

Q4 Report

Highlights

- Completion of Bambo drilling program, offshore The Gambia
- Cash at end of period US\$55.6M*
- ATO class ruling confirms A\$80M Capital Return assessment in line with expectations

Projects update

The Gambia

Blocks A2/A5 (FAR 50% WI and Operator)

During the quarter, FAR concluded the drilling and formation evaluation operations for the Bambo-1 well and Bambo-1ST1 sidetrack well in Block A2, offshore The Gambia.

Bambo-1 was initially drilled to a depth of 3216m MDBRT (measured depth below rotary table) and wireline logging data was obtained. The Bambo-1 well was then plugged and the Bambo-1ST1 (side-track) well drilled to a depth of 3317m MDBRT after which wireline logging was conducted (*refer to FAR ASX announcement dated 23 December 2021*).

Although no moveable oil was interpreted, the drilling and logging data obtained on the main well and the side-track well indicate that several target intervals in the well had oil shows, confirming a prolific oil source is present in the area. Samples were recovered from several levels. The presence or otherwise of any oil will be confirmed by laboratory analysis.

The side-track well was planned to be drilled to the final total depth through all target reservoirs and also to intersect zones of interest from the main well in a different location which will provide additional data and to sample potential oil. Interpretation of the cuttings and wireline logging information indicates that these zones have been charged with oil in rather poor-quality reservoirs and in traps that might have been breached, leaving behind some residual oils in the reservoirs.

The side-track well also intersected oil shows in the Soloo Deep units not previously encountered by the original well or other wells in the area. The oil shows encountered were persistent over several hundred metres, confirming access to the prolific oil-generative kitchen is present which may open additional material exploration opportunities and running room in both the A2 and A5 Blocks. Interpretation and integration of these data are ongoing.

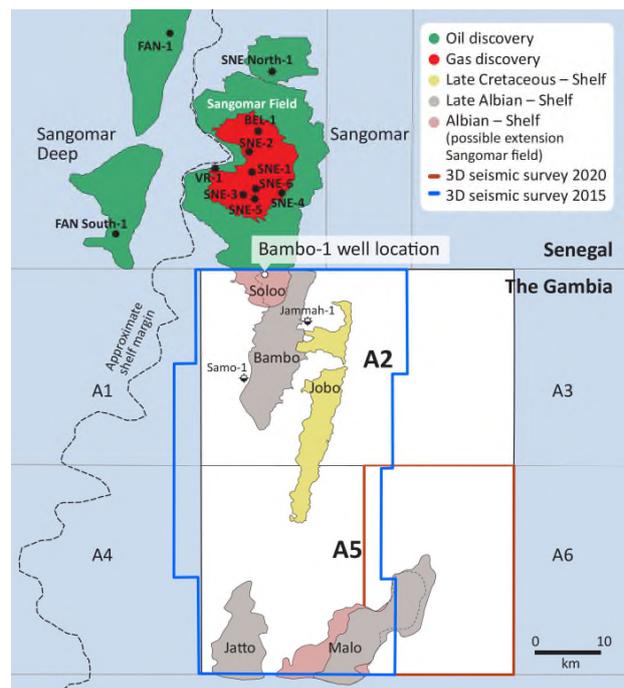


Figure 1: Location of the Bambo-1 well

* Outstanding Bambo drilling costs of US\$15.3M yet to be paid, refer Corporate section for detail

The drilling operations of the Bambo-1 well and Bambo-1ST1 side-track well were conducted safely and within the amended budget. The well and side-track have subsequently been plugged and abandoned consistent with the planned well abandonment program.

FAR is Operator and a 50% interest holder in the A2 Licence, offshore The Gambia in which the Bambo well has been drilled. The well fulfills the minimum work obligation of drilling one exploration well for the Initial Exploration Periods for both the A2 and A5 Licences.

FAR remains highly encouraged by the data collected in the Bambo drilling program and its implications for potentially large oil accumulations in Blocks A2 and A5 offshore The Gambia, which FAR currently has under licence with partner, Petronas. FAR is accelerating the evaluation of the well results and looks forward to announcing a revised plan for exploration in the area in the coming months.

Senegal

Rufisque, Sangomar and Sandomar Deep (FAR 0.0% Working Interest (WI))

Following the completion of the sale to Woodside, FAR has no remaining interest in the RSSD licences offshore Senegal (refer FAR ASX announcement 7 July 2021). Pursuant to the Sale and Purchase Agreement with Woodside, FAR may receive future payments of up to US\$55 million from the time of first oil production from the Sangomar Field which is targeted for 2023. These payments are contingent on future oil price being above US\$58 per barrel.

Guinea-Bissau (FAR 21.43% WI)

The Sinapa (Block 2) and Esperança (Blocks 4A and 5A) licences in Guinea-Bissau have been extended for 3 years and are valid until 2 October 2023 during which time there is an obligation on the Joint Venture to drill a exploration well. FAR is working with the operator, PetroNor, to finalise the 2022 work program and budget for approval and finalisation. FAR remains open to farming down it’s interest prior to drilling a well.

PetroNor and FAR are undertaking a full review of a potential well location for the 2023 program with the Atum Propsect the key drill target (mapped to contain Best Estimate Prospective Resource of 471 mmbbls, gross, unrisked, 101 mmbbls net to FAR*)

The Operator is also undertaking a review of the commerciality of the Sinapa discovery in the offshore shallow water. Sinapa contains 13.4 mmbbls of oil with 2.9 mmbbls net to FAR in 2C contingent resources (Best Estimate*). In addition, there is an estimated 72 mmbbls of prospective resource in the West and East Sinapa Prospects that are able to be tied into a potential development at Sinapa (Best Estimate, unrisked, 15.4 mmbbls net to FAR*).

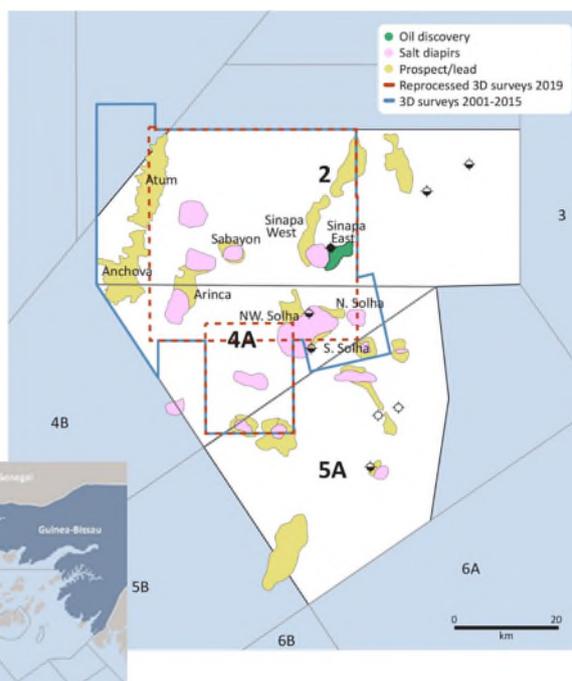


Figure 2: Location of exploration permits offshore Guinea-Bissau

* Refer to Cautionary Statement in this report (Page 6) relating to estimates of prospective and contingent resources

NW Shelf (Australia 100% WI and Operator)

Through its wholly owned subsidiary, Lightmark Enterprises Pty Ltd, FAR has a 100% interest in Petroleum Exploration Permit WA-458-P, which is in the prolific oil-producing Dampier Sub-basin along Australia's North West Shelf.

Divestment activities for some or all of FAR's interest in WA-458-P is ongoing. FAR has a "drill or drop" obligation on the licence in early 2023.

Corporate

Shareholders approved a capital return of A\$0.80 per share at a General Meeting held on 15 September and payment was made on 28 September. On 13 October 2021, FAR announced that the ATO had published a class ruling confirming that no part of the Capital Return will be assessable as a dividend. The Ruling also confirms that qualifying shareholders will be entitled to treat any resulting capital gain as a discount capital gain and that certain foreign resident Shareholders will be entitled to disregard any resulting capital gain or loss.

FAR had US\$55.6M cash at the end of the period (including US\$1.1M in restricted cash held in The Gambia Joint Venture account). During the period, FAR completed drilling operations on the Bambo drilling program (inclusive of the Bambo-1 and Bambo-1ST1 side-track wells). FAR's share of the Bambo program is expected to be US\$28.8M, with US\$15.3M expected to be paid in Q1.

Further to the previous quarterly report, the Company has taken further steps to reduce costs and expects employment, administration and corporate costs for the forthcoming quarter to be US\$0.82M.

FAR's strong cash position allows FAR to consider its options for the future, not limited to its current portfolio of oil assets.

Project Table

Project	Permits	Activity	FAR paying Interest held	Beneficial interest	Operator
The Gambia	Blocks A2 and A5	Exploration	50.00%	50.00%	FAR
Guinea-Bissau	Blocks 2, 4A and 5A	Exploration	21.43%	21.43%	PetroNor
Australia	WA-458-P	Exploration	100.00%	100.00%	FAR

Top 10 shareholders (14 January 2022)

	Shareholder	Units	%
1.	CITICORP NOMINEES PTY LIMITED	26,071,761	26.13
2.	JP MORGAN NOMINEES AUSTRALIA PTY LIMITED	5,689,393	5.70
3.	FARJOY PTY LTD	5,144,633	5.16
4.	CS FOURTH NOMINEES PTY LIMITED	3,157,100	3.16
5.	CITY SECURITIES LTD	2,964,097	2.97
6.	MORGAN STANLEY AUSTRALIA SECURITIES PTY LTD	2,431,119	2.44
7.	BNP PARIBAS NOMINEES PTY LTD	1,558,447	1.56
8.	TREASURY SERVICES GROUP PTY LTD	1,430,000	1.43
9.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,023,400	1.03
10.	EQUITY TRUSTEES LTD	1,000,000	1.00
	TOTAL	49,446,550	50.58

Additional Notes to Appendix 5B

Appendix 5B reference	ASX description reference	FAR commentary
1.2 (a)	Exploration and evaluation costs expensed	The FAR group accounts for the cost of exploring and evaluating discoveries under the successful efforts method. During the quarter, the company spent US\$0.63M on exploration and evaluation expenditure, including general permit activity, geological and geophysical costs and seismic re-processing, mainly relating to its Gambian and Guinea-Bissau projects.
1.2 (d)	Staff cost	This quarter includes 3 months of salary reductions for a number of senior executives which were effective September 2021.
1.2 (e)	Administration and corporate costs	Included in these costs are expenditures associated with operating the Company's office, ASX listing fees, insurances, software licences, audit, tax, legal, parent company overhead recovery and other administrative costs.
1.4	Interest received	FAR holds a significant portion of its cash in interest bearing accounts in order to optimise interest income. The amount of interest received varies each quarter based on the interest rate, the term held in the interest-bearing account and the maturity dates.
2.1 (d)	Exploration and evaluation capitalised	During the quarter FAR spent US\$7.64M on drilling of the Bambo-1 and Bambo-1ST1 side-track wells in The Gambia.
3.4	Transaction costs related to issues of equity securities or convertible debt securities / return of capital	Cost incurred during the quarter related to the capital return to shareholders which took place in Q3.
4.5	Effect of movement in exchange rates	There was minimal movement in the AUD rate in the quarter.
5.4	Other – Term deposits	Includes a term deposit of U\$0.216M (A\$0.297M) restricted cash and not readily available for use. This term deposit is held as security over the Company's corporate head office lease in the form of a bank guarantee. The remaining U\$34M is held as unrestricted term deposits and available for use on maturity.
6.1	Aggregate amount of payments to related parties and their associates	These costs include payments to Directors in respect to remuneration for the Managing Director and the Company's Non-Executive Directors (NED).
8.0	Future operating activities	For the upcoming quarter FAR forecasts there will be US\$15.27M payments relating to the drilling of the Bambo-1 and Bambo-1ST1 side-track wells, US\$1.16M of exploration and evaluation expenditure, and US\$0.82M in corporate costs.

Disclaimers

The resources estimate presented in this report have been prepared by the Company in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System June 2018, approved by the Society of Petroleum Engineers and have been prepared using probabilistic and deterministic methods.

Contingent Resources - Contingent Resource estimates presented in this report are prepared as at 5/2/2014 and 4/4/2017 (Reference: FAR ASX releases of the same dates). The Contingent Resource estimates provided in this report are those quantities of petroleum to be potentially recoverable from known accumulations, but the project is not considered mature enough for commercial development due to one or more contingencies. These estimates have an associated risk of development, and further appraisal is required to determine the commercial viability of the resources. The 1C, 2C and 3C estimates represent respectively that there is a 90%, 50% and 10% probability that the actual resource volume will be in excess of the amounts reported. The 100% basis and net to FAR Contingent Resource estimates include Government share of production applicable under the Production Sharing Contract or License.

Prospective Resources - The Prospective Resource estimates presented in this report are prepared as at 5/2/2014, 4/4/2017 16/6/2021 and 21/9/2021 (Reference: FAR ASX releases of the same dates). Prospective Resources relate to undiscovered accumulations. The estimated resources represent those volumes which may potentially be recovered by the application of a future development project(s). These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. The Best Estimates in each case represent that, in the case of a successful discovery, there is a 50% probability that the resource volume will be in excess of the amounts reported. The resource estimates are unrisks and have not been adjusted for the chance of discovery or chance of development. The 100% basis and net to FAR Prospective Resource estimates include Government share of production applicable under the Production Sharing Contract or License.

Competent Person Statement Information - The hydrocarbon resource estimates in this report have been compiled by Peter Nicholls, the FAR Limited exploration manager. Mr Nicholls has over 40 years of experience in petroleum geophysics and geology and is a member of the American Association of Petroleum Geology, the Society of Petroleum Engineers, and the Petroleum Exploration Society of Australia. Mr Nicholls consents to the inclusion of the information in this report relating to hydrocarbon Contingent and Prospective Resources in the form and context in which it appears. The Contingent and Prospective Resource estimates contained in this report are in accordance with the standard definitions set out by the Society of Petroleum Engineers, Petroleum Resource Management System.

Forward looking statements - This document may include forward looking statements. Forward looking statements include, are not necessarily limited to, statements concerning FAR's planned operation program and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward looking statements. Although FAR Ltd believes its expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements. The entity confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning this announcement continue to apply and have not materially changed.

This announcement was approved and authorised for release by FAR's board of directors.

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

(Expressed in **United States dollars** unless otherwise stated)

Name of entity

FAR Ltd

ABN

41 009 117 293

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (12 months) US\$'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	2	24
1.2	Payments for		
	(a) exploration & evaluation	(626)	(2,275)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(540)	(3,986)
	(e) administration and corporate costs	(86)	(1,459)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	7	41
1.5	Interest and other costs of finance paid	(2)	(17)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other – costs related to discontinued operations	-	(18,942)
1.9	Net cash from / (used in) operating activities	(1,245)	(26,614)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(14)	(31)
	(d) exploration & evaluation	(7,641)	(10,356)
	(e) investments	-	-
	(f) oil and gas properties	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments – Senegal RSSD project	-	127,018
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(7,655)	116,632

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities / return of capital	(98)	(98)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – return of capital	-	(57,698)
3.9	Other - payment of lease liabilities	(101)	(466)
3.10	Net cash from / (used in) financing activities	(199)	(58,262)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	64,715	25,934
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,245)	(26,614)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7,655)	116,632
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(199)	(58,262)
4.5	Effect of movement in exchange rates on cash held	19	(2,055)
4.6	Cash and cash equivalents at end of period	55,635	55,635

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter US\$'000	Previous quarter US\$'000
5.1	Bank balances	13,536	4,428
5.2	Call deposits	7,881	5,072
5.3	Bank overdrafts	-	-
5.4	Other – Term deposits	34,218	55,215
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	55,635	64,715

(iii)

6. Payments to related parties of the entity and their associates

6.1	Aggregate amount of payments to related parties and their associates included in item 1	161
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

**Current quarter
US\$'000**

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities		Total facility amount at quarter end US\$'000	Amount drawn at quarter end US\$'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>			
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities		US\$'000
8.1	Net cash used in operating activities (Item 1.9)	(1,257)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(7,641)
	Capitalised development expenditure for oil & gas properties (item 2.1(f))	-
8.3	Total relevant outgoings (Item 8.1 + item 8.2)	(8,886)
8.4	Cash and cash equivalents at quarter end (item 4.6)	55,635
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	55,635
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3) <i>*this is not reflective of forecast expenditure, for further details please see reference 8.0 of the Additional notes to Appendix 5B in the Activities Report</i>	6.26

Note: if the entity has reported positive relevant outgoings (ie: a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:
8.8.1.	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer:
8.8.2.	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
	Answer:
8.8.3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
	Answer:
	<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered</i>

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 19 January 2022

Authorised by: FAR Limited Board.....

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.