

ASX Announcement & Media Release

FAR takes 100% ownership in The Gambia Blocks A2 and A5

FAR Ltd (“FAR” or the “Company”) is pleased to announce that its wholly owned subsidiary FAR Gambia Ltd has recently acquired an additional 50% interest in Blocks A2 and A5 offshore The Republic of The Gambia, giving FAR a 100% working interest. The interest was acquired from PC Gambia Ltd a subsidiary of Petroliaam Nasional Berhad (“PETRONAS”).

Highlights

- ***FAR has acquired a further 50% interest in Gambia Blocks A2 and A5 giving the Company a 100% working interest***
- ***Commitment to drill an exploration well during the next two-year contract term removed***
- ***FAR has initiated a process to find partners to fund the forward exploration programme***
- ***New laboratory analysis has positive implications for the Panthera Prospect directly up-dip of Bambo-1.***

The next two-year license term for Blocks A2 and A5 is due to commence on 1 October 2022 and as part of the acquisition, FAR has negotiated with the Government of The Gambia to remove the obligation to drill an exploration well during this term. The removal of the commitment to drill an exploration well results in a significant reduction in expenditure and allows for a detailed geoscience review incorporating the results of the recent Samo-1 and Bambo-1 wells to ensure future exploration wells are located optimally.

The Company has opened a data room for suitably qualified parties to consider participation in a Joint Venture to undertake the geoscience review and ultimately to drill additional exploration wells. FAR expects new partners to fund the costs of the work programme. Subject to the satisfaction of certain conditions, including Government approval, incoming participants in the Joint Venture may assume Operatorship.

The 100% interest in Blocks A2 and A5 and the revised investment obligation enhances FAR’s ability to seek farm-in partners to the project while controlling any potential corporate action and process.

Commenting on the update, FAR Chairman Patrick O’Connor said:

“FAR’s acquisition of the remaining 50% of The Gambia assets and the positive discussions with the Government of The Gambia on the terms for the First Extension Exploration Period will provide FAR options to utilise its valuable exploration data to maximise value from the asset. These developments have minimal impact on FAR’s forward budget while significantly improving the chance of securing new investment.

FAR remains committed to generating real value for our shareholders, and we see this transaction as a part of that overarching strategy.”

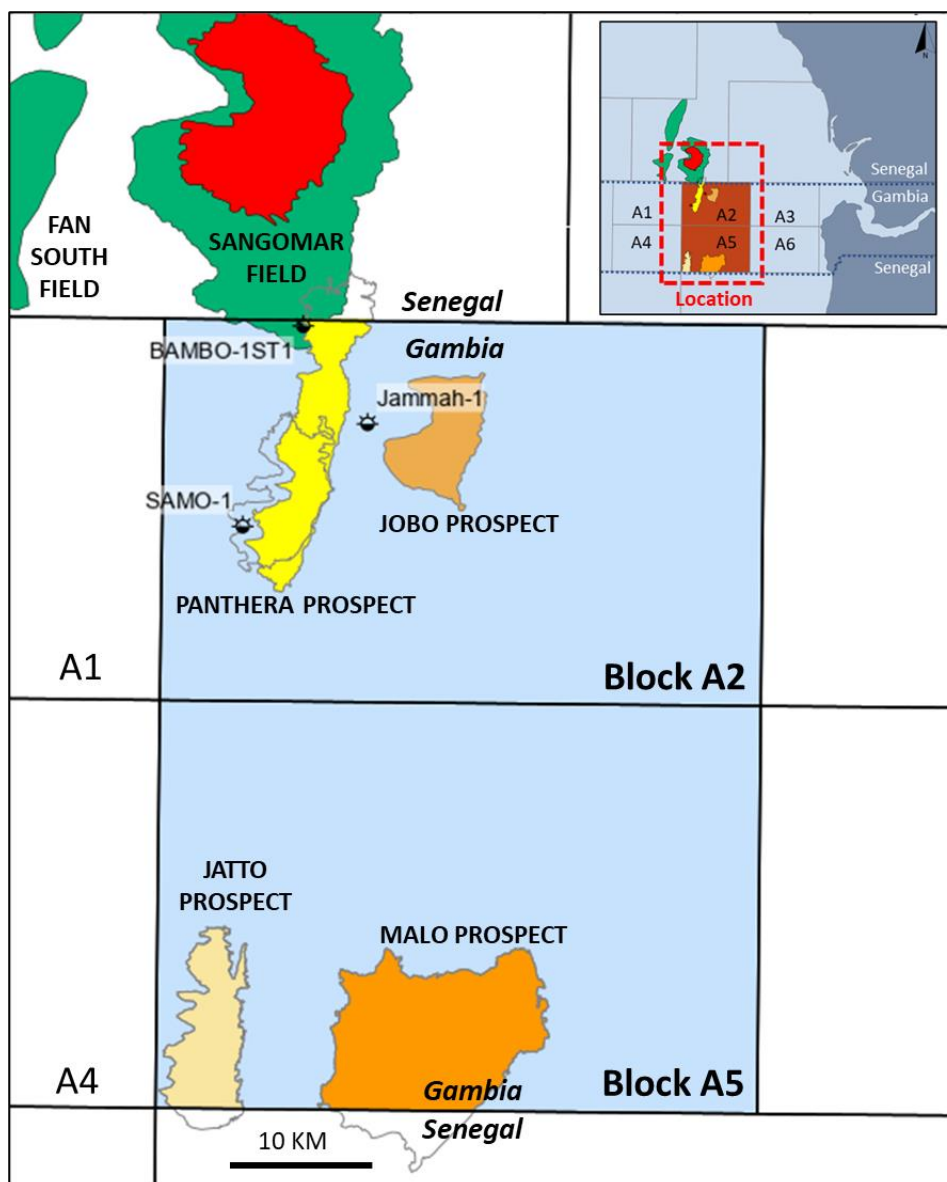


Figure 1. FAR now owns a 100% interest in the exploration rights for Blocks A2 and A3 offshore The Gambia.

Full assessment of information obtained from the recent Bambo-1 well is ongoing. Laboratory analyses of samples from Bambo-1 & ST1 wells offshore The Gambia (refer to FAR ASX announcement dated 6 December 2021) are providing further insight into the occurrence of oil at the well location which has implications for the broader petroleum system.

As previously reported, oil shows were detected during drilling of the Bambo-1 well and the subsequent side-track well Bambo-1ST1.

New laboratory work, based on analyses of rock cuttings recovered during drilling (Figure 2), confirms oil at multiple levels in the well including immediately beneath the S390 secondary objective. The S390 reservoir was encountered to the east in the Jammah-1 well drilled in 1979 (Figure 3).

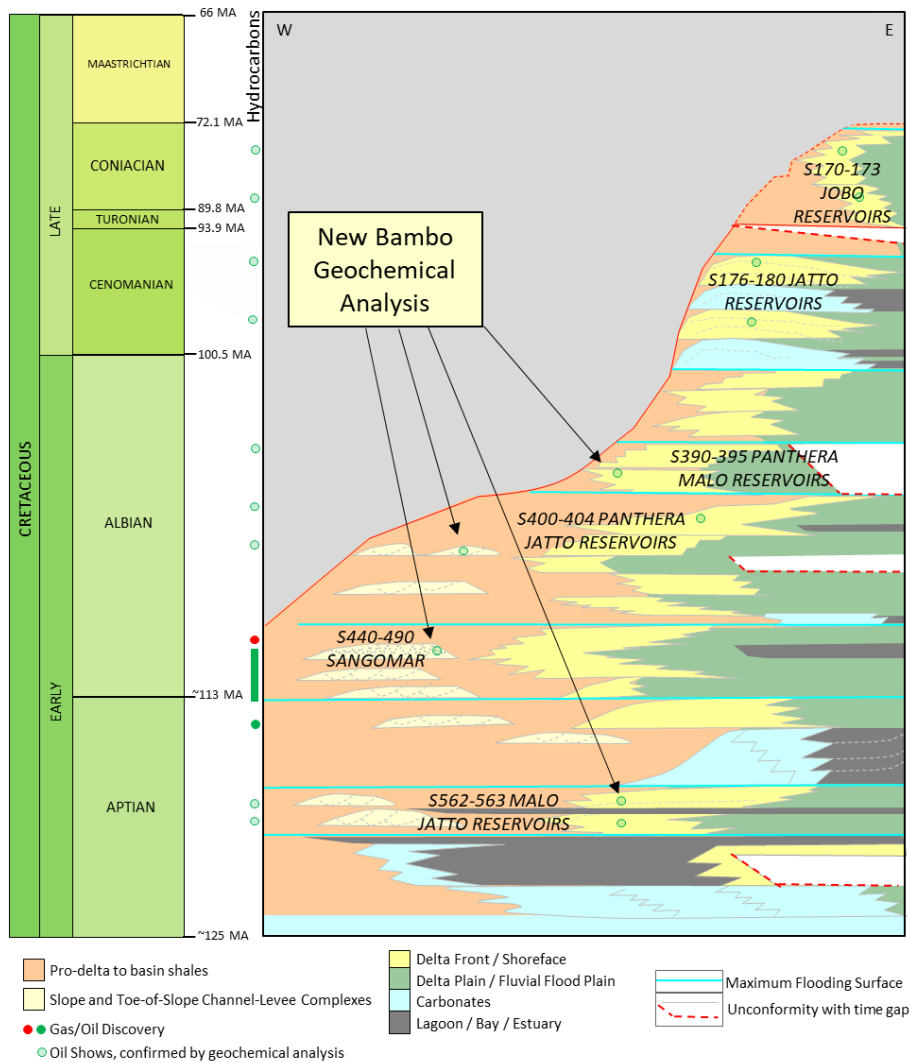


Figure 2. Cretaceous stratigraphy of Blocks A2 and A3 offshore The Gambia. New geochemical analysis has provided further insight into the occurrence of oil shows within the Bambo-1.

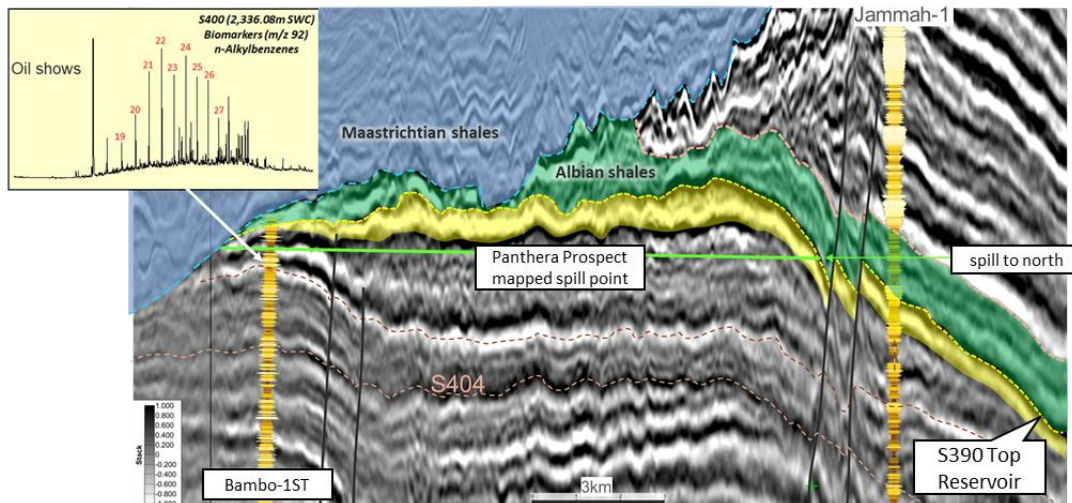


Figure 3. Seismic section through the Panthera prospect. The primary reservoir objective in the Panthera prospect is the S390 sand which is present in Jammah-1. The new laboratory analysis confirmed the presence of oil located immediately below the mapped spill point which could be a transition zone beneath an oil column. Section location shown in Figure 4.

The reservoir interval is truncated immediately up-dip of the Bambo-1 location and is therefore not present in the well, however, there were oil shows in the underlying section. Attempts to sample this unit in Bambo-1ST1 detected the presence of both mobile oil and water, consistent with the sample being from a “transition zone” very close to the oil-water contact. Low concentrations of oil in the samples prevented further analysis at the time however recent detailed laboratory analysis of fluids extracted from samples has confirmed the presence of oil.

The S390 reservoir up-dip from Bambo-1 lies within a structural closure which forms the Panthera prospect (Figure 4). There were also oil shows down dip of the Panthera closure in Samo-1 providing evidence of an oil charge at both ends of the prospect. The new laboratory results provide additional and more compelling evidence of oil charge into Panthera including the possibility that Bambo-1 ST1 just intersected the very edge of an oil column.

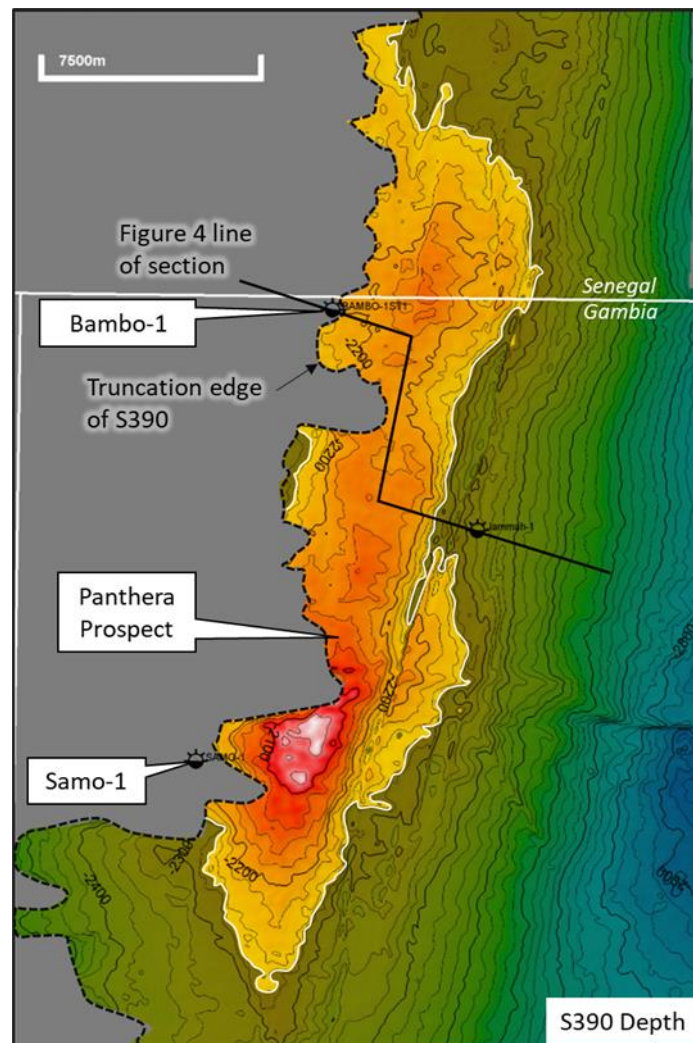


Figure 4. Depth map of the top of the S390 primary reservoir objective in the Panthera prospect

The S390 reservoir and seal pair, which would be the primary objective in the Panthera prospect was penetrated in the nearby Jammah-1 well, which contains several sandstone units and a good top seal (Figure 5). The latest data has significantly de-risked the Panthera Prospect, which is emerging as a strong candidate for future drilling campaigns.

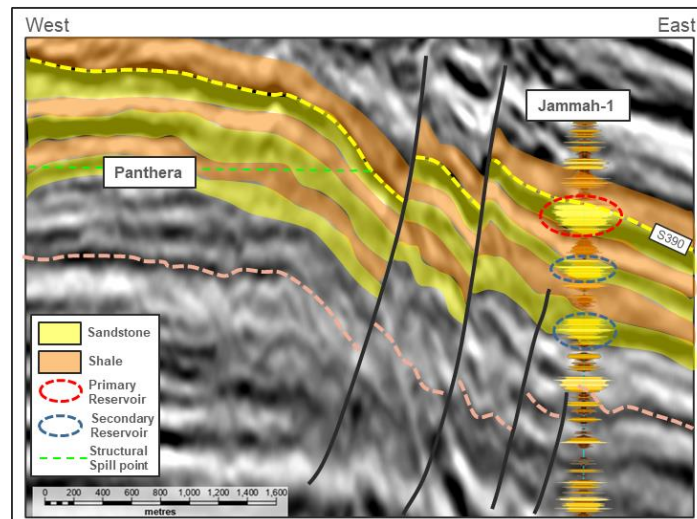


Figure 5. Seismic section through Jammah-1 showing several cycles of sandstone deposition beneath the S390 horizon that form the reservoir targets at Panthera. The shale section overlying the S390 provides the top seal.

Further analytical work has also been done on the Bambo-1 primary reservoir objective interval. This is at the S440 and S408 levels which are the lateral equivalents of the primary reservoirs in the Sangomar Field. Oil was extracted from several samples over this zone. Combining this evidence of high oil saturation with pressure data, the S440 and S408 levels are now interpreted to have been intersected within hydrocarbon columns. Unfortunately, there were no viable reservoirs at the well location so attempts to sample the oil while drilling using the Modular Dynamic Tester (MDT) were unsuccessful. The result of the laboratory analysis further supports the pre-drill model that the Sangomar oil extends into Gambia but the poor quality of the reservoirs within the columns means this has no direct commercial significance because the oil would be non-recoverable.

Based on these encouraging results FAR has commissioned further laboratory analysis and a detailed rock physics study of the Bambo-1, Bambo-1ST1, Samo-1 and Jammah-1 wells to determine how best to discriminate lithology and fluid characteristics from seismic data. The results of this study and the further analysis currently underway will guide future exploration efforts and attract new partners into the Block A2/A5 Joint Venture.

This announcement has been approved for release by the FAR Board of Directors.

For further information, please contact:

Investors:

Patrick O'Connor
Chairman
p.oconnor@far.com.au
P: +61 412 026 812

Craig Sainsbury
Market Eye
craig.sainsbury@marketeye.com.au
P: +61 428 550 499

Media:

Tristan Everett
Market Eye
tristan.everett@marketeye.com.au
P: +61 403 789 096