	140,038	-	-	4,870	144,908
P J Nicholls	326,356	-	-	-	326,356
P A Thiessen	238,710	-	-	14,445	253,155
M H J Cowie	277,522	-	-	14,445	291,967
	1,474,588	**-**	**-**	**48,205**	**1,522,793**
31 December 2018					
C M Norman	518,417	51,168	-	15,166	584,751
B J M Clube[i]	392,828	43,858	392,586	11,329	840,601
P J Nicholls	342,181	-	-	-	342,181
P A Thiessen	251,850	33,226	-	15,166	300,242
M H J Cowie	243,196	25,584	-	13,917	282,697
	1,748,472	**153,836**	**392,586**	**55,578**	**2,350,472**

(i) B J M Clube ceased employment on the 31 August 2018. Salary and fees include annual leave entitlement of US$76,526 paid on termination.

(ii) STI bonus in respect of performance for the year ended 31 December 2017 year was paid in March 2018.

6.2 Analysis of Short-term incentives

Members of the senior executive were eligible to participate in the Company's 2019 STI plan. The 2019 KPI targets were aligned with the remuneration policy guidance which included financial, corporate and strategic objectives.

Certain measures were identified as core drivers of value for shareholders and were selected to encourage activities and behaviours aligned with the Company's strategy, risk framework and governance principles. Multiple objectives were set within the various performance areas. Group financial indicators included for example, objectives related to managing cash flow; operational performance indicators including risk management and cost control initiatives; and Corporate strategy and governance indicators included measures related to risk, leadership, corporate culture and governance.

The Board determined that no performance based STI would be paid for the year ended 31 December 2019 (2018: Nil) due to the below expectation share price performance.

For further details on STI see section 4.3.

6.3 Analysis of Long-term incentives

For further details on LTI see section 4.4.

During the previous corresponding year the Company granted Performance Rights under the Performance Rights Plan as LTI to nominated members of the executive team and executive directors. The issue of performance rights to Directors were approved by shareholders of the Company at the AGM held on 13 May 2016 and 30 May 2018 respectively. Each performance right entitles the holder to one share upon vesting and exercise. There is no exercise price pertaining to the performance rights. The performance rights carry no voting or dividend rights.

Performance against the absolute and relative TSR criteria in respect of the Performance Rights will be, or were measured at the end of the performance periods at 31 January 2020 and 31 January 2021 respectively.

The Company did not grant any options under the Executive Incentive Plan during the year.

At the date of the remuneration report, the unlisted performance rights granted by the Company to executives are as follows:

Unlisted performance rights	Grant date	Vesting date	Expiry date	Exercise Price	No. of performance rights issued
FARAM	14-Jun-18	31-Jan-21	31-Jan-23	-	6,046,000

6.3.1 Details of Performance Rights Granted

The value of Performance Rights are allocated to each reporting period over the period from grant date to vesting date.

No Performance Rights were granted during the current year. Details of the Performance Rights granted to Executives during the previous corresponding year were as follows:

2018	Number of rights granted during the year(i)	Grant date	Vesting date(iv)	Expiry date	Fair value per right(ii)	Exercise Price AU$	Total value AU$
C M Norman(iii)	2,163,000	14-Jun-18	31-Jan-21	31-Jan-23	0.0526	-	113,847
P J Nicholls	1,666,000	14-Jun-18	31-Jan-21	31-Jan-23	0.0526	-	87,688
P A Thiessen	1,081,000	14-Jun-18	31-Jan-21	31-Jan-23	0.0526	-	56,897
M H J Cowie	1,136,000	14-Jun-18	31-Jan-21	31-Jan-23	0.0526	-	59,792
	6,046,000						**318,224**

(i) The vesting of rights is conditional upon satisfaction of vesting conditions as described in section 4.4. The Base Price of the Performance Rights granted in the prior year was 8.3 cents which represents the 20-day VWAP preceding 1 February 2018.

(ii) The fair value per right granted represents the valuation for rights granted and calculated at grant date.

(iii) Grants of rights to C M Norman have been approved by shareholders at the Annual General Meeting held on 30 May 2018.

(iv) The performance period for the performance rights granted in the prior year from 1 February 2018 to 31 January 2021 (Test date).

(v) The value of the performance rights have been determined on the date of grant in Australian dollars (AU$318,224) and have been translated to US dollars at the rate applicable on the date of grant (US$237,927)

The TSR is calculated by comparing the Base Price against the share price on the Test Date plus any dividends paid throughout the Performance Period, which is then computed into an equivalent per annum return. For the purposes of the Absolute TSR test, the Board have elected to set the Base Price of FAR Shares as at 1 February 2018 at AU$0.083 per Share, which is the 20-day volume VWAP preceding 1 February 2018. Performance against this criteria will be measured at the end of the performance period, 31 January 2021 (Test date).

The TSR performance of FAR Shares will be compared to the TSR performance of all other shares in a comparator group, being the S&P/ASX Energy 300 Index, and Performance Rights will vest only if FAR's TSR performance is at least at the 50th percentile. Performance against this criteria will be measured at the end of the performance period, 31 January 2021 (Test date).

The movement during the financial year in the number of Performance Rights held by the Managing Director, Executive Director and Senior Executives is detailed below:

Executive	Opening Balance 1 Jan 2019	Granted as remuneration	Exercised	Forfeited/ Cancelled/ Lapsed unexercised	Net other change	Closing balance 31 Dec 2019
C M Norman	5,741,000	-	-	(3,578,000)	-	2,163,000
B J M Clube(i)	4,944,000	-	-	(4,944,000)	-	-
P J Nicholls	7,382,000	-	-	(2,800,000)	-	4,582,000
P A Thiessen	5,247,000	-	-	(1,923,000)	-	3,324,000
M H J Cowie	1,136,000	-	-	-	-	1,136,000
	24,450,000	**-**	**-**	**(13,245,000)**	**-**	**11,205,000**

(i) B J M Clube employment ceased on 31 August 2018. On 28 February 2019, all 4,944,000 outstanding performance rights issued to Mr Clube lapsed.

(ii) E L Larkin was appointed Company Secretary on 21 January 2020 and as a result was not a KMP at 31 December 2019, and therefore not included in the table above.

6.3.2 Details of Options Granted

There were no share options granted or in existence during or at the end of the reporting period.

6.4 Analysis of movement in shareholdings

The number of shares held, directly, indirectly or beneficially, by parent company directors and senior executives are outlined in the tables below:

For the year ended 31 Dec 2019	Balance 1 Jan 19	Received as remuneration	Received on Exercise of Rights/Options	Net Other Change[i]	Balance 31 Dec 19
Directors					
C M Norman	23,974,090	-	-	-	23,974,090
N J Limb	34,908,139	-	-	-	34,908,139
R G Nelson	500,000	-	-	-	500,000
T R Woodall	2,250,000	-	-	-	2,250,000
J D Fowles[ii]	-	-	-	150,000	150,000
Key Executives					
P J Nicholls	4,543,291	-	-	-	4,543,291
P A Thiessen	7,062,500	-	-	-	7,062,500
M H J Cowie	750,000	-	-	-	750,000
	73,988,020	**-**	**-**	**150,000**	**74,138,020**

For the year ended 31 Dec 2018	Balance 1 Jan 18	Received as remuneration	Received on Exercise of Rights/Options	Net Other Change[i]	Balance 31 Dec 18
Directors					
C M Norman	18,674,090	-	-	5,300,000	23,974,090
B J M Clube[iii]	23,732,000	-	-	(23,732,000)	-
N J Limb	39,908,139	-	-	(5,000,000)	34,908,139
R G Nelson	500,000	-	-	-	500,000
T R Woodall	1,500,000	-	-	750,000	2,250,000
Key Executives					
P J Nicholls	9,113,291	-	-	(4,570,000)	4,543,291
P A Thiessen	7,062,500	-	-	-	7,062,500
M H J Cowie	-	-	-	750,000	750,000
	100,490,020	**-**	**-**	**(26,502,000)**	**73,988,020**

(i) Net Other Change represents shares purchased or sold on market during the period, shareholdings recognised upon KMP appointment or de-recognised upon retirement or ceasing employment.

(ii) Dr. J D Fowles was appointed a director on 15 October 2019 and consequently was recognised as a KMP member on this date. Dr. J D Fowles shareholding at this date was recognised in 'Net Other Change'.

(iii) B J M Clube ceased employment on 31 August 2018 and consequently ceased as a KMP member on this date. Mr Clube's shareholding at this date has been de-recognised in 'Net Other Change'.

7. Non-executive remuneration

The Company's remuneration policy for non-executive directors considers the following factors when determining levels of remuneration:

- the size, activities and structure of the Company;
- the location and jurisdictions in which the Company operates;
- the responsibilities and work commitment requirements of Board members; and
- the level of fees paid to non-executive directors relative to comparable companies.

Fees paid to non-executive directors are determined by the Board and are subject to an aggregate limit of AU$600,000 per annum in accordance with the Company's constitution and as approved by shareholders at the Annual General Meeting held in May 2017.

The non-executive director's remuneration policy is as follows:

- Remuneration includes a fixed fee for their services as directors and statutory superannuation (where applicable).
- Entitlement to reimbursement of reasonable travel, accommodation and other expenses incurred whilst engaged on Company business.
- No additional fees are paid for participation on any Board committees.
- At the Board's discretion, additional fees may be paid for special duties or extra services performed on behalf of the Company.
- No provision for retirement benefits other statutory superannuation entitlement.
- No entitlement to participate in incentive-based remuneration schemes from 1 January 2016.

A summary of the Company's remuneration practice in relation to its non-executive directors (inclusive of superannuation) is as follows:

Non-Executive Director	2019 Fixed fee AU$	Fixed annual fee AU$
N J Limb	200,000	200,000
R G Nelson	100,000	100,000
T R Woodall[(i)]	66,667	100,000
J D Fowles	21,377	100,000
	388,044	**500,000**

(i) Fees shown above are those received by T R Woodall in his capacity as non-executive director from 1 January 2019 to 31 August 2019. In addition, special exertion fees, A$300,000 were received by T R Woodall for services in relation to Senegal project development financing from 1 January 2019 to 31 August 2019 deemed by the Board to be outside the scope of his duties as Non-Executive Director of the Company have been included in the figure in the table below.

All Non-executive directors are remunerated in Australian Dollars. Remuneration has been presented in US dollars and all components have been translated from AUD to US dollars using an average exchange rate as follows:

Year ended 31 December 2019	Director Fees US$	Superannuation Contributions US$	Total US$
Non-Executive Directors			
N J Limb	127,042	12,069	139,111
R G Nelson	63,521	6,035	69,556
T R Woodall[(i)]	255,038	-	255,038
J D Fowles	13,579	1,290	14,869
	459,180	**19,394**	**478,574**
Year ended 31 December 2018			
Non-Executive Directors			
N J Limb	143,003	6,485	149,488
R G Nelson	68,259	6,485	74,744
T R Woodall[(i)]	327,005	-	327,005
	538,267	**12,970**	**551,237**

(i) Fees shown above are those received by T R Woodall in his capacity as non-executive director from 1 January 2019 to 31 August 2019 including special exertion fees of US$208,667 (AU$300,000) received by T R Woodall for services in relation to Senegal project development financing from 1 January 2019 to 31 August 2019 (31 Dec 2018: US$239,180 - AU$337,500) deemed by the Board to be outside the scope of his duties as Non-Executive Director of the Company.

8. Loans to KMP

No loans were made to KMP during the year, nor any loans to KMP outstanding.

9. Director related transactions

9.1 Loans to related parties

No loans were made to director related parties during the year.

9.2 Transactions with director related entities

The terms and conditions of transactions with KMP were no more favourable to KMP and their related entities than those available, or which might reasonably be expected to be available, on similar transactions to KMP related entities on an arm's length basis.

9.3 No hedging of remuneration of key management personnel

No member of the KMP has entered into an arrangement (with anyone) to limit the exposure of the member to risk relating to an element of the members remuneration that has not vested in the member or has vested in the member but remains subject to a holding lock.

The directors' report is signed in accordance with a resolution of the directors made pursuant to Section 298(2) of the Corporations Act 2001.

On behalf of the directors

Nicholas J Limb
Chairman
Melbourne, 31 March 2020

FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

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The Board of Directors
FAR Limited
Level 17, 530 Collins Street
Melbourne VIC 3000

31 March 2020

Dear Members of the Board

FAR Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of FAR Limited.

As lead audit partner for the audit of the financial statements of FAR Limited for the financial year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ryan Hansen

Ryan Hansen
Partner
Chartered Accountants

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2019

	Note	Year ended 31 Dec 2019 US$	Year ended 31 Dec 2018 US$
Continuing operations			
Other income	6	370,160	1,710,341
Depreciation and amortisation expense	7	(232,683)	(69,116)
Exploration expense	7	(16,548,737)	(8,560,358)
Finance costs		(49,840)	(122)
Corporate administration expenses		(761,315)	(832,886)
Employee benefits expense	7	(3,045,977)	(3,396,005)
Corporate consulting expense		(121,317)	(458,347)
Foreign exchange (loss)/gain		(121,809)	2,064,146
Provision for doubtful debt	8	1,790,658	(1,799,874)
Other expenses	7	(2,423,233)	(279,705)
Loss before income tax		**(21,144,093)**	**(11,621,926)**
Income tax expense	9	-	-
LOSS FOR THE YEAR		**(21,144,093)**	**(11,621,926)**
Other comprehensive income/(loss), net of income tax: *Items that may be reclassified subsequently to profit or loss*			
Exchange differences arising on translation of foreign operations		-	(2,405,994)
Other comprehensive income/(loss) for the year, net of the income tax		-	(2,405,994)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(21,144,093)**	**(14,027,920)**
Earnings per share: **From continuing operations**		**US Cents**	**US Cents**
Basic loss (cents per share)	19	(0.35)	(0.21)
Diluted loss (cents per share)	19	(0.35)	(0.21)

Notes to the financial statements are included on pages 51 to 83.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Note	Year ended 31 Dec 2019 US$	Year ended 31 Dec 2018 US$	Year ended 31 Dec 2017 US$
CURRENT ASSETS				
Cash and cash equivalents	24	13,752,652	19,540,172	38,962,772
Trade and other receivables	10	1,379,059	3,021,355	1,676,548
Other financial assets	11	7,008	88,132	96,370
Total Current Assets		**15,138,719**	**22,649,659**	**40,735,690**
NON-CURRENT ASSETS				
Property, plant and equipment	12	294,133	331,965	280,459
Right-of-use assets	16	610,056	-	-
Exploration and evaluation assets	13	119,397,714	99,987,939	100,355,924
Total Non-Current Assets		**120,301,903**	**100,319,904**	**100,636,383**
TOTAL ASSETS		**135,440,622**	**122,969,563**	**141,372,073**
CURRENT LIABILITIES				
Trade and other payables	14	4,617,028	2,212,345	6,687,777
Lease liabilities	16	368,534	-	-
Provisions	15	689,782	611,424	799,896
Total Current Liabilities		**5,675,344**	**2,823,769**	**7,487,673**
NON-CURRENT LIABILITIES				
Lease liabilities	16	448,181	-	-
Provisions	15	11,517	39,268	86,138
Total Non-Current Liabilities		**459,698**	**39,268**	**86,138**
TOTAL LIABILITIES		**6,135,042**	**2,863,037**	**7,573,811**
NET ASSETS		**129,305,580**	**120,106,526**	**133,798,262**
EQUITY				
Issued Capital	17	335,725,405	305,669,212	305,669,212
Reserves	18	4,422,795	4,135,841	6,205,650
Accumulated losses		(210,842,620)	(189,698,527)	(178,076,600)
TOTAL EQUITY		**129,305,580**	**120,106,526**	**133,798,262**

Notes to the financial statements are included on pages 51 to 83.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2019

		Reserves				
	Share capital US$	**Share-based payments reserve [i] US$**	**Foreign currency translation reserve[ii] US$**	**Total Reserves US$**	**Accumulated losses US$**	**Total attributable to equity holders of the parent US$**
Balance at 1 January 2018	305,669,212	7,554,018	(1,348,368)	6,205,650	(178,076,600)	133,798,262
Loss for the year	-	-	-	-	(11,621,927)	(11,621,927)
Exchange differences on translation of functional and presentation currency	-	-	(2,405,992)	(2,405,992)	-	(2,405,992)
Total comprehensive loss for the year	-	-	(2,405,992)	(2,405,992)	(11,621,927)	(14,027,919)
Recognition of share-based payments	-	336,183	-	336,183	-	336,183
Balance at 31 December 2018	**305,669,212**	**7,890,201**	**(3,754,360)**	**4,135,841**	**(189,698,527)**	**120,106,526**
Loss for the year	-	-	-	-	(21,144,093)	(21,144,093)
Total comprehensive loss for the year	-	-	-	-	(21,144,093)	(21,144,093)
Issue of shares	31,506,577	-	-	-	-	31,506,577
Share issue costs	(1,450,384)	-	-	-	-	(1,450,384)
Recognition of share-based payments	-	286,954	-	286,954	-	286,954
Balance at 31 December 2019	**335,725,405**	**8,177,155**	**(3,754,360)**	**4,422,795**	**(210,842,620)**	**129,305,580**

(i) This comprises the fair value of rights and options recognised as an employee expense.

(ii) Foreign currency translation reserve represents the foreign currency movement on the revaluation of assets and liabilities held in currencies other than the company's functional and presentation currency.

Notes to the financial statements are included on pages 51 to 83.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2019

	Note	Year ended 31 Dec 2019 US$	Year ended 31 Dec 2018 US$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from other		388,605	-
Payments to suppliers and employees		(6,312,062)	(4,632,485)
Payments for exploration expensed		(15,130,401)	(13,013,363)
Other – repayments from joint venture		1,823,736	-
Interest and finance costs		(50,524)	-
Net cash used in operating activities	24(e)	**(19,280,646)**	**(17,645,848)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		355,202	354,364
Payments for exploration and evaluation assets		(18,740,582)	(17,715,935)
Payments for property, plant and equipment		(73,053)	(173,685)
Proceeds from farm-out of exploration and evaluation properties		2,422,620	15,906,042
Net cash used in investing activities		**(16,035,813)**	**(1,629,214)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	17	31,506,577	-
Payment for share issue costs	17	(1,450,384)	-
Payment of lease liabilities		(324,988)	-
Net cash provided by financing activities		**29,731,205**	**-**
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(5,585,254)**	**(19,275,062)**
Cash and cash equivalents at the beginning of the year		19,540,172	38,962,772
Effects of exchange rate changes on cash and cash equivalents		(202,266)	(147,538)
Cash and cash equivalents at the end of the financial year	24(a)	**13,752,652**	**19,540,172**

Notes to the financial statements are included on pages 51 to 83.

1. GENERAL INFORMATION

FAR Ltd (the 'Company') is an Australian listed public company, incorporated in Australia and operating in Africa and Australia. The principal activities of the Company and its subsidiaries (the 'Group') are disclosed in the Directors Report.

FAR Ltd's registered office and its principal place of business at the date of this report is

Level 17, 530 Collins Street
Melbourne, Victoria, 3000, Australia
Tel: (03) 9618 2550

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

In the current period, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the 'AASB') that are relevant to its operations and effective for reporting periods beginning on 1 January 2019.

The Group has not elected to early adopt any new standards or amendments.

The directors note that the impact of the initial application of the Standards and Interpretation is not yet known or is not reasonably estimable and is currently being assessed. At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below.

Standard/Interpretation	Effective
AASB 2019-1 *Amendments to Australian Accounting Standards – Reference to the Conceptual Frameworks*	1 Jan 2020
AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business*	1 Jan 2020
AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*	1 Jan 2020
AASB 2019-2 *Amendments to Australian Accounting Standards – Implementation of AASB 1059*	1 Jan 2020
AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform*	1 Jan 2020
AASB 2019-5 *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*	1 Jan 2020
AASB 17 *Insurance Contracts*	1 Jan 2021
AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	1 Jan 2022

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were also in issue but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued.

None

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. The financial report comprises the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 31 March 2020.

Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost except, where applicable, for the revaluation of certain non-current assets and financial instruments.

All amounts are presented in United States dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the consolidated financial statements are consistent with those adopted and disclosed in the Company's annual report for the year ended 31 December 2018, except for the following changes:

- the functional and presentation currency for the consolidated financial statements was changed from Australian dollars (AUD) to United States dollars and comparative disclosures have been translated and presented in United States dollars accordingly.
- the adoption of the new Standards and Interpretations.

Functional and presentation currency

The functional currency of the Group has been reassessed and it has been determined the functional currency is United States dollars. The change in functional currency has been determined due to the following:

- Preparation for the development of the SNE oil field has made significant progress and the majority of funding to be obtained for these assets will be in USD which is expected to be agreed in the current year;
- Any funding that is raised through equity issues denominated in AUD will continue to be translated into USD by the Company prior to being used to fund its foreign assets/interests;
- Future production income or dividend income will be denominated in USD.

For practical implementation and alignment of prior period comparative, the change in functional currency was deemed to be effective from 1 January 2019. The presentation currency for the consolidated financial statements was also changed from Australian dollars to United States dollars and comparative disclosures have been translated and presented in United States dollars accordingly.

Consequently, the Standard AASB 101 has required the presentation of a third statement of financial position at 31 December 2017 to reflect the change in presentation currency.

Under AASB121.35, when there is a change in an entity's functional currency, the entity should apply the translation procedures applicable to the new functional currency prospectively from the date of the change. The Company, based on its judgment and considering that the underlying transactions, events and conditions that justify the change in its functional currency have developed gradually, and those of greater relevance took place towards the end of financial year 2018 and beginning of the financial year 2019, it has decided to apply the translation procedures applicable to the new functional currency prospectively beginning on 1 January 2019. This change in functional currency was accounted for prospectively from the date of the change by translating all items of the financial statements into the new functional currency, using the exchange rate of AUD/USD $0.704074 at the date of the change.

The change in the presentation currency has been accounted for as a change in accounting policy and applied retrospectively, as if the new presentation currency had always been the presentation currency of the consolidated financial statements. Consequently, comparative figures for years prior to the effective date of 1 January 2019 have been revised to the new presentation currency in accordance with AASB121, The Effects of Changes in Foreign Exchange Rates. The consolidated statements of comprehensive income and the cash flows for the years ended 31 December 2018 and 2017 have been revised to the presentation currency using the average exchange rates. The consolidated statements of financial position as at 31 December 2018 and 31 December 2017 have been translated into USD using the closing exchange rates of AUD/USD $0.704074 and $0.780398, respectively.

Issued capital and accumulated losses were translated into USD at the average exchange rates for the relevant financial year from 1 January 2010 to 31 December 2018. Prior to 31 December 2009, transactions within issued capital and accumulated losses were translated using a fixed average exchange rate of AUD/USD $0.751029 being the weighted average exchange rate for the relevant periods. All other reserves within equity have been translated using the historical exchange rates on the date of the transaction. All resulting exchange differences have been recognised in equity under the reserve for exchange differences in translation.

Adoption of New standards and Interpretations

The Group has adopted the new accounting pronouncements which have become effective this year, and are as follows:

AASB 16 - Leases

AASB 16 supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases-Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 did not have an impact for leases where the Group is the lessor.

The Group adopted AASB 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying AASB 117 and Interpretation 4 at the date of initial application. The Group has considered applying exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets'). No such leases were identified.

The effect of adopting AASB 16 as at 1 January 2019

	1 Jan 2019 US$
Assets	
Right-of-use assets	104,953
Liabilities	
Lease liabilities – Current	35,693
Lease liabilities – Non-current	69,260
Total liabilities	**104,953**

(a) Nature of the effect of adoption of AASB 16

The Group has lease contracts for office premises. Before the adoption of AASB 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised, and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.
Upon adoption of AASB 16, the Group applied a single recognition and measurement approach for all leases.
The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

(i) Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate of 5% to a portfolio of leases with reasonably similar characteristics;
- Relied on its assessment of whether leases are onerous immediately before the date of initial application;
- Applied the short-term leases exemptions to leases with a lease term that ends within 12 months at the date of initial application (where applicable);
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Based on the foregoing, as at 1 January 2019:

- Right-of-use assets of US$104,953 were recognised in the statement of financial position;
- Additional lease liabilities of US$104,953 were recognised.

(b) Summary of new accounting policies

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

(iii) Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms of two to three years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Group did not include the renewal period as part of the lease term for leases of office premises and office equipment due to the significance of these assets in which the Group operates geographically in its current environment. These leases have a short non-cancellable period (i.e. two to three years). The renewal options for leases of office premises were not included as part of the lease term because the Group has a policy of leasing premises for not more than two to five years and hence not exercising any renewal options.

(c) Amounts recognised in the statement of financial position and profit or loss

The carrying amounts of the Group's right-of-use assets and lease liabilities and the movement during the period are referred to in Note 16.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured (entities) controlled by the Company and its subsidiaries (referred to as 'the Group' in these financial statements). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its
- involvement with the investee; and
- has the ability to use its power to affect the returns.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

(e) Going concern

This financial report has been prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business, including meeting its commitments under the Senegal Joint Operating Agreement and RSSD Petroleum Sharing Contract.

The Group incurred a net loss after tax of US$21,144,093 and had a net cash outflow from operating activities of US$19,256,647 during the year ended 31 December 2019. As at 31 December 2019, the Group's current assets exceeded current liabilities by US$9,463,375 and the Group had cash and cash equivalents of US$13,752,652. Subsequent to 31 December the Group had raised additional share capital (as presented in Note 31) and had unrestricted cash on hand of US$71,976,195 as at 31 March 2020 (excluding FAR's share of restricted joint operations cash).

Under the Senegal Joint Operating Agreement and RSSD Petroleum Sharing Contract, the Group is required to fund its share of the agreed budget approved on 20 January 2020. The Group plans to either dispose of part or all of it's holding in the project through farmout or sale, or raise additional funds in the form of debt or equity, above the current cash on hand before September 2020.

Further, as per the subsequent events disclosed in Note 31, since the end of financial year the COVID-19 outbreak is a globally significant event impacting the health of individuals, international trade and commerce and, as a result had a negative impact on global financial markets. Consequently, this has adversely affected the Group's business and its ability to deliver work programs in the countries in which the Group operates. On 11 March 2020, the World Health Organisation declared the outbreak a global pandemic and in the last week, the Governments of Australia, Senegal and The Gambia have closed borders to international travellers and placed restrictions on face to face meetings.

As a result, the Senegal joint venture partners are working together to assess the impact on the Sangomar Field development and considering options to reduce the capital costs of the development and/or defer cash flow into subsequent years. The joint venture has already experienced the inability of suppliers to meet milestones and has identified a reduction on required contributions. Currently the joint venture partners are in discussions to defer costs at the date of signing this report. The Group expects an update to the Sangomar Field development budget from the operator of the joint venture in the coming weeks and that this will include a significant reduction in the current year's expenditure.

Additionally, since the end of financial year, global oil prices have collapsed with the price of Brent crude falling 60% from US$67 per barrel to US$27 per barrel. Critically for FAR, this has had an impact on global availability of credit and, as a consequence, the Group's ability to progress or close the debt negotiations associated with the financing for the Sangomar Field development (these discussions were in progress up to March 2020).

The Group will continue to manage its activities and intends to put in place all such arrangements (including financing or commercial arrangements) to ensure that it has sufficient cash reserves to meet its existing budgeted expenditures for the next twelve months from the date of this report. For further details of future commitments refer to Note 13 and 31. In the opinion of the directors, the Group will be in a position to continue to meet its liabilities and obligations for a period of at least twelve months from the date of signing this report, because the Group believes it has financing strategies and commercial plans in place to be able to secure and execute its planned activities over the same period.

The opinion of the directors has been determined after consideration of the abovementioned subsequent events, the Group's cash position and forecast expenditures and having regard for the following factors:

- The ability to raise capital under the Corporations Act 2001, if required, by a share purchase plan, share placement or rights issue including any necessary approval from shareholders;
- The option of selling part or any of the Group's subsidiary companies or any of the Group's direct working interests in its assets;
- The option of farming out all or part of the Group's assets;
- The option to reduce, delay or otherwise deal with the forward development capital and or exploration expenditures of the Group (in particular the Senegal Joint Venture);
- The ability for the Group to re-commence financing activities from other sources of funding including but not limited to:
  i. Senior debt;
  ii. Subordinated debt; and
  iii. Hybrid financial instruments; and
- The option to default on obligations in respect of, or withdraw from the Senegal Joint Venture.

In order to maintain the Group's rights and interests in the Senegal joint venture, the Group is required to meet its joint venture funding obligations. Should the Group not succeed in securing appropriate funding, there is an option to default on its obligations in respect of the Senegal Joint Operating Agreement and RSSD Petroleum Sharing Contract or withdraw from the Senegal Joint Venture. The maximum default period allowed under the Joint Operating Agreement is 6 months. After this period, the Group would give up its interest in the joint venture without compensation and the Group may be required to make certain payments after this with respect to obligations payable at the time of default and over the default period. The directors continue to take legal advice in respect of the operation of the default and withdrawal provisions of the agreements.

Uncertainty exists as to the Group's ability to access funds for exploration and development activities in time to meet joint venture funding obligations and the realisation of the carrying value of its assets.

In the event that the Group is unsuccessful in implementing one or more of the funding options or other initiatives listed above, such circumstances would indicate that a material uncertainty exists that may cast significant doubt as to whether the Group will be able to continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

(f) Impairment of assets

At each reporting date the group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use.
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.
If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3 and the financial statements, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Entity's accounting policies

Significant judgements, estimates and assumption made by management in the preparation of these financial statements are found in the following notes:

Note 13 – Exploration and evaluation assets

Note 26 – Share-based payments

5. SEGMENT INFORMATION

The Group's operating segments are identified on the basis of internal reports about components of the entity that are regularly reviewed by the Managing Director (chief operating decision maker) in order to allocate resources to the segments and to assess its performance. The Group undertook exploration for oil and gas in Australia and Africa during the year.

Segment Assets and Liabilities

The following is an analysis of the Group's assets and liabilities by reportable operating segment:

	Assets			Liabilities		
	Year ended 31 Dec 2019 US$	Year ended 31 Dec 2018 US$	Year ended 31 Dec 2017 US$	Year ended 31 Dec 2019 US$	Year ended 31 Dec 2018 US$	Year ended 31 Dec 2017 US$
Australia	-	-	-	-	-	-
The Gambia	810,629	4,315,266	7,804,294	695,429	743,579	532,384
Guinea-Bissau	2,044,055	1,085,218	911,841	133,360	71,341	23,496
Kenya	224,752	575,832	240,483	23,071	1,931	5,355
Senegal	116,634,115	100,143,280	94,139,947	3,400,086	972,228	6,014,327
Other	-	6,901	6,901	10,387	12,554	13,375
Corporate	15,727,071	16,843,066	38,268,607	1,872,709	1,061,404	984,874
Total assets and liabilities	**135,440,622**	**122,969,563**	**141,372,073**	**6,135,042**	**2,863,037**	**7,573,811**

Segment Revenue and Results

The following is an analysis of the Group's revenue and results from operations:

	Revenue		Segment Loss	
	Year ended 31 Dec 2019 US$	Year ended 31 Dec 2018 US$	Year ended 31 Dec 2019 US$	Year ended 31 Dec 2018 US$
Australia	-	-	(391,656)	(424,833)
The Gambia	-	1,374,765	(9,639,245)	(2,203,157)
Guinea-Bissau	-	-	(1,230,035)	(957,968)
Kenya	-	-	(201,568)	(88,978)
Senegal	-	-	(2,923,403)	(4,506,918)
Other	-	-	(386,224)	(289,266)
Corporate	370,160	335,576	(6,371,962)	(3,150,806)
Total for continuing operations	**370,160**	**1,710,341**	**(21,144,093)**	**(11,621,926)**
Income tax expense			-	-
Loss before tax (continuing operations)			**(21,144,093)**	**(11,621,926)**

The revenue reported above represents revenue generated from external sources. There were no intersegment sales during the year.

Other Segment Information

	Depreciation and Amortisation		Additions to Non-Current Assets		
	Year ended 31 Dec 2019 US$	Year ended 31 Dec 2018 US$	Year ended 31 Dec 2019 US$	Year ended 31 Dec 2018 US$	Year ended 31 Dec 2017 US$
Australia	-	-	-	-	-
The Gambia	(11,870)	(7,325)	290,535	6,676,034	7,804,295
Guinea-Bissau	-	-	1,084,812	123,617	24,267
Kenya	-	-	-	-	-
Senegal	-	-	18,043,283	17,298,937	19,321,510
Corporate	(220,813)	(61,791)	947,465	151,874	44,642
Total	**(232,683)**	**(69,116)**	**20,366,095**	**24,250,462**	**27,194,714**

6. OTHER INCOME

	Year ended 31 Dec 2019 US$	Year ended 31 Dec 2018 US$
- Interest income	355,202	335,576
- Other income	14,958	-
- Other – conditional consideration from farm-out activities	-	1,374,765
	370,160	**1,710,341**

Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

7. LOSS FOR THE YEAR

Loss for the year from continuing operations includes the following expenses:

		Year ended 31 Dec 2019 US$	Year ended 31 Dec 2018 US$
Depreciation and amortisation:			
- Property, plant & equipment	12	(113,049)	(95,808)
- Right-of-use assets	16	(273,212)	
- Less reallocation to exploration expense		153,578	26,692
		(232,683)	**(69,116)**
Exploration Expense:			
– Australia		(391,656)	(424,833)
– The Gambia		(11,417,935)	(2,308,757)
– Guinea-Bissau		(1,230,034)	(963,871)
– Senegal		(2,921,320)	(4,485,653)
– Kenya		(201,568)	(88,978)
– Other		(386,224)	(288,266)
		(16,548,737)	**(8,560,358)**
Employee benefits expense:			
– Remuneration expense		(3,047,720)	(3,240,765)
– Termination benefit expense		-	(392,587)
– Recharge of remuneration expense to exploration expense		498,106	603,597
Post employment benefits:			
– superannuation contributions		(159,278)	(182,233)
– amortisation of performance rights and options	26	(286,953)	(341,862)
– provision for leave entitlements		(50,132)	157,845
		(3,045,977)	**(3,396,005)**
Other expenses:			
- Corporate debt financing		(329,810)	-
- Cost of international arbitration		(1,880,698)	-
- Other		(212,725)	(279,705)
		(2,423,233)	**(279,705)**

8. PROVISION FOR DOUBTFUL DEBTS

	Year ended 31 Dec 2019 US$	Year ended 31 Dec 2018 US$
– Provision for doubtful debt(i)	1,790,658	(1,799,874)

(i) During the previous corresponding period the Group provided for in full its share of The Gambia Block A2 and A5 Joint Venture receivable from joint venture participant relating to outstanding cash contributions due to the Joint Venture. During the year, the provision for US$1,794,105 included above, was reversed.

9. INCOME TAXES

(a) Income tax recognised in profit or loss

	Year ended 31 Dec 2019 US$	Year ended 31 Dec 2018 US$
Tax (income) comprises:		
Current tax expense	(4,662,044)	(2,348,036)
Tax losses not brought to account	4,662,044	2,348,036
Deferred tax expense relating to the origination and reversal of temporary differences	(1,541,279)	(1,666,432)
Benefit arising from previously recognised tax losses of prior periods used to reduce deferred tax expense	1,541,279	1,666,432
Prior year unders/overs	36,280	(70,433)
Utilisation of previously unrecognised tax losses	(36,280)	70,433
Total tax expense/(income)	-	-

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

	Year ended 31 Dec 2019 US$	Year ended 31 Dec 2018 US$
Loss from operations	(21,144,093)	(11,621,926)
Income tax (income) calculated at 30%	(6,343,228)	(3,486,578)
Non-deductible expenses	2,105,458	2,849,215
Non-assessable gains	(655)	(1,283,758)
Recognition of previously unrecognised deductible temporary differences	(423,618)	(426,915)
Unused tax losses and tax offsets not recognised as deferred tax assets	4,662,043	2,348,036
Income tax expense recognised in loss	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period. No tax has been assessed on its foreign projects due to the projects currently operating in the exploration and evaluation phase and therefore not deriving production revenues.

(b) Income tax recognised directly in equity

There were no current and deferred amounts charged directly to equity during the period.

(b) Deferred tax balances

Taxable and deductible temporary differences arise from the following:

2019	Opening balance US$	Recognised in income US$	Closing balance US$
Property, plant & equipment	(108)	(28,397)	(28,505)
Receivables	507,004	(507,004)	-
Payables	1,066,020	(1,021,060)	44,960
Provisions	195,207	15,182	210,389
Total	**1,768,123**	**(1,541,279)**	**226,844**
2018			
Property, plant & equipment	(16,390)	16,282	(108)
Receivables	(165,885)	672,889	507,004
Payables	18,156	1,047,864	1,066,020
Provisions	265,810	(70,603)	195,207
Total	**101,691**	**1,666,432**	**1,768,123**

	31 Dec 2019 US$	31 Dec 2018 US$
Unrecognised deferred tax balances The following deferred tax assets have not been brought to account as assets:		
Deferred tax assets on temporary differences (net)	226,844	1,768,123
Tax losses in the United States (net)	-	3,426,778
Tax losses in The Gambia	5,111,305	3,538,346
Tax losses in Australia	18,587,107	13,888,783
Capital losses in Australia	3,856,627	74,188
	27,781,883	**22,696,218**

Tax consolidation

Relevance of tax consolidation to the Group
The Company and its wholly-owned Australian resident entities have formed a tax consolidated group with effect from 1 July 2007 and are therefore taxed as a single entity from this date. The Head Entity within the tax consolidated group is FAR Ltd. The members of the tax consolidated group are identified at Note 22.

Income tax

Current tax
Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax
Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company/Group intends to settle its current tax assets and liabilities on a net basis.

Tax consolidation

The Company and all its wholly-owned Australian resident Entities are part of a tax consolidated group under Australian taxation law. FAR Ltd is the Head Entity in the tax consolidated group. A tax funding arrangement has not been finalised between Entities within the tax consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using the 'stand-alone taxpayer' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax consolidated group are recognised by the Company (as Head-Entity in the tax consolidated group).

10. TRADE AND OTHER RECEIVABLES

Current	31 Dec 2019 US$	31 Dec 2018 US$	31 Dec 2017 US$
Interest receivable	-	-	19,729
Other receivables(i)	722,769	2,394,110	985,390
Prepayments	539,330	432,994	512,959
Joint Venture receivables(ii)	116,960	1,988,356	158,470
	1,379,059	**4,815,460**	**1,676,548**
Less: Provision for doubtful debt – Joint Venture receivables(iii)	-	(1,794,105)	-
	1,379,059	**3,021,355**	**1,676,548**

(i) other receivables in the previous corresponding year included conditional consideration from farm-out activities US$1,374,764.
(ii) includes The Gambia Blocks A2 and A5 joint venture receivable provided for as a doubtful debt in relation to the previous corresponding year.
(iii) represents the provision for The Gambia Blocks A2 and A5 joint venture receivable.

Trade and other receivables are non-interest bearing and the credit period of oil and gas varies between 30 and 60 days. No trade receivables were past due at balance date. The carrying amount of trade and other receivables approximates their fair value.

11. OTHER FINANCIAL ASSETS

Current	31 Dec 2019 US$	31 Dec 2018 US$	31 Dec 2017 US$
Security deposit	7,008	-	1,187
Joint operation performance bond	-	88,132	95,183
	7,008	**88,132**	**96,370**

A term deposit previously held as security over work programme obligations in the form of a performance bond expired during the year and is no longer restricted cash. The weighted average interest rate on the performance bond is Nil. (2018: 1.88%)

12. PROPERTY, PLANT AND EQUIPMENT

	31 Dec 2019 US$	31 Dec 2018 US$	31 Dec 2017 US$
Property, plant and equipment cost			
Balance at 1 January	838,931	736,815	666,627
Additions	75,217	164,330	98,612
Disposals	(46,708)	-	(28,424)
Net foreign currency exchange differences	-	(62,214)	-
Balance at 31 December	**867,440**	**838,931**	**736,815**
Accumulated depreciation and impairment			
Balance at 1 January	(506,966)	(456,356)	(417,316)
Depreciation expense	(113,049)	(95,808)	(65,487)
Disposals	46,708	-	26,447
Net foreign currency exchange differences	-	45,198	
Balance at 31 December	**(573,307)**	**(506,966)**	**(456,356)**
Net Book Value	**294,133**	**331,965**	**280,459**

	31 Dec 2019 US$	31 Dec 2018 US$	31 Dec 2017 US$
Net carrying value – Represented by:			
Office furniture and equipment	294,133	331,965	280,459

Plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Except in the case of those assets which are depreciated on a straight line basis over their useful lives, all other tangible assets have limited useful lives and are depreciated using the diminishing value method over their estimated useful lives, taking into account estimated residual values, to write off the cost to its estimated residual value, as follows: Furniture, fittings and equipment: 10-40%

Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the diminishing value method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period and adjusted if appropriate.

13. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation expenditure	31 Dec 2019 US$	31 Dec 2018 US$	31 Dec 2017 US$
Balance at 1 January	99,987,939	100,355,924	73,259,822
Additions(i)	19,409,775	24,086,130	27,096,102
Expensed(ii)	-	(12,136,527)	-
Impairment(iii)	-	(108,121)	-
Expenditure recouped from The Gambia farm-out proceeds	-	(12,209,467)	-
Balance at 31 December	**119,397,714**	**99,987,939**	**100,355,924**
Net carrying value – By area of interest:			
The Gambia	281,680	-	7,750,325
Guinea-Bissau	2,120,545	1,035,733	1,020,238
Senegal	116,995,489	98,952,206	91,585,361
Balance at 31 December	**119,397,714**	**99,987,939**	**100,355,924**

Exploration and evaluation commitments	31 Dec 2019 US$	31 Dec 2018 US$	31 Dec 2017 US$
Not longer than 1 year	7,657,422	3,814,354	36,919,480

(i) additions during the year include Senegal RSSD pre-development FEED and related costs of US$18,043,283 (2018: US$7,366,845) and The Gambia Blocks A2 and A5 drilling costs of US$281,680 (2018: US$6,663,578) subsequently recouped from farm-out proceeds.

(ii) exploration and evaluation expensed related to the unsuccessful Samo-1 well in The Gambia written off during 2018.

(iii) impairment of Guinea-Bissau long lead inventory.

Exploration and evaluation costs

Expenditure on exploration and evaluation is accounted for in accordance with the area of interest method. The Group's application of the accounting policy for the cost of exploring and of evaluating discoveries are accounted for under the successful efforts method.

Areas of interest are based on a geographical area. All exploration and evaluation expenditure, including general permit activity, geological and geophysical costs and new venture activity costs is expensed as incurred except for the following:

(i) where the expenditure related to an exploration discovery that, at the reporting date, has not been recognised as an area of interest, because an assessment of the existence or otherwise of economically recoverable reserves is not yet complete; or

(ii) where the expenditure relates to a recognised area of interest and it is expected that the expenditure will be recouped through successful exploitation of the area of interest, or alternatively, by its sale.

The costs of acquiring an interest in new exploration and evaluation licences are capitalised. The costs of drilling exploration wells are initially capitalised pending the results of the well. Costs are expensed where the well does not result in the successful discovery of economically recoverable hydrocarbons and the recognition of an area of interest.

Subsequent to the recognition of an area of interest, all further evaluation costs relating to that area of interest are capitalised. Upon approval for the commercial development of an area of interest, accumulated expenditure for the area of interest is transferred to oil and gas properties.

In the statement of cashflows, those cash flows associated with capitalised exploration and evaluation expenditure, including unsuccessful wells, are classified as cash flows used in investing activities.

Exploration commitments

The Group has exploration expenditure obligations which are contracted for, but not provided for in the financial statements. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Group.

Critical judgements in applying the Company's accounting policies:

(i) Area of interest
An area of interest is defined by the Group as an individual geographical area whereby the presence of hydrocarbon is considered favourable or proved to exists.

(ii) Impairment of exploration and evaluation assets
The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation or alternatively, sale of the respective area of interest. To successfully develop the exploration and evaluation assets the Group is also required to meet its joint venture funding obligations. Should the Group not succeed in securing appropriate funding to meet revised joint venture funding obligations, the recoverability of capitalised exploration and evaluation assets could be impacted and may be required to be impaired.

Each potential or recognised area of interest is reviewed half-yearly to determine whether economic quantities of reserves have been found or whether further exploration and evaluation work is underway or planned to support continued carry forward of capitalised costs. Where a potential impairment is indicated, assessment is performed using a fair value less costs to dispose method to determine the recoverable amount for each area of interest to which the exploration and evaluation expenditure is attributed.

This assessment requires management to make certain estimates and apply judgment in determining assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves have been found. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, the Group concludes that it is unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to the income statement.

14. TRADE AND OTHER PAYABLES

	31 Dec 2019 US$	31 Dec 2018 US$	31 Dec 2017 US$
Current			
Trade payables[(i)]	150,484	735,542	431,872
Other payables	393,636	351,352	317,048
Joint venture payables[(ii)]	4,072,908	1,125,451	5,938,857
	4,617,028	**2,212,345**	**6,687,777**

(i) The average credit period on purchases is approximately 30 days. No interest is charged on the trade payables for the first 30 days from the date of the invoice. Thereafter, interest may be levied on the outstanding balance at varying rates. The Group has financial risk management policies in place to ensure payables are paid within the credit timeframe.

(ii) Includes FAR's share of Senegal joint operation payables and accruals of US$3,233,458 (31 Dec 2018: US$730 957).

15. PROVISIONS

	31 Dec 2018 US$	31 Dec 2018 US$	31 Dec 2017 US$
Current			
Employee benefits[(i)]	689,782	611,424	799,896
Non-Current			
Employee benefits	11,517	39,268	86,138

(i) The above provisions for employee benefits represent annual leave and long service leave entitlements accrued by employees.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received, and the amount of the receivable can be measured reliably.

Employee benefits

Short and long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Amounts expected to settle within twelve months are recognised in current provisions in respect of employees' services up to the reporting date. Costs incurred in relation to sick leave are recognised when leave is taken and are measured at the rates paid or payable.

Liabilities recognised in respect of long-term employee benefits are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Termination benefits

Where contractual arrangements provide for a payment to a director or employee on termination of their employment, a provision for the payment of such amounts is recognised as the obligation arises.

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group has leases which predominately relate to the Company's head office premises and minor office equipment. Amounts recognised in the Statement of financial position and the carrying amounts of the Group's right-of-use assets and lease liabilities and the movement during the period are as follows:

	Right-of-use assets			
	Leased Premises US$	Office Equipment US$	Total US$	Lease Liabilities US$
As at 1 January 2019	104,953	-	104,953	104,953
Additions during the period	763,847	14,468	778,315	1,062,025
Depreciation expense	(265,255)	(7,957)	(273,212)	-
Interest expense	-	-	-	49,489
Lease payments	-	-	-	(364,924)
Net foreign exchange differences	-	-	-	(34,828)
As at 31 December 2019	**603,545**	**6,511**	**610,056**	**816,715**

Lease liabilities are presented in the Statement of financial position as:

	Lease Liabilities US$
Other financial liabilities:	
Lease liabilities (current)	368,534
Lease liabilities (non-current)	448,181
As at 31 December 2019	**816,715**

17. ISSUED CAPITAL

	31 Dec 2019 US$	31 Dec 2018 US$	31 Dec 2017 US$
Fully paid ordinary share			
At beginning of the period	305,669,212	305,669,212	248,095,907
Shares allotted during the period:			
– shares issued on 12 April 2017	-	-	40,423,439
– shares issued on 19 May 2017	-	-	19,702,320
– shares issued on 7 May 2019	27,299,038	-	-
– shares issued on 17 May 2019	4,207,539	-	-
Share issue costs	(1,450,384)	-	(2,552,454)
Ordinary fully paid shares at end of year	**335,725,405**	**305,669,212**	**305,669,212**

	31 Dec 2019 Number	31 Dec 2018 Number	31 Dec 2017 Number
Fully paid ordinary share			
At beginning of the period	5,461,532,458	5,461,532,548	4,461,532,458
Shares allotted during the period:			
– shares issued on 12 April 2017	-	-	669,229,868
– shares issued on 19 May 2017	-	-	330,770,132
– shares issued on 7 May 2019	707,854,544	-	-
– shares issued on 17 May 2019	111,000,000	-	-
Ordinary fully paid shares at end of year	**6,280,387,002**	**5,461,532,548**	**5,461,532,458**

During the year, the Company successfully raised US$31,506,577 through a placement to institutional and sophisticated investors, with a total of 818,854,544 shares issued at a price of AUD5.5 cents per share.

Fully paid ordinary shares carry one vote per share and a right to dividends.

Share Options and Performance rights outstanding at balance date

Refer Note 26 share-based payments for details of share options and performance rights outstanding at 31 December 2019.

18. RESERVES

	31 Dec 2019 US$	31 Dec 2018 US$	31 Dec 2017 US$
Share-based payments reserve	8,177,155	7,890,201	7,554,018
Foreign currency translation reserve	(3,754,360)	(3,754,360)	(1,348,368)
	4,422,795	**4,135,841**	**6,205,650**

Share-based payments reserve recognises the fair value of rights and options issued to directors and employees in relation to equity-settled share-based payments. Amounts are transferred out of reserve and into issue capital when vested rights are exercised.

The foreign currency translation reserve records exchange differences arising on translation of the financial statements of foreign subsidiaries and branches from their functional currency to the Company's functional and presentation currency of USD.

19. EARNINGS PER SHARE

The Group presents basic and diluted EPS for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares for the dilutive effect, if any, of the outstanding share rights which have been issued to employees.

	31 Dec 2019 US Cents	31 Dec 2018 US Cents
Basic and diluted loss per share	(0.35)	(0.21)

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	Year ended 31 Dec 2019 US$	Year ended 31 Dec 2018 US$
Loss for the year attributable to members of FAR Ltd	(21,144,093)	(11,621,926)
	Number	**Number**
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	5,992,429,394	5,461,532,458

The following potential ordinary shares are not considered dilutive as the Company recognised a loss for the year ended, and are therefore excluded from the weighted average number of ordinary shares used in the calculation of diluted EPS:

	31 Dec 2019 Number	31 Dec 2018 Number
Unlisted performance rights		
FARN-16	-	18,049,000
FARAN	10,293,000	10,293,000
FARAM	9,353,000	11,207,000
	19,646,000	**39,549,000**

For further details on performance rights refer to Note 26 Share-based payments.

20. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	31 Dec 2019 US$	31 Dec 2018 US$
Contingent liabilities		
Guinea-Bissau – contingent payment from future production(i)	13,000,000	13,000,000
Guinea-Bissau – contingent withholding tax liability(ii)	567,811	567,811
Kenya L6 – Performance Bond(iii)	-	88,132
	13,567,811	**13,655,943**

(i) In 2009, the Company entered into an Agreement to acquire an interest in three blocks offshore of Guinea-Bissau. Under the terms of the Agreement, in the event of future production from the blocks the vendor will be entitled to recover up to US$13 million in past exploration costs from the Company's proceeds from production. Any such recovery will be at a rate of 50% of the Company's annual net revenue as defined by the Agreement. Refer to Note 21 for further details on equity interest held.

(ii) During the year ended 31 December 2009, the Group was advised by the operator of its blocks in Guinea-Bissau that the Joint Operation partners have a contingent withholding tax liability which would become payable in the event of the Joint Operation entering the development phase of the licences. The Group's share of the estimated contingent liability as at 31 December 2019 is US$567,811 (2018: US$567,811).

(iii) Flow Energy Pty Ltd ('Flow') a wholly owned subsidiary of the Company is a party to the Kenya Offshore Block L6 Production Sharing Contract. Flow Kenya branch is the Contractor for the project and, in accordance with the terms of the Contract, the Contractor must provide security guaranteeing the Contractor's minimum work and expenditure obligations on or before the commencement of an Exploration Period. This amount represents the Group's share of the guarantee. The guarantee is payable on written demand where the Contractor is in default under the contract. Where the Contractor meets the minimum work and expenditure obligations of the Exploration Period the security is released. Subsequently, the security deposit equal to the contingent liability of US$88,132 in the previous corresponding period is disclosed in current, other financial assets, see Note 11. The security deposit expired during the year. Flow Energy has also executed a parent company guarantee to the Kenyan Ministry of Energy and Petroleum in respect of Kenya Block L6 for the performance of the minimum work obligations in relation to year 3 of the Second Additional Exploration Period limited to US$728,450.

There are no contingent liabilities arising from service contracts with executives.

21. JOINT OPERATIONS

The Group has an interest in the following material joint venture operations whose principal activities are oil and gas exploration

		Equity Interest	
Name	**Country**	**31 Dec 2019 %**	**31 Dec 2018 %**
Sinapa/Esperanca(i)	Guinea-Bissau	21.4	21.4
L6(ii)	Kenya	60.0	60.0
Rufisque Offshore/Sangomar Offshore/Sangomar Deep Offshore	Senegal	15.0	15.0
Block A2/Block A5(iii)	The Gambia	50.0	40.0

(i) In April 2017, negotiations concluded with the National Oil Company of Guinea-Bissau, Petroguin to revise the terms of both the Sinapa and Esperanca Licenses to which FAR has interests. Under the revised licence terms, FAR has a 21.43% participating interest in the permit, an increase from 15% and FAR's paying interest remains at 21.43%.

(ii) Past security events and continued land access issues have hampered FAR's ability to progress with approved work program on the strategically preferred onshore portion of Block L6. FAR is working with the Ministry of Petroleum & Mining to find an amicable solution with relevant landowners and other stakeholders to resolve the situation.

(iii) On 1 October 2019, the Company announced the Ministry of Petroleum and Energy of The Gambia approved the acquisition of an additional 10% interest in Blocks A2 and A5 giving FAR a 50% working interest and retained Operatorship.

The Groups' interests in assets employed in the above joint venture operations are detailed below. The amounts are included in the financial statements under their respective assets and liability categories.

	31 Dec 2019 US$	31 Dec 2018 US$	31 Dec 2017 US$
Current Assets			
Cash and cash equivalents	(82,512)	3,276,181	2,497,974
Trade and other receivables	116,960	1,988,356	158,470
Other financial assets	-	88,132	95,183
	34,448	**5,352,669**	**2,751,627**
Non-Current Assets			
Property, plant and equipment	56,086	-	-
Exploration and evaluation assets	119,397,714	99,987,939	100,355,924
	119,453,800	**99,987,939**	**100,355,924**
Current Liabilities			
Trade and other payables	4,072,908	1,125,451	5,938,777

Contingent liabilities and capital commitments

The capital commitments arising from the Group's interests in joint operations are disclosed in Note 13.

The contingent liabilities in respect of the Group's interest in joint operations are disclosed in Note 20.

Interests in Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Under certain agreements, more than one combination of participants can make decisions about the relevant activities and therefore joint control does not exist. Where the arrangement has the same legal form as a joint operation but is not subject to joint control, the group accounts for its interest in accordance with the contractual agreement by recognising its share of jointly held assets, liabilities, revenues and expenses of the arrangement.

When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

(i) Its assets, including its share of any assets jointly held;

(ii) Its liabilities, including its share of any liabilities incurred jointly;

(iii) Its revenue from the sale of its share of the output arising from the joint operation;

(iv) Its share of the revenue from the sale of the output by the joint operation; and

(v) Its expenses, including its share of any expenses incurred jointly.

The Group accounts for its assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the AASB's applicable to the particular assets, liabilities, revenues and expenses.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

22. SUBSIDIARIES

Name of Entity	Country of incorporation	Ownership interest 2019 %	Ownership interest 2018 %
Parent Entity			
FAR Ltd (i)	Australia		
Subsidiaries			
First Australian Resources Pty Ltd(ii) (iii)	Australia	100	100
Humanot Pty Ltd (ii) (iii)	Australia	100	100
Flow Energy Pty Ltd(ii)	Australia	100	100
Neptune Exploration Pty Ltd(ii)	Australia	100	100
Lightmark Enterprises Pty Ltd(ii)	Australia	100	100
FAR Holdings 1 Pty Ltd(ii)	Australia	100	100
FAR Holdings 2 Pty Ltd(ii)	Australia	100	100
FAR Holdings 3 Pty Ltd(ii)	Australia	100	100
FAR Meridian Pty Ltd(ii)	Australia	100	100
Petrole Investments Group Pty Ltd	Mauritius	100	100
FAR Gambia Ltd	Mauritius	100	100
FAR Mauritius 1 Pty Ltd	Mauritius	100	100
FAR Mauritius 2 Pty Ltd	Mauritius	100	100
FAR Guinea-Bissau	Mauritius	100	100
FAR Kenya L6	Mauritius	100	100
FAR Senegal RSSD SA	Senegal	100	100
FAR Senegal 1 SA(iv)	Senegal	100	100
FAR Senegal Djiffere SA	Senegal	100	100
FAR Senegal SARL(v)	Senegal	-	100
First Australian Resources, Inc.(vi)	USA	100	100

(i) FAR Ltd is the ultimate holding company and Head Entity within the Australian tax consolidated group.

(ii) These companies are members of the Australian tax consolidated group.

(iii) These wholly-owned controlled Entities have entered into a deed of cross guarantee with FAR Ltd pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 and are relieved from the requirements to prepare and lodge an audited financial report. Refer to Note 23 for further details.

(iv) The shares held in FAR Senegal 1 SA held by FAR Mauritius 1 Pty Ltd were transferred to FAR Gambia Ltd on 19 February 2018.

(v) On 22 February 2019 the company was voluntarily dissolved.

(vi) On 11 March 2020, First Australian Resources Inc. was voluntarily dissolved.

23. DEED OF CROSS GUARANTEE

The wholly-owned entities detailed in Note 22 have entered into a deed of cross guarantee with FAR pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 and are relieved of the requirement to prepare and lodge an audited financial report.

The effect of the deed of cross guarantee is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the controlled entities under certain provisions of the Corporations Act 2001.

If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The controlled entities have also given similar guarantees in the event that the Company is wound up.

The consolidated statement of profit or loss and other comprehensive income and statement of financial position of entities which are party to the deed of cross guarantee, after eliminating all transactions between parties of the deed of cross guarantee, at 31 December 2019 are:

Statement of profit or loss and other comprehensive income	**Year ended 31 Dec 2019 US$**	**Year ended 31 Dec 2018 US$**
Interest income	365,110	335,248
Depreciation and amortisation expense	(227,554)	(61,791)
Impairment of intercompany loans and investments	(9,053,039)	(6,632,422)
Exploration expense	(4,484,420)	(5,749,948)
Finance costs	(42,874)	(122)
Administration expense	(663,033)	(627,512)
Employee benefits expense	(2,589,240)	(3,396,005)
Consulting expense	(82,870)	(411,908)
Foreign exchange (loss)/gain	(104,136)	2,018,997
Other expenses	(2,425,926)	(273,850)
Loss before income tax	**(19,307,982)**	**(14,799,313)**
Income tax expense	-	-
Loss for the year	**(19,307,982)**	**(14,799,313)**
Other comprehensive income/(loss)		
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising on translation of foreign operations	(2,586)	(2,817,731)
Total comprehensive loss	**(19,310,568)**	**(17,617,044)**

Statement of Financial Position	31 Dec 2019 US$	31 Dec 2018 US$	31 Dec 2017 US$
CURRENT ASSETS			
Cash and cash equivalents	11,936,258	17,386,932	38,775,492
Trade and other receivables	698,280	910,200	3,291,787
Total Current Assets	**12,634,538**	**18,297,132**	**42,067,279**
NON-CURRENT ASSETS			
Trade and other receivables	7,302	73,245	5,876,728
Other financial assets	99	99	110
Property, plant and equipment	753,304	272,864	226,490
Exploration and evaluation assets	119,116,034	99,987,939	92,605,600
Total Non-Current Assets	**119,876,739**	**100,334,147**	**98,708,928**
TOTAL ASSETS	**132,511,277**	**118,631,279**	**140,776,207**
CURRENT LIABILITIES			
Trade and other payables	3,795,021	1,709,884	6,338,610
Other financial liabilities	654,002	-	-
Provisions	330,070	611,424	799,896
Total Current Liabilities	**4,779,093**	**2,321,308**	**7,138,506**
NON-CURRENT LIABILITIES			
Other financial liabilities	417,386	-	-
Provisions	11,517	39,268	86,138
Total Non-Current Liabilities	**428,903**	**39,268**	**86,138**
TOTAL LIABILITIES	**5,207,996**	**2,360,576**	**7,224,644**
NET ASSETS	**127,303,281**	**116,270,703**	**133,551,563**
EQUITY			
Issued capital	335,725,405	305,669,212	305,669,212
Reserves	2,379,271	2,094,904	4,576,451
Accumulated losses	(210,801,395)	(191,493,413)	(176,694,100)
TOTAL EQUITY	**127,303,281**	**116,270,703**	**133,551,563**

Accumulated Losses	31 Dec 2019 US$	31 Dec 2018 US$	31 Dec 2017 US$
Balance at beginning of financial year	(191,493,413)	(176,694,100)	(144,588,499)
Net loss for the year	(19,307,982)	(14,799,313)	(32,105,601)
Balance at end of financial year	**(210,801,395)**	**(191,493,413)**	**(176,694,100)**

24. NOTES TO THE CASHFLOW STATEMENT

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the consolidated cash flows can be reconciled to the related items in the statement of financial position as follows:

	31 Dec 2019 US$	31 Dec 2018 US$	31 Dec 2017 US$
Cash and cash equivalents	1,435,762	262,219	218,499
Deposits at call & term deposits	12,100,719	16,001,772	36,246,299
Term Deposits	298,683	-	-
Cash and cash equivalents held in joint operations	(82,512)	3,276,181	2,497,974
	13,752,652	**19,540,172**	**38,962,772**

(b) Financing facilities

The Group had no external borrowings at 31 December 2019. Further, the Group his currently arranging financing facilities for use in the future.

(c) Cash balances not available for use

Cash and cash equivalents held in joint operations are not available for use by the Group.

(d) Restricted cash

The Company has US$208,716 (31 Dec 2018: Nil) in term deposits included in cash and cash equivalents that are not readily available for use by the Group. The term deposit is held as security over the Company' corporate head office lease in the form of a bank guarantee.

(e) Reconciliation of loss for the period to net cash flows from operating activities

	31 Dec 2019 US$	31 Dec 2018 US$
Loss for the year	(21,144,093)	(11,621,926)
Adjustments for: Depreciation and amortisation of non-current assets	384,097	95,808
Unrealised Foreign exchange (gain)/loss	77,865	(2,128,109)
Equity settled share-based payments	286,953	341,862
Exploration expense	92,387	(1,246,674)
Write off – other receivables	-	5,769
Interest income	(355,202)	(335,468)
Lease incentive	283,710	-
Gain on sale of exploration and evaluation assets	(1,047,856)	(545,793)
Other – repayment of loans from joint venture	1,823,736	-
(Increase)/decrease in assets:		
Trade and other receivables	(92,634)	(1,448,407)
Increase/(decrease) in liabilities:		
Trade and other payables	360,259	(605,065)
Provisions for employee entitlements	50,132	(157,845)
Net cash used in operating activities	**(19,280,646)**	**(17,645,848)**

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes on value, net of outstanding bank overdrafts.

25. FINANCIAL AND RISK MANAGEMENT

The Board has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate, risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Financial assets

Financial assets at fair value through profit or loss

A financial asset is classified in this category when the asset is either held for trading or it is designated as at fair value through profit or loss. Financial assets held for trading purposes are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity and are initially held at fair value net of transactions costs.

Bills of exchange classified as held to maturity are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and receivables

Loans and receivables are included in receivables in the statement of financial position. Loans and receivables are recorded at amortised cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each Statement of Financial Position date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Financial liabilities

Transaction costs on the issue of equity instruments

Transaction costs arising on the issue of equity instruments, including new shares and options, are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability. Fair value is determined in the manner described below.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Financial Assets and financial liabilities

The following table disclose the carrying value amounts of each category of financial assets and financial liabilities at year end:

Year ended 31 Dec 2019	Amortised Cost US$	Fair Value through profit or loss US$	Fair Value through OCI US$	Total US$
Financial assets				
Cash and cash equivalents	13,752,652	-	-	13,752,652
Trade and other receivables – current and non-current	839,728	-	-	839,728
Other financial assets – current and non-current	7,008	-	-	7,008
Total Financial assets	**14,599,388**	-	**-**	**14,599,388**
Other financial liabilities				
Trade and other payables - current	4,617,028			4,617,028
Lease liabilities – current and non-current	816,714			816,714
Total Financial liabilities	**5,433,742**			**5,433,742**
Year ended 31 Dec 2018				
Financial assets				
Cash and cash equivalents	19,540,172	-	-	19,540,172
Trade and other receivables – current and non-current	2,588,361	-	-	2,588,361
Other financial assets – current and non-current	88,132	-	-	88,132
Total Financial assets	**22,216,665**	**-**	**-**	**22,216,665**
Trade and other payables – current	**2,212,345**	**-**	**-**	**2,212,345**
Year ended 31 Dec 2017				
Financial assets				
Cash and cash equivalents	38,962,772	-	-	38,962,772
Trade and other receivables – current and non-current	1,163,589	-	-	1,163,589
Other financial assets – current and non-current	96,370	-	-	96,370
Total Financial assets	**40,222,731**	**-**	**-**	**40,222,731**
Trade and other payables – current	**6,687,777**	**-**	**-**	**6,687,777**

Fair values

In estimating fair value of an asset or liability, the group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is in accordance with accounting standard

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Directors consider that the carrying amounts of the financial assets and liabilities recorded at amortised costs in the financial statements approximate their fair value and are categorised as Level 2 measurements.

	Carrying Amount		Fair Value	
	31 Dec 2019 US$	31 Dec 2018 US$	31 Dec 2019 US$	31 Dec 2018 US$
Financial assets				
Cash and cash equivalents	13,752,652	19,540,172	13,752,652	19,540,172
Trade and other receivables – current and non-current	839,728	2,588,361	839,728	2,588,361
Other financial assets – current and non-current	7,008	88,132	7,008	88,132
Total Financial assets	**14,599,388**	**22,216,665**	**14,599,388**	**22,216,665**
Other financial liabilities				
Trade and other payables - current	4,617,028	2,212,345	4,617,028	2,212,345
Lease liabilities – current and non-current	816,714	-	816,714	-
Total Financial liabilities	**5,433,742**	**2,212,345**	**5,433,742**	**2,212,345**

(a) Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern and as at 31 December 2019 has no debt. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent comprising issued capital, reserves and accumulated losses.

(b) Financial risk management objectives

The Group's management provides services to the business, co-ordinates access to domestic and international financial markets, and manages the financial risks relating to the operations of the Group.

The Group does not trade or enter into financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by the Group's policies approved by the Board of directors.

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates, liquidity risk and commodity price risk. The Group does not presently enter into derivative financial instruments to manage its exposure to interest rate and foreign currency risk.

(c) Foreign currency risk

The Group has certain financial instruments denominated in AUD which differs from the Group's functional currency which is denominated in USD. Consequently, the Group is exposed to the risk that the exchange rate of the USD relative to the AUD may change in a manner which has a material effect on the reported values of the Groups assets and liabilities which are denominated in AUD.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities that are denominated in a currency other than the functional currency of the entity that holds the financial assets or financial liabilities at the reporting date is as follows:

	Consolidated		
	31 Dec 2019 US$	31 Dec 2018 US$	31 Dec 2017 US$
Financial assets			
Cash and cash equivalents	1,867,018	634,103	7,949,440
Trade and other receivables – current and non-current	111,540	3,404,204	570,479
Total Financial assets	**1,978,558**	**4,038,307**	**8,519,919**
Other financial liabilities			
Trade and other payables – current	261,415	88,131	95,183
Other financial liabilities – current and non-current	747,455	-	-
Total Financial liabilities	**1,008,870**	**88,131**	**95,183**

Foreign currency risk sensitivity

At the reporting date, the following summarises the sensitivity of financial instruments, to movement in the exchange rates if the Australia dollar had increased/decreased by 10% against the US dollar the Group's, with all other variables held constant net profit after tax would increase/decrease by:

	31 Dec 2019 US$	31 Dec 2018 US$	31 Dec 2017 US$
AUD/USD – 10% decrease	96,969	395,018	842,474

(d) Commodity price risk management

The Group does not currently have any projects in production and has no exposure to commodity price fluctuations.

(e) Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial assets and liabilities. The tables have been prepared based on the undiscounted cash flows expected to be received/paid by the Group.

		Maturity			
2019	Less than 1 month US$	1-3 months US$	3 month to 1 year US$	1-5 years US$	Total US$
Financial assets:					
Non-interest bearing	2,192,326	-	-	-	2,192,326
Variable interest rate	12,101,371		-	-	12,101,371
Fixed interest rate	-	298,683	-	-	298,683
	14,293,697	**298,683**	**-**	**-**	**14,592,380**
Financial liabilities:					
Non-interest bearing	4,577,291	15,895	23,842	-	4,617,028
Interest bearing – lease liabilities(i)	28,793	59,437	280,304	448,181	816,715
	4,606,084	**75,332**	**304,146**	**448,181**	**5,433,743**
2018					
Financial assets:					
Non-interest bearing	6,051,196	-	-	-	6,051,196
Variable interest rate	16,077,336		-	-	16,077,336
Fixed interest rate	-	88,132	-	-	88,132
	22,128,532	**88,132**	**-**	**-**	**22,216,664**
Financial liabilities:					
Non-interest bearing	**2,211,311**	**-**	**1,034**	**-**	**2,212,346**
2017					
Financial assets:					
Non-interest bearing	4,716,255	-	-	-	4,716,255
Variable interest rate	28,432,432		-	-	28,432,432
Fixed interest rate	7,491,821	95,184	-	-	7,587,005
	40,640,507	**95,184**	**-**	**-**	**40,735,692**
Financial liabilities:					
Non-interest bearing	**6,686,630**	**-**	**-**	**-**	**6,686,630**

(i) Relates to the adoption of AASB 16 and initial recognition of the lease liability.

There are no financial liabilities that are later than 5 years.

(f) Interest rate risk management

The Group is exposed to interest rate risk as it earns interest at floating rates from a portion of its cash and cash equivalents. The Group places a portion of its funds into short-term fixed interest deposits which provide short-term certainty over the interest rate earned.

Interest rate sensitivity analysis

If the average interest rate during the year had increased/decreased by 10% the Group's net profit after tax would increase/decrease by US$35,506 (2018: US$33,558).

(g) Credit risk management

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk.

26. SHARE-BASED PAYMENTS

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Employee performance rights plan

The shareholders of the Company approved the Performance Rights Plan (PRP) at the annual general meeting held on 13 May 2016, prior to then the Company did not have a PRP. In accordance with the provisions of the approved plan, the board at its discretion may grant performance rights to any full-time or permanent part-time employee or officer, or director of the Company. All performance rights issued to directors are granted in accordance with a resolution of shareholders. Each Performance Right converts to one Ordinary Share on exercise.

The following share-based payment arrangements were in existence during the current and prior reporting periods:

Unlisted performance rights	Grant date	Vesting date	Expiry date	Exercise price A$	No. of performance rights on issue 31-Dec-19	No. of performance rights on issue 31-Dec-18
FARAN-16[(i)]	20-May-16	31-Jan-19	31-Jan-21	-	-	18,049,000
FARAN[(ii)]	31-May-17	31-Jan-20	31-Jan-22	-	10,293,000	10,293,000
FARAM	14-Jun-18	31-Jan-21	31-Jan-23	-	9,353,000	11,207,000
				-	**19,646,000**	**39,549,000**

(i) On 31 January 2019, the 3 year performance period for performance rights (FARAN-16) lapsed. Due to the share price decreasing by 2 cents over the performance period none of the 18,049,000 performance rights vested. The base price at the beginning of the performance period was 7.8 cents. The share price on 31 Jan 2019 (Test date) was 5.8 cents.

(ii) On 31 January 2020, the 3 year performance period for performance rights (FARAN) lapsed. Due to the share price decreasing by 2 cents over the performance period none of the 10,293,000 performance rights vested. The base price at the beginning of the performance period was 7.8 cents. The share price on 31 Jan 2020 (Test date) was 4.1 cents.

The performance rights are subject to the following vesting conditions:

- Absolute TSR: a measure of the TSR (share value plus dividends) achieved over the Performance Period; and
- Relative TSR: a measure of the achieved over a given time period relative to the TSR return over the same time period for a comparable set of companies.
- Continuous service until the performance expiry date

Absolute TSR

50% of the Performance Rights will be subject to an absolute TSR hurdle over the Performance Period and will be tested at 31 January (**Test Date**), 3 years after the start date. A TSR equal to a Compounded Annual Growth Rate (CAGR) of at least 15% per annum over the Performance Period is required in order for any of the Performance Rights to vest. The TSR is calculated by comparing the Base Price against the share price on the Test Date plus any dividends paid throughout the Performance Period, which is then computed into an equivalent per annum return.

For the purposes of the Absolute TSR test, the Board have elected to set the Base Price of FAR Shares as at 1 February, which is the 20-day **VWAP** preceding 1 February.

Absolute TSR performance:

- Above 25% CAGR, 50% of the performance rights granted will vest.
- Between 15% and 25% CAGR, pro-rata 25%-50% of the performance rights granted will vest.
- At 15% CAGR, 25% of the performance rights granted will vest.
- Less than 15% CAGR, no performance rights will vest.

Relative TSR

The remaining 50% of the Performance Rights will be subject to a Relative TSR hurdle over the three year Performance Period to 31 January and will be tested at the end of this period. The TSR performance of FAR Shares will be compared to the TSR performance of all other shares in a comparator group, being the S&P/ASX Energy 300 Index, and Performance Rights will vest only if FAR's TSR performance is at least at the 50th percentile.

The Performance Rights also contain other provisions including the ability for the Board at its absolute discretion to determine that no relative TSR Performance Rights will vest if the Company's TSR performance is negative, change of control events and good and bad leaver provisions relating to unvested Performance Rights.

Relative TSR performance:

- At or above the 75th percentile, 50% of the performance rights granted will vest.
- Between 50th percentile and 75th percentile, pro-rate 25%-50% performances rights granted will vest.
- At 50th percentile, 25% performance rights granted will vest.
- Below 50th percentile, no performance rights will vest.

Valuation of performance rights

Performance rights issued are measure at fair value at the date of grant and are expensed where there are no vesting conditions and in cases where a vesting restriction exists, amortised over the vesting period. In accordance with Australian Standards, fair value is determined using a generally accepted valuation mode.

Fair value of performance rights granted under the Performance Rights Plan

The performance rights were priced using the Monte Carlo pricing model with the following inputs:

	FARAN-16	FARAN	FARAM
Grant date	20-May-16	31-May-17	14-Jun-18
Share price at grant date	8.7 cents	7.9 cents	9.5 cents
Base Price	7.8 cents	7.8 cents	8.3 cents
Fair value	5.5 cents	4.5 cents	5.3 cents
Performance period start date	1-Feb 16	1-Feb-17	1-Feb-18
Performance period end date	31-Jan-19	31-Jan-20	31-Jan-21
Expiry date	31-Jan-21	31-Jan-22	31-Jan-23
Exercise price	A$0.0	A$0.0	A$0.0
Volatility	60%	47%	37%
Dividend yield	-	-	-
Risk free interest rate	1.63%	1.65%	2.7%
Total life of performance rights	2.7 years	2.7 years	2.67 years

The fair value of the performance rights as at the date of grant are summarised as follows:

Performance rights	FARAN-16		FARAN		FARAM	
Performance Measure	**Absolute**	**Relative**	**Absolute**	**Relative**	**Absolute**	**Relative**
No. of performance rights	10,712,500	10,712,500	5,418,500	5,418,500	5,603,500	5,603,500
Price per performance rights	A$0.047	A$0.063	A$0.0358	A$0.0536	A$0.0412	A$0.0641
Fair value at grant date	A$503,487	A$674,888	A$193,965	A$290,426	A$230,920	A$358,947
Fair value at grant date – (USD)	US$362,159	US$485,447	US$144,504	US$216,367	US$172,652	US$268,374

Movement in the number of performance rights issued under the Performance Rights Plan

The following reconciles the outstanding performance rights on issue at the end of the financial year:

	FARAN-16	FARAN[(ii)]	FARAM
Balance as at 1 Jan 2018	18,497,000	10,837,000	-
Granted during the year	-	-	11,207,000
Forfeited during the year[(i)]	(448,000)	(544,000)	-
Exercised during the year	-	-	-
Balance at 31 December 2018	**18,049,000**	**10,293,000**	**11,207,000**
Balance as at 1 Jan 2019	18,049,000	10,293,000	11,207,000
Granted during the year	-	-	-
Forfeited during the year[(i)]	(18,049,000)	-	(1,854,000)
Exercised during the year	-	-	-
Balance at 31 December 2019	**-**	**10,293,000**	**9,353,000**

(i) Performance rights that did not vest due to performance conditions not being met lapsed during the year.

(ii) On 31 January 2020, the 3-year performance period for performance rights (FARAN) lapsed.

No performance rights were exercised or granted during the period.

Share-based payment expense

Share-based payments expenses are included under employee benefits expense in the statement of profit or loss and other comprehensive income and relate to the performance rights component of equity-settled share-based payments transactions issued to a director, executives and other participants over the vesting period.

	Consolidated	
	31 Dec 2019 US$	**31 Dec 2018 US$**
Unlisted performance rights		
FARAN-16	18,606	140,620
FARAN	128,314	124,745
FARAM	140,033	76,497
Employee benefits – amortisation of performance rights	**286,953**	**341,862**

27. KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate compensation of the KMP of the Group and the Company is set out below:

	31 Dec 2019 US$	31 Dec 2018 US$
Short-term employee benefits	1,933,768	2,286,739
Termination benefits	-	392,586
Post-employment benefits	67,598	87,326
Share-based payment	164,912	162,197
Other long-term benefits	34,589	34,208
Total	**2,200,867**	**2,963,056**

The amounts disclosed are the amounts recognised as an expense during the reporting period related to key management personnel.

28. RELATED PARTY DISCLOSURES

Equity interests in related parties

Equity interests in subsidiaries
Details of the percentage of ordinary shares held in subsidiaries are disclosed in Note 22 to the financial statements.

Equity interests in associates and joint operations
Details of interests in joint operations are discussed in Note 21.

29. PARENT ENTITY

(a) Financial position

	31 Dec 2019 US$	31 Dec 2018 US$	31 Dec 2017 US$
Assets			
Current assets	12,634,538	18,297,132	42,067,279
Non-current assets	119,876,741	100,334,149	98,708,930
Total Assets	**132,511,279**	**118,631,281**	**140,776,209**
Liabilities			
Current liabilities	4,779,093	2,321,308	7,138,506
Non-current liabilities	428,903	39,268	86,138
Total Liabilities	**5,207,996**	**2,360,576**	**7,224,644**
Equity			
Issued Capital	335,725,405	305,669,212	305,669,212
Reserves			
– Share-based payments reserve	8,177,156	7,890,203	7,554,018
– Foreign currency translation reserve	(5,795,299)	(5,795,299)	(2,977,567)
Accumulated losses	(210,803,979)	(191,493,411)	(176,694,098)
Total Equity	**127,303,283**	**116,270,705**	**133,551,565**

(b) Financial performance

	Year ended 31 Dec 2019 US$	Year ended 31 Dec 2018 US$
Loss for the year	(19,310,568)	(14,799,313)
Other comprehensive loss	-	(2,817,731)
Total comprehensive loss	**(19,310,568)**	**(17,617,044)**

(c) Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

Other than the Deed of Cross Guarantee disclosed in Note 23, at reporting date the only other guarantees entered into by the Parent Entity in relation to the debts of its subsidiaries are the following:

- a parent company guarantee provided to the Kenyan Ministry of Energy for the performance of the third year of the second additional exploration period limited to US$728,450 (2017:US$728,450), which expired during the year.

(d) Contingent liabilities of the parent entity

	31 Dec 2019 US$	31 Dec 2018 US$
Contingent liabilities		
Guinea-Bissau – contingent payment from future production	13,000,000	13,000,000
Guinea-Bissau – contingent withholding tax liability	567,811	567,811
	13,567,811	**13,567,811**

Refer to Note 20 for further details.

(e) Commitments for capital expenditure entered into by the parent entity

	31 Dec 2019 US$	31 Dec 2018 US$
Exploration and evaluation assets		
Not longer than 1 year	4,074,162	1,694,354

30. REMUNERATION OF AUDITORS

	31 Dec 2019 US$	31 Dec 2018 US$
Amounts paid or due to be paid in respect of:		
Auditor of the Parent Entity – Deloitte Touche Tohmatsu:		
Audit or review of the financial report	59,737	62,957
Audit of joint operation financial statements	10,639	5,606
Audit of subsidiaries	10,604	7,000
Non-audit services	-	8,618
Total remuneration of audit and other assurance services	**80,980**	**84,181**
Network firms of Deloitte Touche Tohmatsu:		
Audit or review of the financial statements	8,510	-
Audit or review of the financial statements	15,750	15,000
Total remuneration of network of firms of Deloitte Touche Tohmatsu	**24,260**	**15,000**
Total auditors' remuneration	**105,240**	**99,181**

31. SUBSEQUENT EVENTS

Capital raising

In January 2020, the Company completed a A$146m (~US$100m) placement to institutional and sophisticated investors and a Share Purchase Plan (SPP) to existing eligible shareholders, both priced at 4.25c per share. The placement was approved by shareholders at the General Meeting held 16 January 2020 and A$11.18m was raised under the SPP.

Corporate

On 21 January 2020, the Company announced the appointment of Elisha Larkin as Company Secretary.

Arbitration

On 14 February 2020, the Company announced it received a decision from the International Court of Arbitration of the International Chamber of Commerce in respect of the issued heard in July 2019. The Tribunal determined the Company did not have pre-emption rights over the 2016 sale of shares of RSSD 35% interest holder, Woodside Energy Senegal BV (formerly known as ConocoPhillips Senegal BV), to Woodside Energy Holdings (Senegal) Limited.

The Group executed a settlement agreement on 27 March 2020 with each party withdrawing all claims and bearing its own legal costs.

Sangomar Field Development and Final Investment Decision

On 9 January 2020, the Group announced the Government of Republic of Senegal had approved the RSSD joint venture Exploitation Plan and granted the Exploitation Authorisation for the Sangomar Field Development offshore Senegal and signing of the Host Government Agreement, and entered the execute phase of Phase 1 activities. On 20 January 2020, the Group and its joint venture partners announced it has taken the Final Investment Decision (FID) and agreed the 2020 budget of $1.088b gross, US$163m net to FAR (at 15%) to develop the field. These costs are currently under review due to the impact of COVID-19.

Impact of COVID-19 and fall in oil prices

Since the end of financial year, the initial COVID-19 outbreak has become a globally significant event impacting the health of individuals, international trade and commerce and the resultant impact on global financial markets. On 11 March 2020 the World Health Organisation declared the outbreak a pandemic.

Additionally, since the end of financial year, global oil prices have collapsed with the price of Brent crude falling 60% since the beginning of January 2020 (from US$67 per barrel to US$27 per barrel currently). Triggering the precipitous fall in oil prices was the breakdown of negotiations to reduce production of crude oil between members of OPEC+ at its meeting of 6 March 2020. Compounding this supply side impact on crude oil markets is the falling global demand resulting from the disruption to international trade and commerce caused by the COVID-19 pandemic.

Consequently, the Group's ability to close the Sangomar Project debt arrangements that were ongoing during this time have been compromised such that the lead banks to the senior facility have now confirmed that they cannot complete the syndication in the current environment. As a result, the Board is of the opinion that, in addition to the senior facility, neither the junior nor mezzanine facilities that were being arranged will be able to be completed for the foreseeable future.

As a result of these global conditions, the Sangomar joint venture partners are working together and have commenced a process to assess the impact of International Government restrictions on future plans, including the availability of contractors, and consider options to significantly reduce the capital costs of the development and/or defer the timing to incur the capital costs.

In view of the current global economic climate, the Board has commenced a process to review all strategic alternatives available to the Group which are focussed on preserving shareholder value for the longer term.

In the event a disposal or relinquishment of rights is required, the recoverability of capitalised Exploration and Evaluation assets could be impacted and may be required to be impaired should the amount realised be less than the carrying amount. Refer note 3(e) for further details.

The Directors are not aware of any matters or circumstances, other than those referred to in this report, that have significantly affected or may significantly affect the operations, the results of operations or the state of affairs of the Group in subsequent financial years.

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 3 to the financial statements;

(c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group; and

(d) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

At the date of this declaration, the Company is within the class of companies affected by ASIC Corporation (Wholly-owned Companies) Instrument 2016/785. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the directors' opinion, there are reasonable grounds to believe that the Company and the Companies to which ASIC Corporation (Wholly-owned Companies) Instrument 2016/785 applies, as detailed in Note 23 to the financial statements, will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the directors

Nicholas J Limb
Chairman
Melbourne, 31 March 2020

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Independent Auditor's Report to the members of FAR Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of FAR Limited (the 'Company') and its subsidiaries (the 'Group'), which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 3(e) in the financial report, which indicates that the Group incurred a net loss after tax of US$21,144,093, and had a net cash outflow from operating activities of US$19,280,646 during the year ended 31 December 2019. As stated in the Note 3(e), these events or conditions, along with other matters as set forth in Note 3(e), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our procedures in relation to going concern included, but were not limited to:

- Inquiring of management in relation to events and conditions that may impact the assessment on the Group's ability to continue as a going concern; Challenging the assumptions contained in management's cash flow forecast in relation to the Group's ability to continue as a going concern;
- Evaluating management's plans for future actions in relation to its going concern assessment, whether the outcome of these plans is likely to improve the situation and whether management's plans are feasible in the circumstances;
- Considering whether any additional information has become available since the date on which management made its assessment; and
- Assessing the adequacy of the disclosure related to going concern in Note 3(e).

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Accounting for exploration and evaluation costs	
As at 31 December 2019 the Group incurred US$36.0 million in exploration and evaluation (E&E) costs during the period, of which US$19.4 million has been capitalised and all other E&E costs were expensed as disclosed in Note 7. Significant judgement is required by management in determining whether E&E costs are expected to be recouped through successful development and exploitation of the area of interest or by future sale or that the activities in the area of interest have not reached the point that a reasonable assessment of economically recoverable reserves can be made.	Our audit procedures included, but were not limited to: • Confirming the rights to tenure of the areas of interest are current and challenging management's consideration of the ability to recoup the capitalised costs through future development or sale of the area of interest; • Confirming whether exploration activities for the area of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; and • Assessing the appropriateness of the classification between E&E assets and Development Assets under Property, Plant and Equipment.

We also assessed the appropriateness of the disclosures in Note 13 to the financial statements.

Recoverability of exploration and evaluation assets	
As at 31 December 2019 the carrying amount of E&E assets is US$119.4 million, as disclosed in Note 13. Significant judgement is applied by management in determining whether ongoing exploration projects or market conditions have changed indicating that the exploration and expenditure assets should be tested for impairment in accordance with the applicable accounting standards.	Our audit procedures included, but were not limited to: • Assessing management's processes surrounding the evaluation of the facts and circumstances that may suggest the carrying value of E&E assets exceeds the recoverable amount; • Challenging management's assessment that may suggest E&E assets are not fully recoverable, including but not limited to: ○ Testing licenses for the areas of interest to determine whether the license has expired during the period or will expire in the near future with no expectation to be renewed; ○ Reviewing budgets to determine whether substantive expenditure in an area of interest is neither budgeted nor planned; ○ Obtaining an understanding of management's assessment as to whether the evaluation of mineral resources in a specific area of interest have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue further evaluation of the area; ○ Challenging management as to whether sufficient data exists that suggests E&E assets related to a specific area of interest will not be recovered in full from successful development or by sale; ○ Challenging management to understand the current status and future intention for each asset given the status of technical feasibility and commercial viability of extraction are not yet demonstrable across any exploration assets; and ○ Reviewing cash flow forecasts and financing documentation available to assess whether sufficient funds are forecast to be available to finance future commitments. We have also assessed the appropriateness of the disclosures in Note 13 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 34 to 44 of the Directors' Report for the year ended 31 December 2019.

In our opinion, the Remuneration Report of FAR Limited, for the year ended 31 December 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Ryan Hansen

Ryan Hansen
Partner
Chartered Accountants
Melbourne, 31 March 2020

Pursuant to the Listing requirements of the Australian Securities Exchange the following additional information for Listed Companies as at 26 March 2019.

Number of holders of equity securities

Ordinary Shares
The issued capital comprised of 9,978,830,197 ordinary shares held by 11,138 holders.

Unlisted performance rights
There were 9,353,000 unlisted performance rights, with a $nil exercise price, held by 9 holders, each with a holding of greater than 100,000 performance rights. Each performance right converts to one share. Performance Rights do not carry the right to vote.

Distribution of shareholder numbers

	Number of Holders	Number of Units	% of Total Issued Capital
1 - 1,000	594	237,873	0.00
1,001 - 5,000	508	1,680,302	0.02
5,001 - 10,000	874	7,352,443	0.07
10,001 - 100,000	4,916	222,786,921	2.23
100,001 and over	4,246	9,746,772,658	97.68
Total	**11,138**	**9,978,830,197**	**100.00**
Holding less than a marketable parcel	4,912	84,534,652	

Substantial Shareholders	Number of shares	% of Issued Capital
Meridian Capital	1,916,921,674	19.21%
Allan Gray Australia Pty Ltd	1,209,426,386	12.12%
Farjoy Limited	515,522,060	5.17%

Twenty largest shareholders – ordinary shares as at 26 March 2020	Number of shares	% of Issued Capital
Citicorp Nominees Pty Limited	2,497,532,726	25.03
J P Morgan Nominees Australia Limited	1,104,896,404	11.07
HSBC Custody Nominees (Australia) Limited	802,847,820	8.05
Farjoy Pty Ltd	514,463,236	5.16
City Securities Ltd	351,255,832	3.52
National Nominees Limited	161,256,437	1.62
CS Fourth Nominees Pty Limited <HSBC CUST NOM AU LTD 11 A/C>	88,855,137	0.89
National Nominees Limited <DB A/C>	76,949,028	0.77
Mr Oliver Lennox-King	75,647,869	0.76
Toad Facilities Pty Ltd <JP Nettleton/Toad S/F A/C>	68,528,589	0.69
Woodross Nominees Pty Ltd	62,523,835	0.63
BNP Paribas Noms Pty Ltd <DRP>	59,272,824	0.59
HSBC Custody Nominees (Australia) Limited - A/C 2	50,607,648	0.51
Netwealth Investments Limited <Wrap Services A/C>	46,765,641	0.47
HSBC Custody Nominees (Australia) Limited <Euroclear Bank SA NV A/C>	46,464,046	0.47
N & P Superannuation Pty Limited <Neil McMullin Family SF A/C>	36,066,759	0.36
Knox Enterprises International Pty Limited <Knox Enterprises Super A/C>	31,205,882	0.31
Floteck Consultants Limited	30,000,000	0.30
Mr Mark Edwin Roberts	30,000,000	0.30
Distrito Pty Ltd	29,673,078	0.30
	6,164,812,791	**61.78**

Voting rights
Voting rights of members are governed by the Company's constitution. In summary, each member present at general meeting in person or by proxy shall have one vote and, upon a poll, every such attending member shall be entitled to one vote for every ordinary share held.

CORPORATE DIRECTORY

DIRECTORS

Nicholas Limb (Chairman)

Catherine Norman (Managing Director)

Timothy Woodall (Executive Director)

Reginald Nelson (Non-Executive Director)

Julian Fowles (Non-Executive Director)

COMPANY SECRETARY

Elisha Larkin

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ASX Code: FAR

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Westpac Banking Corporation
150 Collins Street
Melbourne Victoria 3000
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CfC Stanbic Bank Limited
Level 5, CfC Stanbic Building
Kenyatta Avenue
Nairobi Kenya

Standard Chartered Bank Gambia Limited
8 Ecowas Avenue
Banjul, The Gambia

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