



**ABN 41 009 117 293**

**FINANCIAL REPORT  
FOR THE  
HALF YEAR ENDED  
30 JUNE 2021**

This report does not include all the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report. Accordingly, this report should be read in conjunction with the annual report of FAR Limited for the year ended 31 December 2020. It is also recommended that this financial report be considered together with any public announcement made by FAR Limited and its controlled entities during the half-year ended 30 June 2021, in accordance with the continuous disclosure requirements of the *Corporations Act 2001*, including its quarterly reports lodged with the Australian Securities Exchange.

Expressed in **United States dollars (USD, US\$ or \$)** unless otherwise stated.

**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.

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## CORPORATE DIRECTORY

# HALF-YEAR FINANCIAL REPORT 2021

## DIRECTOR'S REPORT

The directors of FAR Limited ('FAR' or 'the Company') submit herewith the Financial Report of the Company and its subsidiaries ('the Group') for the half-year ended 30 June 2021. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

### DIRECTORS

The directors of the Company in office during or since the end of the period are:

	Position held	Appointed	Resigned
<b>Current Directors:</b>			
Patrick O'Connor	Non-Executive Chairman (Independent)	1 July 2021	-
Catherine Norman	Managing Director	28 November 2011	-
Robert Kaye SC	Non-Executive Director (Independent)	30 June 2021	-
<b>Former Directors:</b>			
Nicholas Limb	Non-Executive Chairman	28 November 2011	30 June 2021
Tim Woodall	Executive Director	1 August 2017	19 June 2021
Reginald Nelson	Non-Executive Director	9 April 2015	30 June 2021

### PRINCIPAL ACTIVITIES

The principal activities of the Company and the Group during the period were:

- Conducting exploration for and development of oil and gas deposits;
- Conducting activities to identify and evaluate new exploration projects; and
- Monetisation of oil exploration and production interests.

### FINANCIAL PERFORMANCE

	Half-year ended		
	30 Jun 2021 US\$	30 Jun 2020 US\$	% Change
<b>Profit &amp; Loss</b>			
Other income	23,878	198,223	(88.0)
Other operating expenses	(3,663,789)	(12,891,233)	(71.6)
Loss from continuing operations	(3,639,911)	(15,908,382)	(71.3)
Loss from discontinued operations	(3,459,324)	(8,545,314)	(55.4)
Loss for the period	(7,099,235)	(21,238,324)	(64.9)
Basic EPS from continuing operations (US cents per share)	(0.04)	(0.14)	(71.4)
Basic EPS from continuing & discontinued operations (US cents per share)	(0.07)	(0.13)	(38.5)
<b>Cash flows</b>			
Operating cash flow	(20,992,272)	(11,593,484)	(52.5)
Investing cash flow	(1,634,987)	(41,030,102)	(58.4)
Financing cash flow	(264,120)	103,735,761	(100.3)
	Period Ended		
	30 Jun 2021 US\$	31 Dec 2020 US\$ Restated	% Change
<b>Financial position</b>			
Net assets	135,132,650	142,231,885	(5.2)
Cash balance	3,312,070	25,933,571	(87.2)

# HALF-YEAR FINANCIAL REPORT 2021

## DIRECTOR'S REPORT

### RESULT FOR THE PERIOD

The Group reported a loss for the half year ended 30 June 2021 of \$7,099,235 (30 June 2020 - \$21,238,324) which includes a loss from Discontinuing Operations of \$3,459,324 relating to the Senegal RSSD asset. The Group entered into a Sale and Purchase agreement with ONGC Videsh Vankorneft Pte Ltd ("ONGC") to dispose of its entire interest in November 2020, subsequently pre-empted by Woodside Energy (Senegal) B.V. ("Woodside") and the transaction with Woodside completed on 6 July 2021. Included in the Senegal project Discontinuing Operations are associated operating costs of \$3,459,324 (including financing costs of \$612,603 related to default period interest charges on cash calls).

The decrease in loss of \$14,139,089 during the current half compared to the prior half year was due to lower exploration expenditure of \$7,464,022, lower loss from Discontinued Operations of the Senegal asset of \$5,085,990, and a FX gain of \$281,403 versus the prior half year FX loss of \$1,833,550. The exploration expense during the half year is largely comprised of costs related to the Gambia project including 3D seismic processing and reprocessing of the A2 and A5 block data.

### FINANCIAL POSITION

Net assets decreased during the half- year by \$7,099,235 to \$135,132,650 (31 Dec 2020: \$142,231,885) which was largely driven by the cash outflows related to payments in January 2021 of Senegal RSSD default cash calls for the period November and December 2020 amounting to \$15,439,278 and other associated costs relating to Discontinued Operations of \$2,887,160. Cash at half year end was \$3,312,070 (31 Dec 2020: \$25,933,571) with no external borrowings as at 30 June 2021.

The sale of the Senegal RSSD project completed on 6 July 2021 with the receipt of US\$126,448,249 and the net carrying value of the associated assets and liabilities were classified as current assets and liabilities held for sale at 30 June 2021.

Exploration and evaluation assets increased by \$1,201,684 to \$6,995,868 predominantly relating to the Gambia Bambo-1 well which will be drilled in Q4 2021.

During the current reporting period, the Group became aware that the recoverable value of Assets Held for Sale had been erroneously stated in its financial statements at 31 December 2020. The valuation of the asset held for sale has been corrected by restating each of the affected financial statements line items for the prior period (see Note 2 of the interim financial statements for further detail).

### REVIEW OF OPERATIONS

During the period, FAR continued operational preparations for drilling the Bambo-1 well in Q4 of 2021. FAR has contracted Exceed's wells management team in Aberdeen to assist with the planning and execution of the well. The contract for the drillship was executed during Q2 2021 and rig owner and operator, Stena, has advised the window for mobilisation of the Stena IceMax drillship to Gambia is currently between 25 October and 7 November 2021.

In early July, the bundled services contract with Schlumberger was executed for delivery of the drilling fluids and cement for drilling operations and rental of the wireline services and logging equipment for the well. This equipment is all scheduled to be delivered to the drill ship or FAR's base of operations at the Port of Dakar prior to spud in late October/early November 2021. The exact date of spud will be dependent on mobilisation of the drill ship. Other contracts for key services are in place, and long-lead materials and equipment have been ordered and drill pipe for the operation has been delivered to the Dakar shore base. FAR expects to award contracts for helicopter services and marine support vessels that will transport crew and equipment to the drill ship during Q3. The Environment and Social Impact Assessment (ESIA) has been approved and a range of secondary level permits are in progress with the regulatory authorities of The Gambia.

The approved budget for the Bambo-1 well is US\$51.4M with US\$9.5M expended to 31 July 2021. At 50% working interest, FAR's share of the budgeted well cost is US\$25.7M with US\$20.95M yet to be spent. FAR's share of the well cost will be funded from cash at hand.

In addition to well planning activities, subsurface studies continued through the first half of 2021 in support of the drilling of the Bambo-1 well, including more regional work aimed at quantifying resource potential and reducing risk on the additional prospects identified within the A2 and A5 blocks. Processing of the seismic data acquired in early 2021 continued during the period and is ongoing, including the use of Full Waveform Inversion (FWI) for depth modelling. The existing legacy 3D data in the A2 and A5 blocks is also being reprocessed using the same processing workflow to generate a consistent, high quality seismic dataset to evaluate the additional prospects within the area. The reprocessed data includes ties to nearby wells, which enable correlation of well data to the identified prospects.

FAR is currently undertaking success case planning in the event of a discovery and continuing evaluation of the additional prospects in A2 and A5 (Jobo, Jatto and Marlo) as well as reviewing opportunities for additional acreage in a success case. Success in the Bambo-1 well will high grade these other prospects for drilling in the future.

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## DIRECTOR'S REPORT

### GUINEA BISSAU

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 an exploration well. FAR is working with new operator, PetroNor, to finalise the 2022 work program and budget for approval by the end of October. PetroNor and FAR are also undertaking a full review of a potential well location for the 2023 program with the Atum Prospect the key drill target. FAR intends to farm down of its interest prior to drilling.

### AUSTRALIA

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. FAR has completed the interpretation of the Davros Extension multiclient 3D survey, which has provided additional insight on the prospectivity of the block.

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

### SENEGAL

On 19 January 2021 the FAR group executed a Sale and Purchase Agreement with Woodside in relation to FAR's entire interest in the Senegal RSSD asset. During the half-year period FAR and Woodside worked together to finalise a number of conditions precedent and completion tasks associated with the sale, and formal completion of the sale took place on 6 July 2021 in Senegal with monies received by FAR in Australia on 7 July 2021. Details of the sale are discussed further below.

Following the completion of the sale to Woodside, FAR has no remaining interest in Offshore Senegal.

### CORPORATE

On 19 January 2021 the FAR group executed a Sale and Purchase Agreement with Woodside, following Woodside's pre-emption of FAR's proposed sale to ONGC announced in November 2020. During the half-year both PJSC Lukoil and Remus Horizons PCC Limited made non-binding conditional proposals to take over FAR Limited at the corporate level however neither have proceeded.

FAR shareholders were due to consider authorising the sale of the Senegal RSSD asset at a shareholders' meeting to be held on 21 December 2020. This meeting was postponed several times to consider the PJSC Lukoil and Remus conditional proposals. The meeting was held 28 April 2021 and shareholders approved the sale of FAR's interest in the RSSD project to Woodside.

Formal completion of the sale took place on 6 July 2021 in Senegal with monies received by FAR in Australia on 7 July 2021. As consideration for the sale Woodside paid FAR US\$45 million and reimbursed FAR's share of working capital for the RSSD Project from 1 January 2020 of approximately US\$82 million, totalling US\$126 million (including deductions for interest charged on outstanding cash calls). Additional future payments to FAR, up to US\$55 million, are contingent on future oil price and timing of first oil. First oil is targeted for 2023.

FAR held its Annual General Meeting of Shareholders in Melbourne and online on 22 June 2021. At the meeting shareholders voted for a 1:100 share consolidation which commenced during the period and was completed in early July. On 2 July 2021, the Company completed the share consolidation and the number of ordinary shares on issue following the 1:100 consolidation of the Company's share capital is 99,790,492 ordinary shares.

At the Annual General Meeting FAR recorded a 'first strike' vote against the remuneration report. During June 2021 FAR non-executive directors Nicholas Limb (Chairman), Reginald Nelson and Executive Director Timothy Woodall resigned from the Board of FAR Limited. Patrick O'Connor (Chairman) and Robert Kaye SC have been appointed as non-executive directors.

ASX suspended FAR's shares from trading in September 2020 following the inclusion of a disclaimer of audit review opinion in the Company's audited Half Year Report as at 30 June 2020. On 22 July 2021, the Company announced the reinstatement to official quotation on the Australian Stock Exchange (ASX). Trading in the securities of FAR recommenced on Friday, 23 July 2021.

After the half-year and following the receipt of the Senegal RSSD sale proceeds, the Company proposed a capital return to shareholders of A\$0.80 per share (totalling approximately A\$80 million). The Company has made an application to the Australian Tax Office for a class ruling seeking advice to the effect that the capital return is not assessable to Australian resident shareholders holding their shares on capital account. A general meeting of shareholders has been called for 15 September 2021 to seek shareholder approval of the capital return, as is mandated by legislative requirements. If the capital return is approved at this meeting monies are expected to be paid on 28 September 2021.

### SHARE OPTIONS AND PERFORMANCE RIGHTS GRANTED TO DIRECTORS AND SENIOR MANAGEMENT

No share options or performance rights were issued, vested or exercised during the period. There were no share options or performance rights in existence at period end or at the date of this report.

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## DIRECTOR'S REPORT

### MATERIAL BUSINESS RISKS

The international scope of the Group's operations, the nature of the oil and gas industry and external economic factors mean that a range of factors may impact results. Material macro-economic risks that could impact the Company's results and performance include oil and gas commodity prices, global pandemics, climate-related risk, exchange rates and global factors affecting capital markets and the availability of financing. Material business risks that could impact the Company's performance are described below.

The Group integrates risk management practices into all facets of its business and uses risk assessment as an integral part of decision making. The Group uses a corporate risk register to ensure that all material risks are identified, objectively assessed, managed, monitored and responded to in an appropriate manner. The Group regularly updates the corporate risk register and maintains and regularly updates risk registers for key projects. Group risk is reviewed at all meetings of the board of directors.

The Group assesses risk using a PEARL philosophy, where PEARL is an acronym for people, environment, asset, reputation and legal. People are the highest priority followed by environment and so on. This risk assessment philosophy flows through the Group's crisis management systems.

### COVID-19 RELATED RISK

In 2020 the COVID-19 pandemic, the concurrent decline in oil price and tightening of bank lending globally significantly impacted the Group, culminating in the sale of the Group's main asset which was progressed during the half-year and finalised in July 2021. The Senegal RSSD asset sale is further discussed below and in Notes 1 and 12 of the interim financial statements. The Group's projects in The Gambia and Guinea Bissau have also been impacted by COVID related delays, with drilling of the Bambo-1 well in The Gambia now scheduled for Q4 2021 rather than Q4 2020.

The Group implemented numerous steps to support staff and contractors following the onset of COVID-19, including supporting all staff and contractors to work from home, restricting all travel, and ensuring offices spaces were safe and COVID compliant when a return became possible. The Group and its core contractors have detailed COVID-19 management plans in place for the Bambo-1 well drilling campaign planned for Q4 2021.

### TRANSACTION RISK

During the period the Group progressed the sale of the Senegal RSSD asset to Woodside (see Notes 1 and Note 12 of the interim financial statements for further details). The sale was formalised in Senegal on 6 July 2021 and monies received by the Group in Australia on 7 July 2021 thus finalising the transaction. Company is not aware of any remaining obligations or exposures related to the Senegal RSSD project at the date of issuance of these interim condensed consolidated financial statements.

### DEFAULT RISK

Prior to the completion of the Group's sale of the Senegal RSSD asset to Woodside, the Group was in default of its funding obligations under the relevant Joint Operating Agreement. The maximum default period allowed under the Joint Operating Agreement is 6 months. The Group cured the default on completion of the sale to Woodside on 6 July 2021 prior to the expiration of the maximum default period on 18 July 2021. The Group has no remaining interest in the Senegal RSSD project.

### TECHNICAL AND OPERATIONAL RISKS

#### Exploration

Oil and Gas exploration is speculative by nature and therefore carries a degree of risk associated with the discovery of hydrocarbons in commercial quantities. Exploration activity may be adversely influenced by a number of different factors including, amongst other things, new subsurface geological and geophysical data, drilling results including the presence, prevalence and composition of hydrocarbons, force majeure circumstances, drilling cost overruns for unforeseen subsurface operating conditions or unplanned events or equipment difficulties, changes to resource estimates, lack of availability of drill rigs, seismic vessels and other integral exploration equipment and services.

#### Other operational risks

In addition to the risks listed above the Group's operations are potentially subject to other industry operating risks including fire, explosions, blow outs, pipe failures, abnormally pressured formations and environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures, or discharge of toxic gases. The occurrence of any of these risks could result in injury or loss of life; damage to or destruction of property, natural resources, or equipment; pollution or other environmental damage; clean-up responsibilities; regulatory investigation and penalties or suspension of operations – all of which could also result in substantial losses to the Group. Damages occurring to third parties as a result of such risks may also give rise to claims against the Group.

The Group manages operational risk through a variety of means including selecting suitably experienced qualified joint arrangement partners, contractors and operators; regular monitoring of the performance of contractors and operators in accordance with the Group's policies; recruitment and retention of appropriately qualified employees and contractors and establishment and use of

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## DIRECTOR'S REPORT

Group-wide risk management system. Where possible, the Group insures against these risks and as needed implements specific insurance policies in relation to drilling operations that are consistent with good industry practice.

### PROJECT DEVELOPMENT AND COST RISKS

Successful project development is subject to a range of risks and uncertainties. These risks and uncertainties in part relate to the estimated quantities of petroleum that may potentially be recovered. They also related to the costs involved of project development and subsequent production, which are subject to a range of qualifications, assumptions and limitations. They also relate to the timing of project development and subsequent production, which is subject to a range of factors many of which are not within the Group's control. Following completion of the Group's sale of its Senegal RSSD asset the Group no longer has any projects in development.

### JOINT OPERATION RISK

The use of joint operations is common in the oil and gas industry and usually exist through all stages of the oil and gas life cycle. Joint operation arrangements, amongst other things, mainly serve to share the obligations and benefits of exploration, development, and production of oil. The key risk that is mitigated is the large cost associated with exploration and capital intensive development phases. However, failure to establish alignment between joint operation participants, poor performance or cost overruns by third party joint operation operators, or the failure of joint operation partners to meet their commitments and share of costs and liabilities could have a material impact on the Group's business.

The Group manages joint operation risk through careful joint operation partner selection (when applicable) stakeholder engagement, relationship management, attendance at committee meetings and joint operation audits. Commercial and legal agreements are also in place across all joint operations and define the responsibilities and obligations of the joint operation parties and rights of the Group.

### GOVERNMENT AND REGULATOR RISK

The Group's rights, obligations and commercial arrangements through all stages of the oil and gas lifecycle (exploration, development, production) in international oil and gas permits are commonly defined in agreements entered into with the relevant country's Government as well as in the country's petroleum and tax related legislation and other laws. These agreements and laws are at risk of amendment by future Governments which accordingly could materially and adversely impact on the Group's rights and commercial arrangements. Further, due to the evolving nature of exploration work programs as new technical data becomes available and due to the fluctuating availability of petroleum equipment and services, the Group may seek to negotiate variations to permit agreements in particular in relation to the duration of the exploration phase in the permit and the work program commitments.

The Group manages Government and Regulator risk through careful Government and Regulator relationship management. Failure to maintain mutually acceptable arrangements between the Group and Government and regulator could have a material impact on the Group's business including forfeit or relinquishment of permits or commercially less advantageous terms being imposed on permits.

### SOVEREIGN RISK

The Group strategy is focused on building an exploration and production company in the MSGBC Basin, offshore NW Africa. Some countries within which the Group operates are developing countries that have political and regulatory tax structures that are maturing and have potential for further change. Uncertainty may exist as to the stability of the regulatory and political environment and there is potential for events to have a material impact on the investment and security environment within the country. The Group manages sovereign risk through closely monitoring political developments and events in country. For countries where the Group has a large investment (Senegal and The Gambia), the Group has a local office, staffed to ensure close monitoring and feedback. The Group manages and amends its investment profile within a country by taking into consideration developments in the security and business environment.

### ENVIRONMENTAL RISKS

Oil and gas operations have inherent risks and liabilities associated with ensuring operations are carried out in a manner that is responsible to the environment. Although the Group operates within the prevailing environmental laws and regulations, such laws and regulations are continually changing and as such, the Group could be subject to changing obligations or unanticipated environmental incidents that, as a result, could impact costs, provisions and other facets of the Group's operations.

The Group complies with all environmental laws and regulations and, where laws and regulations do not exist, it aims to operate at the highest industry standard for environmental compliance. The Group identifies risks, threats, hazards and other environmental considerations and implements control measures to mitigate such risks. Any accidents, incidents or near misses are reported to the Board. Careful selection and engagement of contractors is undertaken to ensure adherence to the Group's policies and appropriate contingency arrangements are put in place which include but are not limited to having insurances in place that are consistent with good industry practice and selection and retention of appropriately qualified personnel.



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## DIRECTOR'S REPORT

### CLIMATE CHANGE RISKS

The Group supports the goal of the Paris Agreement to limit global warming to no more than 2 degrees Celsius above, preindustrial temperatures. We have been monitoring the impacts that the Paris Agreement and its target are having on domestic governments (in particular, on regulators), and more broadly on the efforts of the financial sector to better align itself with those goals. These trends are having an impact on the oil and gas market which we anticipate will continue in the short, medium and long-term.

In that context, the Group considers that oil and gas will remain a large part of the global energy mix into the future and recognises its responsibility to support national greenhouse gas emissions reduction initiatives where it can. The Group supports governments in their efforts to take action on these emissions whilst maintaining a secure and affordable energy supply during a transition to a lower emissions future. The Group acknowledges its own responsibilities in this context and its commitment to be part of a combined approach of a reduction in greenhouse gas emissions. In particular, the Group believes that natural gas will play a crucial role in transitioning towards lower-emission sources of energy, and to avoiding the uptake of energy sources with high carbon emissions, such as coal or diesel.

The Group has commenced initial steps towards undertaking an assessment of climate change-related risks and opportunities in alignment with the recommendations contained in the Final Report of the Taskforce on Climate-related Financial Disclosures (TCFD). We will report the findings of that process as appropriate and in accordance with our legal and regulatory obligations.

In advance of more detailed findings and appropriate disclosures, we make the following observations. First, in terms of the Group's own greenhouse gas emissions from development and production, these are negligible. Accordingly, there is limited scope to reduce these further at present. At the same time, the Group undertakes prudent, practical and cost-effective actions to be energy efficient to support emission reductions.

Second, climate-related risks are included in the Group's risk register and are embedded into the Group's core economic model. They include, physical, market and transition risks. The Group has identified climate-related risk in respect of the provision of both equity and debt to oil gas developments as a material risk to the Group. Oil and gas projects require substantial capital expenditure during development, and anything that restricts access to the necessary capital is a risk by seeking to broaden its potential funding options where possible. The Group expects this to be an ongoing significant business risk.

The Group acknowledges that if the Group moves towards oil or gas production, the types and extents of climate change-related risks will change. Additionally, the general transition and physical risks arising from climate change are evolving as the global warming that has already occurred begins to manifest in additional physical risks, and as government, markets, companies and the public respond to those changes, thereby creating new transition risks. In order to assess whether such matters might become a material risk the Group is actively monitoring these developments and commits to regularly reviewing and updating its climate change policy in order to consider ongoing developments, including regulatory developments, community expectations and peer approaches to climate change.

### SIGNIFICANT CHANGE IN STATE OF AFFAIRS

The review of operations on pages 3 and 4 sets out a number of matters that have a significant effect on the state of affairs of the Group.

Other than those matters, there was no significant change in the state of affairs of the Company during the financial period.

### DIVIDENDS

During the half-year, the directors recommend that no dividend be paid for the period ended 30 June 2021 nor any been paid or declared during the period. (30 June 2020: Nil).

### RETURN OF CAPITAL

On 22 July 2021, FAR announced the Board had undertaken a review of the capital management of the Senegal sale proceeds taking into account committed exploration costs and working capital requirements with the surplus, being approximately A\$80M (at the rate of A\$0.80 per share), to be returned to shareholders by way of capital return. A General Meeting has been convened on 15 September 2021 in order to obtain Shareholder approval for the return of funds.

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## DIRECTOR'S REPORT

### DIRECTORS' SHAREHOLDINGS

The following table sets out each director's relevant interest in shares and performance rights over shares of the Company at the date of this report:

Director	No. of fully paid ordinary shares
P O'Connor	100,000
C M Norman	253,201
R G Kaye	-

There were no outstanding share options or performance rights on issue at the date of this report.

### SUBSEQUENT EVENTS

#### Sale of Senegal RSSD project

On 7 July 2021, FAR announced the completion of the sale of its entire interest in the Senegal RSSD joint venture to Woodside Energy (Senegal) B.V. As consideration for the sale Woodside has paid FAR US\$45 million and reimbursed FAR's share of working capital for the RSSD Project from 1 January 2020, totalling US\$126,448,249 (including deductions for interest charged on outstanding cash calls). Additional future payments to FAR, up to US\$55 million, are contingent on future oil price and timing of first oil. First oil is targeted for 2023. Following completion of the sale the Group has no remaining interest in offshore Senegal. The Group is not aware of any remaining obligations or exposures related to the Senegal RSSD project at the date of issuance of these interim condensed consolidated financial statements.

#### Corporate

During the period the Group announced that Executive Director Timothy Woodall and Chief Financial Officer Peter Thiessen would be departing their executive roles. Subsequent to the end of the period, the Group made termination payments to Mr Woodall and Mr Thiessen comprising payments in lieu of notice plus other statutory entitlements. No other termination benefits were provided.

On 1 July 2021, the Group announced the resignation of Non-Executive Chairman, Nicholas Limb, and Non-Executive Director, Reginald Nelson and the appointment of Patrick O'Connor (Non-Executive Chairman) and Robert Kaye SC (Non-Executive Director) to the FAR board.

On 2 July 2021, the Group announced the completion of the consolidation of the issued capital of FAR on the basis of one (1) security for every one hundred (100) securities following shareholder approval of the consolidation at the Annual General Meeting held on 22 June 2021.

On 22 July 2021 and following the receipt of the Senegal RSSD sale proceeds, the Group proposed a capital return to shareholders of A\$0.80 per share (totalling approximately A\$80 million). The Group has made an application to the Australian Tax Office for a class ruling seeking advice to the effect that the capital return is not assessable to Australian resident shareholders holding their shares on capital account. A general meeting of shareholders has been called for 15 September 2021 to seek shareholder approval of the capital return, as is mandated by legislative requirements. If the capital return is approved at this meeting monies are expected to be paid on 28 September 2021.

On 22 July 2021, the Group announced its reinstatement to official quotation on the Australian Stock Exchange (ASX). Trading in the securities of FAR recommenced on Friday, 23 July 2021.

The Directors are not aware of any other matters or circumstances, other than those referred to in this report, that have significantly affected or may significantly affect the operations, the results of the operations or the state of affairs of the Group in subsequent financial years.

### PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the period.

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### DIRECTOR'S REPORT

#### AUDITOR

Deloitte Touche Tohmatsu continues in office in accordance with the *Corporations Act 2001*. In respect of all matters addressed in this Half Year Financial Report the Auditor has confirmed that full access to management and all relevant information relevant to the half year review has been provided to the Auditor.

#### AUDITOR'S INDEPENDENCE DECLARATION

The directors' report includes the auditor's independence declaration which is included on page 10 of the half-year financial report.

Signed in accordance with a resolution of the directors made pursuant to Section 306(3) of the *Corporations Act 2001*.

On behalf of the Directors



**Patrick O'Connor**

**Chairman**

Perth, 13 September 2021

The Board of Directors  
FAR Ltd  
Level 17  
530 Collins Street  
MELBOURNE VIC 3000

13 September 2021

Dear Board Members,


### **Auditor's Independence Declaration to FAR Limited**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of FAR Limited.

As lead audit partner for the review of the half-year financial report of FAR Limited for the half year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully,

  
DELOITTE TOUCHE TOHMATSU



**Vincent Snijders**  
Partner  
Chartered Accountants

## Independent Auditor's Review Report to the members of FAR Limited.

### Conclusion

We have reviewed the accompanying half-year financial report of FAR Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 30 June 2021, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors declaration as set out on pages 13 to 35.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

### Basis of Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards) (The Code)* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

### Directors' Responsibilities for the Half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## *Auditor's Responsibilities for the Review of the Half-year Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 30 June 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU



**Vincent Snijders**

Partner

Chartered Accountants

**Perth, 13 September 2021**

## DIRECTOR'S DECLARATION

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and giving a true and fair view of the financial position as at 30 June 2021 and of the performance of the Group for the half-year ended on that date.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors



**Patrick O'Connor**  
**Chairman**

Perth, 13 September 2021

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR  
LOSS AND OTHER COMPREHENSIVE INCOME**  
**For the half-year ended 30 June 2021**

	Note	Half-year ended	
		30 Jun 2021 US\$	30 Jun 2020 US\$
<b>Continuing operations</b>			
Other income	4	23,878	198,223
Depreciation and amortisation expense		(203,949)	(181,212)
Exploration expense	5	(1,035,909)	(8,499,931)
Finance costs	5	(10,924)	(22,206)
Corporate overhead and administration expenses		(566,194)	(551,795)
Employee benefits expense	5	(2,124,796)	(1,694,846)
Business development expenses		(3,347)	(107,693)
Foreign exchange gain/(loss)		281,403	(1,833,550)
Loss before tax from continuing operations		(3,639,911)	(12,693,010)
Income tax expense		-	-
<b>Loss for the period from continuing operations</b>		<b>(3,639,911)</b>	<b>(12,693,010)</b>
<b>Discontinuing Operations</b>			
Loss for the period from discontinued operations	6	(3,459,324)	(8,545,314)
<b>Loss for the period</b>		<b>(7,099,235)</b>	<b>(21,238,324)</b>
<b>Other comprehensive income/(loss), net of income tax</b>		-	-
<b>Total comprehensive loss for the period</b>		<b>(7,099,235)</b>	<b>(21,238,324)</b>
<b>Loss per share:</b>			
<b>From continuing and discontinued operations</b>			
Basic and diluted loss (cents per share)	20	(0.07)	(0.23)
<b>From continuing operations</b>			
Basic and diluted loss (cents per share)	20	(0.04)	(0.14)

Notes to the condensed consolidated financial statements are included on pages 18 to 34.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2021**

	Note	30 Jun 2021 US\$	31 Dec 2020 US\$ Restated*
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	3,312,070	25,933,571
Trade and other receivables	8	352,130	1,026,242
Other financial assets	9	7,230	7,435
Assets held for sale	2,6	223,225,091	145,922,624
<b>Total Current Assets</b>		<b>226,896,521</b>	<b>172,889,872</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	209,608	246,660
Right-of-use assets	15	174,697	339,067
Exploration and evaluation assets	11	6,995,868	5,794,184
<b>Total Non-Current Assets</b>		<b>7,380,173</b>	<b>6,379,911</b>
<b>TOTAL ASSETS</b>		<b>234,276,694</b>	<b>179,269,783</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	1,234,135	1,380,460
Lease liabilities	15	264,939	443,044
Provisions	14	842,721	782,150
Liabilities associated with assets held for sale	6	96,776,842	34,343,721
<b>Total Current Liabilities</b>		<b>99,118,637</b>	<b>36,949,375</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	15	-	64,013
Provisions	14	25,407	24,510
<b>Total Non-Current Liabilities</b>		<b>25,407</b>	<b>88,523</b>
<b>TOTAL LIABILITIES</b>		<b>99,144,044</b>	<b>37,037,898</b>
<b>NET ASSETS</b>		<b>135,132,650</b>	<b>142,231,885</b>
<b>EQUITY</b>			
Issued Capital	16	439,623,308	439,623,308
Reserves	18	4,585,205	4,585,205
Accumulated losses	2	(309,075,863)	(301,976,628)
<b>TOTAL EQUITY</b>		<b>135,132,650</b>	<b>142,231,885</b>

\* 31 Dec 2020 comparative information has been restated as a result of an updated valuation of Assets held for sale as discussed in Note 2.

Notes to the condensed consolidated financial statements are included on pages 18 to 34.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the half-year ended 30 June 2021**

	Note	Share Capital US\$	Reserves		Total Reserves US\$	Accumulated losses US\$	Total attributed to equity holders of parent US\$
			Share based payments reserve <sup>(i)</sup> US\$	Foreign currency translation reserve US\$			
Balance at 1 January 2020		335,725,405	8,177,155	(3,754,360)	4,422,795	(210,842,620)	129,305,580
Loss for the period		-	-	-	-	(21,238,324)	(21,238,324)
<b>Total comprehensive loss for the period</b>		-	-	-	-	(21,238,324)	(21,238,324)
Issue of shares	16	107,545,809	-	-	-	-	107,545,809
Share issue costs	16	(3,647,907)	-	-	-	-	(3,647,907)
Recognition of amortisation of performance rights		-	80,532	-	80,532	-	80,532
<b>Balance at 30 June 2020</b>		<b>439,623,307</b>	<b>8,257,687</b>	<b>(3,754,360)</b>	<b>4,503,327</b>	<b>(232,080,944)</b>	<b>212,045,690</b>
Balance at 1 January 2021*, as previously stated		439,623,308	8,339,565	(3,754,360)	4,585,205	(286,537,350)	157,671,163
Impact of restatement	2	-	-	-	-	(15,439,278)	(15,439,278)
<b>Restated balance at 1 January 2021</b>		<b>439,623,308</b>	<b>8,339,565</b>	<b>(3,754,360)</b>	<b>4,585,205</b>	<b>(301,976,628)</b>	<b>142,231,885</b>
Loss for the period		-	-	-	-	(7,099,235)	(7,099,235)
<b>Total comprehensive loss for the period</b>		-	-	-	-	(7,099,235)	(7,099,235)
<b>Balance at 30 June 2021</b>		<b>439,623,308</b>	<b>8,339,565</b>	<b>(3,754,360)</b>	<b>4,585,205</b>	<b>(309,075,863)</b>	<b>135,132,650</b>

(i) recognises the fair value of rights and options issued to directors and employees in relation to equity-settled share-based payments.

\* 31 Dec 2020 comparative information has been restated as a result of an updated valuation of Assets held for sale as discussed in Note 2.

Notes to the condensed consolidated financial statements are included on pages 18 to 34.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the half-year ended 30 June 2021**

		Half-year ended	
		30 Jun 2021	30 Jun 2020
	Note	US\$	US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from other customers and counterparties		22,191	5,822
Receipt of government grant and tax incentives		-	32,466
Payments to suppliers and employees		(2,345,441)	(2,874,682)
Payments for exploration and evaluation expenses		(331,661)	(8,899,936)
Repayments from joint venture		-	162,905
Payments related to discontinued operations	6	(18,326,437)	(40,213,976)
Interest paid on lease liabilities	15	(10,924)	(20,059)
Net cash used in operating activities		(20,992,272)	(51,807,460)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		3,289	162,171
Payments for exploration and evaluation assets	11	(1,635,749)	(1,009,536)
Payments for property, plant and equipment	10	(2,527)	(3,861)
Net cash used in investing activities		(1,634,987)	(851,226)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares	16	-	107,545,809
Payment for share issue costs	16	-	(3,647,907)
Payment of lease liabilities	15	(264,120)	(162,141)
Net cash (used in)/provided by financing activities		(306,790)	103,735,761
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		(22,891,379)	21,077,075
<b>Cash and cash equivalents at the beginning of the financial period</b>		25,933,571	13,752,652
Effects of exchange rate changes on cash and cash equivalents		269,878	(1,620,490)
<b>Cash and cash equivalents at the end of the financial period</b>	7	<b>3,312,070</b>	<b>63,209,237</b>

Notes to the condensed consolidated financial statements are included on pages 18 to 34.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## For the half-year ended 30 June 2021

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### STATEMENT OF COMPLIANCE

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and Accounting Standard AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard 34 *Interim Financial Reporting*. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

The financial statements were authorised for issue by the directors on 13 September 2021.

#### BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared on the basis of historical cost except, where applicable, for the revaluation of certain non-current assets and financial instruments.

All amounts are presented in **United States** dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the condensed consolidated financial statements are consistent with those adopted and disclosed in the Company's annual report for the year ended 31 December 2020.

#### (a) Going concern

This half year financial report has been prepared on the going concern basis which assumes the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. The Group incurred a net loss after tax of US\$7,454,336 and had a net cash outflow from operating activities of US\$20,992,272 during the half year ended 30 June 2021. As at 30 June 2021, the Group's current assets (including the Senegal RSSD assets held for sale of US\$223,225,091) exceeded current liabilities by US\$127,777,884 (31 Dec 2020: US\$135,940,497) and the Group had cash and cash equivalents of US\$3,312,070 (31 Dec 2020: US\$25,933,571).

Subsequent to period end on 7 July 2021, the Group announced the completion of the sale of its entire interest in the Senegal RSSD joint venture to Woodside Energy (Senegal) B.V. which resulted in the Group receiving a net cash inflow of US\$126,448,249 (as outlined below in the 'Sale of Senegal RSSD Project' paragraph). Based on this cash inflow and cash flow forecasts, the Directors are of the opinion that the Group has sufficient funds available to meet the Group's obligations as and when due for at least 12 months from the date of this report, and that preparation of this half-year report on a going concern basis is appropriate. As at 10 September 2021, the Group had unrestricted cash on hand of US\$124,225,545 (excluding FAR's share of restricted joint operations cash).

#### Default

As reported at year end, the Group re-entered default on 18 January 2021 and the total default amount of US\$85,310,394 excluding interest representing cash calls for the period January to June 2021 (third default period) remained outstanding at 30 June 2021. Subsequent to half year end, the formal completion of the sale of the Group's interest in the Senegal RSSD project took place on 6 July 2021 and all default cash calls (including interest) amounting to US\$85,880,327 were netted off against the sale proceeds.

#### Sale of Senegal RSSD Project

On 7 July 2021, FAR announced the completion of the sale of its entire interest in the Senegal RSSD joint venture to Woodside Energy (Senegal) B.V. As consideration for the sale Woodside has paid FAR US\$45 million and reimbursed FAR's share of working capital for the RSSD Project from 1 January 2020, totalling US\$126,448,249 (including deductions for interest charged on outstanding cash calls). Following completion of the sale the Group has no remaining interest in offshore Senegal. The Group is not aware of any remaining obligations or exposures related to the Senegal RSSD project at the date of issuance of these interim condensed consolidated financial statements. Additional future payments to FAR, up to US\$55 million, are contingent on future oil price and timing of first oil. First oil is targeted for 2023.

#### COVID-19

The impact of COVID-19 pandemic adversely affected the Group's business and its ability to deliver work programs in the other countries in which the Group operates, including The Gambia and Guinea-Bissau. COVID restrictions have impacted drilling of the Bambo-1 well in The Gambia which is now scheduled for Q4 2021 rather than Q4 2020.

The Group will continue to manage its activities and intends to put in place all such arrangements to ensure that it has sufficient cash reserves to meet its existing budgeted expenditures for the next twelve months from the date of this report. For further details of future commitments refer Note 11. In the opinion of the directors, the Group will be in a position to continue to meet its liabilities

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### For the half-year ended 30 June 2021

and obligations for a period of at least twelve months from the date of signing this report, including the Capital Return to shareholders.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

#### (b) Impairment of non-financial assets

At each reporting date the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

#### Other significant accounting policies

Significant accounting policies are disclosed in the respective notes to the financial statements.

#### AMENDMENTS TO AASBS AND NEW INTERPRETATIONS THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT REPORTING PERIOD

In the current period, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current half-year. These amendments do not have a significant impact on these condensed consolidated financial statements. The Group has not elected to early adopt any standard, interpretation or amendment that has been issued but is not yet effective.

#### CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of half-year financial reports requires management to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Critical judgements in applying the Group's accounting policies.

Significant judgements, estimates and assumption made by management in the preparation of these financial statements are found in the following notes:

- Note 6 – Discontinued operations
- Note 11 – Exploration and evaluation assets
- Note 12 – Oil and gas properties
- Note 15 – Lease liabilities

#### FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial report as at and for the year ended 31 December 2020.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## For the half-year ended 30 June 2021

### 2. RESTATEMENT OF COMPARATIVE FINANCIAL INFORMATION

During the current reporting period, the Group became aware that the recoverable value of Assets Held for Sale had been erroneously stated in its financial statements at 31 December 2020.

At 31 December 2020, the Group based the net recoverable value of the Asset held for sale on the definition of the total Purchase Price in the sales and purchase agreement with Woodside for calculating the value of assets held for sale relating to the Senegal RSSD Project and estimated its resulting loss on remeasurement of discontinued operations to be US\$60,551,688. This definition of total Purchase Price referred to cash calls issued by the Operator in relation to the transferring interest. The Group has now determined that the Settlement mechanism should also have been utilised to calculate the final sale consideration to be received on completion of the sale. The Settlement mechanism in the sales and purchase agreement referred to cash calls paid (rather than cash calls issued) as the basis for the cash flow on settlement. The difference between the definition of the total Purchase Price and the Settlement mechanism resulted in the Group understating the loss on remeasurement of discontinued operation relating to the Senegal RSSD asset for the year ended as at 31 December 2020 by US\$15,439,278 (which is the value of the cash calls issued for November 2020 and December 2020 which remained unpaid as at 31 December 2020, which were paid on 13 January 2021) and a corresponding overstatement of the net carrying value of assets held for sale by the same amount.

The remeasurement of the recoverable value of the Assets held for sale as at 31 December 2020 does not have any impact on the cash flows of the Group in 2020 or 2021, nor does it have an impact on the net cash flow received at completion of the sale. A net amount of US\$126,448,249 was received on 7 July 2021, which consists of the total Purchase Price for the asset held for sale of US\$212,328,576, offset by amounts withheld by Woodside related to default cash calls not yet paid by the Group of US\$85,310,394 and interest on these default cash calls of US\$569,933.

The valuation of the asset held for sale has been corrected by restating each of the affected financial statements line items for the prior period. The following table summarises the impacts on the corresponding prior period information in the Group's consolidated financial statements.

#### Consolidated statement of financial position

	Impact of restatement		
	31 Dec 2020 US\$	US\$	31 Dec 2020 US\$
	As previously reported	Restatement adjustments	As Restated
Assets held for sale	161,361,902	(15,439,278)	145,922,624
<b>TOTAL ASSETS</b>	<b>194,709,061</b>	<b>(15,439,278)</b>	<b>179,269,783</b>
<b>NET ASSETS</b>	<b>157,671,163</b>	<b>(15,439,278)</b>	<b>142,231,885</b>
<b>EQUITY</b>			
Issued Capital	439,623,308	-	439,623,308
Reserves	4,585,205	-	4,585,205
Accumulated losses	(286,537,350)	(15,439,278)	(301,976,628)
<b>TOTAL EQUITY</b>	<b>157,671,163</b>	<b>(15,439,278)</b>	<b>142,231,885</b>

#### Consolidated statement of profit and loss and other comprehensive income

	Impact of restatement		
	2020 US\$	US\$	2020 US\$
	As previously reported	Restatement adjustments	As Restated
Loss from discontinued operations	(60,551,688)	(15,439,278)	(75,990,966)
Loss for the year from continuing operations	(15,143,042)	-	(15,143,042)
<b>Total comprehensive loss for the year</b>	<b>(75,694,730)</b>	<b>(15,439,278)</b>	<b>(91,134,008)</b>
<b>Loss per share:</b>	<b>US cents</b>	<b>US cents</b>	<b>US cents</b>
<b>From continuing and discontinued operations</b>			
Basic and diluted loss (cents per share)	(0.78)	(0.16)	(0.94)
<b>From continuing operations</b>			
Basic and diluted loss (cents per share)	(0.16)	-	(0.16)

There is no impact on the total operating, investing or financing cashflows for the year ended 31 December 2020.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## For the half-year ended 30 June 2021

### 3. SEGMENT INFORMATION

The Group's operating segments are identified on the basis of internal reports about components of the entity that are regularly reviewed by the Managing Director (chief operating decision maker) in order to allocate resources to the segments and to assess its performance. The Group undertook exploration for oil and gas in Australia and Africa during the year.

#### Segment Assets and Liabilities

The following is an analysis of the Group's assets and liabilities by reportable operating segment:

	Segment Assets		Segment Liabilities	
	30 Jun 2021 US\$	31 Dec 2020 US\$ Restated	30 Jun 2021 US\$	31 Dec 2020 US\$ Restated
<b>Continuing operations</b>				
Australia	-	-	-	-
The Gambia	4,784,425	4,168,271	838,702	519,455
Guinea-Bissau	2,671,823	3,202,574	160,356	606,102
Senegal	111,949	195,357	56,806	62,009
Corporate	3,483,406	25,780,957	1,311,337	1,506,611
Total segment assets and liabilities from continuing operations	11,051,603	33,347,159	2,367,201	2,694,177
Assets and liabilities relating to discontinued operations	223,225,091	145,922,624	96,776,842	34,343,721
<b>Total</b>	<b>234,276,694</b>	<b>179,269,783</b>	<b>99,144,043</b>	<b>37,037,898</b>

#### Segment Revenue and Results

The following is an analysis of the Group's revenue and results by reportable segment for the period under review:

	Other income		Segment Loss	
	Half-year ended		Half-year ended	
	30 Jun 2021 US\$	30 Jun 2020 US\$	30 Jun 2021 US\$	30 Jun 2020 US\$
<b>Continuing operations</b>				
Australia	-	-	(43,944)	(198,875)
The Gambia	-	-	(1,150,029)	(7,990,402)
Guinea-Bissau	-	-	(103,824)	(229,937)
Kenya	-	-	-	(89,716)
Corporate	23,878	198,223	(2,342,114)	(4,181,080)
Total from continuing operations	<b>23,878</b>	<b>198,223</b>	<b>(3,639,911)</b>	<b>(15,908,382)</b>
Income tax expense			-	-
Loss from discontinued operations			(3,459,324)	(8,545,314)
Loss after tax and discontinued operations			<b>(7,099,235)</b>	<b>(21,238,324)</b>

The revenue reported above represents revenue generated from external sources. There were no intersegment sales during the current and previous corresponding half-year.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## For the half-year ended 30 June 2021

### 4. OTHER INCOME

	Half-year ended	
	30 Jun 2021	30 Jun 2020
	US\$	US\$
<b>Other income</b>		
Interest income	3,289	162,171
Rental income	20,354	3,212
Government grants and tax incentives – Cash flow boost payments <sup>(i)</sup>	-	32,466
Other	235	374
	<b>23,878</b>	<b>198,223</b>

(i) Government grants and tax incentives for COVID-19 were recognised in profit or loss as income in the period during which these were received.

### 5. LOSS FOR THE PERIOD

Loss for the period from continuing operations includes the following expenses:

	Half-year ended	
	30 Jun 2021	30 Jun 2020
	US\$	US\$
<b>Exploration expense:</b>		
Australia	(43,944)	(198,874)
Guinea-Bissau	(103,505)	(229,937)
The Gambia	(888,450)	(7,981,404)
Kenya	-	(89,716)
	<b>(1,035,909)</b>	<b>(8,499,931)</b>
<b>Finance costs:</b>		
Interest on bank	-	(156)
Interest on lease liabilities	(10,924)	(22,050)
	<b>(10,924)</b>	<b>(22,206)</b>
<b>Corporate overhead and administration costs:</b>		
Corporate overheads	(476,577)	(428,073)
General administration costs	(18,122)	(37,969)
Consultants and contractor expenses	(71,569)	(85,753)
	<b>(566,267)</b>	<b>(551,795)</b>
<b>Employee benefit expense:</b>		
- Remuneration expense	(1,852,846)	(1,508,077)
- Termination benefits expense	(100,313)	(9,533)
<b>Post-employment benefits:</b>		
- Defined contribution plans	(100,521)	(88,347)
- Amortisation of equity-settled share-based payments - performance rights	-	(80,532)
- Provision for leave entitlements	(71,116)	(8,357)
	<b>(2,124,796)</b>	<b>(1,694,846)</b>



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### For the half-year ended 30 June 2021

#### 6. DISCONTINUED OPERATIONS

The Group has executed a Sale and Purchase Agreement with Woodside to sell FAR's entire interest in the Senegal project, and the following assets and liabilities were classified as discontinued operations as at 30 June 2021:

	Note	30 Jun 2021 US\$	31 Dec 2020 US\$ Restated
Inventories		10,689,696	2,771,738
Oil and gas properties	12	212,535,395	143,150,886
<b>Assets held for sale</b>		<b>223,225,091</b>	<b>145,922,624</b>
Trade and other payables		96,776,842	34,343,721
<b>Liabilities associated with assets held for sale</b>		<b>96,776,842</b>	<b>34,343,721</b>
<b>Net assets of disposal group</b>		<b>126,448,249</b>	<b>111,558,903</b>

On 11 November 2020 FAR announced it had entered into a RSSD Sale and Purchase Agreement with ONGC Videsh Vankorneft Pte Ltd ("ONGC") in respect of FAR's entire interest in the Production Sharing Contract for the Rufisque, Sangomar and Sangomar Deep Offshore Blocks offshore Senegal and the relevant Joint Operating Agreement. As consideration for the sale (the "Transaction") ONGC agreed to pay FAR US\$45M at completion. In addition, ONGC agreed to reimburse FAR's share of working capital for the RSSD project from 1 January 2020, payable on completion. The transaction also includes an entitlement to certain contingent payments capped at US\$55M. The contingent payment comprises 45% of entitlement barrels (being the share of oil relating to FAR's 13.67% RSSD Project exploitation area interest) sold over the previous calendar year multiplied by the excess amount over US\$58 per barrel (up to a cap of US\$70 per barrel). The contingent payment terminates on the earliest of 31 December 2027, 3 years from first oil being sold (excluding any periods of zero production), or a total contingent payment of US\$55 million being reached, whichever occurs first.

On 4 December 2020 FAR announced it had received notification from Woodside Energy (Senegal) B.V. that it had exercised its pre-emptive right to acquire FAR's interest in the Senegal RSSD project. On 20 January 2021 FAR announced it had signed the RSSD project sale contract with Woodside on the same terms and conditions as the proposed sale to ONGC announced on 11 November 2020.

FAR's implied value based on the Woodside sale and purchase terms including working capital from 1 January 2020 to 30 June 2021 is US\$126,448,249 (31 Dec 2020: US\$111,578,903) excluding contingent payments.

The conditions of sale include the written approval of the Minister of Petroleum and Energies for the Republic of Senegal for the transfer to Woodside, FAR shareholder approval of the Transaction, Third Party Agreement Termination and other customary provisions for a sale and purchase agreement of its type. On 7 July 2021, FAR satisfied all the conditions for the sale of its interest in the RSSD project and announced the completion of the sale of its entire interest in the Senegal RSSD joint venture to Woodside Energy (Senegal) BV for a net consideration of US\$126,448,249.

#### Recognition and measurement

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits and financial assets which are specifically exempt from this requirement. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the current asset is recognised at the date of derecognition. Assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities classified as held for sale continue to be recognised.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### For the half-year ended 30 June 2021

The results of the discontinued operations, which have been included in the loss for the year:

	30 Jun 2021 US\$	30 Jun 2020 US\$
<b>Loss for the period from discontinued operations</b>		
<b>Restate</b>		
Exploration expense	(246,498)	(490,646)
Finance costs – default period interest charge	(612,603)	-
Finance costs – finance facility break fees and associated costs <sup>(i)</sup>	-	(2,893,898)
Other- costs related to discontinued operations <sup>(ii)</sup>	(2,846,721)	(321,474)
Foreign exchange (loss)/gain	(108,603)	124,193
Loss on remeasurement of discontinued operations of oil and gas properties	355,101	(4,963,489)
Loss before tax from discontinued operations	(3,459,324)	(8,545,314)
Income tax expense	-	-
<b>Loss after tax for the period from discontinued operations</b>	<b>(3,459,324)</b>	<b>(8,545,314)</b>

#### Cash flows from discontinued operations

Net cash used in operating activities	(18,326,437)	(40,213,976)
<b>Net cash outflows during the period</b>	<b>(18,326,437)</b>	<b>(40,213,976)</b>

- (i) On 30 March 2020, the Group announced that the COVID-19 pandemic combined with the precipitous fall in Brent oil price since January 2020 adversely impacted the global financial markets including the global availability of credit. Consequently, the Group ability to close the debt arrangements were compromised such that the lead banks to the senior facility confirmed they could not complete the financing in the current environment. As a result, finance facility break fees in relation to the various financing arrangements entered into by the Group have been incurred.
- (ii) Costs relating to all undertakings related to Senegal for the 6 months ended 30 June 2021 including, legal, operational and terminating obligations.

#### Unpaid cash call commitments related to discontinued operations:

The Group received notification of default of its payments to the RSSD joint operation, effective from 18 January 2021. The cash calls for the period January to June 2021 amounting to US\$85,310,394 remain unpaid at period end (31 Dec 2020: US\$15,439,278). The Group has 6 months from the date of default to make good its payments (plus accrued interest) to the joint operation to come out of default. Subsequent to period end, as part of the completion of the sale of RSSD interest, all outstanding cash calls (including default interest) amounting to US\$85,880,327 were offset against the purchase consideration, and the outstanding cash calls at the date of completion were taken over by Woodside in line with the Sale and Purchase Agreement.

	30 Jun 2021 US\$	31 Dec 2020 US\$ Restated
Senegal – Sangomar Field Development - Unpaid cash calls <sup>(i)</sup>	85,310,394	15,439,278
<b>Represented by:</b>		
Opening balance – Unpaid cash calls	15,439,278	-
Cash calls issued by Operator during period	85,310,394	85,707,813
Cash calls paid by Group during period	(15,439,278)	(70,268,535)
<b>Closing balance – Unpaid cash calls</b>	<b>85,310,394</b>	<b>15,439,278</b>

- <sup>(i)</sup> Represents January-June 2021 Senegal default cash calls US\$85,310,394 (31 Dec 2020: Nov-Dec 2020 inclusive US\$15,439,278) issued by the operator (excluding default interest). Interest accrues on the default cash calls at the 1-month LIBOR for US Dollars plus 2 percentage points per annum and is estimated at US\$540,236 as at 30 June 2021 and is not included in the above amount but has been accrued for as at 30 June 2021.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## For the half-year ended 30 June 2021

### 7. CASH AND CASH EQUIVALENTS

	30 Jun 2021 US\$	31 Dec 2020 US\$ Restated
Cash at bank and on hand	241,860	554,028
Deposits at call	2,654,547	24,242,929
Term deposits	223,519	226,372
Cash at bank and on hand held in joint operations	192,144	910,242
	<b>3,312,070</b>	<b>25,933,571</b>

#### (a) Financing facilities

The Group had no external borrowings at 30 June 2021 (31 Dec 2020: Nil).

#### (b) Cash balances not available for use

Cash and cash equivalents held in joint operations are not available for use by the Group.

#### (c) Restricted cash

The company has US\$223,519 (31 Dec 2020: US\$226,372) in term deposits included in cash and cash equivalents that are not readily available for use by the Group. The term deposit is held as security over the Company's corporate head office lease in the form of a bank guarantee.

### 8. TRADE AND OTHER RECEIVABLES

	30 Jun 2021 US\$	31 Dec 2020 US\$ Restated
<b>Current</b>		
Other receivables	145,280	217,286
Prepayments	95,783	347,739
Joint operations receivables(i)	111,067	461,217
	<b>352,130</b>	<b>1,026,242</b>

(i) includes The Gambia Blocks A2 and A5 joint operations receivable.

Other receivables are non-interest bearing and the credit period of oil and gas receivables varies between 30 and 60 days. No receivables were past due at balance date and the Group has no significant exposure to expected credit losses. The carrying amount the other receivables approximate their fair value.

### 9. OTHER FINANCIAL ASSETS

	30 Jun 2021 US\$	31 Dec 2020 US\$ Restated
<b>Current</b>		
Security deposits (i)	7,230	7,435

(i) security bond held over the Company's Senegal office refundable on the termination of the lease contract.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## For the half-year ended 30 June 2021

### 10. PROPERTY, PLANT AND EQUIPMENT

	Note	30 Jun 2021 US\$	31 Dec 2020 US\$ Restated
<b>Property, plant and equipment Cost</b>			
Balance at 1 January		904,246	867,440
Additions		2,527	41,846
Disposals		-	(5,040)
Closing balance		906,773	904,246
<b>Accumulated depreciation and impairment</b>			
Balance at 1 January		(657,586)	(573,307)
Depreciation expense	4	(39,579)	(86,143)
Disposals		-	1,864
Closing balance		(697,165)	(657,586)
<b>Net Book Value</b>		<b>209,608</b>	<b>246,660</b>
<b>Net carrying value – represented by:</b>			
Office furniture & equipment		209,608	246,660

### 11. EXPLORATION AND EVALUATION ASSETS

	Note	30 Jun 2021 US\$	31 Dec 2020 US\$ Restated
<b>Exploration and evaluation expenditure:</b>			
Opening balance		5,794,184	119,397,714
Additions <sup>(i)</sup>		1,201,684	3,391,959
Transferred to Oil and gas properties <sup>(ii)</sup>	12	-	(116,995,489)
<b>Closing balance</b>		<b>6,995,868</b>	<b>5,794,184</b>
<b>Net carrying value – By area of interest:</b>			
The Gambia		4,315,009	3,117,827
Guinea-Bissau		2,680,859	2,676,357
<b>Closing balance</b>		<b>6,995,868</b>	<b>5,794,184</b>

- (i) Additions include The Gambia Blocks A2 and A5 exploration well planning and preparation costs of US\$1,197,182, including long lead items of US\$268,752 (31 Dec 2020: US\$2,836,147) and Guinea-Bissau exploration of US\$4,506 (31 Dec 2020: US\$555,812.)
- (ii) In January 2020 the Sangomar Field Development was approved by the Senegal RSSD joint venture following the grant of the Exploitation Authorisation by the Government of Senegal and accordingly the carrying value of the Senegal asset was transferred to oil and gas properties.

#### Exploration and evaluation commitments:

The Group has exploration expenditure obligations which are contracted for, but not provided for in the financial statements. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Group.

	30 Jun 2021 US\$	31 Dec 2020 US\$ Restated
<b>By area of interest:</b>		
The Gambia	1,750,630	435,437
Guinea-Bissau	-	-
<b>Closing balance</b>	<b>1,750,630</b>	<b>435,437</b>

These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Group. The Group will continue to enter into contractual commitments relating to the planned Bambo-1 drilling campaign in Q4.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## For the half-year ended 30 June 2021

### 12. OIL AND GAS PROPERTIES

		30 Jun 2021 US\$	31 Dec 2020 US\$ Restated
<b>Development assets</b>	<b>Note</b>		
Opening balance		-	-
Transferred from exploration and evaluation assets	11	-	116,995,489
Additions		-	97,354,795
Loss on remeasurement of discontinued operations	6		(71,199,398)
Transfer to Assets held-for-sale	6	-	(143,150,886)
<b>Closing balance</b>		<b>-</b>	<b>-</b>

### 13. TRADE AND OTHER PAYABLES

	30 Jun 2021 US\$	31 Dec 2020 US\$ Restated
<b>Current</b>		
Trade payables	300,863	110,248
Other payables	51,462	297,810
Joint operation payables <sup>(i)</sup>	881,810	972,402
	<b>1,234,135</b>	<b>1,380,460</b>

- (i) FAR's share of Senegal joint operation payables and accruals has been reclassified as liabilities associated with assets held for sale and subsequently disclosed in discontinued operations Note 6.

### 14. PROVISIONS

	30 Jun 2021 US\$	31 Dec 2020 US\$ Restated
<b>Movement in employee benefits provision:</b>		
Carrying amount at 1 January	806,660	701,299
Employee benefits expense	71,117	45,298
Net foreign exchange differences	(9,649)	60,063
<b>Balance</b>	<b>868,128</b>	<b>806,660</b>
<b>Net carrying value – represented by:</b>		
Current	842,721	782,150
Non-Current	25,407	24,510
<b>Balance</b>	<b>868,128</b>	<b>806,660</b>

- (i) The above provisions for employee benefits represent annual leave and long service leave entitlements accrued by employees. Employees remunerated in Australian Dollars have been presented in US dollars and all components have been translated from AUD to US dollars using an average exchange rate.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### For the half-year ended 30 June 2021

#### 15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group has leases which predominately relate to the Company's head office premises and minor office equipment. Amounts recognised in the Statement of financial position and the carrying amounts of the Group's right-of-use assets and lease liabilities and the movement during the year are as follows:

	Right-of-use assets			Lease Liabilities US\$
	Leased Premises US\$	Office Equipment US\$	Total RoU Assets US\$	
<b>Balance at 1 January 2020</b>	603,545	6,511	610,056	816,715
Additions during the period	85,685	-	85,685	85,685
Depreciation expense	(350,163)	(6,511)	(356,674)	-
Interest expense	-	-	-	38,125
Lease payments <sup>(i)</sup>	-	-	-	(458,479)
Net foreign exchange differences	-	-	-	25,011
<b>Balance at 31 Dec 2020 - Restated</b>	<b>339,067</b>	<b>-</b>	<b>339,067</b>	<b>507,057</b>
<b>Balance at 1 January 2021 - Restated</b>	339,067	-	339,067	507,057
Depreciation expense	(164,370)	-	(164,370)	-
Interest expense	-	-	-	10,924
Lease payments <sup>(i)</sup>	-	-	-	(253,042)
<b>Balance at 30 June 2021</b>	<b>174,697</b>	<b>-</b>	<b>174,697</b>	<b>264,939</b>

(i) lease payments comprise interest and reduction of lease liability principal.

Lease liabilities are presented in the condensed consolidated statement of financial position as:

	30 June 2021 US\$	31 Dec 2020 US\$ Restated
<b>Other financial liabilities:</b>		
Lease liabilities (current)	264,939	443,044
Lease liabilities (non-current)	-	64,013
<b>Balance at</b>	<b>264,939</b>	<b>507,057</b>

#### 16. ISSUED CAPITAL

	30 Jun 2021 Number	31 Dec 2020 Number	30 Jun 2021 US\$	31 Dec 2020 US\$ Restated
<b>Fully paid ordinary shares</b>				
At beginning of the year	9,978,830,197	6,280,387,002	439,623,308	335,725,405
Shares allotted during the year:				
- shares issued on 24 Jan 2020 - share purchase plan	-	263,149,039	-	7,652,040
- shares issued on 28 Jan 2020 - placement	-	3,424,942,156	-	99,592,882
- shares issued on 29 Jan 2020 - placement	-	10,352,000	-	300,888
Share issue costs	-	-	-	(3,647,907)
<b>Ordinary fully paid shares at end of the period</b>	<b>9,978,830,197</b>	<b>9,978,830,197</b>	<b>439,623,308</b>	<b>439,623,308</b>

On 22 June 2021, shareholders approved at the Annual General Meeting the consolidation of the issued capital of the Company on the basis of 1:100 securities held. Further, on 2 July 2021, the Company completed the share consolidation and the number of ordinary shares on issue following the 1:100 consolidation of the Company's share capital is 99,790,492.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### For the half-year ended 30 June 2021

In January 2020, the Company completed a US\$107,545,810 placement to institutional and sophisticated investors and a Share Placement Plan (SPP) to existing eligible shareholders, both priced at AUD 4.25 cents per share. The placement was approved by shareholders at the General Meeting held 16 January 2020. US\$7,652,040 was raised under the SPP.

Fully paid ordinary shares carry one vote per share and a right to dividends. Each ordinary shareholder present at a general meeting, whether in person, by proxy or by representative is entitled to one vote on a show of hands or, on a poll, one vote for each fully paid ordinary share held.

Issued capital is classified as equity and is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares is recognised directly in equity as a reduction of the share proceeds received.

#### 17. SHARE-BASED PAYMENTS

There were no share-based payment arrangements on issue as at 30 June 2021.

Unlisted performance rights	Grant date	Vesting date	Expiry date	Exercise price A\$	No. of performance rights on issue 30 Jun 2021	No. of performance rights on issue 31 Dec 2020
FARAM <sup>(i)</sup>	14 Jun 2018	31 Jan 2021	31 Jan 2023	-	-	9,353,000

(i) On 31 January 2021, the 3 year performance period for performance rights (FARAM) lapsed. Due to the share price decreasing by 7.2 cents over the performance period, none of the 9,353,000 performance rights vested. The base price at the beginning of the performance period was 8.3 cents. The share price on 31 Jan 2021 (Test date) was 1.1 cents.

No performance rights were issued or exercised during the half year ended 30 June 2021. Further details of unlisted performance rights are detailed in the 2020 Annual report.

#### 18. RESERVES

	30 Jun 2021 US\$	31 Dec 2020 US\$ Restated
Equity-settled share-based payment reserve	8,339,565	8,339,565
Foreign currency translation reserve	(3,754,360)	(3,754,360)
	<b>4,585,205</b>	<b>4,585,205</b>

##### Equity-settled share-based payments reserve

Share-based payments reserve recognises the fair value of rights and options issued to directors and employees in relation to equity-settled share-based payments. Amounts are transferred out of reserve and into issued capital when vested rights are exercised. At 31 December 2020, all outstanding equity-settled share-based payments were amortised in full. There were no outstanding equity-settled share-based payments in existence at 30 June 2021.

##### Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of the financial statements of foreign subsidiaries and branches from their functional currency to the Company's functional and presentation currency of USD. The functional and presentation currency for the Group was changed from Australian dollars (AUD) to United States dollars effective 1 January 2019 resulting in exchange differences being recognised in equity under the reserve for foreign currency translation. Consequently, there has been no change to the reserve for the year ended 31 December 2020.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## For the half-year ended 30 June 2021

### 19. FINANCIAL AND RISK MANAGEMENT

#### Financial assets and financial liabilities

The following table disclose the carrying value amounts of each category of financial assets and financial liabilities at year end:

	Amortised Cost US\$	Fair Value through profit or loss US\$	Fair Value through OCI US\$	Total US\$
<b>Year ended 30 June 2021</b>				
<b>Financial assets</b>				
Cash and cash equivalents	3,312,070	-	-	3,312,070
Trade and other receivables – current and non-current	79,878	-	-	79,878
Other financial assets – current and non-current	7,230	-	-	7,230
<b>Total Financial assets</b>	<b>3,399,178</b>	<b>-</b>	<b>-</b>	<b>3,399,178</b>
<b>Other financial liabilities</b>				
Trade and other payables - current	1,234,134	-	-	1,234,134
Liabilities associated with assets held for sale	96,776,842	-	-	96,776,842
Lease liabilities – current and non-current	264,939	-	-	264,939
<b>Total Financial liabilities</b>	<b>98,275,915</b>	<b>-</b>	<b>-</b>	<b>98,275,915</b>
<b>Year ended 31 Dec 2020 - Restated</b>				
<b>Financial assets</b>				
Cash and cash equivalents	25,933,571	-	-	25,933,571
Trade and other receivables – current and non-current	231,396	-	-	231,396
Other financial assets – current and non-current	7,435	-	-	7,435
<b>Total Financial assets</b>	<b>26,172,402</b>	<b>-</b>	<b>-</b>	<b>26,172,402</b>
<b>Other financial liabilities</b>				
Trade and other payables - current	1,380,460	-	-	1,380,460
Liabilities associated with assets held for sale	34,343,721	-	-	34,343,721
Lease liabilities – current and non-current	507,057	-	-	507,057
<b>Total Financial liabilities</b>	<b>36,231,238</b>	<b>-</b>	<b>-</b>	<b>36,231,238</b>

#### Fair values

In estimating fair value of an asset or liability, the group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is in accordance with accounting standards.

The Directors consider that the carrying amounts of the financial assets and liabilities recorded at amortised cost in the financial statements approximate their fair value and are categorised as Level 2 measurements.



**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**For the half-year ended 30 June 2021**

	Carrying Amount		Fair Value	
	30 Jun 2021 US\$	31 Dec 2020 US\$ Restated	30 Jun 2021 US\$	31 Dec 2020 US\$ Restated
<b>Financial assets</b>				
Cash and cash equivalents	3,312,070	25,933,571	3,312,070	25,933,571
Trade and other receivables – current and non-current	79,878	231,396	79,878	231,396
Other financial assets – current and non-current	7,230	7,435	7,230	7,435
<b>Total Financial assets</b>	<b>3,399,178</b>	<b>26,172,402</b>	<b>3,399,178</b>	<b>26,172,402</b>
<b>Financial liabilities</b>				
Trade and other payables - current	1,234,134	1,380,460	1,234,134	1,380,460
Liabilities associated with assets held for sale	96,776,842	34,343,721	96,776,842	34,343,721
Lease liabilities – current and non-current	264,939	507,057	264,939	507,057
<b>Total Financial liabilities</b>	<b>98,275,915</b>	<b>36,231,238</b>	<b>98,275,915</b>	<b>36,231,238</b>

**20. EARNINGS PER SHARE**

The Group presents basic and diluted EPS for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares for the dilutive effect, if any, of the outstanding share rights which have been issued to employees.

	Half-year ended	
	30 Jun 2021 US cents	30 Jun 2020 US cents
Basic and diluted loss per share (cents per share)		
- From continuing and discontinued operations	(0.07)	(0.23)
- From continuing operations	(0.04)	(0.14)

The weighted average number of ordinary shares used in the calculation of basic and diluted loss per share are as follows:

	Half-year ended	
	30 Jun 2021 US\$	30 Jun 2020 US\$
Loss for the period attributable to members of FAR Ltd	(7,099,235)	(21,238,324)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares for the purpose of basic and diluted loss per shares	9,978,830,197	9,415,565,552

There were no outstanding share options or performance rights at 30 June 2021. In previous corresponding period, outstanding performance rights were not considered dilutive as the Group recognised a loss for the period ended 30 June 2020.

On 22 June 2021, shareholders approved at the Annual General Meeting the consolidation of the issued capital of the Company on the basis of 1:100 securities held. Further, on 2 July 2021, the Company completed the share consolidation and the number of ordinary shares on issue following the 1:100 consolidation of the Company's share capital is 99,790,492.

The weighted average number of ordinary shares used in the calculation basis and diluted loss per share was based on pre-consolidation ordinary shares on issue.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### For the half-year ended 30 June 2021

#### 21. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	30 Jun 2021 US\$	31 Dec 2020 US\$
<b>Contingent liabilities</b>		
Guinea-Bissau – contingent payment from future production (i)	13,000,000	13,000,000
Guinea-Bissau – contingent withholding tax liability (ii)	567,811	567,811
	<b>13,567,811</b>	<b>13,567,811</b>

- (i) In 2009, the Company entered into an Agreement to acquire an interest in three blocks offshore of Guinea-Bissau. Under the terms of the Agreement, in the event of future production from the blocks the vendor will be entitled to recover up to US\$13 million in past exploration costs from the Company's proceeds from production. Any such recovery will be at a rate of 50% of the Company's annual net revenue as defined by the Agreement. Refer to Note 22 for further details on equity interest held.
- (ii) During the year ended 31 December 2009, the Group was advised by the operator of its blocks in Guinea-Bissau that the Joint Operation partners have a contingent withholding tax liability which would become payable in the event of the Joint Operation entering the development phase of the licences. The Group's share of the estimated contingent liability as at 30 June 2021 is US\$567,811 (31 Dec 2020: US\$567,811).

There has been no material change to the contingent liabilities since 31 December 2020.

#### Contingent assets

In accordance with the Sale and Purchase Agreements with Woodside for the sale of FAR Ltd's entire interest in the offshore blocks Rufisque, Sangomar and Sangomar Deep (RSSD) a contingent payment to FAR is payable in the future based on various factors relating to the sale of oil from the RSSD Project.

The contingent payment comprises 45% of entitlement barrels (being the share of oil relating to FAR's 13.67% RSSD Project exploitation area interest) sold over the previous calendar year multiplied by the excess (if any) of the crude oil price per barrel and US\$58 per barrel (capped at US\$70).

The contingent payment terminates on the earliest of 31 December 2027, 3 years from first oil being sold (excluding any periods of zero production), or a total contingent payment of US\$55 million being reached, whichever occurs first.

The Operator's most recent estimate for commencement of oil production is mid-2023. The Operator may update timelines to first oil and production targets from time to time.

#### 22. JOINT OPERATIONS

The Group has an interest in the following material joint operations whose principal activities are oil and gas exploration and exploitation:

	Country	Equity Interest	
		30 Jun 2021 %	31 Dec 2020 %
Sinapa / Esperança	Guinea-Bissau	21.43	21.43
Rufisque Offshore / Sangomar Offshore / Sangomar Deep Offshore – Exploitation (i);(ii)	Senegal	13.6667	13.6667
Rufisque Offshore / Sangomar Offshore / Sangomar Deep Offshore – Exploration (i);(ii)	Senegal	15.0	15.0
Block A2/ Block A5	Gambia	50.0	50.0

- (i) On 7 July 2021, FAR announced it has completed the sale of its entire interest in the Senegal RSSD project.
- (ii) In January the Sangomar Field Development was approved by the Senegal RSSD joint venture following the grant of the Exploitation Authorisation by the Government of Senegal, delineating the blocks into Exploitation and Exploration areas. In August 2020 Petrosen, the Senegalese National Oil Company exercised its right under the Production Sharing Contract to increase its equity interest in the Joint Venture Exploitation area from 10% to 18%. Each Co-Venturer was required to reduce their equity interest share by a proportionate share of the 8%, resulting in FAR's interest in the exploitation area reducing from 15.0% to 13.67%

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### For the half-year ended 30 June 2021

The Group's interests in assets employed in the above joint operations are detailed below. The amounts are included in the financial statements under their respective assets and liability categories.

	30 Jun 2021 US\$	31 Dec 2020 US\$ Restated
<b>Current Assets</b>		
Cash and cash equivalents	192,144	910,242
Trade and other receivables	111,067	461,217
	<b>303,211</b>	<b>1,371,459</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	37,892	43,748
Exploration and evaluation assets	6,995,868	2,958,037
	<b>7,033,760</b>	<b>3,001,785</b>
<b>Current Liabilities</b>		
Trade and other payables	880,660	972,402

#### Capital commitments and contingent liabilities

The capital commitments arising from the Group's interest in joint operations are disclosed in Note 11 and Note 12 respectively.

The contingent liabilities in respect of the Groups interest in joint operations are disclosed in Note 21.

#### 23. DIVIDENDS

During the half-year, the directors recommend that no dividend be paid for the period ended 30 June 2021 nor any been paid or declared during the period. (30 June 2020: Nil).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### For the half-year ended 30 June 2021

#### 24. SUBSEQUENT EVENTS

##### Sale of Senegal RSSD project

On 7 July 2021, FAR announced the completion of the sale of its entire interest in the Senegal RSSD joint venture to Woodside Energy (Senegal) B.V. As consideration for the sale Woodside has paid FAR US\$45 million and reimbursed FAR's share of working capital for the RSSD Project from 1 January 2020, totalling US\$126,448,249 (including deductions for interest charged on outstanding cash calls). Additional future payments to FAR, up to US\$55 million, are contingent on future oil price and timing of first oil. First oil is targeted for 2023. Following completion of the sale the Group has no remaining interest in offshore Senegal. The Group is not aware of any remaining obligations or exposures related to the Senegal RSSD project at the date of issuance of these interim condensed consolidated financial statements.

##### Corporate

During the period the Group announced that Executive Director Timothy Woodall and Chief Financial Officer Peter Thiessen would be departing their executive roles. Subsequent to the end of the period, the Group made termination payments to Mr Woodall and Mr Thiessen comprising payments in lieu of notice plus other statutory entitlements. No other termination benefits were provided.

On 1 July 2021, the Group announced the resignation of Non-Executive Chairman, Nicholas Limb, and Non-Executive Director, Reginald Nelson and the appointment of Patrick O'Connor (Non-Executive Chairman) and Robert Kaye SC (Non-Executive Director) to the FAR board.

On 2 July 2021, the Group announced the completion of the consolidation of the issued capital of FAR on the basis of one (1) security for every one hundred (100) securities following shareholder approval of the consolidation at the Annual General Meeting held on 22 June 2021.

On 22 July 2021 and following the receipt of the Senegal RSSD sale proceeds, the Group proposed a capital return to shareholders of A\$0.80 per share (totalling approximately A\$80 million). The Group has made an application to the Australian Tax Office for a class ruling seeking advice to the effect that the capital return is not assessable to Australian resident shareholders holding their shares on capital account. A general meeting of shareholders has been called for 15 September 2021 to seek shareholder approval of the capital return, as is mandated by legislative requirements. If the capital return is approved at this meeting monies are expected to be paid on 28 September 2021.

On 22 July 2021, the Group announced its reinstatement to official quotation on the Australian Stock Exchange (ASX). Trading in the securities of FAR recommenced on Friday, 23 July 2021.

The Directors are not aware of any other matters or circumstances, other than those referred to in this report, that have significantly affected or may significantly affect the operations, the results of the operations or the state of affairs of the Group in subsequent financial years.

## CORPORATE DIRECTORY

### DIRECTORS

Patrick O'Connor (Non-Executive Chairman - Independent)  
Catherine Norman (Managing Director)  
Robert Kaye SC (Non-Executive Director - Independent)

### COMPANY SECRETARY

Elisha Larkin

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ASX Code: FAR

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Standard Chartered Bank Gambia Limited  
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Banjul, The Gambia

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