

31 May 2023

## *ASX Announcement & Media Release*

### **Annual General Meeting Presentation**

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FAR Limited (ASX:FAR) is pleased to attach a copy of the Annual General Meeting presentation that will be made at the Company's 2023 Annual General Meeting to be held today.

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

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# FAR Limited

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## Shareholder Update

Annual General Meeting  
31 May 2023



Continued to implement strategies to realise value from our investment in the Gambia



To date approximately US\$3.4 million returned via on market buyback and unmarketable parcel



Assessed a range of new business initiatives in the oil and gas sector and across the Energy Transition sector with the aim of creating shareholder value



Continued to reduce corporate overheads such that the Company's target corporate and administration baseline costs for FY2023 is approximately US\$1.7 million



Cash balance at 31 March 2023 of US\$30.7 million

The Board of Directors of FAR continue to see considerable upside in the FAR share price based upon our assets and cash position and we will continue to advance strategies to seek to maximise the value of our share price.

# Extract value from The Gambia



**During the year we continued to execute against our strategy of determining how to realise full value from our investment in The Gambia. Key activities included;**

- Completed the evaluation of data from the 2021 drilling campaign
- Obtained 100% ownership in The Gambia Blocks A2 and A5 by acquiring the interest held by PC Gambia Ltd a subsidiary of Petroliaam Nasional Berhad (“PETRONAS”)
- Negotiated with the Government of The Gambia to remove the obligation to drill an exploration well in the next two-year license term.
- Elected to enter the First Extension Exploration Period for Blocks A2 & A5 commencing on 1 October 2022 for a two-year period on the revised work program terms.
- Undertook a marketing effort that included a data room opened for suitable qualified parties to seek a Joint Venture to undertake the geoscience review and ultimately to drill additional exploration wells.
- Subsequent to the marketing effort, the Company is in discussions with the Government of Gambia
  - for an extension to the permit term for an additional 12 months to 30 September 2025;
  - for a substantial reduction in the annual fixed permit statutory costs; and
  - no obligation for FAR to incur expenditure on the licences for a 12-month period commencing 1 April 2023.

**Our actions have reduced the cost of maintaining our position in The Gambia & maintained the optionality**

# Woodside Contingent Payment

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- FAR maintains its exposure to a future contingent payment from Woodside of up to US\$55 million as part of the sale of the Senegal RSSD Project to Woodside in 2021.
- Based on the Woodside expected start of oil production in late 2023, annual payments under the Contingent Payment are likely to commence in early 2025. Based on current oil prices, the Board expects that the full US\$55 million will be received prior to the transaction long stop date in 2027.
- The Board continues to believe that retaining the Contingent Payments within the existing corporate structure of FAR is more tax effective than demerging them into a new entity.
- It is the intention of the Board to consider opportunities for the monetisation of the Woodside Contingent Payment nearer the commencement of first production from the Sangomar field in late 2023.

# Overheads and Capital Management

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- Through 2022, the Company continued to focus on cost saving initiatives to preserve our cash balance and ensure we are right sized for our strategy and outlook.
- On capital management, we continued to return capital to the market. Key initiatives have focused on;
  - In 2022 undertook a buy-back of unmarketable parcels of shares of 900,611 shares from 4,382 shareholders for a cost of US\$0.5M, representing approximately 50% of then shareholders, which has reduced FAR's administration cost.
  - Undertaken an on-market share buy-back which has to date acquired approximately 6% of the issued capital for a cost of US\$2.9M.
- The buy-back will continue until the earlier of acquiring the full 10% of the issued capital or 30 November 2023.
- Cash balance at 31 March 2023 of US\$30.7 million.

# Assessing new business opportunities

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- Since the 2022 Annual General Meeting, FAR has sought to explore a range of new business initiatives in both the oil and gas and across the energy transition sectors.
- New business initiative reviews have been undertaken on a cost-effective basis, using the Board's and internal executive skills with only limited external consulting support when considered necessary and appropriate.
- The Board seeks to ensure that any significant new business initiative must have the potential to offer significantly better returns to shareholders than share buybacks or capital returns.
- To date, no new business initiative has matured to a stage that would require Board approval or a shareholder vote.

## Financial and Capital discipline

- Continued focus on minimising corporate overheads
- Execute against our 10% share buyback program

## Assess monetisation strategies for our assets

- The Company will be in a position by the end of this year to have sought offers for its Woodside Contingent Payment and for the farm out of future work activities associated with its remaining assets in The Gambia.
- Dependent on the commercial consideration of both those matters, the return of excess capital to shareholders will be a matter to be addressed at that time.
- FAR will continue to evaluate the optimal way to return our surplus capital position to our shareholders in the most effective manner, in the absence of a new business opportunity being undertaken.



# Our Company



ASX Ticker	FAR
Share price <sup>1</sup>	A\$0.70
Cash <sup>2</sup>	US\$30.7M
Debt	Nil
Issued shares	94.1M
Market capitalisation <sup>1</sup>	A\$66M

Substantial shareholders <sup>3</sup>	
Meridian Capital	20.4%
Western Gate Group	9.7%
Hunsbury Capital	5.4%

Board of Directors	
Chair	Patrick O'Connor
Director/CFO	Garth Campbell-Cowan
Director	Robert Kaye

1. As at close of trading 30 May 2023

2 As at 31 March 2023

3. Substantial shareholding notices based on current issued capital

# Disclaimer

- This presentation has been prepared by FAR Limited ('FAR'). It should not be considered as an offer or invitation to subscribe for or purchase any shares in FAR or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for shares in FAR will be entered into on the basis of this presentation.
- This presentation contains forward-looking statements that are not based on historical fact, including those identified by the use of forward-looking terminology containing such words as 'believes', 'may', 'will', 'estimates', 'continue', 'anticipates', 'intends', 'expects', 'should', 'schedule', 'program', 'potential' or the negatives thereof and words of similar import.
- FAR cautions that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied by the statements. The forward looking statements are expressly subject to this caution. FAR makes no representation, warranty (express or implied), or assurance as to the completeness or accuracy of these forward-looking statements and, accordingly, expresses no opinion or any other form of assurance regarding them. FAR will not necessarily publish updates or revisions of these forward-looking statements to reflect FAR's circumstances after the date hereof.
- By its very nature exploration and development of oil and gas is high risk and is not suitable for certain investors. FAR shares are a speculative investment. There are a number of risks, both specific to FAR and of a general nature which may affect the future operating and financial performance of FAR and the value of an investment in FAR including and not limited to economic conditions, stock market fluctuations, oil and gas demand and price movements, regional infrastructure constraints, securing drilling rigs, timing of approvals from relevant authorities, regulatory risks, operational risks, reliance on key personnel, foreign currency fluctuations, and regional geopolitical risks.
- This presentation does not purport to be all inclusive or to contain all information which you may require in order to make an informed assessment of the Company's prospects. You should conduct your own investigation, perform your own analysis, and seek your own advice from your professional adviser before making any investment decision.

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