

23 April 2025

ASX Announcement & Media Release

2024 Contingent Payment Further Update and Proposed Capital Return

As announced by FAR Limited (ASX: FAR) (**Company** or **FAR**) to ASX on 24 March 2025, Woodside Energy has 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.

In the interim Woodside Energy will make a provisional 2024 Contingent Payment of US\$11.5 million which is expected to be received by FAR in May 2025.

Payment of the provisional amount is subject to the outcome of the reconciliation process, following which Woodside Energy or FAR must pay the other the difference between the final and provisional amounts.

As announced to ASX on 31 January 2025, FAR had been advised by Woodside Energy of a potential claim under the sales 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 Energy up to a maximum of US\$6,803,355 relating to any loss from an inability of Woodside Energy to recover petroleum expenditure not directly linked to exploration activities. FAR continues to liaise with Woodside Energy in this regard with a view to providing Woodside Energy with relevant information supporting past expenditure. Woodside Energy has also advised that the item has been and remains the subject of discussions between Woodside Energy and the Senegalese Ministry of Energy, Petroleum and Mines. The potential for a claim continues.

Upon receipt of the provisional 2024 Contingent Payment, the Directors consider that FAR will have 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 a potential claim from Woodside as described above in case such a claim eventuates and is proven. FAR does not concede any liability to Woodside Energy but is merely acting in a conservative capital management manner consistent with appropriate governance principles.

Accordingly, FAR advises that it intends to seek shareholder approval for a proposed capital return of 8 cents per share (**Capital Return**), returning approximately A\$7.4 million to shareholders. Shareholder approval is required for the Capital Return by way of ordinary resolution, and approval will be sought at the annual general meeting of FAR shareholders which is expected to be held on 30 May 2025. If shareholder approval is obtained, FAR intends to attend to payment to shareholders shortly thereafter. Details in relation to the proposed Capital Return will be set out in notice of meeting documentation to be issued next week.

The proposed Capital Return is expected to follow a similar format and process to the capital reductions conducted in 2021 and 2023. FAR intends to seek a class ruling from the Australian Taxation Office in a similar manner to that which occurred then seeking confirmation that the Capital Return will not count as a dividend for taxation purposes.

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

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