

16 March 2026

ASX Announcement & Media Release

2025 Contingent Payment and Proposed Capital Return

Under the terms of the sale and purchase agreement entered into in 2021 FAR Limited (ASX: FAR) (**Company** or **FAR**) has a right to receive from Woodside Energy a Contingent Payment of up to US\$55 million with respect to the sale of oil relating to FAR's previously held 13.67% interest of the Sangomar Project in Senegal.

The Contingent Payment is based on production and oil price is payable in annual tranches with respect to the sale of oil for three years from the first oil sold, which occurred in mid-2024 (excluding periods of zero production). The first annual tranche of the Contingent Payment for 2024 of US\$11.5 million was received by FAR in May 2025.

FAR has reached agreement with Woodside Energy for Woodside Energy to make a provisional 2025 Contingent Payment of US\$23.7 million which is expected to be received by FAR in April 2026. This amount is in line with FAR's estimate of the amount payable to FAR based on Woodside Energy's announced 2025 Sangomar product sales of 28.4 MMbbl. Payment of the provisional amount is subject to a reconciliation process and means that the maximum future Contingent Payment to be subsequently received by FAR is US\$19.8 million.

Upon receipt of the provisional 2025 Contingent Payment, the Directors consider that FAR will have surplus capital which they consider should be returned to shareholders. Accordingly, FAR advises that it intends to seek shareholder approval for a proposed capital return of 35 cents per share (**Capital Return**), returning approximately A\$32.3 million to shareholders.

Shareholder approval is required for the Capital Return by way of ordinary resolution, and approval will be sought at the annual general meeting of FAR shareholders which is expected to be held on 28 May 2026. If shareholder approval is obtained, FAR intends to attend to payment to shareholders shortly thereafter. Details in relation to the proposed Capital Return will be set out in notice of meeting documentation to be issued in late April 2026, and details of the proposed dates are set out in an ASX Appendix which is being simultaneously lodged with ASX.

The proposed Capital Return is expected to follow a similar format and process to the capital reductions conducted in 2021, 2023 and 2025. FAR intends to seek a class ruling from the Australian Taxation Office in a similar manner to that which occurred then seeking confirmation that the Capital Return will not count as a dividend for taxation purposes.

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

For further information please contact:

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