

31 May 2024

ASX Announcement & Media Release

Chair's Address

FAR Limited (ASX:FAR) is pleased to attach a copy of the Chair's Address that will be made at the Company's 2024 Annual General Meeting to be held today.

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

2024 Annual General Meeting Chairman's Address

2023 in review

The 2023 year saw the Company continue to execute its strategy of delivering value to our shareholders through a combination of cost reduction and capital returns.

Key activities during the year included:

The Gambia Blocks A2 and A5

The Company successfully negotiated with The Gambia Government for an extension to the permit term of Blocks A2 & A5 for an additional 12 months, a substantial reduction in the permit statutory costs, and no obligation for expenditure on the licences for a 12-month period commencing on 1 April 2023.

The Company undertook a remarketing of Blocks A2 and A5, with the substantially lower fixed permit statutory cost structure. The marketing efforts were unsuccessful, and after year end, the Company has surrendered Blocks A2 & A5 and closed its office in The Gambia.

Corporate Overheads

The Company continued to focus on the rationalisation of corporate overheads as it successfully transitioned to a contract-service provider model.

After year end, the Company has closed its Melbourne office and is finalising the termination of the office lease.

Capital Management

During 2023, the Company bought back 5,785,466 shares acquired at an average price of A\$0.70445 per share and a capital return of A\$0.40 per share was paid on 31 August 2023.

An ATO Class Ruling in relation to the capital return was received and published on the ASX announcements platform on 20 September 2023.

The total capital returned in 2023 through share buy backs and the capital distribution was US\$26.434 million.

Woodside Contingent Payment

Woodside indicated, in their first quarter 2024 report, that the Sangomar Field Development Phase 1 was on target for first oil production in mid-2024. Based on the Woodside update, annual payments under the Contingent Payment are likely to commence in early 2025 and based on current oil prices, the Board expects that the full US\$55 million will be received with respect to production prior to the long stop date of 31 December 2027.

Gneiss Energy Limited, a UK-based leading energy corporate finance advisory firm, has been appointed as corporate financial advisor in connection with the preparation for, marketing and potential sale of the Contingent Payment.

It is the intention of the Board to seek to sell the Woodside Contingent Payment nearer the commencement of first production from the Sangomar field in mid-2024, which is expected imminently.

Whilst there can be no guarantee that a successful transaction will be completed, if there was a sale the Board would consider returning capital to shareholders subject to the necessary shareholder approval being sought.

Board Changes

In January 2023 Alan Stein resigned as a director, and Garth Campbell-Cowan was appointed as a director in addition to his role as Chief Financial Officer.

In April 2024, Garth Campbell-Cowan resigned as a director and Andrew Lilley was appointed as a non-executive director. Our Company Secretary, Claire Newstead-Sinclair has assumed the role of Chief Financial Officer.

Both Robert Kaye SC and Andrew Lilley are seeking re-election at today's Annual General Meeting and I urge shareholders to support their re-election as non-executive directors.

I thank shareholders for their support and patience as we progress to the realisation of value from the Woodside Contingent Payment and returning value to shareholders.

Patrick O'Connor
Chairman

This ASX announcement was approved for release by FAR's Board of Directors.

For further information please contact:

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