

19 June 2023

ASX Announcement & Media Release

Proposed Capital Return

FAR Limited (ASX:FAR) advises that it intends to seek shareholder approval for a proposed capital return of **40 cents per share** (A\$0.40) and intends to convene a shareholder meeting to be held in mid-August 2023 for this purpose (Capital Return). An ordinary resolution of shareholders is needed to implement the Capital Return.

By way of background, FAR has consistently stated that it will continue to return capital to shareholders through prudent ongoing capital management strategies in the absence of a new business initiative which offers significantly better returns.

To date, FAR has done so through an 80 cent per share capital reduction conducted in 2021, a buyback of unmarketable parcels conducted in 2022, and an on-market share buyback conducted in 2022 and 2023.

FAR has not at this stage identified an appropriate new business initiative which offers significantly better returns than the proposed Capital Return. Accordingly, FAR considers that the proposed Capital Return is in the best interests of shareholders. FAR intends to continue to assess the monetisation of the Woodside Contingent Payment and farm-out of the Gambian Blocks.

As at 31 May 2023 FAR had approximately US\$30 million of cash. The proposed Capital Return is expected to involve a payment of approximately US\$25 million, thus using a substantial portion of FAR's cash reserves.

The proposed Capital Return effectively supersedes the on-market share buyback, which FAR is terminating with immediate effect. FAR is separately lodging cessation of share buyback documentation contemporaneously with this announcement.

The proposed Capital Return is expected to follow a similar format and process to the capital reduction conducted in 2021. FAR intends to seek a class ruling from the Australian Taxation Office in a similar manner to that which occurred in 2021 seeking confirmation that the Capital Return will not count as a dividend for taxation purposes.

Details in relation to the proposed Capital Return will be set out in Notice of Meeting documentation to be prepared, announced and issued in July 2023.

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

For further information, please contact:

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