

ASX Announcement & Media Release

Woodside Energy Contingent Payment

FAR Ltd (“**FAR**” or the “**Company**”) provides an update in relation to its right to a Contingent Payment with a maximum value of US\$55 million from Woodside Energy Group Ltd (“**Woodside**”). The Contingent Payment was part of the consideration for the sale of FAR’s interest in the RSSD Project in Senegal to Woodside in July 2021.

In an announcement to the market on 18 July 2023, Woodside has provided a project update following a cost and schedule review of Sangomar Field Development Phase 1 (“**Sangomar**”) in Senegal. First oil production is now targeted for mid-2024 (previously late 2023). As at 30 June 2023, the overall project was 88% complete.

The update on the status of Sangomar from Woodside, with specific reference to first oil production from mid-2024 means that there is still likely to be a payment under the Contingent Payment in early 2025. Based on progress of the Sangomar development and current oil prices, the Board of FAR expects that the full US\$55 million will be received prior to the transaction long stop date in 2027.

The Contingent Payment comprises 45% of entitlement barrels (being the share of oil relating to FAR’s previously held 13.67% of the RSSD Project comprising the Sangomar Field exploitation area of interest), multiplied by the excess of the crude oil price per barrel and US\$58 per barrel (capped at US\$70 per barrel). The Contingent Payment terminates on the earliest of 31 December 2027, three years from the first oil being sold (excluding periods of zero production), or a total Contingent Payment of US\$55 million being reached, whichever occurs first.

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

“While there is a delay in first oil production from late in 2023 to mid-2024, the Board continues to remain confident of realising the full value from the Woodside Contingent Payment. The Board will consider opportunities for monetisation of this asset nearer to the commencement of oil production, which is in line with our strategy to explore every opportunity to reflect the underlying asset value in the FAR share price.”

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

For further information, please contact:

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