

30 May 2025

ASX Announcement & Media Release

2025 Annual General Meeting – Chairman’s Address

FAR Limited (ASX: FAR) (“**Company**” or “**FAR**”) is pleased to attach a copy of the Chairman’s Address that will be made at the Company’s 2025 Annual General Meeting to be held today.

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

For further information please contact:

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2025 Annual General Meeting – Chairman’s Address**2024 in review**

The 2024 year saw the Company continue to execute its strategy of delivering value to our shareholders. Key activities during the year included:

Woodside Contingent Payment

As part of the consideration for the sale of its interest in the RSSD Project in Senegal to Woodside Energy (Woodside) in 2021, FAR received rights to a Contingent Payment (Contingent Payment) with a maximum value of US\$55 million.

During 2024 Gneiss Energy Limited, a UK-based leading energy corporate finance advisory firm, was appointed as corporate financial advisor in connection with the potential sale of the Contingent Payment. To date no offer has been received to purchase the Contingent Payment that has been deemed sufficiently attractive to be pursued.

Woodside advised the ASX on 11 June 2024 that it had achieved first oil from the Sangomar field offshore Senegal and advised on 23 July 2024 in its ‘Second Quarter Report’ that the first cargo was loaded subsequent to the quarter. Woodside further advised the ASX on 17 February 2025 that Sangomar produced 13.3 MMboe of crude in 2024, with 12.9 MMboe of sales. Based on this, FAR estimated that the Contingent Payment which is payable to it with respect to the 2024 calendar year is approximately US\$11.5 million.

On 24 March 2025, the Company announced that Woodside advised that the precise amount of the 2024 Contingent Payment which is payable to FAR is subject to the agreement to the reconciliation of underlying oil entitlement volumes with each joint venture participant and the Senegalese Ministry of Energy, Petroleum and Mines, and that process is ongoing.

On 23 April 2025, the Company announced that Woodside would make a provisional 2024 Contingent Payment of US\$11.5 million, which was subsequently received by FAR in May 2025. Payment of the provisional amount is subject to the outcome of the reconciliation process, following which Woodside or FAR must pay the other the difference between the final and provisional amounts.

Woodside Claim

As announced to ASX on 31 January 2025, FAR was advised by Woodside of a potential claim under the Sale and Purchase Agreement relating to the sale by FAR of its interest in the RSSD Project. That announcement referred to an obligation on FAR to indemnify Woodside up to a maximum of US\$6,803,355 relating to any loss from an inability of Woodside to recover petroleum expenditure not directly linked to exploration activities.

As announced to ASX on 28 May 2025, FAR has now been advised by Woodside of a claim of US\$6,029,899 under the Sale and Purchase Agreement relating to the sale by the FAR group of its interest in the RSSD Project to Woodside in 2021. Woodside has advised FAR that the Senegal Ministry of Energy, Petroleum and Mines has made a final decision and that Woodside is unable to recover petroleum expenditure not directly linked to exploration activities the subject of the claim. Woodside has demanded that FAR pay Woodside US\$6,029,899 within 14 days.

FAR has been seeking a range of information from Woodside in relation to the subject matter of the potential claim which remains outstanding. FAR has been reserving all rights it has under the Sale and Purchase Agreement and has not accepted liability to Woodside in this regard.

FAR will provide in due course further updates of any material developments in this regard.

Capital Management

The Directors consider that FAR has surplus capital which they consider should be returned to shareholders. However, the Directors consider at this time that it is appropriate to retain sufficient funds to cover the claim from Woodside as described above in case the claim is proven. FAR does not concede any liability to Woodside but is merely acting in a conservative capital management manner consistent with appropriate governance principles.

At today's AGM shareholder approval is sought of a capital return of A\$0.08 per share, which if approved is expected to be paid to shareholders on the record date of 5 June and paid on 12 June 2025.

The Company is seeking a class ruling from the Australian Taxation Office seeking confirmation that the Capital Return will not count as a dividend for tax purposes. The Class Ruling will be made available, if received, in due course via the Company's announcement platform on ASX.

No share buy-backs or capital distributions were undertaken during 2024.

Corporate Overheads

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

I thank shareholders for their support as we look forward to receiving future annual payments relating to the Contingent Payment and returning value to shareholders.

Patrick O'Connor
Chairman