
Annual Report 2020



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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.

CHAIRMAN'S REVIEW



Fellow shareholders,

My career has spanned about 45 years in the resources industry, and it brings me no joy to say that 2020 has been the toughest year I have seen for the oil and gas sector, worldwide. The dual Black Swan events of the global pandemic co-incident with the oil price rout brought about by a supply war meant that every oil and gas business has drastically felt the lasting effects of 2020.

FAR has not escaped the challenges of these two events and early in 2020, it became clear it was unlikely that we would be able to draw from the debt arrangement put in place for the funding of the Sangomar Field development. The FAR Board needed to respond quickly to this rapidly changing environment to protect FAR shareholders' investment in the Senegal project. The decision was made to sell FAR's interest in Senegal and most of the company's attention was focused on this throughout the middle two quarters of 2020. The recent increase in capital costs by a further US\$400M announced by the operator, due to COVID delays, has added further weight to the wisdom of our response to the crisis.

The oil price plunged eighty percent in the second quarter of 2020 and it is a testament to the FAR team's reputation in the industry and the quality of the Senegal asset that FAR was able to attract multiple potential buyers from around the world. The management had to deal with the challenges of executing this strategy whilst working from home facing restrictions on travel and working with a market that was dealing with the COVID crisis and largely eschewing spending on oil and gas exploration and developments. Access to capital was hugely challenged across the board in the industry. Online activity was mostly undertaken throughout the night and I am very proud of the whole FAR team for their dedication during the year.

In November, FAR announced a sale of the asset to ONGC that was subsequently pre-empted by Woodside. FAR anticipated that this would be a straightforward sale leaving us with the cash to grow the business at a time when deal flow was abundant and in addition, drill our planned well in Gambia. The two indicative offers for the purchase of FAR by Remus at the end of 2020 and then Lukoil in mid-February 2021 have caused the Board of FAR to pause and try to give shareholders the option to continue with the commitment to sell the asset to Woodside or alternatively support a takeover offer. After almost five months, neither Remus nor Lukoil finalised their offers and our shareholders overwhelmingly voted in favour of selling the asset to Woodside on 28 April 2021.

FAR has been in default of its payments to the Joint Venture in Senegal since January 2021. The sale of the Senegal project to Woodside is effective from 1 January 2020 and as such, when the sale is completed, Woodside will pay FAR's share of project costs from this date. On completion, FAR expects to have approximately US\$130 million in cash comprising current cash, purchase price and refund of costs paid by FAR from 1 January 2020.

FAR is incredibly proud of the role we have played in the discovery and evaluation of the Sangomar Field. FAR has held an interest in the RSSD licences offshore Senegal since 2006. The FAR team pioneered the shelf edge play that holds the Sangomar discovery, identified the well locations for the original FAN-1 and SNE-1 discovery wells and introduced partners to the project to fund the drilling of these original discovery wells in late 2014. Whilst we are disappointed to have to sell at this time, the Sangomar Field holds approximately 3 billion barrels of oil in place and the extension of this field to the south in The Gambia has not yet been tested.

We keenly look forward to rebuilding the company positioning ourselves to repeat the exploration success we had in Senegal with the drilling of the Bambo well into the southern extension of the Sangomar Field and a deeper, undrilled prospect offshore Gambia in Q4 this year. FAR has been cautious around preparing for this well this year given the pandemic and associated risks and thanks the Government of The Gambia for awarding an extension to the deadline for drilling to the end of 2021 to accommodate COVID related delays. The Bambo target is very exciting and FAR looks to drill this well successfully, safely, and efficiently at the end of the year.

I wish to acknowledge the quick decision making by the Board that was needed early in the year and the determination of our team that executed the plan over this difficult year. FAR will emerge strong and able to take advantage of opportunities in the sector that has seen underinvestment during 2020. The sale of the Senegal project will be the catalyst for FAR to re-align its strategy and ready the business for the future.

Shareholders, thank you for your support and patience during an extremely difficult year.

Nic Limb
Chairman

OPERATIONS REVIEW

SENEGAL

RUFISQUE OFFSHORE, SANGOMAR OFFSHORE
& SANGOMAR OFFSHORE DEEP BLOCKS

Mauritania-Senegal-Guinea-Bissau-Conakry Basin

Exploitation Area: 13.667% interest

Exploration Area: 16.67% paying interest and
15.0% beneficial interest

Operator: Woodside Energy (Senegal) B.V.

Sangomar Field on track for first oil 2023

The Rufisque, Sangomar and Sangomar Deep ('RSSD') Joint Venture took an unconditional final investment decision (FID) for the Sangomar Field Development Phase 1 in January 2020 and continued to progress the execution phase of the Sangomar Field Development during 2020.

Phase 1 of the development is planned to target 231 mmbbls of oil reserves from the lower, less complex reservoirs, and an initial pilot phase in the upper reservoirs.

Acquisition and processing of a high-definition 3D marine seismic survey across the Sangomar field, and the adjacent appraisal areas over FAN, SNE North and Spica area was completed during 2020. As expected, the data shows a significant improvement in quality over the existing seismic and interpretation of the data is ongoing. This data is being used to de-risk the Phase 1 drilling and will be applied to potential Phase 2 and later development planning. The new data is also being used to evaluate the other discoveries within RSSD, and further delineate the exploration potential of the blocks.

The Sangomar Field development remains on track for first oil in 2023. Purchase and preparation of the VLCC oil tanker for conversion to an FPSO was completed during the year, and work has commenced on the external turret mooring for the FPSO. The contract for operations and maintenance of the FPSO, including installation, commissioning and the initial 10 years of operations and maintenance, was awarded to MODEC in December 2020. Other activities including subsea fabrication, and preparation for development drilling are on schedule with drilling targeted to commence in mid-2021.

The 2021 work program and budget has been approved by the joint venture, along with key logistics contracts relating to marine vessels and aviation services.

During 2020, Cairn Energy PLC announced the sale of its entire 40% RSSD interest to Lukoil that was subsequently pre-empted by Joint Venture partner and Operator, Woodside. The transaction was completed during Q4 2020.

The COVID-19 pandemic and the falling oil price impacted FAR's ability to finalise financing arrangements for its share of the development and as a result FAR made the decision to conduct a sale process for all or part of its working equity.

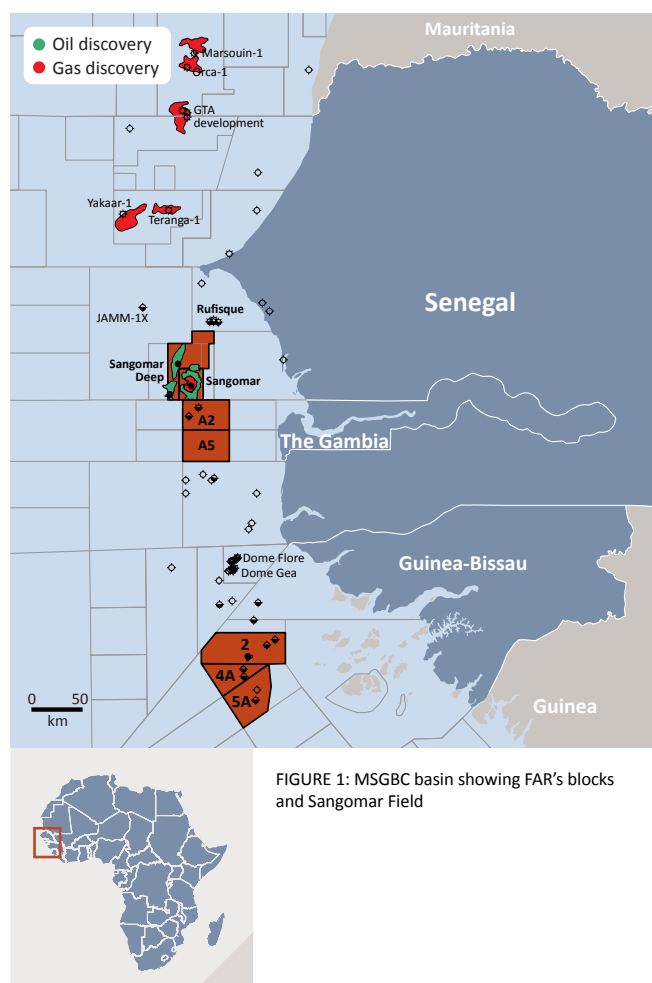


FIGURE 1: MSGBC basin showing FAR's blocks and Sangomar Field

TABLE 1: Summary of Senegal reserves and contingent and prospective resources

Senegal Discoveries	Play	Reserves*		
		1P (mmbbls)	2P (mmbbls)	3P (mmbbls)
Sangomar Field	<i>Albian Shelf Edge</i>	162	231	312
FAR net economic interest			28	

Senegal Discoveries	Play	Contingent Resources*		
		1C (mmbbls)	2C (mmbbls)	3C (mmbbls)
Sangomar Field	<i>Albian Shelf Edge</i>	107	253	307
FAN	<i>Albian Basin</i>	30	198	637
Total Contingent Resources		137	451	944
Total net to FAR (13.67%)		19	62	129

Senegal Prospects	Play	Prospective Resources*			Probability of Success (%)
		Low Estimate (mmbbls) P90	Best Estimate (mmbbls) P50	High Estimate (mmbbls) P10	
Spica	<i>Albian Shelf</i>	58	132	254	32%
Rufisque	<i>Albian Basin</i>	28	181	849	14%
Leebeer	<i>Late Cretaceous Shelf</i>	68	216	584	33%
Leraw	<i>Late Cretaceous Shelf</i>	24	77	216	18%
Jabbah	<i>Late Cretaceous Shelf</i>	14	35	75	21%
Jabbah Deep	<i>Late Cretaceous Shelf</i>	15	32	67	14%
Total all Prospective Resources		207	673	2,045	
Total net to FAR (15%)		32	101	307	

Refer to disclaimers and notes to Reserve estimates and Contingent and Prospective Resource estimates on page 8 of the annual report.

In Q4, FAR announced it had executed a sale and purchase agreement with ONGC Videsh Vankorneft Pte Ltd for FAR's entire interest in the RSSD project. RSSD operator Woodside subsequently exercised its right to pre-empt the sale on the same terms and conditions, and in January 2021 Woodside and FAR executed a sale and purchase agreement. The sale and purchase agreement remains subject to certain conditions precedent.

FAR has paid its share of Joint Venture cash calls up to December 2020. FAR went into default on 18 January 2021 and has 6 months to remedy the default. The sale to Woodside is expected to close before the 3 June 2021 long stop date in the sale and purchase agreement thereby relieving FAR of these outstanding cash calls before the expiry of the default period (see Director's Report for further discussion of default and the asset sale).

Also during Q4, and as expected, the Senegal state oil company, Petrosen, increased their stake in the project from 10% to 18%. If Woodside successfully acquires FAR's interest, the working interest of the remaining Joint Venture partners in the Sangomar exploitation area will be Petrosen 18% and Woodside 82%. The working interest in the remaining RSSD evaluation area (including the FAN and SNE North oil discoveries) will be Petrosen 10% and Woodside 90%.

THE GAMBIA

BLOCK A2 & A5

50% interest

Mauritania-Senegal-Guinea-Bissau-Conakry Basin

Operator: FAR Ltd

Drilling preparations underway

In the first quarter 2020, FAR completed a 3D seismic acquisition program over the A5 block, which was conducted by Shearwater GeoServices using the M/V SW Amundsen survey vessel. The 3D acquisition program covered an area of 659 square kilometres in A5 which was previously not covered by 3D seismic and is designed to increase the confidence of structural closure for a number of prospects.

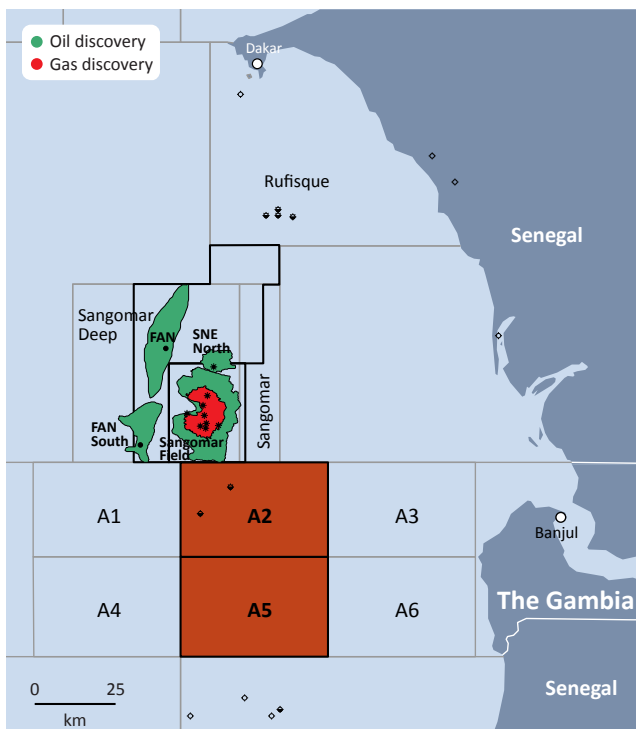


FIGURE 2: Map showing FAR's Gambian blocks in relation to the Sangomar Field

The program also included the acquisition of additional 12 kilometres of 2D seismic in the A2 block. The seismic acquisition was completed efficiently and without any first aid, medical, lost time or environmental incidents.

Following the acquisition program, the processing of the new seismic data commenced by DUG Technology, which included Full Waveform Inversion (FWI) methodology. The FWI processing was also expanded to include the remaining 3D seismic datasets over A2 and A5, therefore providing single merged 3D seismic data across the blocks. This data is being used to significantly improve geological interpretation and prospect selection in the future.

Subsurface studies

In addition to the seismic acquisition and processing work, FAR completed a range of other subsurface studies that have focused on quantifying the Prospective Resources in the A2/A5 blocks including a number of zones to be targeted by the planned Bambo-1 well.

Well studies were conducted involving nearby wells to extend the regional geological framework and provide more detailed understanding over the A5 permit. The new FWI seismic dataset has been mapped and incorporated with the existing Samo-1, Jammah-1 and Sangomar well data sets to confirm and refine the existing prospects, and to delineate additional prospects and potential target intervals.

The result of this work is the updated compilation of un-risked prospective volumes for the A2 and A5 blocks, shown in Table 2, which includes the quantified resources to be targeted by the planned Bambo-1 well which is planned to target both the Bambo and Soloo prospects.

Well planning

Significant progress was made in 2020 with plans to drill the Bambo-1 well. Pre-drill subsurface studies were completed as well as preliminary well designs and commencement of tendering for key services and supplies for the well. Long lead items were ordered, and the project Environmental and Social Impact Assessment was submitted to the regulators who provided the final approval in early 2021.

Due to the COVID-19 pandemic and after consultation with the Joint Venture partner and the Ministry of Petroleum and Energy, the project was placed into temporary suspension during 2020. However, as at year end, FAR and its Joint Venture partner commenced reactivating the project with the aim to deliver the well H2 2021. FAR has engaged Exceed to provide engineering and wells management services for the drilling project. Exceed were previously used by FAR to manage the earlier Samo-1 well which was delivered safely and efficiently in 2018.

Other

During the year, new Joint Operating Agreements (JOA's) in respect of the A2 and A5 Blocks were signed by the Joint Venture partners. This follows the granting of new Licences for those Blocks by the Government of The Gambia effective 1 October 2019, after which FAR and PETRONAS took the opportunity to renew the terms of the existing JOA's.

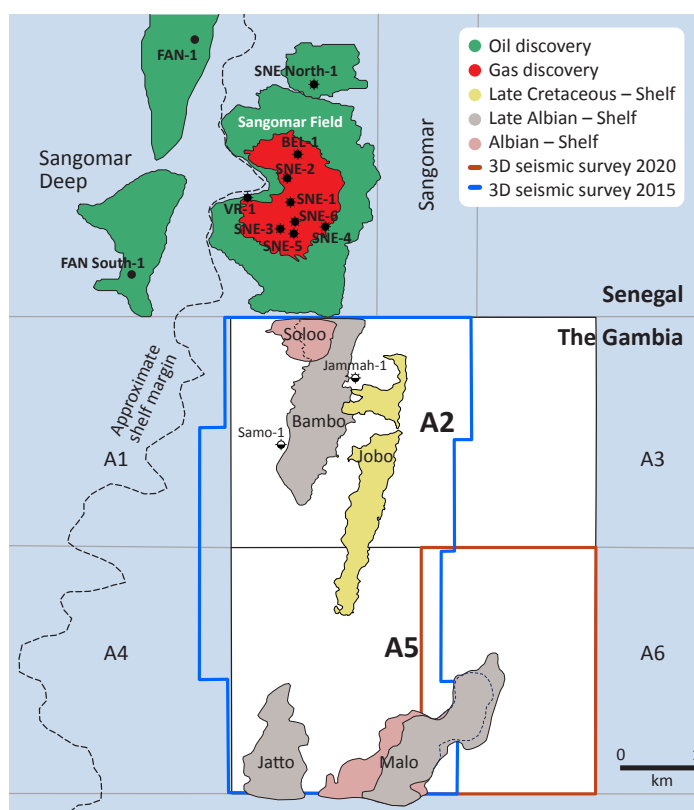


FIGURE 3: Map showing prospects in Blocks A2 and A5, The Gambia

TABLE 2: FAR's prospective resources (unrisked) for Blocks A2 & A5, The Gambia

The Gambia Prospects	Block	Prospective Resources*
		Best Estimate
		(mmbbls) P50
Bambo S390	A2	464
Bambo S400	A2	75
Soloo S410	A2	150
Soloo S440	A2	51
Soloo S552	A2	238
Soloo S562	A2	140
<i>Bambo Soloo (Arithmetic Sum)*</i>	A2	1,118
Jobo S172	A2/A5	280
Jatto S176	A5	137
Malo S480	A5	43
Malo S540	A5	222
A2 & A5 Prospective Resources (unrisked)		1,800
Prospective Resources net to FAR (50%)		900

Refer to disclaimers and notes to Reserve estimates and Contingent and Prospective Resource estimates on page 8 of the annual report.

* The estimated quantities of Petroleum that may potentially be recovered by the future application of a development project relate to undiscovered accumulations. These estimates have an associated risk of discovery and a further risk of development. Further exploration and appraisal is required to determine the existence of a significant quantity of potentially movable hydrocarbons.

GUINEA-BISSAU

SINAPA (BLOCK 2)

ESPERANCA (BLOCK 4A & 5A)

Mauritania-Senegal-Guinea-Bissau-Conakry Basin

21.43% interest

Operator: Svenska Petroleum Exploration AB

Compelling exploration in the southern MSGBC Basin

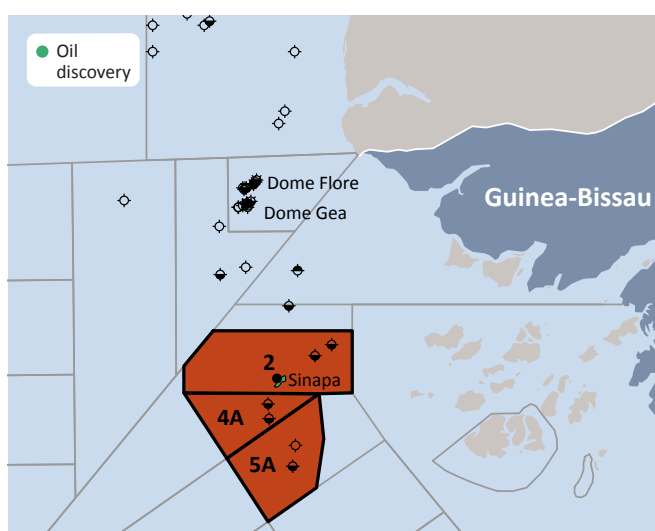


FIGURE 4: Location of FAR's blocks offshore Guinea-Bissau

The Sinapa and Esperanca Licences extension of the Initial Exploration Term were formally approved via Presidential decree, Bissau Government Decrees N 22/2020 (Esperanca Exploration License 12th Amendment) and N 23/20 (Sinapa Exploration License 16th Amendment) on 2 October 2020. The current exploration period has been extended to expire on 2 October 2023.

In 2020 Operations in the licenses, including preparation for drilling Atum-1X, were suspended due to COVID-19. FAR is working with the Operator to understand when operations for drilling Atum-1X can restart. The current approved 2021 Joint Venture Work Program & Budget has operations for drilling restarting in 2nd half of 2021.

On 20 November 2020, FAR was advised by Operator that Svenska Petroleum Exploration AB had agreed to sell the company to PetroNor E&P AS (subject to necessary government approvals).

TABLE 3: Summary of contingent and prospective resources in Blocks 2, 4A & 5A in Guinea-Bissau

Contingent Resources*			
Guinea-Bissau Discoveries	1C (mmbbls)	2C (mmbbls)	3C (mmbbls)
Sinapa	4.4	13.4	38.9
Total Contingent Resources	4.4	13.4	38.9
Total net to FAR (21.43%)	0.9	2.9	8.3

Prospective Resources*			
Guinea-Bissau Prospects	Low Estimate (mmbbls) P90	Best Estimate (mmbbls) P50	High Estimate (mmbbls) P10
East Sinapa	1.8	7.5	34.2
West Sinapa	17.7	64.7	251.7
Atum	144	471.7	1,569.6
North Solha	6	28.4	131.6
Arinca	10	59.2	393
Sabayon	3.4	18.1	88.2
Other leads	85.4	303.7	1,032
Total all Prospective Resources	269	954	3,500
Total net to FAR (21.43%)	57	204	749

Refer to disclaimers and notes to Reserve estimates and Contingent and Prospective Resource estimates on page 8 of the annual report.

WESTERN AUSTRALIA

PETROLEUM EXPLORATION PERMIT WA-458-P

100% interest

Dampier Sub-basin, Northern Carnarvon Basin,
North West Shelf

Operator: FAR Ltd

FAR's Australian asset lies in the Dampier Sub-basin on the North West Shelf

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.

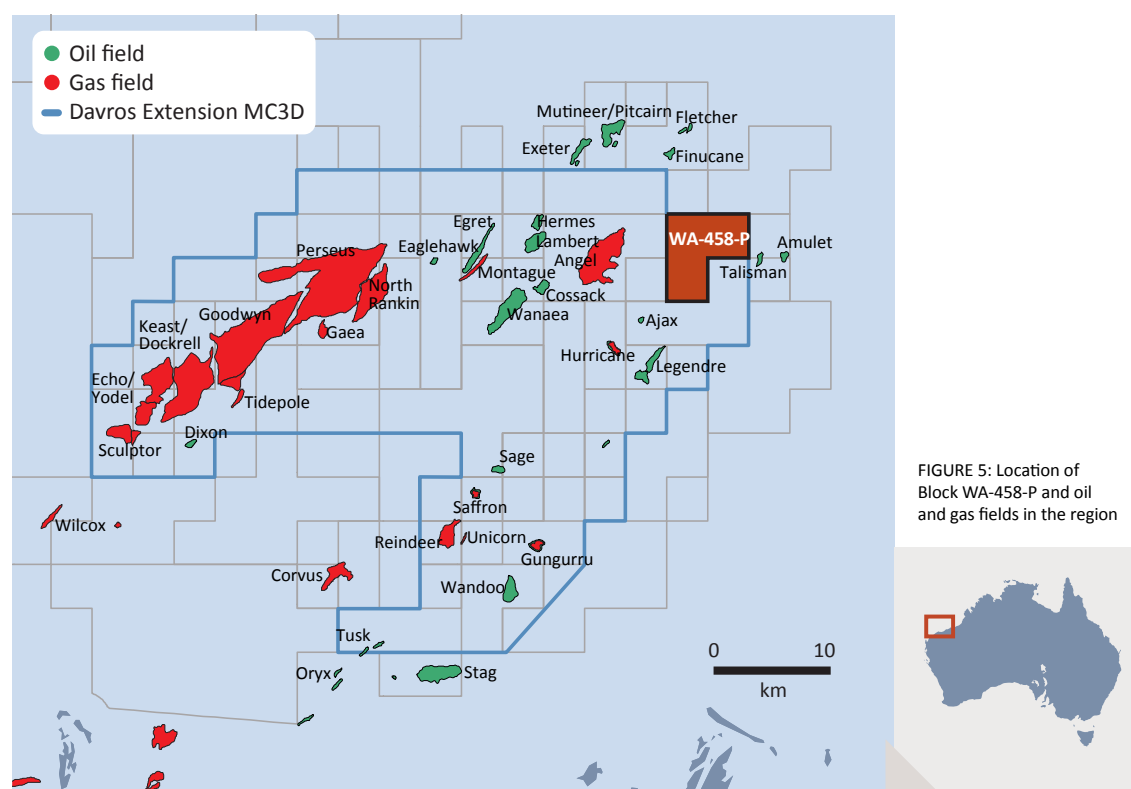
In April 2020, FAR received the final seismic volumes for the Davros Extension multiclient 3D survey. Interpretation and integration of the new 3D seismic data is ongoing, and a farmout process has been initiated.

In order to implement measures to manage COVID-19, FAR has submitted an application to the National Offshore Petroleum Titles Administrator ('NOPTA') to suspend and extend the current phase of the exploration work programme by 12 months. On 16 October, FAR was notified by NOPTA that the request had been approved and the current period (Permit Years 3 and 4) has been extended to 22 January 2022.

TABLE 4: Summary of prospective resources for Block WA-458-P

Australia Prospects WA-458-P	Prospective Resources*
	Best Estimate (mmbbls) P50
Top Angel Play	20.7
Lower Angel Structural Play	5.8
Lower Angel Stratigraphic Play	152.2
Oxfordian Fan Play	126.8
Legendre Structural Play	53.4
Total all Prospective Resources	358.9
Total net to FAR prospects (100%)	358.9

Refer to disclaimers and notes to Reserve estimates and Contingent and Prospective Resource estimates on page 8 of the annual report.



Exploration and Development Assets

The Company assets are tabled below.

Project	Asset		FAR Paying Interest	Beneficial Interest	Operator
Senegal	Rufisque, Sangomar and Sangomar Deep	Exploitation	13.6667%	13.6667%	Woodside Energy (Senegal) B.V.
		Exploration	16.67%	15.0%	
The Gambia	Block A2 and A5		50.00%	50.00%	FAR
Guinea-Bissau	Sinapa and Esperanca		21.43%	21.43%	Svenska
Australia	WA-458-P		100.00%	100.00%	FAR

FAR, through a wholly owned subsidiary, Flow Energy Pty Ltd and its co-venturers, Pancontinental Oil & Gas NL ('Pancontinental') and Afrex Ltd ('Afrex') a subsidiary of Pancontinental, agreed to surrender the Block L6 Production Sharing Contract. A Surrender and Termination Notice was formally issued to the Government of Kenya in late June. As requested by the Government,

FAR has submitted a comprehensive PSC closure plan. In June 2020, FAR concluded negotiations with Pancontinental and Afrex regarding payment of outstanding cash calls to the Operator. Pancontinental agreed to settle this matter with payment of US\$150,000 as full and final settlement of any and all outstanding cash calls relating to Kenya Block L6.

*Disclaimers

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

Reserves – Reserves estimates presented in this report are prepared as at 20/1/2020 (Reference: FAR ASX release of the same date). The Reserves estimates provided in this report are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations. All necessary approvals have been obtained, capital funds have been committed, and implementation of the development project has commenced. The 1P, 2P and 3P estimates represent respectively that there is a 90%, 50% and 10% probability that the actual resource volume will be in excess of the amounts reported. The 100% basis Reserve estimates include Government share of production applicable under the Production Sharing Contract or License. The net to FAR Reserves are those reserves attributable to FAR after the Joint Venture and Government shares have been allocated under the Production Sharing Contract or License.

Contingent Resources – Contingent Resource estimates presented in this report are prepared as at 20/1/2020, 24/10/2019, 20/3/2018, 4/4/2018 and 5/2/2014 (Reference: FAR ASX releases of the same dates). The Contingent Resource estimates provided in this report are those quantities of petroleum to be potentially recoverable from known accumulations, but the project is not considered mature enough for commercial development due to one or more contingencies. These estimates have an associated risk of development, and further appraisal is required to determine the commercial viability of the resources. The 1C, 2C and 3C estimates represent respectively that there is a 90%, 50% and 10% probability that the actual resource volume will be in excess of the amounts reported. The 100% basis and net to FAR Contingent Resource estimates include Government share of production applicable under the Production Sharing Contract or License.

Prospective Resources – The Prospective Resource estimates presented in this report are prepared as at 20/1/2020, 24/10/2019, 20/3/2018, 4/4/2018 and 5/2/2014 (Reference: FAR ASX releases of the same dates). Prospective Resources relate to undiscovered accumulations. The estimated resources represent those volumes which may potentially be recovered by the application of a future development project(s). These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. The Low Estimates, Best Estimates and High Estimates in each case represent respectively that, in the case of a successful discovery, there is a 90%, 50% and 10% probability that the resource volume will be in excess of the amounts reported. The estimates are unrisks and have not been adjusted for the chance of discovery or chance of development. The 100% basis and net to FAR Prospective Resource estimates include Government share of production applicable under the Production Sharing Contract or License.

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

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

*Notes to Contingent and Prospective Resources Estimates

1. The estimated quantities of Prospective Resources stated throughout the report may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.
2. The recoverable hydrocarbon volume estimates prepared by the company and stated in the tables throughout the report have been prepared in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System, 2007 and 2011 approved by the Society of Petroleum Engineers.
3. The Prospective resource estimates have been estimated using deterministic methods using best estimates of all parameters.
4. The barrel of oil equivalent (BOE) is a unit of energy based on the approximate energy released by burning one barrel (42 U.S. gallons or 158.9873 litres) of crude. One BOE is roughly equivalent to 5,800 cubic feet (164 cubic meters) of typical natural gas, which is the conversion used in this analysis to calculate BOE for the gas volumes. The value is necessarily approximate as various grades of oil and gas have slightly different heating values.
5. The Best Estimates reported represent that there is a 50% probability that the actual resource volume will be in excess of the amounts reported.
6. The estimates for unrisks Prospective Resources have not been adjusted for both an associated chance of discovery and a chance of development.
7. The chance of development is the chance that once discovered, an accumulation will be commercially developed.
8. Prospective Resources means those quantities of petroleum which are estimated, as of a given date to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development.
9. In the table, the abbreviation 'mmbbls' means millions of barrels of oil or condensate and 'bcf' means billions of cubic feet of gas.

GOVERNANCE AND SUSTAINABILITY

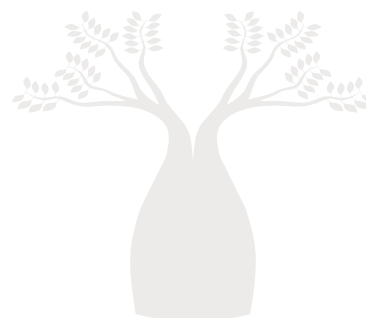


FAR is committed to managing its environmental, social and governance ('ESG') responsibilities and to embedding ESG into FAR's philosophy, practices and business processes.

This governance approach was critical in 2020 as FAR faced the twin challenges of COVID-19 and the severe oil price crash.

FAR's commitment to ESG is guided by the PEARL principle – People, Environment, Assets, Reputation and Legal, in that order of priority. PEARL is embedded throughout our organisation, from the most detailed Health, Safety and Environment plan on a rig, to our risk management process, to the social investments we make in our host countries.

P eople
E nvironment
A ssets
R eputation
L egal



Corporate Governance

Australian Securities Exchange Listing Rule 4.10.3 requires companies to disclose the extent to which they have complied with the best practice recommendations of the ASX Corporate Governance Council. FAR's 2020 Corporate Governance Statement can be viewed on the Company's website at www.far.com.au/corporate-governance/.

People

FAR is focused on growing a business of diverse individuals in a high performing, inclusive culture and providing a safe working environment for all FAR people and the consultants and partners that work with the Company.

Safety

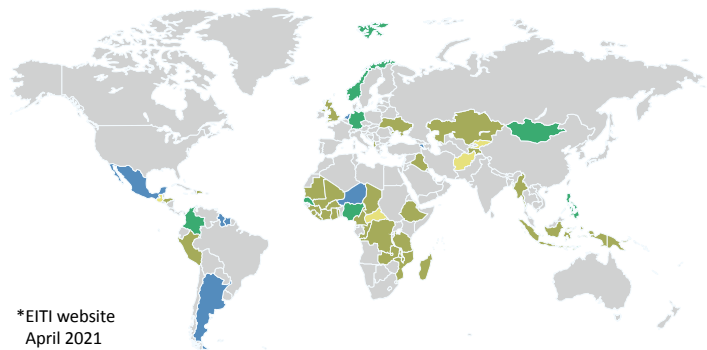
The health, safety and wellbeing of FAR's people and the communities in which we operate are of utmost importance to the Company. FAR will continue to develop and promote a culture of safe practices and ethics and will endeavour to ensure there are no occupational health issues in the workplace. FAR's expectation is to work incident free, every hour, every day, everywhere and encourage all FAR people to make a personal commitment to ensure they and those they work alongside are incident and injury free.

FAR has invested in developing best practice policies and training to support health, safety and wellbeing, including Whistleblower, Diversity and Human Rights and Child Protection policies and customised crisis management training. FAR has ensured all employees and contractors are supported to work from home or in a COVID safe office environment as appropriate.

Transparency

FAR is a member of the Extractive Industries Transparency Initiative ('EITI'), along with the governments of Senegal and Australia. EITI is the global standard to promote the open and accountable management of oil, gas and mineral resources. Guided by the belief that a country's natural resources belong to its citizens, the EITI has established a global standard to promote the open and accountable management of oil, gas and mineral resources. Further information about the EITI can be found on the EITI website www.eiti.org.

The EITI standard*



*EITI website
April 2021

- | | | |
|-------------------------|-------------------------|--------------------------------------|
| ● Satisfactory progress | ● Inadequate progress | ● No progress |
| ● Meaningful progress | – temporarily suspended | – delisted; country needs to reapply |
| ● Yet to be assessed | | |

Social Contribution

FAR is an active participant in its host country communities, employing staff and investing in community and social projects. Our 2020 Sponsorships and Investments were:



**MATERNITY WARD
BANSANG HOSPITAL**



**WATER DISTRIBUTION AND
STORAGE FACILITIES SANYANG
WOMEN'S GARDEN**



**ELECTRICAL WORKS
JAMBANJELLY LOWER
BASIC SCHOOL**



FAR and its Joint Venture partner completed their three social projects for 2020 in The Gambia. The maternity ward and an operating theatre at Bansang hospital were successfully refurbished, which was a project completed in partnership with The Gambia National Petroleum Corporation (GNPC). Other projects completed included enhanced water distribution and storage facilities at the Sanyang women's garden, and the upgrading of electrical works at the Jambanjelly Lower Basic School.



**NDEMBAN CLINIC UPGRADE
COVID TESTING AND
TREATMENT CENTRE**

Work also commenced to identify community and social projects for 2021. At the request from the Government of The Gambia, FAR and its Joint Venture partner commenced a new project to upgrade the Ndemban Clinic into a COVID testing and treatment centre. This project kicked off in December 2020 with the aim to fast-track the undertaking for completion early in 2021. A number of other projects are also being considered for later in the year.

Environment & Climate Change

FAR recognises its responsibility to support greenhouse gas emissions reduction initiatives where it can. FAR supports host 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. FAR acknowledges its own responsibilities in this context and its commitment to be part of a combined approach to a reduction in greenhouse gas emissions. FAR acknowledges the Paris Agreement, which pledges to limit the rise in temperature to below two degrees Celsius and supports efforts to create a coordinated global emissions reduction process.

As FAR looks to the future as a producer of oil and gas, FAR strives to do so in line with best industry practice and looks to do this in collaboration with host governments, joint venture partners and other stakeholders.

Climate-related Disclosure

In early 2019, the ASX updated the ASX Corporate Governance Principles and Recommendations to address new and emerging issues, with a particular emphasis on climate change. These updates included changes to the Recommendations that fall under Principle 7, which states that listed entities should recognise and manage risk, and that a 'listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.' The new commentary makes clear that this includes the board 'satisfying itself that the risk management framework deals adequately with contemporary and emerging risks such as... climate change.' It encourages listed entities to adopt the framework of the Financial Stability Board's Taskforce on Climate-related

Financial Disclosures (TCFD) to determine whether they have material exposure to climate change risk, and if so, to consider making disclosures recommended by the TCFD. The commentary adopts the TCFD's schema of categorising risks as physical, or transitional. The commentary also encourages "entities that believe they do not have any material exposure to environmental or social risks to consider carefully their basis for that belief and to benchmark their disclosures in this regard against those made by their peers." FAR is working towards implementing the recommendations of the TCFD. A number of climate-related disclosures are made below and in the Directors' Report and FAR undertakes to expand its climate related disclosure capability during 2021. FAR intends to work with its joint venture partners, contractors and other stakeholders to further enhance climate-related disclosures.

Managing GHG emissions

FAR estimates that corporate travel and corporate office electricity represented the most significant greenhouse gas (GHG) emission producing activities for the Group. Travel and office related emissions for 2020 are estimated below and are significantly reduced from 2019 due to restrictions on travel and office work during 2020 because of the COVID-19 pandemic and associated lockdowns and restrictions.

FAR has implemented prudent, practical and cost-effective actions to reduce our GHG emissions, and FAR's leadership is actively considering a number of new efforts to manage and reduce our GHG emissions. FAR works with host governments and Joint Venture partners to seek alternatives to flaring and venting hydrocarbons from exploration and future production wells, noting that flaring in most of the jurisdictions in which FAR operates is not permitted or highly restricted. In most of FAR's Joint Ventures, the North Sea standards apply.

Contribution to a low-carbon transition

The Sangomar Field is in the first quartile of quality and low sulphur content and accordingly will be one of the cleanest crude streams in the world when in production. The use of high-sulphur residual fuel leads to large emissions of smog-inducing nitrous oxides, health damaging fine particles and sulphur dioxide which can cause acid rain. The International Marine Organization (IMO) has enforced rules limiting sulphur emissions from marine traffic. Domestic production will allow Senegal to transition to cleaner fuel sources and reduce its CO₂ emissions by an estimated 50 thousand tonnes per year by replacing imported crude. FAR's sustainability and climate change policies can be found on the Company's website at www.far.com.au

ESTIMATED CO₂ EMISSIONS*

Corporate Travel	Corporate Office Electricity
2019 710 tonnes	2019 79.4 tonnes
2020 92 tonnes	2020 53.5 tonnes

*Best estimate for FAR staff and contractors only, not audited

Assets, Reputation & Legal

The PEARL principle also informs our approach to managing our assets, reputation, legal obligations and risk generally. FAR strives to undertake all of its activities to the highest possible technical and operational standards. FAR enjoys success in partnering with multinational partners in the oil industry and a number of host governments. FAR's good

reputation in the oil industry has been the foundation of this success and FAR works hard to ensure, through good governance, that our reputation remains strong.

FAR employs a dedicated Legal Counsel with vast oil and gas experience, as well as using external experts as required, including within our host countries.

Further information on our risk management approach and assets can be found in the Directors Report and Operations Report.

DIRECTORS' REPORT



The directors of FAR Ltd (the Company) submit herewith the Annual Financial Report of the Company and its subsidiaries (the Group) for the year ended 31 December 2020. In order to comply with the provisions of the Corporations Act 2001, the directors' report as follows:

DIRECTORS

The names of directors in office during the year and up to the date of this report are:

Nicholas Limb
Catherine Norman
Timothy Woodall
Reginald Nelson
Julian Fowles (resigned 31 October 2020)

INFORMATION ON DIRECTORS

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



Nicholas James Limb
– **Non-Executive Chairman**

BSc (Hons), MAusIMM
(appointed 28 November 2011)

Mr Limb is a professional geophysicist and has extensive experience in the management of resource companies. Additionally, he has a considerable background in capital markets

having worked in investment banking for approximately 10 years. Mr Limb was appointed as Chair on 19 April 2012. He is Chair of the nomination and risk committees and a member of the remuneration and audit committees.



Catherine Margaret Norman
– **Managing Director**

BSc (Geophysics)
(appointed 28 November 2011)

Ms Norman is a professional geophysicist who has over 30 years' experience in the minerals and oil and gas exploration industry, having held executive positions both in

Australia and the UK and carried out operating assignments in Europe, Africa, the Middle East and Australia. Ms Norman served as Managing Director of Flow Energy Limited from 2005 and was appointed Managing Director of FAR Ltd on 28 November 2011. She is a member of the risk committee.



Timothy Roy Woodall
– **Executive Director**

BEC, FCPA, GAICD
(appointed 1 August 2017)

Mr Woodall has over 25 years' experience in international M&A and finance, specialising in the oil and gas sector. His expertise includes being the founder and Managing Director of

a boutique advisory firm, the CEO of an international technical consulting firm and senior roles in New York and London with global investment banks. Additionally, he has held senior executive positions with exploration and production companies in Australia and the USA. Mr Woodall relinquished his non-executive role and became an executive director of the Company effective 1 September 2019. He is a member of the risk committee.



Reginald George Nelson
– **Non-Executive Director**

BSc, Hon Life Member Society of Exploration Geophysicists, FAusIMM, FAICD
(appointed 9 April 2015)

Mr Nelson is an exploration geophysicist with over 50 years of experience in the petroleum and minerals industries and has served as a

director of various ASX listed companies for 27 years. He held the positions of Managing Director/CEO of Beach Energy Limited from 1995 to 2015. He is a former Chairman of the Australian Petroleum Production and Exploration Association (APPEA) and is a recipient of APPEA's Reg Sprigg Gold Medal award for outstanding services to the Australian oil and gas industry. He was appointed by the Premier of South Australia as Chairman of the South Australian Minerals and Petroleum Expert Group (SAMPEG) in December 2016 and is also an Emeritus Life Member of the Society of Exploration Geophysicists (awarded 1989). Mr Nelson is Lead Independent Director and Chair of FAR's audit and remuneration committees and a member of the nomination and risk committees.

INFORMATION ON FORMER DIRECTORS

Dr. Julian David Fowles – Non-Executive Director

PhD, BSc (Hons), GDipAFI, GAICD
(resigned 31 October 2020)

Dr. Fowles is a geologist with over 30 years' experience across many operating environments and regimes, including 17 years with Shell International. Most recently Dr. Fowles was a senior executive with Oil Search Limited, leading the PNG operated and non-operated oil and LNG production and development businesses. Until his resignation he was a member of FAR's audit, remuneration, nomination and risk committees.

DIRECTORSHIPS OF OTHER LISTED COMPANIES

Directorships of other listed companies held by directors in the 3 years immediately before the end of the financial year are as follows:

Name	Company	Period of directorship
N J Limb	Mineral Deposits Limited	1994 - 2018
R G Nelson	Vintage Energy Ltd	2017- current
T R Woodall	Central Petroleum Limited	2017 - 2018
Dr. J D Fowles	Central Petroleum Limited	2019 - 2020

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
N J Limb	45,614,021
C M Norman	25,319,972
T R Woodall	3,655,882
R G Nelson	2,205,882

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

COMPANY SECRETARY



Elisha Larkin

BComm(Hons)/BAgrSci(Hons), MCommLaw
(appointed 21 January 2020)

Ms Larkin has over 15 years' experience in a number of commercial and governance positions including most recently as a senior executive and Company Secretary of biotechnology company Hexima Limited. Elisha

has a Masters of Commercial Law from the University of Melbourne majoring in corporate governance and intellectual property law, and honours degrees in Agricultural Science and Commerce from the University of Melbourne.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Information about the remuneration of key management personnel (KMP) is set out in the remuneration report section of this directors' report. The KMP refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

SHARE OPTIONS AND PERFORMANCE RIGHTS GRANTED TO DIRECTORS AND SENIOR MANAGEMENT

No share options or share performance rights were granted to directors during the year, nor since the end of the financial year.

PRINCIPAL ACTIVITIES

The principal activities of the Company and of the Group during the course of the financial year 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.

There were no significant changes in the nature of these activities during the year.

OPERATING RESULTS

The net loss of the Group for the year ended 31 December 2020 after income tax was US\$75,694,730 (31 Dec 2019: US\$21,144,093)

	31 Dec 2020 US\$	31 Dec 2019 US\$	Change %
Profit & loss			
Revenue	291,364	370,160	(21.3)
Expenses	(15,143,042)	(18,592,933)	(17.0)
Loss from discontinued operations	(60,551,688)	(2,921,320)	1,972.8
Loss for the period	(75,694,730)	(21,144,093)	258.0
Basic EPS from continuing operations (US cents per share)	(0.16)	(0.30)	(48.7)
Basic EPS from continuing & discontinued operations (US cents per share)	(0.78)	(0.35)	121.2
Financial position			
Net assets	157,671,163	129,305,580	21.9
Cash balance	25,933,571	13,752,652	88.9
Cash flows			
Operating cash outflows	(17,517,971)	(19,280,647)	(9.1)
Investing cash outflows	(71,671,439)	(16,035,813)	346.9
Financing cash inflows	100,401,916	29,731,205	237.7

Financial result

The Group reported a loss for the year ended 31 December 2020 of \$75,694,730 (31 Dec 2019: \$21,144,093 loss) which includes a loss from discontinuing operations of \$60,551,688 relating to the Senegal asset which the Group has decided to sell. Included in the Senegal project discontinuing operations amount are a remeasurement loss on the Senegal RSSD asset of \$55,760,120, exploration expenditure of \$1,661,285 and financing costs of \$3,097,479 including default period interest charges on cash calls, and finance facility break fees in relation to the various financing arrangements entered into by the Group.

The lower loss from continuing operations for the year of \$15,143,042 compared with the prior year loss from continuing operations of \$18,222,773 was mainly due to lower exploration expenditure of \$10,648,685 (31 Dec 2019: \$13,241,193) primarily due to lower Gambia and Guinea-Bissau project joint operation costs as a result of the impacts of COVID-19.

Financial position

Net assets increased during the year by \$28,365,583 to \$157,671,163 primarily due to the increased investment in oil and gas properties relating to the development of the Senegal RSSD asset which was subsequently transferred to assets held for sale, described further below.

At the beginning of the year the Senegal RSSD exploration and evaluation assets of \$116,995,489 were transferred to oil and gas properties upon the approval of the Sangomar Field Development in January 2020. During the year \$97,354,795 of Senegal development expenditure was incurred and a loss

on remeasurement of the Senegal asset of \$55,760,120 was deducted and subsequently \$158,590,164 was transferred from oil and gas properties to assets held for sale to reflect the Group's decision to sell the asset. Assets held for sale at year end including inventory were \$161,361,902 and liabilities associated with those assets held for sale were \$34,341,844 resulting in net assets of the disposal group of \$127,018,181. This implied value is based on the Woodside sale and purchase agreement terms including the upfront purchase price of \$45M plus working capital from 1 January 2020 to 31 December 2020 and excludes any contingent payments.

Whilst exploration and evaluation assets reduced significantly during the year to \$5,794,184 due to the substantial reallocation of the Senegal RSSD asset described above, there were additions of \$3,391,959 including Gambia well planning and preparation costs and long lead items of US\$2,836,147 and Guinea-Bissau well long lead items of \$555,812.

Cash at year end was \$25,933,571 (31 Dec 2019: \$13,752,652) with no external borrowings at 31 December 2020. During the year there were significant cash inflows and outflows. Cash reserves from the prior year together with proceeds of \$107,545,810 received from the equity raise in January 2020 were largely utilised to make payments for the Senegal oil and gas development assets of \$69,016,270 and exploration and evaluation assets and expenses of \$15,680,321, mainly relating to the Gambia project. Other outflows included share issue cost payments incurred on the equity raise of \$3,647,907 and payment of financing costs primarily relating to break fees incurred in respect to the Senegal project financing of \$3,097,634.

Business Strategy and prospects

The Company is currently focused on oil and gas exploration and appraisal in Africa and Australia. The Company continues to progress its current portfolio of projects and assess new oil and gas exploration opportunities principally in Africa to grow its pipeline of projects. The Company's strategy is to identify and secure high potential exploration licences and permits at an early stage in the exploration cycle and add value and mitigate technical, operational and financial risks through prioritising and diversifying its exploration, appraisal and development activities and entering commercial arrangements including farm-outs and sale and purchase transactions. During the year the Company continued to explore and evaluate its current portfolio of projects. In Senegal, the Company commenced development activities for the exploitation of the Sangomar Field and progressed financing plans until the collapse in the oil markets and the pandemic COVID-19 hit at which point the Company decided to sell its entire interest in the Senegal asset.

REVIEW OF OPERATIONS

A review of the operations of the Company and the Group is set out in the Operations Review section of this Annual Report.

DIVIDENDS

The directors recommend that no dividend be paid for the year ended 31 December 2020 nor have any been paid or declared during the year (2019: NIL).

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 updates the corporate risk register at a minimum on a quarterly basis 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

The COVID-19 pandemic, the concurrent decline in oil price and tightening of bank lending globally significantly impacted the Group during the period. In particular, COVID-19 and the oil price decline directly impacted the Group's ability to close otherwise advanced financing arrangements for its share of the Sangomar RSSD development. The Group subsequently announced an intention to pursue a sale of the Sangomar RSSD asset in the

absence of alternative financing arrangements. The Group has executed an RSSD Sale and Purchase Agreement with a subsidiary of Woodside Petroleum, and at the date of this report the sale has not yet completed. The RSSD asset sale is further discussed below and in Notes 3(a) and 12. The Group's projects in The Gambia and Guinea-Bissau have also been impacted by COVID related delays.

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.

TRANSACTION RISK

During the period the Group initiated a sales process for its Senegal RSSD asset and executed a Sale and Purchase Agreement with ONGC, which was subsequently pre-empted by Woodside (see Note 3(a) and Note 12 for further details). The Sale and Purchase Agreement included four conditions precedent and other conditions typical of a transaction of its nature. At the date of this report the sale remains subject to the termination or otherwise satisfactory resolution of a third-party agreement unless waived by Woodside which has not yet occurred. The long-stop date for the completion of the sale is 3 June 2021. There is a risk the transaction does not complete by this date.

DEFAULT RISK

In order to maintain the Group's rights and interests in the Senegal RSSD joint venture, the Group is required to meet its joint operations funding obligations. The maximum default period allowed under the Joint Operating Agreement is 6 months. After this period, the Group would be required to give up its interest in the joint operations without compensation and the Group may be required to make certain payments after this with respect to obligations payable at the time of default and over the default period. The Group does not have sufficient cash on hand to exit default prior to the end of the 6 month maximum default period on 18 July 2021 unless either the asset sale to Woodside or the potential corporate activity described further below are completed or otherwise provide funding by that date. The Directors consider it likely that one of these outcomes will be achieved in the required timeframe.

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 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 FAR's control.

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. Refer to Note 1(a) for further details.

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.

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 CHANGES IN STATE OF AFFAIRS

The review of operations on pages 2 to 8 sets out a number of matters that have had a significant effect on the state of affairs of the Group.

Other than those matters, there were no other significant changes in the state of affairs of the Group during the reporting period.

SUBSEQUENT EVENTS

Refer to Note 34 of the Notes to the financial statements.

LIKELY DEVELOPMENTS

Additional comments on expected results on operations of the Group are included in the Annual Report under the Operations Review.

The Group intends to continue its present range of activities during the forthcoming year. In accordance with its strategy, the Group may participate in exploration and appraisal wells and new projects and may grow its exploration portfolio by farming into or acquiring new exploration licences. Other information on likely developments and the expected results of operations have not been included in this report, because, in the opinion of the directors, these would be speculative, and it may not be in the best interests of the Group.

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year, the Company paid a premium in respect of a contract insuring the directors of the Company, the Company secretary and all executive officers of the Company and of any related body corporate against a liability incurred as such a director, or company secretary to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or any of the related body corporate against a liability incurred as such an officer or auditor.

DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended (while they were a director or committee member) by each director:

	Board of Directors' Meetings		Remuneration Committee		Audit Committee		Nomination Committee		Risk Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
N J Limb	39	38	2	2	3	3	2	2	1	1
C M Norman	39	39	-	-	-	-	-	-	1	1
R G Nelson	39	39	2	2	3	3	2	2	1	1
T R Woodall	39	39	-	-	-	-	-	-	1	1
J D Fowles	36	36	-	-	3	3	-	-	-	-

ENVIRONMENTAL REGULATIONS

The Group's oil and gas operations are subject to environmental regulation under the legislation of the respective states and countries within which it operates. Approvals, licences, hearings and other regulatory requirements are performed by the operators of each permit or lease on behalf of joint operations in which the Group participates. The Group is potentially liable for any environmental damage from its activities, the extent of which cannot presently be quantified and would in any event be reduced by insurance carried by the Group or operator. The Group applies the extensive oil and gas experience of its personnel to develop strategies to identify and mitigate environmental risks. Compliance by operators with environmental regulations is governed by the terms of respective joint operating agreements and is otherwise conducted using oil industry best practices. The Board actively monitors compliance with state and joint operation regulations and as at the date of this report is not aware of any material breaches in respect of these regulations.

PROCEEDINGS ON BEHALF OF THE COMPANY

At the date of this report, the directors are not aware of any proceedings brought on behalf of the Company or Group, nor has any application been made in respect of the Company under section 237 of the Corporations Act 2001.

NON-AUDIT SERVICES

The Company may decide to employ the Auditor on assignments additional to their statutory audit duties where the Auditor's expertise and experience with the Group is important.

The amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 32 to the financial statements.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 30 of the Annual Report.

REMUNERATION REPORT - AUDITED

Introduction

This Remuneration Report, which forms part of the Directors' Report, sets out information about the remuneration of FAR Ltd's key management personnel (KMP) for the financial year ended 31 December 2020. The term KMP refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group. The prescribed details of each person covered by this report are detailed below under the following headings:

- key management personnel;
- remuneration governance framework;
- executive remuneration arrangements;
- key terms of employment contracts;
- executive remuneration tables; and
- non-executive remuneration.

1. Key Management personnel

The directors and other KMP of the Group during or since the end of the financial year were:

Non-Executive Directors	Position
Nicholas James Limb	Chairman, Non-Executive Director
Reginald George Nelson	Non-Executive Director
Julian David Fowles	Non-Executive Director (resigned 31 Oct 2020)
Executive Directors and Senior Executives	Position
Catherine Margaret Norman	Managing Director
Timothy Roy Woodall	Executive Director
Other KMP	Position
Elisha Louise Larkin	Company Secretary (appointed 21 Jan 2020)
Peter John Nicholls	Exploration Manager
Peter Anthony Thiessen	Chief Financial Officer (resigned Company Secretary on 21 Jan 2020)
Michael Howard John Cowie	General Counsel (01 Jan 2020 – 14 Oct 2020) Legal Counsel – Petroleum (15 Oct 2020 – current)

Except as noted, the named persons held their positions for the whole of the financial year and since the end of the financial year.

2. Reporting in USD

In this report, remuneration and benefits have been presented in USD, unless otherwise stated. This approach is consistent with the consolidated financial statements of the Company. Remuneration is usually paid in Australian dollars (AUD or AU\$) and, for reporting purposes, converted to USD based on an average exchange rate for the payment period.

3. Remuneration governance framework

The Remuneration Committee is responsible for reviewing and making recommendations on the remuneration packages of new and existing board members and senior executives and to oversee the remuneration of employees of the Company.

The objectives and responsibilities of the Remuneration Committee are documented in the charter approved by the board. A copy of the charter is available on the Company's website.

The Remuneration Committee must comprise at least three members and consist of independent directors. The Remuneration Committee comprises of R G Nelson (Chairman), N J Limb, and J D Fowles (resigned 31 October 2020), each of whom are non-executive directors and considered by the company to be independent.

Objectives

The objectives of the Remuneration Committee are defined in the charter and include:

- To review and make recommendations on the remuneration packages of new and existing Board members and Senior Executives of FAR Ltd;
- To oversee the remuneration of employees of the Company; and
- The Committee makes recommendations to the Board of Directors and does not relieve the Board of its responsibilities in these matters.

Responsibilities

The responsibilities of the Remuneration Committee as defined in the charter are as follows:

- Review and make recommendations to the Board on the remuneration packages of the roles of Chairman, Managing Director, other Directors and other Senior Executives;
- Review and make recommendations to the Board on the remuneration packages, and terms and conditions of any new appointee to the roles of Chairman, Managing Director, other Directors and other Senior Executives;
- Review the Managing Director's recommendations in regard to proposed remuneration packages of employees;
- Consider the adoption of appropriate long-term and short-term incentive and bonus plans and review adopted plans on a regular basis to ensure they comply with legislation and regulatory requirements, reflect industry standards and are effective in meeting the Company's objectives;
- Review participants in the incentive and bonus plans; and
- Review the Remuneration Report as part of the Directors Report in the Annual Financial Statements of the Company.

4. Executive remuneration arrangements

4.1 Principles and strategy

Objectives

The Remuneration Committee advises the Board on remuneration for the Executive and oversees the Company's executive remuneration policy which aims to:

- reward executives fairly and responsibly in accordance with market rates and practices to ensure that the Company provides competitive rewards that attract, retain and motivate executives of a high calibre;
- set high levels of performance which are clearly linked to an executive's remuneration;
- structure remuneration at a level that reflects the executive's duties and accountabilities;
- benchmark remuneration against appropriate comparator groups;
- align executive incentive rewards with the creation of value for shareholders;
- align remuneration with the Company's long-term strategic plans and business objectives; and
- comply with applicable legal requirements and appropriate governance standards.

Mix of remuneration

The Company policy is to remunerate executives under a Total Remuneration Package (TRP) which includes:

- Fixed remuneration
- Short-term incentives – ‘at risk’ remuneration based on performance
- Long-term incentives – ‘at risk’ remuneration based on performance

Total remuneration packages for the Managing Director, Executive Director and Senior Executives comprise of the following components:

	Performance Remuneration ‘at risk’		
	Total Fixed remuneration	STI ⁽ⁱ⁾	LTI ⁽ⁱ⁾
Executive Director	100%	25%	25%
Managing Director	100%	25%	25%
Senior Executives	100%	25%	25%

(i) percentage is relative to total fixed remuneration (TFR)

Benchmarking performance

The Company seeks to attract and retain suitably qualified senior executives and technical personnel and to ensure that salary packages are reasonable and competitive. To achieve this the Company has benchmarked fixed remuneration levels and ‘at risk’ remuneration structures for both short and long-term incentives against data on Australian upstream oil and gas companies.

The Company seeks to return value to shareholders and incentivise executives to focus on the Company’s long-term strategy and growth opportunities. These incentives are conditional on performance conditions tied to the three year total shareholder return (TSR) of the Company and to the three year TSR of the comparator group in the ASX 300 Energy Index.

Company performance

FAR’s remuneration policy is aimed at the alignment of KMP remuneration with the performance of the overall exploration and appraisal program and commercial transactions which ultimately result in shareholder value creation through share price. The following table outlines FAR’s financial performance over the last five years as required by the Corporations Act 2001.

	31 Dec 2020 US\$	31 Dec 2019 US\$	31 Dec 2018 US\$	31 Dec 2017 US\$	31 Dec 2016 US\$
Revenue	291,364	370,160	1,710,341	457,072	124,729
Loss from continuing operations	(15,143,042)	(21,144,093)	(11,621,926)	(31,837,800)	(16,371,927)
Loss from continuing & discontinued operations	(75,694,730)	(21,144,093)	(11,621,926)	(31,837,800)	(16,371,927)
Share price at start of year (AUD)	4.4 cents	6.7 cents	7.7 cents	7.5 cents	8.3 cents
Share price at end of year (AUD)	1.1 cents	4.4 cents	6.7 cents	7.7 cents	7.5 cents
Dividend	-	-	-	-	-
Basic & diluted loss per share – continuing operations – US cents per share	(0.16)	(0.35)	(0.21)	(0.62)	(0.39)
Basic & diluted loss per share – continuing & discontinued operations – US cents per share	(0.78)	(0.30)	(0.21)	(0.62)	(0.39)

An overview of the Company’s policy with respect to each component of employee ‘pay mix’ is outlined below.

4.2 Fixed remuneration

Fixed remuneration consists of cash based salary and superannuation contributions.

Remuneration levels are reviewed annually by the Remuneration Committee. The process considers the individual performance having regard to overall Company performance. The Remuneration Committee seeks to ensure the Company retains and attracts talented, knowledgeable and an experienced workforce by ensuring the remuneration reflects market competitive rates, using the industry mid-range as a guide and is reflective of the individual’s role, responsibilities and experience.

For details of fixed remuneration paid to directors and senior executives refer to sections 6.1 and 7.

4.3 Short-term incentives

Short-term incentives (STI) are awarded in the form of cash bonuses. These benefits are ‘at risk’ based on performance during the year. They are designed to incentivise and provide competitive reward for achievement of Company wide and individual performance targets. Key Performance Indicators (KPI’s) are linked to strategic objectives.

At the completion of the year the Board determined that no performance related STI bonus would be paid for year-end 2020 due to the below expectation share price performance.

For further details refer to section 6.1 and 6.2.

4.4 Long-term incentives

Long-term incentives ('LTI') are 'at risk' performance benefits awarded in the form of performance rights with vesting conditions tied to retention, and TSR both on an Absolute TSR and Relative TSR basis.

The purpose of the LTI structure is to incentivise and provide competitive reward for continued service and achievement of long-term strategic growth objectives.

LTI opportunities are reviewed and established (or deferred) annually by the Remuneration Committee at the beginning of each period, giving due consideration to the Company's remuneration principles.

Performance Rights Plan and the remuneration policy

The shareholders of the Company approved a Performance Rights Plan (Plan) at the annual general meeting held on 13 May 2016. The Plan was put in place for the award of long-term performance benefits.

The Plan is designed to:

- promote the long-term success of the Group;
- provide strategic, value-based reward for Eligible Persons who make a key contribution to that success;
- align Eligible Persons interests with the interests of the Company's shareholders; and
- promote the retention of Eligible Persons.

The key elements of the remuneration policy together with the Plan include:

- Rights are granted at the discretion of the Board based on the recommendation of the Remuneration Committee and the percentages relative to total fixed remuneration (TFR). Due consideration is given to the number of shares and incentives on issue and issued in the prior five years.
- The performance measures with separate vesting criteria include:
 - Absolute TSR; and
 - Relative TSR
- The vesting period is for three years and rights lapse after three years if not vested.
- Rights granted in a particular financial year are tested for vesting over the performance period.

Generally, with respect to TSR provisions, vesting will occur on a proportionate straight-line basis.

Vesting of performance rights will typically be subject to continuing employment of the eligible executives. Subject to Board discretion, rights will generally lapse on an executive's resignation or dismissal. In exceptional circumstances and where a termination is for reasons including retirement, death, total and permanent disablement, change of control and bona fide redundancy, unless it determines otherwise, the Board has the discretion to determine the extent to which all or part of any unvested equity may vest and the specific performance testing to be applied.

The maximum number of rights that can be granted as a percentage of fixed remuneration at the time of grant and converted to a number of rights using the 20-day volume

weighted average price ('VWAP') of the FAR share price preceding grant is as follows:

Maximum percentage of Fixed Remuneration on which the number of rights are calculated

	Absolute TSR vesting condition	Relative TSR vesting condition	Total
Executive Director	12.5%	12.5%	25%
Managing Director	12.5%	12.5%	25%
Senior Executives	12.5%	12.5%	25%

The above table represents the maximum percentage of fixed remuneration on which the number of rights to be awarded are calculated.

Absolute TSR grants

- Number of rights calculated using the 20-day VWAP of the FAR share price preceding 1 February each year
- Vest after the three-year performance period according to the Company's Absolute TSR for that three year period
- The vesting scales to apply for Absolute TSR grants are as follows:

FAR TSR	% of rights to vest
<15% CAGR	-
15% CAGR	50%
>15% and <25% CAGR	Pro rata
25% CAGR	100%

CAGR = Compound Annual Growth Rate

No performance rights were granted during the year.

Relative TSR

- Number of rights calculated using the 20-day VWAP of the FAR share price preceding 1 February each year
- Vest after the three-year performance period according to the Company's TSR relative to the comparator group companies in the S&P/ASX Energy 300 Index.
- The vesting scales to apply for Absolute TSR grants are as follows:

FAR TSR relative to TSR of comparator group companies in S&P/ASX Energy 300 Index	% of rights to vest
<50%	-
50%	50%
>50% and <75%	Pro rata
75%	100%

For an analysis of rights granted, vested and forfeited for the year ended 31 December 2020, refer to section 6.3.1.

Employee Share Option Plan

The shareholders of the Company approved an Executive Incentive Plan at the annual general meeting held on 15 May 2015, prior to then the Company did not have a formal share-based compensation scheme and granted options at the discretion of the Board. In accordance with the provisions of the approved plan, the Board at its discretion may grant options to any full-time or permanent part-time employee or officer, or director of the Company to purchase parcels of ordinary shares. All options issued to directors are granted in accordance with a resolution of shareholders.

Each employee option converts into one ordinary share of FAR Ltd on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options neither carry rights to dividends nor voting rights. Options may be exercised at the applicable exercise price from the date of vesting to the date of expiry. See section 6.3.2 for exercise prices.

No options were granted during the year.

5. Key terms of employment contracts

The table below details the key terms of the employment contracts for the Managing Director, Executive Director and other Senior Executives of the Company:

Name	Contract duration	Termination notice by the company	Termination notice by the executive
C M Norman	Ongoing, no fixed term	12 months	3 months
T R Woodall	Ongoing, no fixed term	12 months	3 months
E L Larkin ⁽ⁱ⁾	Ongoing, no fixed term	12 months	2 months
P A Thiessen	Ongoing, no fixed term	12 months	2 months
P J Nicholls ⁽ⁱⁱ⁾	Ongoing, no fixed term	12 months	3 months
M H J Cowie ⁽ⁱⁱⁱ⁾	Ongoing, no fixed term	2 months	2 weeks

(i) E L Larkin was appointed Company Secretary on 21 January 2020.

(ii) P J Nicholls entered an employment contract with the Company on 1 July 2020.

(iii) M H J Cowie's employment contract was amended on 15 October 2020.

6. Executive Remuneration tables

6.1 Remuneration statutory tables

The table below details the remuneration of KMP during the year ended 31 December 2020. All KMP were remunerated in Australian Dollars. Remuneration has been presented in US dollars and all components have been translated from AUD to US dollars using an average exchange rate as follows:

For the year ended: 31 December 2020	Short-term employee benefits		Post-employment ⁽ⁱⁱⁱ⁾	Equity-settled share-based payment ⁽ⁱⁱ⁾	Long-term employee benefits ⁽ⁱ⁾	Total US\$	Performance Related %
	Salary and fees US\$	STI US\$	Superannuation contributions US\$	Performance rights US\$	Long service leave US\$		
C M Norman ^(vii)	455,284	-	14,780	32,384	17,832	520,280	6.2
T R Woodall ^{(iv), (vii)}	388,649	-	14,780	-	2,113	405,542	-
P J Nicholls ^{(v), (vii)}	348,258	-	7,510	28,031	520	384,319	7.3
P A Thiessen ^(vii)	220,284	-	14,780	18,560	7,738	261,362	7.1
M H J Cowie ^(vi)	230,089	-	14,780	17,008	2,427	264,304	6.4
E L Larkin	108,941	-	10,349	-	543	119,833	-
	1,751,505	-	76,979	95,983	31,173	1,955,640	
31 December 2019							
C M Norman	491,962	-	14,445	36,747	16,451	559,605	6.6
T R Woodall ^(iv)	140,038	-	4,870	-	400	145,308	-
P J Nicholls ^(v)	326,356	-	-	64,709	-	391,065	16.5
P A Thiessen	238,710	-	14,445	46,494	16,100	315,749	14.7
M H J Cowie	277,522	-	14,445	16,962	1,638	310,567	5.5
	1,474,588	-	48,205	164,912	34,589	1,722,294	

- (i) Long-term employee benefits represent long service leave ('LSL') entitlements, measured on an accruals basis. The amount included above relates to movement in each executive's entitlement over the year.
- (ii) The figures provided in 'Equity-settled share-based payments' were not provided in cash to the KMP during the financial period. These amounts are calculated in accordance with accounting standards and represent the amortisation of accounting fair values of performance rights that have been granted to KMP in this or prior financial years. The fair value of performance rights have been measured using a generally accepted valuation model. The fair values are then amortised over the entire vesting period of the equity instruments. Total remuneration shown in 'total' therefore includes a portion of the fair value of unvested equity compensation during the year. The amount included as remuneration is not related to or indicative of the benefit (if any) that individuals may ultimately realise should these equity instruments vest and be exercised. Performance rights issued to KMP are unvested at balance date and have no exercise price. These performance rights have vesting conditions as outlined in Section 4.4 of this remuneration report.
- (iii) Represent company contributions to superannuation under the Superannuation Guarantee legislation ('SGC') and does not include amounts salary sacrificed.
- (iv) T R Woodall became an Executive Director on 1 September 2019. As a result, Mr Woodall's remuneration for the year ended 31 December 2019 has been split to illustrate the remuneration received in his role as Executive Director from this date. The remuneration received in his role as non-executive director has been disclosed in Section 7 of this remuneration report.
- (v) P J Nicholls was a consultant of the Company for the period 1 January 2019 to 30 June 2020 and then entered an employment contract on 1 July 2020.
- (vi) M H J Cowie ceased as a KMP on 15 October 2020 when his employment contract was amended to Legal Counsel - Petroleum from General Counsel.
- (vii) During the period July to November 2020 (inclusive) KMP's as indicated by this footnote accepted a 20% fee reduction in line with the Company's cost reduction plan.

6.1.2 Actual pay

The table below provides a summary of actual remuneration paid to the Executives in the 2020 and 2019 years. The accounting values of the Executives' remuneration reported in accordance with the Accounting Standards may not always reflect what the Executives have actually received, particularly due to the valuation of the share-based payments. The table below seeks to clarify this by setting out the actual remuneration that the Executives have been paid in the financial year.

All KMP were remunerated in Australian Dollars. Remuneration has been presented in US dollars and all components have been translated from AUD to US dollars using an average exchange rate.

Executive remuneration details prepared in accordance with statutory requirements and the Accounting Standards are presented in section 6.1.

For the year ended: 31 December 2020	Salary and fees US\$	STI US\$	Superannuation US\$	Total US\$
C M Norman	455,284	-	14,780	470,064
T R Woodall	388,649	-	14,780	403,429
P J Nicholls	348,258	-	7,510	355,768
P A Thiessen	220,284	-	14,780	235,064
M H J Cowie	230,089	-	14,780	244,869
E L Larkin	108,941	-	10,349	119,290
	1,751,505	-	76,979	1,828,484
31 December 2019				
C M Norman	491,962	-	14,445	506,407
T R Woodall	140,038	-	4,870	144,908
P J Nicholls	326,356	-	-	326,356
P A Thiessen	238,710	-	14,445	253,155
M H J Cowie	277,522	-	14,445	291,967
	1,474,588	-	48,205	1,522,793

6.2 Analysis of Short-term incentives

Members of the senior executive were eligible to participate in the Company's 2020 STI plan. The 2020 KPI targets were aligned with the remuneration policy guidance which included financial, corporate and strategic objectives.

Certain measures were identified as core drivers of value for shareholders and were selected to encourage activities and behaviours aligned with the Company's strategy, risk framework and governance principles. Multiple objectives were set within the various performance areas. Group financial indicators included for example, objectives related to managing cash flow; operational performance indicators including risk management and cost control initiatives; and Corporate strategy and governance indicators included measures related to risk, leadership, corporate culture and governance.

The Board determined that no performance based STI would be paid for the year ended 31 December 2020 (2019: Nil) due to the below expectation share price performance.

For further details on short-term incentives see section 4.3.

6.3 Analysis of Long-term incentives

For further details on long-term incentives see section 4.4.

During the current and previous corresponding year, the Company did not grant Performance Rights under the Performance Rights Plan as long-term incentives to the executive team and executive directors.

The Company did not grant any options under the Executive Incentive Plan during the year.

At the date of the remuneration report, no unlisted share options or share performance rights were on issue.

6.3.1 Details of Performance Rights Granted

The value of Performance Rights are allocated to each reporting period over the period from grant date to vesting date. No Performance Rights were granted during the current and previous corresponding year.

The movement during the financial year in the number of Performance Rights held by the Managing Director, Executive Director and Senior Executives is detailed below:

Executive	Opening Balance 1 Jan 2020	Granted as remuneration	Exercised	Forfeited/ Cancelled/ Lapsed unexercised	Net other change ⁽ⁱ⁾	Closing balance 31 Dec 2020
C M Norman	2,163,000	-	-	-	-	2,163,000
P J Nicholls	4,582,000	-	-	-	(2,916,000)	1,666,000
P A Thiessen	3,324,000	-	-	-	(2,243,000)	1,081,000
M H J Cowie	1,136,000	-	-	-	-	1,136,000
	11,205,000	-	-	-	(5,159,000)	6,046,000

(i) 'net change other' represents performance rights (FARAN) that did not vest due to performance conditions not being met and lapsed during the period.

(ii) E L Larkin was appointed Company Secretary on 21 January 2020 and does not hold any performance rights, therefore not included in the table above.

Further, on 31 January 2021, all 6,046,000 performance rights lapsed due to performance conditions not being met.

6.3.2 Details of Options Granted

There were no share options granted or in existence during or at the end of the reporting period.

6.4 Analysis of movement in shareholdings

The number of shares held, directly, indirectly or beneficially, by parent company directors and senior executives are outlined in the tables below:

For the year ended 31 Dec 2020	Balance 1 Jan 20	Received as remuneration	Received on Exercise of Rights/Options	Net Other Change ⁽ⁱ⁾	Balance 31 Dec 20
Directors					
C M Norman	23,974,090	-	-	1,345,882	25,319,972
N J Limb	34,908,139	-	-	10,705,882	45,614,021
R G Nelson	500,000	-	-	1,705,882	2,205,882
T R Woodall	2,250,000	-	-	1,405,882	3,655,882
J D Fowles ⁽ⁱⁱ⁾	150,000	-	-	(150,000)	-
Key Executives					
P J Nicholls	4,543,291	-	-	-	4,543,291
P A Thiessen	7,062,500	-	-	-	7,062,500
M H J Cowie	750,000	-	-	-	750,000
E L Larkin	-	-	-	237,000	237,000
	74,138,020	-	-	15,250,528	89,388,548

For the year ended 31 Dec 2019	Balance 1 Jan 19	Received as remuneration	Received on Exercise of Rights/Options	Net Other Change ⁽ⁱ⁾	Balance 31 Dec 19
Directors					
C M Norman	23,974,090	-	-	-	23,974,090
N J Limb	34,908,139	-	-	-	34,908,139
R G Nelson	500,000	-	-	-	500,000
T R Woodall	2,250,000	-	-	-	2,250,000
J D Fowles ⁽ⁱⁱ⁾	-	-	-	150,000	150,000
Key Executives					
P J Nicholls	4,543,291	-	-	-	4,543,291
P A Thiessen	7,062,500	-	-	-	7,062,500
M H J Cowie	750,000	-	-	-	750,000
	73,988,020	-	-	150,000	74,138,020

(i) Net Other Change represents shares purchased or sold on market during the period, shareholdings recognised upon KMP appointment or de-recognised upon retirement or ceasing employment.

(ii) Dr. J D Fowles resigned from his position as NED on 31 October 2020 and consequently ceased as a KMP member on this date. Dr. Fowles's shareholding at this date has been de-recognised in 'net change other'.

7. Non-executive remuneration

The Company's remuneration policy for non-executive directors considers the following factors when determining levels of remuneration:

- the size, activities and structure of the Company;
- the location and jurisdictions in which the Company operates;
- the responsibilities and work commitment requirements of Board members; and
- the level of fees paid to non-executive directors relative to comparable companies.

Fees paid to non-executive directors are determined by the Board and are subject to an aggregate limit of AU\$600,000 per annum in accordance with the Company's constitution and as approved by shareholders at the Annual General Meeting held in May 2017.

The non-executive director's remuneration policy is as follows:

- Remuneration includes a fixed fee for their services as directors and statutory superannuation (where applicable).
- Entitlement to reimbursement of reasonable travel, accommodation and other expenses incurred whilst engaged on Company business.
- No additional fees are paid for participation on any Board committees.
- At the Board's discretion, additional fees may be paid for special duties or extra services performed on behalf of the Company.

- No provision for retirement benefits other statutory superannuation entitlement.
- No entitlement to participate in incentive-based remuneration schemes from 1 January 2016.

A summary of the Company's remuneration practice in relation to its non-executive directors (inclusive of superannuation) is as follows:

Non-Executive Director	2020 Fixed fee paid ⁽ⁱ⁾ AU\$	Fixed annual fee AU\$
N J Limb	183,333	200,000
R G Nelson	90,000	100,000
J D Fowles ⁽ⁱ⁾	76,667	100,000
	350,000	400,000

(i) Fees shown above are those received by Dr. J D Fowles in his capacity as non-executive director from 1 January 2020 to 31 October 2020.

(ii) During the period July to November 2020 (inclusive) the Non-Executive Directors accepted a 20% fee reduction in line with the Company's cost reduction plan.

All Non-executive directors are remunerated in Australian Dollars. Remuneration has been presented in US dollars and all components have been translated from AUD to US dollars using an average exchange rate as follows:

Year ended 31 December 2020	Director Fees US\$	Superannuation Contributions US\$	Total US\$
Non-Executive Directors			
N J Limb	115,913	11,012	126,925
R G Nelson	56,903	5,405	62,308
J D Fowles	48,472	4,605	53,077
	221,288	21,022	242,310

Year ended 31 December 2019

Non-Executive Directors			
N J Limb	127,042	12,069	139,111
R G Nelson	63,521	6,035	69,556
T R Woodall ⁽ⁱ⁾	255,038	-	255,038
J D Fowles	13,579	1,290	14,869
	459,180	19,394	478,574

(i) Fees shown above are those received by T R Woodall in his capacity as non-executive director from 1 January 2019 to 31 August 2019 including special exertion fees of US\$208,667 (AU\$300,000) received by T R Woodall for services in relation to Senegal project development financing from 1 January 2019 to 31 August 2019 (31 Dec 2018: US\$239,180 - AU\$337,500) deemed by the Board to be outside the scope of his duties as Non-Executive Director of the Company. See 6.1 and 6.1.2 for T R Woodall's executive director remuneration.

8. Loans to KMP

No loans were made to KMP during the year, nor any loans to KMP outstanding.

9. Director related transactions

9.1 Loans to related parties

No loans were made to director related parties during the year.

9.2 Transactions with director related entities

The terms and conditions of transactions with KMP were no more favourable to KMP and their related entities than those available, or which might reasonably be expected to be available, on similar transactions to KMP related entities on an arm's length basis.

9.3 No hedging of remuneration of key management personnel

No member of the KMP has entered into an arrangement (with anyone) to limit the exposure of the member to risk relating to an element of the members remuneration that has not vested in the member or has vested in the member but remains subject to a holding lock.

The directors' report is signed in accordance with a resolution of the directors made pursuant to Section 298(2) of the Corporations Act 2001.

On behalf of the directors



Nicholas J Limb

Chairman

Melbourne, 30 April 2021

FINANCIAL STATEMENTS

For the financial year ended 31 December 2020



AUDITOR'S INDEPENDENCE DECLARATION



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The Board of Directors
FAR Limited
Level 17, 530 Collins Street
Melbourne VIC 3000

30 April 2021

Dear Board Members

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 audit of the financial statements of FAR Limited for the financial year ended 31 December 2020, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

A handwritten signature in blue ink that reads "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in blue ink, appearing to be "Vincent Snijders".

Vincent Snijders

Partner
Chartered Accountants

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2020

	Note	Year ended 31 Dec 2020 US\$	Year ended 31 Dec 2019 US\$
Continuing operations			
Other income	6	291,364	370,160
Depreciation and amortisation expense	7	(309,999)	(232,683)
Exploration expense	7	(10,648,685)	(13,241,193)
Finance costs	7	(38,280)	(49,840)
Corporate administration expenses		(1,272,782)	(1,095,357)
Employee benefits expense	7	(3,663,791)	(3,045,977)
Business development expenses		(245,329)	(386,224)
Foreign exchange gain/(loss)		744,460	(121,809)
Expected credit losses	8	-	1,790,658
Other expenses	7	-	(2,210,508)
Loss before tax from continuing operations		(15,143,042)	(18,222,773)
Income tax expense	9	-	-
Loss for the year from continuing operations		(15,143,042)	(18,222,773)
Discontinuing operations			
Loss for the year from discontinued operations	12	(60,551,688)	(2,921,320)
LOSS FOR THE YEAR		(75,694,730)	(21,144,093)
Other comprehensive income/(loss), net of income tax		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(75,694,730)	(21,144,093)
Loss per share:			
From continuing and discontinued operations			
Basic and diluted loss (cents per share)	21	(0.78)	(0.35)
From continuing operations			
Basic and diluted loss a (cents per share)	21	(0.16)	(0.30)

Notes to the financial statements are included on pages 35 to 70.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Note	Year ended 31 Dec 2020 US\$	Year ended 31 Dec 2019 US\$
CURRENT ASSETS			
Cash and cash equivalents	26	25,933,571	13,752,652
Trade and other receivables	10	1,026,242	1,379,059
Other financial assets	11	7,435	7,008
Assets held for sale	12	161,361,902	-
Total Current Assets		188,329,150	15,138,719
NON-CURRENT ASSETS			
Property, plant and equipment	13	246,660	294,133
Right-of-use assets	18	339,067	610,056
Exploration and evaluation assets	14	5,794,184	119,397,714
Total Non-Current Assets		6,379,911	120,301,903
TOTAL ASSETS		194,709,061	135,440,622
CURRENT LIABILITIES			
Trade and other payables	16	1,380,460	4,617,028
Lease liabilities	18	443,044	368,534
Provisions	17	782,150	689,782
Liabilities associated with assets held for sale	12	34,343,721	-
Total Current Liabilities		36,949,375	5,675,344
NON-CURRENT LIABILITIES			
Lease liabilities	18	64,013	448,181
Provisions	17	24,510	11,517
Total Non-Current Liabilities		88,523	459,698
TOTAL LIABILITIES		37,037,898	6,135,042
NET ASSETS		157,671,163	129,305,580
EQUITY			
Issued Capital	19	439,623,308	335,725,405
Reserves	20	4,585,205	4,422,795
Accumulated losses		(286,537,350)	(210,842,620)
TOTAL EQUITY		157,671,163	129,305,580

Notes to the financial statements are included on pages 35 to 70.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2020

		Reserves					
	Note	Share capital US\$	Share-based payments reserve ⁽ⁱ⁾ US\$	Foreign currency translation reserve ⁽ⁱⁱ⁾ US\$	Total Reserves US\$	Accumulated losses US\$	Total attributable to equity holders of the parent US\$
Balance at 1 January 2019		305,669,212	7,890,201	(3,754,360)	4,135,841	(189,698,527)	120,106,526
Loss for the year		-	-	-	-	(21,144,093)	(21,144,093)
Total comprehensive loss for the year		-	-	-	-	(21,144,093)	(21,144,093)
Issue of shares	19	31,506,577	-	-	-	-	31,506,577
Share issue costs	19	(1,450,384)	-	-	-	-	(1,450,384)
Recognition of share-based payments	28	-	286,954	-	286,954	-	286,954
Balance at 31 December 2019		335,725,405	8,177,155	(3,754,360)	4,422,795	(210,842,620)	129,305,580
Loss for the year		-	-	-	-	(75,694,730)	(75,694,730)
Total comprehensive loss for the year		-	-	-	-	(75,694,730)	(75,694,730)
Issue of shares	19	107,545,810	-	-	-	-	107,545,810
Share issue costs	19	(3,647,907)	-	-	-	-	(3,607,907)
Recognition of share-based payments	28	-	162,410	-	162,410	-	162,410
Balance at 31 December 2020		439,623,308	8,339,565	(3,754,360)	4,585,205	(286,537,350)	157,671,163

(i) This comprises the fair value of rights and options recognised as an employee expense.

(ii) Foreign currency translation reserve represents the foreign currency movement on the revaluation of assets and liabilities held in currencies other than the company's functional and presentation currency.

Notes to the financial statements are included on pages 35 to 70.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

	Note	Year ended 31 Dec 2020 US\$	Year ended 31 Dec 2019 US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and other		8,714	388,605
Receipt of government grant and tax incentive	6	68,261	-
Payments to suppliers and employees		(4,868,215)	(6,309,808)
Payments for exploration expensed		(12,850,373)	(15,130,401)
Repayments from joint operations		161,922	1,823,736
Interest paid – other		(155)	(1,035)
Interest paid on lease liabilities	18	(38,125)	(49,489)
Net cash used in operating activities	26(e)	(17,517,971)	(19,278,482)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	6	216,625	355,202
Payments for exploration and evaluation assets		(2,829,948)	(18,740,582)
Payments for oil and gas properties		(69,016,270)	-
Payments for property, plant and equipment	13	(41,846)	(75,217)
Proceeds from farm-out of exploration and evaluation properties		-	2,422,620
Net cash used in investing activities		(71,671,439)	(16,037,977)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	19	107,545,810	31,506,577
Payment for share issue costs	19	(3,647,907)	(1,450,384)
Payment of lease liabilities		(398,353)	(324,988)
Payment of finance costs related to discontinued operations	12	(3,097,634)	-
Net cash provided by financing activities		100,401,916	29,731,205
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		11,212,506	(5,585,255)
Cash and cash equivalents at the beginning of the year		13,752,652	19,540,172
Effects of exchange rate changes on cash and cash equivalents		968,413	(202,265)
Cash and cash equivalents at the end of the financial year	26(a)	25,933,571	13,752,652

Notes to the financial statements are included on pages 35 to 70.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

1. GENERAL INFORMATION

FAR Ltd (the 'Company') is an Australian listed public company, incorporated in Australia and operating in Africa and Australia. The principal activities of the Company and its subsidiaries (the 'Group') are disclosed in the Directors Report.

FAR Ltd's registered office and its principal place of business at the date of this report is Level 17, 530 Collins Street, Melbourne, Victoria, 3000, Australia.

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

In the current period, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the 'AASB') that are relevant to its operations and effective for reporting periods beginning on 1 January 2020.

The Group has not elected to early adopt any new standards or amendments.

The directors note that the impact of the initial application of the Standards and Interpretations which have been issued but which are not yet effective is not yet known or is not reasonably estimable and is currently being assessed. At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below:

Standard/Interpretation	Effective
AASB 2020-3 Amendments to AASs – Annual Improvements 2018-2020 and Other Amendments	1 January 2022
– Amendment to AASB1, subsidiary as a First-Time Adopter	
– Amendments to AASB3, Reference to the Conceptual Framework	
– Amendments to AASB9, Fees in the '10 per cent' Test for Derecognition of Financial Liabilities	
– Amendments to AASB116, Property, Plant and Equipment: Proceeds before Intended Use	
– Amendments to AASB137, Onerous Contracts – Cost of Fulfilling a Contract	
– Amendments to AASB141, Taxation in Fair Value Measurements	
AASB 2014-10 Amendments to AASs – Sale or Contribution of Assets between an Investor and its Associates or Joint Venture	1 January 2021
AASB 2020-1 Amendments to AASs – Classification of Liabilities as Current or Non-current	1 January 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. The financial report comprises the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 30 April 2021.

Basis of preparation

The 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.

Functional and presentation currency

The functional and presentation currency of FAR Ltd and all its subsidiaries is United States dollars. Transactions in foreign currencies are initially recorded in the functional currency of the transacting entity at the exchange rates prevailing at the date of the transaction. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing at that date.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries (referred to as 'the Group' in these financial statements). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect the returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

(a) Going concern

This annual 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 USD\$75,694,730 (31 Dec 2019: Loss US\$21,144,093) and had a net cash outflow from operating activities of USD\$17,517,971 (31 Dec 2019: US\$19,280,646) during the year ended 31 December 2020. As at 31 December 2020, the Group's current assets (including the Senegal RSSD assets held for sale of US\$161,361,902) exceeded current liabilities by US\$151,379,775 (31 Dec 2019: US\$9,463,375) and the Group had cash and cash equivalents of US\$25,933,571 (31 Dec 2019: US\$13,752,652). Subsequent to 31 December 2020 the Group had unrestricted cash on hand of US\$7,045,588 as at 29 April 2021 (excluding FAR's share of restricted joint operation cash).

Default

In order to maintain the Group's rights and interests in the Senegal RSSD joint operation, the Group is required to meet its joint operations funding obligations. The maximum default period allowed under the Joint Operating Agreement is 6 months. After this period, the Group would be required to give up its interest in the joint operations without compensation and the Group may be required to make certain payments after this with respect to obligations payable at the time of default and over the default period.

In June 2020 the Group first took the strategic decision to default on its obligations in respect of the Senegal Joint Operating Agreement and RSSD Petroleum Sharing Contract and defaulted on the June to October 2020 cash calls inclusive (initial default period). The Group cured this default on 6 November 2020 with a payment of \$29,808,303 including interest. The Group re-entered default in November 2020 and defaulted on the November and December 2020 cash calls (second default period). This default was cured on 14 January 2021 with a payment of US\$15,481,947 including interest. Subsequent to year end, the Group re-entered default on 18 January 2021. At the date of this report the outstanding default amount is US\$68,546,704 excluding interest representing the January, February, March and April 2021 cash calls (third default period). The May 2021 cash call of US\$4,779,551 issued by the operator and June 2021 cash call US\$11,631,444 currently forecast, total US\$16,410,995. The Group does not have sufficient cash on hand to exit default prior to the end of the 6 month maximum default period on 18 July 2021 unless the asset sale to Woodside is completed. The Directors consider it likely that asset sale will be achieved in the required timeframe.

Sale of Senegal RSSD Project

Under the Senegal Joint Operating Agreement and RSSD Petroleum Sharing Contract, the Group is required to fund its share of the agreed budget approved on 20 January 2020. During the period, the impact of COVID-19 and the global oil price collapse meant the Group could not complete the debt component of its planned financing strategy. As a result, in H1 2020 the Group commenced a review of strategic options for the project including a competitive sales process. On 11 November 2020 the Group announced it had executed a Sale and Purchase Agreement for the RSSD project with ONGC Videsh Vankorneft Pte Ltd (ONGC). This sale was pre-empted by Woodside Energy (Senegal) B.V. (Woodside) on 3 December 2020 and the Group executed a Sale and Purchase Agreement with

Woodside on 19 January 2021 on the same terms and conditions. The Sale and Purchase Agreement includes four conditions precedent and other conditions typical of a transaction of its nature. Three conditions precedent have been met. The Woodside transaction has not been further pre-empted and the Government of Senegal's 60 day deemed approval period has passed and FAR expects to receive written confirmation of same in due course. A General Meeting of FAR Ltd shareholders held 15 April 2021 and adjourned to 28 April 2021 (postponed from the original date of 21 December 2020) voted to approve the sale to Woodside.

At the date of these financial statements one condition precedent remains outstanding, being the termination or otherwise satisfactory resolution of a third-party agreement unless waived by Woodside. Termination of the third-party agreement has not yet occurred. The long-stop date for the completion of the sale is 3 June 2021. Total expected proceeds to be received on completion from the sale of the Senegal asset is US\$127,018,181 (see Note 12 for further information).

COVID-19

In addition to the impact of COVID-19 on the Group's Senegal asset, throughout 2020 COVID-19 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. COVID restrictions and delays impacted staff and contractor mobilisation and the availability of materials and equipment.

The Group will continue to manage its activities and intends to put in place all such arrangements (including the sale of its Senegal asset to Woodside) 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 to Note 14 and 15. In the opinion of the directors, the Group will be in a position to continue to meet its liabilities and obligations for a period of at least twelve months from the date of signing this report, because the Group believes it is likely that it will complete the sale of the Senegal asset within the required timeframe, and hence will be able to secure and execute its remaining planned activities over the same period.

The opinion of the directors has been determined after consideration of the abovementioned subsequent events, the Group's cash position and forecast expenditures, the execution of a Sale and Purchase Agreement with Woodside, and the status of outstanding conditions precedent and completion tasks subject to the key conditions described above.

At the date of this audited financial report it is uncertain whether the remaining condition precedent and the completion tasks in relation to the RSSD sale, which are partly outside the control of FAR Ltd, will be satisfied, and therefore whether the RSSD sale will complete and whether the proceeds from the sale will be received in the required timeframe. These circumstances would indicate that a material uncertainty exists that may cast doubt as to whether the Group will be able to continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

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.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3 and the financial statements, management is required 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 12 – Discontinued operations

Note 14 – Exploration and evaluation assets

Note 15 – Oil and gas properties

Note 18 – Lease liabilities

Note 28 – Share-based payments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

5. 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:

	Assets		Liabilities	
	Year ended 31 Dec 2020 US\$	Year ended 31 Dec 2019 US\$	Year ended 31 Dec 2020 US\$	Year ended 31 Dec 2019 US\$
Australia	-	-	-	-
The Gambia	4,168,271	810,629	519,455	695,429
Guinea-Bissau	3,202,574	2,044,055	606,102	133,360
Kenya	-	224,752	-	23,071
Senegal	195,357	94,799	62,009	166,628
Other	-	-	-	10,387
Corporate	25,780,957	15,727,071	1,506,611	1,872,709
Total segment assets and liabilities from continuing operations	33,347,159	18,901,306	2,694,177	2,901,584
Assets and liabilities relating to discontinued operations	161,361,902	116,539,316	34,343,721	3,233,458
Total	194,709,061	135,440,622	37,037,898	6,135,042

Segment Revenue and Results

The following is an analysis of the Group's revenue and results from operations:

	Revenue		Segment Loss	
	Year ended 31 Dec 2020 US\$	Year ended 31 Dec 2019 US\$	Year ended 31 Dec 2020 US\$	Year ended 31 Dec 2019 US\$
Australia	-	-	(278,103)	(391,656)
The Gambia	-	-	(10,362,726)	(9,639,245)
Guinea-Bissau	-	-	(348,889)	(1,230,035)
Kenya	-	-	(479,530)	(201,568)
Other	-	-	-	(386,224)
Corporate	291,364	370,160	(3,673,794)	(6,374,045)
Total for continuing operations	291,364	370,160	(15,143,042)	(18,222,773)
Income tax expense			-	-
Loss from discontinued operations			(60,551,688)	(2,921,320)
Loss after tax and discontinued operations			(75,694,730)	(21,144,093)

The revenue reported above represents revenue generated from external sources. There were no intersegment sales during the year.

Other Segment Information

	Depreciation and Amortisation		Additions to Non-Current Assets	
	Year ended 31 Dec 2020 US\$	Year ended 31 Dec 2019 US\$	Year ended 31 Dec 2020 US\$	Year ended 31 Dec 2019 US\$
Australia	-	-	-	-
The Gambia	(76,602)	(11,870)	2,921,832	290,535
Guinea-Bissau	-	-	555,812	1,084,812
Senegal	-	-	-	18,043,283
Corporate	(233,397)	(220,813)	41,846	947,465
Total	(309,999)	(232,683)	3,519,490	20,366,095

6. OTHER INCOME

	Year ended 31 Dec 2020 US\$	Year ended 31 Dec 2019 US\$
– Interest income	216,625	355,202
– Rental income	6,104	14,958
– Government grants and tax incentives – Cash flow boost payments	68,261	-
– Other	374	-
	291,364	370,160

Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Government Grants

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

7. LOSS FOR THE YEAR

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

	Note	Year ended 31 Dec 2020 US\$	Year ended 31 Dec 2019 US\$
Depreciation and amortisation:			
– Property, plant & equipment	13	(86,143)	(113,049)
– Right-of-use assets	18	(356,674)	(273,212)
– Less reallocation to exploration expense		132,818	153,578
		(309,999)	(232,683)
Exploration Expense:			
– Australia		(262,532)	(391,656)
– The Gambia		(9,930,545)	(11,417,934)
– Guinea-Bissau		(344,664)	(1,230,035)
– Kenya		(110,944)	(201,568)
		(10,648,685)	(13,241,193)
Finance costs:			
– Interest on bank		(155)	(351)
– Interest on lease liabilities	18	(38,125)	(49,489)
		(38,280)	(49,840)
Employee benefits expense:			
– Remuneration expense		(3,729,777)	(3,047,720)
– Termination benefit expense		(186,979)	-
– Recharge of remuneration expense to exploration expense		649,422	498,106
<i>Post employment benefits:</i>			
– superannuation contributions		(188,749)	(159,278)
– amortisation of equity-settled share-based payments – performance rights	28	(162,410)	(286,953)
– provision for leave entitlements	17	(45,298)	(50,132)
		(3,633,791)	(3,045,977)
Other expenses:			
– Corporate finance management		-	(329,810)
– Cost of international arbitration		-	(1,880,698)
		-	(2,210,508)

8. EXPECTED CREDIT LOSSES

	Year ended 31 Dec 2020 US\$	Year ended 31 Dec 2019 US\$
– Expect credit losses ⁽ⁱ⁾	-	1,790,658

(i) During the previous corresponding period the Group reversed amounts provided for in full in 2018 for its share of The Gambia Block A2 and A5 Joint operations receivable from joint operations participant relating to outstanding cash contributions due to the Joint operation.

9. INCOME TAXES

(a) Income tax recognised in profit or loss

	Year ended 31 Dec 2020 US\$	Year ended 31 Dec 2019 US\$
Tax (income) comprises:		
Current tax income	(4,136,148)	(4,662,044)
Tax losses not brought to account	4,136,148	4,662,044
Deferred tax expense relating to the origination and reversal of temporary differences	143,479	(1,541,279)
Benefit arising from previously recognised tax losses of prior periods used to reduce deferred tax expense	(143,479)	1,541,279
Update of prior year amounts	1,655,957	36,280
Utilisation of previously unrecognised tax losses	(1,665,957)	(36,280)
Total tax expense/(income)	-	-

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

	Year ended 31 Dec 2020 US\$	Year ended 31 Dec 2019 US\$
Loss from operations	(75,694,730)	(21,144,093)
Income tax (income) calculated at 30%	(22,708,419)	(6,343,228)
Non-deductible expenses ⁽ⁱ⁾	19,135,174	2,105,458
Non-assessable gains	-	(655)
Recognition of previously unrecognised deductible temporary differences	(562,903)	(423,618)
Unused tax losses and tax offsets not recognised as deferred tax assets	4,136,148	4,662,044
Income tax expense recognised in loss	-	-

(i) Includes the loss for the year from discontinued operations of \$18,165,506 due mainly to the remeasurement loss on the Senegal RSSD oil and gas properties.

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period. No tax has been assessed on its foreign projects due to the projects currently operating in the exploration and evaluation phase and therefore not deriving production revenues.

(b) Income tax recognised directly in equity

There were no current and deferred amounts charged directly to equity during the period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

(c) Deferred tax balances

Taxable and deductible temporary differences arise from the following:

	Opening balance US\$	Recognised in income US\$	Closing balance US\$
2020			
Property, plant & equipment	(28,505)	95,539	67,034
Payables	44,960	16,332	61,292
Provisions	210,389	31,608	241,998
Total	226,844	143,479	370,324
2019			
Property, plant & equipment	(108)	(28,397)	(28,505)
Receivables	507,004	(507,004)	-
Payables	1,066,020	(1,021,060)	44,960
Provisions	195,207	15,182	210,389
Total	1,768,123	(1,541,279)	226,844

	31 Dec 2020 US\$	31 Dec 2019 US\$
Unrecognised deferred tax balances		
The following deferred tax assets have not been brought to account as assets:		
Deferred tax assets on temporary differences (net)	370,324	226,844
Tax losses in Gambia	8,482,821	5,111,305
Tax losses in Australia	16,271,347	18,587,107
Capital losses in Australia	3,891,376	74,188
	29,015,868	23,999,445

Tax consolidation

Relevance of tax consolidation to the Group

The Company and its wholly-owned Australian resident entities have formed a tax consolidated group with effect from 1 July 2007 and are therefore taxed as a single entity from this date. The Head Entity within the tax consolidated group is FAR Ltd. The members of the tax consolidated group are identified at Note 24.

Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company/Group intends to settle its current tax assets and liabilities on a net basis.

Tax consolidation

The Company and all its wholly-owned Australian resident Entities are part of a tax consolidated group under Australian taxation law. FAR Ltd is the Head Entity in the tax consolidated group. A tax funding arrangement has not been finalised between Entities within the tax consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using the 'stand-alone taxpayer' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax consolidated group are recognised by the Company (as Head-Entity in the tax consolidated group).

10. TRADE AND OTHER RECEIVABLES

Current	31 Dec 2020 US\$	31 Dec 2019 US\$
Other receivables	217,286	722,769
Prepayments	347,739	539,330
Joint operations receivables ⁽ⁱ⁾	461,217	116,960
	1,026,242	1,379,059

(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 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 approximates their fair value.

11. OTHER FINANCIAL ASSETS

Current	31 Dec 2020 US\$	31 Dec 2019 US\$
Security deposit ⁽ⁱ⁾	7,435	7,008

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

12. DISCONTINUED OPERATIONS

As noted in Note 3(a) 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 reclassified as discontinued operations as at 31 December 2020:

Current	Note	31 Dec 2020 US\$
Inventories		2,771,738
Oil and gas properties	15	158,590,164
Assets held for sale		161,361,902
Trade and other payables		34,343,721
Liabilities associated with assets held for sale		34,343,721
Net assets of disposal group		127,018,181

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For the financial year ended 31 December 2020

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 31 December 2020 is US\$127,018,181 (excludes contingent payments). The resulting loss on the remeasurement of the

carrying value to fair value less costs to sell is US\$55,760,120 which has been recognised in the Group's accounts.

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 (Woodside has the discretion to waive this condition) and other customary provisions for a sale and purchase agreement of its type.

Recognition and measurement

Non-current 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 non-current asset is recognised at the date of derecognition. Non-current 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.

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

	Note	31 Dec 2020 US\$	31 Dec 2019 US\$
Loss for the year from discontinued operations			
Exploration expense		(1,661,285)	(2,921,320)
Finance costs – default period interest charge		(210,097)	-
Finance costs – finance facility break fees and associated costs ⁽ⁱ⁾		(2,887,382)	-
Foreign exchange loss		(32,804)	-
Loss on remeasurement of discontinued operations of oil and gas properties	15	(55,760,120)	-
Loss before tax from discontinued operations		(60,551,688)	(2,921,320)
Income tax expense		-	-
Loss after tax for the year from discontinued operations		(60,551,688)	(2,921,320)
Cash flows from discontinued operations			
Net cash used in operating activities		(1,831,744)	(1,258,272)
Net cash used in investing activities		(69,016,270)	(15,540,782)
Net cash outflows		(70,848,014)	(16,799,054)

- (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's 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.

13. PROPERTY, PLANT AND EQUIPMENT

	Note	31 Dec 2020 US\$	31 Dec 2019 US\$
Property, plant and equipment cost			
Balance at 1 January		867,440	838,931
Additions		41,846	75,217
Disposals		(5,040)	(46,708)
Balance at 31 December		904,246	867,440
Accumulated depreciation and impairment			
Balance at 1 January		(573,307)	(506,966)
Depreciation expense	7	(86,143)	(113,049)
Disposals		1,864	46,708
Balance at 31 December		(657,586)	(573,307)
Net carrying value		246,660	294,133
		31 Dec 2020 US\$	31 Dec 2019 US\$
Net carrying value – Represented by:			
Office furniture and equipment		246,660	294,133

Plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Except in the case of those assets which are depreciated on a straight line basis over their useful lives, all other tangible

assets have limited useful lives and are depreciated using the diminishing value method over their estimated useful lives, taking into account estimated residual values, to write off the cost to its estimated residual value, as follows: Furniture, fittings and equipment: 10-40%

Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the diminishing value method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period and adjusted if appropriate.

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For the financial year ended 31 December 2020

14. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation expenditure	Note	31 Dec 2020 US\$	31 Dec 2019 US\$
Balance at 1 January		119,397,714	99,987,939
Additions ⁽ⁱ⁾		3,391,959	19,409,775
Transferred to oil and gas properties ⁽ⁱⁱ⁾	15	(116,995,489)	-
Balance at 31 December		5,794,184	119,397,714
Net carrying value – By area of interest:			
The Gambia		3,117,827	281,680
Guinea-Bissau		2,676,357	2,120,545
Senegal		-	116,995,489
Balance at 31 December		5,794,184	119,397,714
Exploration and evaluation commitments		31 Dec 2020 US\$	31 Dec 2019 US\$
Not longer than 1 year		435,437	7,657,422

(i) Additions include The Gambia Blocks A2 and A5 exploration well planning and preparation costs of US\$2,836,147, including long lead items of US\$1,396,912 (31 Dec 2019: US\$281,680) and Guinea-Bissau exploration well long lead items of US\$555,812. In the previous corresponding period, additions included Senegal RSSD pre-development FEED and related costs US\$18,043,283.

(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 costs

Expenditure on exploration and evaluation is accounted for in accordance with the area of interest method. The Group's application of the accounting policy for the cost of exploring and of evaluating discoveries are accounted for under the successful efforts method.

Areas of interest are based on a geographical area. All exploration and evaluation expenditure, including general permit activity, geological and geophysical costs and new venture activity costs are expensed as incurred except for the following:

- (i) where the expenditure related to an exploration discovery that, at the reporting date, has not been recognised as an area of interest, because an assessment of the existence or otherwise of economically recoverable reserves is not yet complete; or
- (ii) where the expenditure relates to a recognised area of interest and it is expected that the expenditure will be recouped through successful exploitation of the area of interest, or alternatively, by its sale.

The costs of acquiring an interest in new exploration and evaluation licences are capitalised. The costs of drilling exploration wells are initially capitalised pending the results of the well. Costs are expensed where the well does not result in the successful discovery of economically recoverable hydrocarbons and the recognition of an area of interest.

Subsequent to the recognition of an area of interest, all further evaluation costs relating to that area of interest are capitalised. Upon approval for the commercial development of an area of interest, accumulated expenditure for the area of interest is transferred to oil and gas properties.

In the statement of cashflows, those cash flows associated with capitalised exploration and evaluation expenditure, including unsuccessful wells, are classified as cash flows used in investing activities.

Exploration 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.

Critical judgements in applying the Company's accounting policies:

(i) Area of interest

An area of interest is defined by the Group as an individual geographical area whereby the presence of hydrocarbon is considered favourable or proved to exist.

(ii) Impairment of exploration and evaluation assets

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation or alternatively, sale of the respective area of interest. To successfully develop the exploration and evaluation assets the Group is also required to meet its joint venture funding obligations. Should the Group not succeed in securing appropriate funding to meet revised joint venture funding obligations, the recoverability of capitalised exploration and evaluation assets could be impacted and may be required to be impaired.

Each potential or recognised area of interest is reviewed half-yearly to determine whether economic quantities of reserves have been found or whether further exploration and evaluation work is underway or planned to support continued carry

forward of capitalised costs. Where a potential impairment is indicated, assessment is performed using a fair value less costs to dispose method to determine the recoverable amount for each area of interest to which the exploration and evaluation expenditure is attributed.

This assessment requires management to make certain estimates and apply judgment in determining assumptions as to future events and circumstances, the assessment includes estimates

in relation to forecast commodity price curves, future production and transportation costs, the volume of economically recoverable hydrocarbons, foreign exchange rates and discount rates. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the policy, the Group concludes that it is unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to the income statement.

15. OIL AND GAS PROPERTIES

Development assets	Note	31 Dec 2020 US\$	31 Dec 2019 US\$
Opening balance		-	-
Transferred from exploration and evaluation assets	14	116,995,489	-
Additions		97,354,795	-
Loss on remeasurement of discontinued operations	12	(55,760,120)	-
Transfer to Assets held-for-sale	12	(158,590,164)	-
Closing balance at 31 December		-	-

Development assets commitments:

The Group received notification of default of its payments to the RSSD joint operation, effective from 18 January 2021. The January, February, March and April 2021 cash calls amounting to US\$68,546,704 currently remain unpaid. 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.

Senegal – Sangomar Field Development	Note	31 Dec 2020 US\$	31 Dec 2019 US\$
Not longer than 6 months		-	28,209,583
Unpaid cash calls ⁽ⁱ⁾	12	73,326,255	-

- (i) Represents January, February, March and April 2021 Senegal default cash calls US\$68,546,704 and May 2021 Senegal cash call US\$4,779,551 issued by the operator up to the date of this report. Operators current forecast cash call for the balance of the 6 months from date of default to June is US\$11,631,444. This amount is not included in the above amount of US\$73,326,255. The June cash call amount may change and is expected to be issued by operator subsequent to the date of this report. Interest accrues on the default cash calls at the 1-month LIBOR for US Dollars plus 2 percentage points per annum.

16. TRADE AND OTHER PAYABLES

	31 Dec 2020 US\$	31 Dec 2019 US\$
Current		
Trade payables ⁽ⁱ⁾	110,248	150,484
Other payables	297,810	393,636
Joint operations payables ⁽ⁱⁱ⁾	972,402	4,072,908
	1,380,460	4,617,028

- (i) The average credit period on purchases is approximately 30 days. No interest is charged on the trade payables for the first 30 days from the date of the invoice. Thereafter, interest may be levied on the outstanding balance at varying rates. The Group has financial risk management practices in place to ensure payables are paid within the credit timeframe.
- (ii) At 31 December 2020, 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 12. In the previous corresponding reporting period, joint operation payables relating to Senegal amounted to US\$3,233,458.

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17. PROVISIONS

Movement in employee benefits provision: ⁽ⁱ⁾	Note	31 Dec 2020 US\$	31 Dec 2019 US\$
Carrying amount at 1 January		701,299	650,691
Employee benefits expense	7	45,298	50,132
Net foreign exchange differences		60,063	476
Balance at 31 December		806,660	701,299
Net carrying value – represented by:			
Current		782,150	689,782
Non-Current		24,510	11,517
Balance at 31 December		806,660	701,299

(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.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, the future outflow of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received, and the amount of the receivable can be measured reliably.

Employee benefits

Short and long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Amounts expected to settle within twelve months are recognised in current provisions in respect of employees' services up to the reporting date. Costs incurred in relation to sick leave are recognised when leave is taken and are measured at the rates paid or payable.

Liabilities recognised in respect of long-term employee benefits are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Termination benefits

Where contractual arrangements provide for a payment to a director or employee on termination of their employment, a provision for the payment of such amounts is recognised as the obligation arises.

18. 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 US\$	
As at 1 January 2019	104,953	-	104,953	104,953
Additions during the year	763,847	14,468	778,315	1,062,025
Depreciation expense	(265,255)	(7,957)	(273,212)	-
Interest expense	-	-	-	49,489
Lease payments	-	-	-	(364,924)
Net foreign exchange differences	-	-	-	(34,828)
As at 31 December 2019	603,545	6,511	610,056	816,715
As at 1 January 2020	603,545	6,511	610,056	816,715
Additions during the year	85,685	-	85,685	85,685
Depreciation expense	(350,163)	(6,511)	(356,674)	-
Interest expense	-	-	-	38,125
Lease payments	-	-	-	(458,479)
Net foreign exchange differences	-	-	-	25,011
As at 31 December 2020	339,067	-	339,067	507,057

Net carrying value of right-of-use assets	US\$
As at 31 December 2019	610,056
As at 31 December 2020	339,067

Lease liabilities are presented in the Statement of financial position as:

	31 Dec 2020 Lease Liabilities US\$	31 Dec 2019 Lease Liabilities US\$
Current	443,044	368,534
Non-Current	64,013	448,181
As at 31 December	507,057	816,715

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

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In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms of two to three years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in business strategy).

The Group did not include the renewal period as part of the lease term for leases of office premises and office equipment due to the significance of these assets in which the Group operates geographically in its current environment. These leases have a short non-cancellable period (i.e. two to three years). The renewal options for leases of office premises were not included as part of the lease term because the Group has a policy of leasing premises for not more than two to five years and hence not exercising any renewal options.

19. ISSUED CAPITAL

	31 Dec 2020 Number	31 Dec 2019 Number	31 Dec 2020 US\$	31 Dec 2019 US\$
Fully paid ordinary share				
At beginning of the period	6,280,387,002	5,461,532,458	335,725,405	305,669,212
Shares allotted during the period:				
– shares issued on 7 May 2019 – placement	-	707,854,544	-	27,299,038
– shares issued on 17 May 2019 – placement	-	111,000,000	-	4,207,539
– shares issued on 24 Jan 2020 – SPP	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)	(1,450,384)
Ordinary fully paid shares at end of year	9,978,830,197	6,280,387,002	439,623,308	335,725,405

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.

Performance rights outstanding at balance date

Refer Note 28 share-based payments for details of share performance rights outstanding at 31 December 2020.

20. RESERVES

	Note	31 Dec 2020 US\$	31 Dec 2019 US\$
Equity-settled share-based payments reserve	28	8,339,565	8,177,155
Foreign currency translation reserve		(3,754,360)	(3,754,360)
		4,585,205	4,422,795

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.

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.

21. 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.

	31 Dec 2020 US Cents	31 Dec 2019 US Cents
Basic and diluted loss per share		
– From continuing and discontinued operations	(0.78)	(0.39)
– From continuing operations	(0.16)	(0.35)

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

	Year ended 31 Dec 2020 US\$	Year ended 31 Dec 2019 US\$
Loss for the year attributable to members of FAR Ltd	(75,694,719)	(21,144,093)
	Number	Number
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	9,698,736,849	5,992,429,394

The following potential ordinary shares are not considered dilutive as the Company recognised a loss for the year ended, and are therefore excluded from the weighted average number of ordinary shares used in the calculation of diluted EPS:

Unlisted performance rights	Note	31 Dec 2020 Number	31 Dec 2019 Number
FARAN	28	-	10,293,000
FARAM	28	9,353,000	9,353,000
		9,353,000	19,646,000

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22. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	31 Dec 2020 US\$	31 Dec 2019 US\$
Contingent liabilities		
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
	13,567,811	13,567,811

- (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 23 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 31 December 2020 is US\$567,811 (31 December 2019: US\$567,811).

There are no contingent liabilities arising from service contracts with executives.

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.

23. JOINT OPERATIONS

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

Name	Country	Equity Interest	
		31 Dec 2020 %	31 Dec 2019 %
Sinapa/Esperanca ⁽ⁱ⁾	Guinea-Bissau	21.43	21.43
L6 ⁽ⁱⁱ⁾	Kenya	-	60.0
Rufisque Offshore / Sangomar Offshore / Sangomar Deep Offshore – Exploitation ⁽ⁱⁱⁱ⁾	Senegal	13.67	15.0
Rufisque Offshore / Sangomar Offshore / Sangomar Deep Offshore – Exploration	Senegal	15.0	15.0
Block A2/ Block A5 ^(iv)	The Gambia	50.0	50.0

- (i) In April 2017, negotiations concluded with the National Oil Company of Guinea-Bissau, Petroguin to revise the terms of both the Sinapa and Esperanca Licenses to which FAR has interests. Under the revised licence terms, FAR has a 21.43% participating interest in the permit, an increase from 15% and FAR's paying interest remains at 21.43%.
- (ii) In June 2020 FAR's wholly owned subsidiary Flow Energy Pty Ltd the Operator of the Kenya Block L6, issued a Surrender and Termination Notice to the Kenyan Government reducing FAR's interest to nil.
- (iii) 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, 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%.
- (iv) On 1 October 2019, the Company announced the Ministry of Petroleum and Energy of The Gambia approved the acquisition of an additional 10% interest in Blocks A2 and A5 giving FAR a 50% working interest and retained Operatorship.

The Groups' 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.

	31 Dec 2020 US\$	31 Dec 2019 US\$
Current Assets		
Cash and cash equivalents	910,242	(82,512)
Trade and other receivables	461,217	116,960
	1,371,459	34,448
Non-Current Assets		
Property, plant and equipment	43,748	56,086
Exploration and evaluation assets	2,958,037	119,397,714
	3,001,785	119,453,800
Current Liabilities		
Trade and other payables	972,402	4,072,908

Contingent liabilities and capital commitments

The capital commitments arising from the Group's interests in joint operations are disclosed in Note 14 and Note 15.

The contingent liabilities in respect of the Group's interest in joint operations are disclosed in Note 22.

Interests in Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Under certain agreements, more than one combination of participants can make decisions about the relevant activities and therefore joint control does not exist. Where the arrangement has the same legal form as a joint operation but is not subject to joint control, the group accounts for its interest in accordance with the contractual agreement by recognising its share of jointly held assets, liabilities, revenues and expenses of the arrangement.

When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- (i) Its assets, including its share of any assets jointly held;
- (ii) Its liabilities, including its share of any liabilities incurred jointly;
- (iii) Its revenue from the sale of its share of the output arising from the joint operation;
- (iv) Its share of the revenue from the sale of the output by the joint operation; and
- (v) Its expenses, including its share of any expenses incurred jointly.

The Group accounts for its assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the AASB's applicable to the particular assets, liabilities, revenues and expenses.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

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For the financial year ended 31 December 2020

24. SUBSIDIARIES

In line with the decision to sell the Senegal RSSD asset and the impact of COVID-19 the Company made the decision during the year to restructure the Group to reduce administrative costs and simplify the organisational structure. As part of the restructure multiple entities within the Group either have or currently are in the process of being voluntarily de-registered. See notes below for further information.

Name of Entity	Country of incorporation	Ownership interest	
		2020 %	2019 %
Parent Entity			
FAR Ltd ⁽ⁱ⁾	Australia		
Subsidiaries			
FAR Holdings 1 Pty Ltd ⁽ⁱⁱ⁾	Australia	100	100
FAR Holdings 2 Pty Ltd ⁽ⁱⁱ⁾	Australia	100	100
FAR Holdings 3 Pty Ltd ⁽ⁱⁱ⁾	Australia	100	100
FAR Meridian Pty Ltd ⁽ⁱⁱⁱ⁾	Australia	100	100
Flow Energy Pty Ltd ⁽ⁱⁱⁱ⁾	Australia	100	100
Lightmark Enterprises Pty Ltd ⁽ⁱⁱ⁾	Australia	100	100
FAR Gambia Ltd	Mauritius	100	100
FAR Mauritius 1 Pty Ltd	Mauritius	100	100
FAR Guinea-Bissau	Mauritius	100	100
FAR Senegal RSSD SA	Senegal	100	100
First Australian Resources Pty Ltd ^{(iii) (iii) (iv)}	Australia	-	100
Humanot Pty Ltd ^{(ii) (iii) (iv)}	Australia	-	100
Neptune Exploration Pty Ltd ^{(iii) (iv)}	Australia	-	100
First Australian Resources, Inc. ^(vi)	USA	-	100
Petrole Investments Group Pty Ltd ^(v)	Mauritius	100	100
FAR Mauritius 2 Pty Ltd ^(v)	Mauritius	100	100
FAR Kenya L6 ^(v)	Mauritius	100	100
FAR Senegal 1 SA ^(v)	Senegal	100	100
FAR Senegal Djiffere SA ^(vi)	Senegal	-	100

(i) FAR Ltd is the ultimate holding company and Head Entity within the Australian tax consolidated group.

(ii) These companies are members of the Australian tax consolidated group.

(iii) For the previous corresponding year, these wholly-owned controlled Entities were party to a deed of cross guarantee with FAR Ltd pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 and were relieved from the requirements to prepare and lodge an audited financial report. Refer to Note 25 for further details.

(iv) First Australian Resources Pty Ltd, Humanot Pty Ltd and Neptune Exploration Pty Ltd were voluntarily de-registered on 26 August 2020.

(v) The Group commenced voluntary de-registration of these Companies during the year and expects them to be completed in the early part of 2021.

(vi) On 11 March 2020, First Australian Resources Inc., and on 28 August 2020 FAR Senegal Djiffere SA respectively were voluntarily dissolved.

25. DEED OF CROSS GUARANTEE

The wholly-owned entities detailed in Note 24 have entered into a deed of cross guarantee with FAR pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 and are relieved of the requirement to prepare and lodge an audited financial report.

The effect of the deed of cross guarantee is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the controlled entities under certain provisions of the Corporations Act 2001.

If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The controlled entities have also given similar guarantees in the event that the Company is wound up.

On 26 August 2020, Humanot Pty Ltd, Neptune Exploration Pty Ltd and First Australia Resources Pty Ltd were voluntarily de-registered and are no longer party to the deed of cross guarantee. As a result, no parties to the deed of cross guarantee existed at year ended 31 December 2020, as such, no consolidation financial information is presented below.

The consolidated statement of profit and loss and other comprehensive income and statement of financial position of entities which were party to the deed of cross guarantee, after eliminating all transactions between parties of the deed of cross guarantee, for the previous corresponding period are as follows:

	Year ended 31 Dec 2019 US\$
Statement of profit or loss and other comprehensive income	
Interest income	365,110
Depreciation and amortisation expense	(227,554)
Impairment of intercompany loans and investments	(9,053,039)
Exploration expense	(4,484,420)
Finance costs	(42,874)
Administration expense	(663,033)
Employee benefits expense	(2,589,240)
Consulting expense	(82,870)
Foreign exchange loss	(104,136)
Other expenses	(2,425,926)
Loss before income tax	(19,307,982)
Income tax expense	-
Loss for the year	(19,307,982)
Other comprehensive income/(loss)	
<i>Items that may be reclassified subsequently to profit or loss</i>	
Exchange differences arising on translation of foreign operations	(2,586)
Total comprehensive loss	(19,310,568)

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	31 Dec 2019 US\$
Statement of Financial Position	
CURRENT ASSETS	
Cash and cash equivalents	11,936,258
Trade and other receivables	698,280
Total Current Assets	12,634,538
NON-CURRENT ASSETS	
Trade and other receivables	7,302
Other financial assets	99
Property, plant and equipment	753,304
Exploration and evaluation assets	119,116,034
Total Non-Current Assets	119,876,739
TOTAL ASSETS	132,511,277
CURRENT LIABILITIES	
Trade and other payables	3,795,021
Other financial liabilities	654,002
Provisions	330,070
Total Current Liabilities	4,779,093
NON-CURRENT LIABILITIES	
Other financial liabilities	417,386
Provisions	11,517
Total Non-Current Liabilities	428,903
TOTAL LIABILITIES	5,207,996
NET ASSETS	127,303,281
EQUITY	
Issued capital	335,725,405
Reserves	2,379,271
Accumulated losses	(210,801,395)
TOTAL EQUITY	127,303,281
Accumulated Losses	31 Dec 2019 US\$
Balance at beginning of financial year	(191,493,413)
Net loss for the year	(19,307,982)
Balance at end of financial year	(210,801,395)

26. NOTES TO THE CASHFLOW STATEMENT

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the consolidated cash flows can be reconciled to the related items in the statement of financial position as follows:

	31 Dec 2020 US\$	31 Dec 2019 US\$
Cash and cash equivalents	554,028	1,435,762
Deposits at call & term deposits	24,242,929	12,100,719
Term deposits	226,372	298,683
Cash and cash equivalents held in joint operations	910,242	(82,512)
	25,933,571	13,752,652

(b) Financing facilities

The Group had no external borrowings at 31 December 2020. (31 December 2019: Nil).

(c) Cash balances not available for use

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

(d) Restricted cash

The Company has US\$226,372 (31 Dec 2019: US\$208,716) 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' corporate head office lease in the form of a bank guarantee.

(e) Reconciliation of loss for the period to net cash flows from operating activities

	31 Dec 2020 US\$	31 Dec 2019 US\$
Loss for the year	(75,694,730)	(21,144,093)
<i>Adjustments for:</i>		
Depreciation and amortisation of non-current assets	442,817	386,261
Unrealised foreign exchange (gain)/loss	(903,376)	77,865
Equity-settled share-based payments	162,410	286,953
Exploration expensed	-	92,387
Loss on remeasurement of discontinued operations of oil and gas properties	55,760,120	-
Finance costs related to discontinued operations	3,097,479	-
Loss on disposal of property, plant and equipment	3,176	-
Interest income	(216,625)	(355,202)
Lease incentive	-	283,710
Gain on sale of exploration and evaluation assets	-	(1,047,856)
Other – repayment of loans from joint operations	-	1,823,735
(Increase)/decrease in assets:		
Trade and other receivables	342,896	(92,634)
Decrease/(increase) in liabilities:		
Trade and other payables	(573,746)	360,259
Provisions for employee entitlements	61,609	50,132
Net cash used in operating activities	(17,517,971)	(19,278,482)

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes on value, net of outstanding bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

27. FINANCIAL AND RISK MANAGEMENT

The Board has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate, risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Group's principal financial instruments are cash and short-term deposits. The Group also has other non-derivative financial instruments such as trade receivables, trade payables and lease liabilities.

The Group had no debt, and no finance facilities in place at 31 December 2020.

Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- FVOCI - debt instrument;
- FVOCI - equity instrument; or
- FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt instruments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity instruments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Impairment Financial assets

Financial instruments and contract assets

The Group recognises loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortised cost;
- debt instruments measured at FVOCI; and
- contract assets.

The Group also recognises loss allowances for ECLs on lease receivables, which are disclosed as part of trade and other receivables.

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The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables (including lease receivables) and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be Baa3 or higher. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

(v) Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

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\$
Year ended 31 Dec 2020				
Financial assets				
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
Total Financial assets	26,172,402	-	-	26,172,402
Other financial liabilities				
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
Total Financial liabilities	36,231,238	-	-	36,231,238
Year ended 31 Dec 2019				
Financial assets				
Cash and cash equivalents	13,752,652	-	-	13,752,652
Trade and other receivables – current and non-current	839,728	-	-	839,728
Other financial assets – current and non-current	7,008	-	-	7,008
Total Financial assets	14,599,388	-	-	14,599,388
Other financial liabilities				
Trade and other payables - current	4,617,028	-	-	4,617,028
Lease liabilities – current and non-current	816,714	-	-	816,714
Total Financial liabilities	5,433,742	-	-	5,433,742

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 standard

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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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.

	Carrying Amount		Fair Value	
	31 Dec 2020 US\$	31 Dec 2019 US\$	31 Dec 2020 US\$	31 Dec 2019 US\$
Financial assets				
Cash and cash equivalents	25,933,571	13,752,652	25,933,571	13,752,652
Trade and other receivables – current and non-current	231,396	839,728	231,396	839,728
Other financial assets – current and non-current	7,435	7,008	7,435	7,008
Total Financial assets	26,172,402	14,599,388	26,172,402	14,599,388

	Carrying Amount		Fair Value	
	31 Dec 2020 US\$	31 Dec 2019 US\$	31 Dec 2020 US\$	31 Dec 2019 US\$
Other financial liabilities				
Trade and other payables - current	1,380,460	4,617,028	1,380,460	4,617,028
Liabilities associated with assets held for sale	34,343,721	-	34,343,721	-
Lease liabilities – current and non-current	507,057	816,714	507,057	816,714
Total Financial liabilities	36,231,238	5,433,742	36,231,238	5,433,742

(a) Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern and as at 31 December 2020 has no debt or finance facilities in place. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent comprising issued capital, reserves and accumulated losses.

(b) Financial risk management objectives

The Group's management provides services to the business, co-ordinates access to domestic and international financial markets, and manages the financial risks relating to the operations of the Group.

The Group does not trade or enter into financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by the Group's policies approved by the Board of directors.

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates, liquidity risk and commodity price risk. The Group does not presently enter into derivative financial instruments to manage its exposure to interest rate and foreign currency risk.

(c) Foreign currency risk

The Group has certain financial instruments denominated in AUD which differs from the Group's functional currency which is denominated in USD. Consequently, the Group is exposed to the risk that the exchange rate of the USD relative to the AUD may change in a manner which has a material effect on the reported values of the Groups assets and liabilities which are denominated in AUD.

As at 31 December 2020, there were no foreign exchange hedge contracts in place. (31 Dec 2019: Nil)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities that are denominated in a currency other than the functional currency of the entity that holds the financial assets or financial liabilities at the reporting date is as follows:

	Consolidated	
	31 Dec 2020 US\$	31 Dec 2019 US\$
Financial assets		
Cash and cash equivalents	20,661,363	1,867,018
Trade and other receivables – current and non-current	90,742	111,540
Total Financial assets	20,752,105	1,978,558
Other financial liabilities		
Trade and other payables – current	249,430	261,415
Other financial liabilities – current and non-current	431,338	747,455
Total Financial liabilities	680,768	1,008,870

Foreign currency risk sensitivity

At the reporting date, the following summarises the sensitivity arising in respect of financial assets and liabilities, to a 10% movement (2019:10%) in the exchange rates if the Australia dollar had increased/decreased by 10% against the US dollar the Group's, with all other variables held constant net profit after tax would increase/decrease by:

	31 Dec 2020 US\$	31 Dec 2019 US\$
AUD/USD – 10% increase/(decrease)	1,998,287	96,969

(d) Commodity price risk management

The Group does not currently have any projects in production and has no exposure to commodity price fluctuations.

(e) Interest rate risk management

The Group is exposed to interest rate risk as it earns interest at floating rates from a portion of its cash and cash equivalents. The Group places a portion of its funds into short-term fixed interest deposits which provide short-term certainty over the interest rate earned.

Interest accrues on the default cash calls at the 1-month LIBOR for US Dollars plus 2 percentage points per annum.

As at 31 December 2020, there were no interest rate hedging in place. (31 Dec 2019: Nil)

Interest rate sensitivity analysis

If the average interest rate during the year had increased/ (decreased) by 100 basis points the Group's net profit after tax would increase/(decrease) by US\$2,166 (2019: US\$3,551).

(f) Credit risk management

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The carrying amount of financial assets recorded in the financial statements, net of any provisions for expected losses, represents the Group's maximum exposure to credit risk.

The Group applies the simplified approach to providing or expected credit losses prescribed by AASB9, which permits the use of the lifetime expected loss provision for all trade receivables. Under this method, determination of the loss allowance provision and expected loss rate incorporates past experiences and forward-looking information. As the expected loss rate at 31 December is Nil (31 Dec 2019: Nil), no loss allowance provision has been recorded at 31 December 2020.

(g) Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial assets and liabilities. The tables have been prepared based on the undiscounted cash flows expected to be received/paid by the Group.

		Maturity			
	Less than 1 month US\$	1-3 months US\$	3 month to 1 year US\$	1-5 years US\$	Total US\$
31 December 2020					
Financial assets:					
Non-interest bearing	1,695,666	-	7,435	-	1,695,666
Variable interest rate	24,242,929	-	-	-	24,242,929
Fixed interest rate	-	226,372	-	-	226,372
	25,938,595	226,372	7,435	-	26,172,402
Financial liabilities:					
Non-interest bearing	35,707,962	6,488	9,731	-	35,724,181
Interest bearing – lease liabilities ⁽ⁱ⁾	39,994	80,418	322,632	64,013	507,057
	35,747,956	86,906	332,363	64,013	36,231,238
31 December 2019					
Financial assets:					
Non-interest bearing	2,192,326	-	-	-	2,192,326
Variable interest rate	12,101,371		-	-	12,101,371
Fixed interest rate	-	298,683	-	-	298,683
	14,293,697	298,683	-	-	14,592,380
Financial liabilities:					
Non-interest bearing	4,577,291	15,895	23,842	-	4,617,028
Interest bearing – lease liabilities ⁽ⁱ⁾	28,793	59,437	280,304	448,181	816,715
	4,606,084	75,331	304,146	448,181	5,433,743

(i) There are no financial liabilities that are longer than 5 years

28. SHARE-BASED PAYMENTS

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services

received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Employee performance rights plan

The shareholders of the Company approved the Performance Rights Plan (PRP) at the annual general meeting held on 13 May 2016, prior to then the Company did not have a PRP. In accordance with the provisions of the approved plan, the board at its discretion may grant performance rights to any full-time or permanent part-time employee or officer, or director of the Company. All performance rights issued to directors are granted in accordance with a resolution of shareholders. Each Performance Right converts to one Ordinary Share on exercise.

The following share-based payment arrangements were in existence during the current and prior reporting periods:

Unlisted performance rights	Grant date	Vesting date	Expiry date	Exercise price A\$	No. of performance rights on issue 31 Dec 20	No. of performance rights on issue 31 Dec 19
FARAN ⁽ⁱ⁾	31 May 17	31 Jan 20	31 Jan 22	-	-	10,293,000
FARAM ⁽ⁱⁱ⁾	14 Jun 18	31 Jan 21	31 Jan 23	-	9,353,000	9,353,000
				-	9,353,000	19,646,000

(i) On 31 January 2020, the 3 year performance period for performance rights (FARAN) lapsed. Due to the share price decreasing by 3.7 cents over the performance period none of the 10,293,000 performance rights vested. The base price at the beginning of the performance period was 7.8 cents. The share price on 31 Jan 2020 (Test date) was 4.1 cents.

(ii) 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.

The performance rights are subject to the following vesting conditions:

- Absolute TSR: a measure of the TSR (share value plus dividends) achieved over the Performance Period; and
- Relative TSR: a measure of the TSR achieved over a given time period relative to the TSR return over the same time period for a comparable set of companies.
- Continuous service until the performance expiry date

Absolute TSR

50% of the Performance Rights will be subject to an absolute TSR hurdle over the Performance Period and will be tested at 31 January (Test Date), 3 years after the start date. A TSR equal to a Compounded Annual Growth Rate (CAGR) of at least 15% per annum over the Performance Period is required in order for any of the Performance Rights to vest. The TSR is calculated by comparing the Base Price against the share price on the Test Date plus any dividends paid throughout the Performance Period, which is then computed into an equivalent per annum return.

For the purposes of the Absolute TSR test, the Board have elected to set the Base Price of FAR Shares as at 1 February, which is the 20-day VWAP preceding 1 February.

Absolute TSR performance:

- Above 25% CAGR, 50% of the performance rights granted will vest.
- Between 15% and 25% CAGR, pro-rata 25%-50% of the performance rights granted will vest.
- At 15% CAGR, 25% of the performance rights granted will vest.
- Less than 15% CAGR, no performance rights will vest.

Relative TSR

The remaining 50% of the Performance Rights will be subject to a Relative TSR hurdle over the three year Performance Period to 31 January and will be tested at the end of this period. The TSR performance of FAR Shares will be compared to the TSR performance of all other shares in a comparator group, being the S&P/ASX Energy 300 Index, and Performance Rights will vest only if FAR's TSR performance is at least at the 50th percentile.

The Performance Rights also contain other provisions including the ability for the Board at its absolute discretion to determine that no relative TSR Performance Rights will vest if the Company's TSR performance is negative, change of control events and good and bad leaver provisions relating to unvested Performance Rights.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

Relative TSR performance:

- At or above the 75th percentile, 50% of the performance rights granted will vest.
- Between 50th percentile and 75th percentile, pro-rata 25%-50% performances rights granted will vest.
- At 50th percentile, 25% performance rights granted will vest.
- Below 50th percentile, no performance rights will vest.

Valuation of performance rights

Performance rights issued are measured at fair value at the date of grant and are expensed where there are no vesting conditions and in cases where a vesting restriction exists, recognised over the vesting period. In accordance with Australian Accounting Standards, fair value is determined using a generally accepted valuation model.

Fair value of performance rights granted under the Performance Rights Plan

The performance rights were priced using the Monte Carlo pricing model with the following inputs:

	FARAN-16	FARAN	FARAM
Grant date	20 May 16	31 May 17	14 Jun 18
Share price at grant date	8.7 cents	7.9 cents	9.5 cents
Base Price	7.8 cents	7.8 cents	8.3 cents
Fair value	5.5 cents	4.5 cents	5.3 cents
Performance period start date	1 Feb 16	1 Feb 17	1 Feb 18
Performance period end date	31 Jan 19	31 Jan 20	31 Jan 21
Expiry date	31 Jan 21	31 Jan 22	31 Jan 23
Exercise price	A\$0.0	A\$0.0	A\$0.0
Volatility	60%	47%	37%
Dividend yield	-	-	-
Risk free interest rate	1.63%	1.65%	2.7%
Total life of performance rights	2.7 years	2.7 years	2.67 years

The fair value of the performance rights as at the date of grant are summarised as follows:

Performance rights	FARAN-16		FARAN		FARAM	
Performance Measure	Absolute	Relative	Absolute	Relative	Absolute	Relative
No. of performance rights	10,712,500	10,712,500	5,418,500	5,418,500	5,603,500	5,603,500
Price per performance rights	A\$0.047	A\$0.063	A\$0.0358	A\$0.0536	A\$0.0412	A\$0.0641
Fair value at grant date	A\$503,487	A\$674,888	A\$193,965	A\$290,426	A\$230,920	A\$358,947
Fair value at grant date – (USD)	US\$362,159	US\$485,447	US\$144,504	US\$216,367	US\$172,652	US\$268,374

Movement in the number of performance rights issued under the Performance Rights Plan

The following reconciles the outstanding performance rights on issue at the end of the financial year:

	FARAN-16	FARAN	FARAM ⁽ⁱⁱ⁾
Balance as at 1 Jan 2019	18,049,000	10,293,000	11,207,000
Forfeited during the year ⁽ⁱ⁾	(18,049,000)	-	(1,854,000)
Balance at 31 December 2019	-	10,293,000	9,353,000
Balance as at 1 Jan 2020		10,293,000	9,353,000
Forfeited during the year ⁽ⁱ⁾		(10,293,000)	-
Balance at 31 December 2020		-	9,353,000

(i) Performance rights that did not vest due to performance conditions not being met lapsed during the year.

(ii) On 31 January 2021, the 3-year performance period for performance rights (FARAM) lapsed.

No performance rights were granted or exercised during the period.

Share-based payment expense

Share-based payments expenses are included under employee benefits expense in the statement of profit or loss and other comprehensive income and relate to the performance rights component of equity-settled share-based payments transactions issued to a director, executives and other participants over the vesting period.

	Consolidated	
	31 Dec 2020 US\$	31 Dec 2019 US\$
Unlisted performance rights		
FARAN-16	-	18,606
FARAN	10,898	128,314
FARAM	151,512	140,033
Employee benefits – amortisation of performance rights	162,410	286,953

29. KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate compensation of the KMP of the Group and the Company is set out below:

	31 Dec 2020 US\$	31 Dec 2019 US\$
Short-term employee benefits	1,972,793	1,933,768
Post-employment benefits	98,001	67,598
Equity-settled share-based payments	95,983	164,912
Other long-term benefits	31,173	34,589
Total	2,197,950	2,200,867

The amounts disclosed above are the amounts recognised and included in corporate administration expense during the reporting period related to key management personnel.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

30. RELATED PARTY DISCLOSURES

Equity interests in related parties

Equity interests in subsidiaries

Details of the percentage of ordinary shares held in subsidiaries are disclosed in Note 24 to the financial statements.

Equity interests in associates and joint operations

Details of interests in joint operations are discussed in Note 23.

31. PARENT ENTITY

(a) Financial position

	31 Dec 2020 US\$	31 Dec 2019 US\$
Assets		
Current assets	25,575,332	12,634,538
Non-current assets	133,478,644	119,876,741
Total Assets	159,053,676	132,511,279
Liabilities		
Current liabilities	2,081,412	4,779,093
Non-current liabilities	3,084,356	428,903
Total Liabilities	5,165,768	5,207,996
Equity		
Issued Capital	439,623,308	335,725,405
Reserves		
– Equity-settled share-based payments reserve	8,339,565	8,177,156
– Foreign currency translation reserve	(5,795,299)	(5,795,299)
Accumulated losses	(288,279,379)	(210,803,979)
Total Equity	153,888,195	127,303,283

(b) Financial performance

	Year ended 31 Dec 2020 US\$	Year ended 31 Dec 2019 US\$
Loss for the year	(77,475,400)	(19,310,568)
Other comprehensive loss	-	-
Total comprehensive loss	(77,475,400)	(19,310,568)

(c) Contingent liabilities of the parent entity

	31 Dec 2019 US\$	31 Dec 2019 US\$
Contingent liabilities		
Guinea-Bissau – contingent payment from future production	13,000,000	13,000,000
Guinea-Bissau – contingent withholding tax liability	567,811	567,811
	13,567,811	13,567,811

Refer to Note 22 for further details.

(e) Commitments for capital expenditure entered into by the parent entity

	31 Dec 2020 US\$	31 Dec 2019 US\$
Exploration and evaluation assets		
Not longer than 1 year	-	4,074,162
Exploration expenditure commitments – By Area of interest:		
Guinea-Bissau	-	203,585
Senegal	-	3,870,577
	-	4,074,162

On 2 April 2020, FAR Ltd transferred its entire interest in the Senegal RSSD asset to its wholly owned subsidiary, FAR Senegal RSSD SA. As such, there were no further exploration expenditure commitments by the parent entity at the end of the period.

32. REMUNERATION OF AUDITORS

	31 Dec 2020 US\$	31 Dec 2019 US\$
Amounts paid or due to be paid in respect of:		
Auditor of the Parent Entity – Deloitte Touche Tohmatsu:		
Audit or review of the financial report	94,793	59,737
Audit of joint operation financial statements	11,870	10,639
Audit of subsidiaries	27,612	10,604
Non-audit services	-	-
Total remuneration of audit and other assurance services	134,275	80,980
Network firms of Deloitte Touche Tohmatsu:		
Audit or review of the financial statements	8,505	8,510
Audit or review of the financial statements	12,640	15,750
Total remuneration of network of firms of Deloitte Touche Tohmatsu	21,145	24,260
Total auditors' remuneration	155,420	105,240

The auditor of the Group is Deloitte Touche Tohmatsu. The auditor did not receive any other benefits.

33. DIVIDENDS

The directors recommend that no dividend be paid for the year ended 31 December 2020 nor have any been paid or declared during the year (2019: NIL).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

34. SUBSEQUENT EVENTS

On 8 January 2021 FAR deferred the scheduled shareholder meeting set for 21 January 2021 to consider approving the proposed sale by FAR of its interest in the RSSD project to Woodside Energy (Senegal) B.V. (Woodside Sale). This would allow shareholders further time to see if the Remus Proposal to acquire 100% of the shares of FAR at A\$2.1c cash per share eventuates, and if so assess its merits and consider the Woodside Sale on the basis of more detailed information.

On 20 January 2021 FAR announced the FAR Group had executed a Sale and Purchase Agreement with Woodside in relation to the Woodside Sale on the same terms and conditions as the previously announced sale to ONGC Videsh Vankoreft Pte Ltd.

On 17 February 2021 FAR announced a conditional non-binding indicative proposal from PJSC Lukoil to acquire 100% of the shares of FAR at A\$2.2c cash per share ("Lukoil Proposal"). FAR cautioned it was not a legally binding offer, that it was subject to targeted and timely corporate due diligence, Lukoil board approval and that there is no certainty that the Lukoil proposal will necessarily eventuate. Lukoil stated that the Lukoil proposal is conditional (amongst other things) on the FAR shareholder meeting to consider approving the sale of the RSSD project to Woodside be rescheduled and obtaining minimum acceptances of 50.1% of shares and a FAR board recommendation.

On 12 March 2021 FAR announced the reconvening of the shareholder meeting to approve the Woodside Sale to 15 April 2021 and updated the market that the Remus Horizons PCC Limited and the PJSC Lukoil non-binding indicative proposals remained incomplete at that time.

On 1 April 2021, FAR announced that it had been advised by Lukoil that the Lukoil proposal is not proceeding to a legally binding offer.

On 14 April 2021, FAR announced it had received a takeover offer for FAR shares at 2.1 cents per share from Remus.

On 15 April 2021, the general meeting to approve the Senegal RSSD asset sale to Woodside was adjourned until 28 April 2021 to consider the Remus takeover offer.

On 21 April 2021 FAR announced that it had received additional correspondence from Remus, and that the Remus takeover offer would not be proceeding.

On 28 April 2021 at the adjourned shareholder meeting FAR shareholders voted to approve the sale of the RSSD project to Woodside.

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

DIRECTORS' 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;
- (b) the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 3 to the financial statements;
- (c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group; and
- (d) the directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'N. Limb', followed by a period.

Nicholas J Limb
Chairman
Melbourne, 30 April 2021



Independent Auditor's Report to the members of FAR Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of FAR Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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 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 report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 3(a) in the financial report, which indicates that the Group incurred a net loss after tax of US\$ 75,694,730, and had a net cash outflow from operating activities of US\$ 17,517,971 during the year ended 31 December 2020. As stated in Note 3(a), these events or conditions, along with other matters as set forth in Note 3(a), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



Our procedures in relation to going concern included, but were not limited to:

- Inquiring of management in relation to events and conditions that may impact the assessment on the Group's ability to continue as a going concern;
- Challenging the assumptions contained in management's cash flow forecast in relation to the Group's ability to continue as a going concern;
- Evaluating management's plans for future actions in relation to its going concern assessment, whether the outcome of these plans is likely to improve the situation and whether management's plans are feasible in the circumstances;
- Considering whether any additional information has become available since the date on which management made its assessment; and
- Assessing the adequacy of the disclosure related to going concern in Note 3(a).

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Accounting for Assets Held for Sale and Discontinued Operations	
During the year ended 31 December 2020 the Group reclassified its interest in the Rufisque, Sangomar and Sangomar Deep Offshore Blocks offshore Senegal ("RSSD Project") to Assets Held for Sale, and presented the related income and expenses as Discontinued Operations as described in Note 12. As at 31 December 2020, the Assets Held for Sale amount to US\$161.4m, while related liabilities amount to US\$34.3m. Loss from Discontinued Operations for the year ended 31 December 2020 amount to US\$60.6m. Significant judgement is required by management in determining the recoverable amount of the RSSD Project, including the valuation of the Asset Held for Sale, the impairment loss related to the Asset Held for Sale and the liabilities related to the Asset Held for Sale. In addition, significant judgment is required in relation to the presentation of discontinued operations in the Statement of Profit or Loss and Other Comprehensive Income, as well as the disclosure of relevant information in related notes.	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none">• Assessing the appropriateness of the classification between Assets Held for Sale and Oil and Gas Assets, between Liabilities related to Assets Held for Sale and other liabilities in the Statement of Financial Position;• Assessing the appropriateness of the classification between Loss from Discontinued Operations and Loss from Continuing Operations in the Statement of Profit or Loss and Other Comprehensive Income.• Assessing the Group's rights and obligations in relation to the RSSD Project, specifically related to the Notices of Default and other communication between the Group and the RSSD Project's Operator.• Challenging management's assessment of the recoverable value of the RSSD Project based on the transaction with ONGC Videsh Vankorneft Pte Ltd, which was subsequently pre-empted by Woodside Energy (Senegal) B.V. <p>We also assessed the appropriateness of the disclosures in Note 12 to the financial statements.</p>



Accounting for exploration and evaluation costs	
<p>During the year ended 31 December 2020 the Group incurred US\$14.0 million in exploration and evaluation (E&E) costs, of which US\$3.4 million has been capitalised and all other E&E costs were expensed as disclosed in Note 7.</p> <p>Significant judgement is required by management in determining whether E&E costs are expected to be recouped through successful development and exploitation of the area of interest or by future sale or that the activities in the area of interest have not reached the point that a reasonable assessment of economically recoverable reserves can be made.</p>	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Assess the key processes and controls associated with the allocation of E&E costs between assets and expenses; • Test E&E expenditure on a sample basis to assess the nature of the costs incurred and to assess the classification between assets and expenses; • Confirming the rights to tenure of the areas of interest are current and challenging management's consideration of the ability to recoup the capitalised costs through future development or sale of the area of interest; and • Confirming whether exploration activities for the area of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed. <p>We also assessed the appropriateness of the disclosures in Note 14 to the financial statements.</p>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.



Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 18 to 28 of the Directors' Report for the year ended 31 December 2020.

In our opinion, the Remuneration Report of FAR Limited for the year ended 31 December 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in blue ink that reads "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in blue ink, appearing to be "Vincent Snijders".

Vincent Snijders
Partner
Chartered Accountants
Perth, 30 April 2021

SHAREHOLDER INFORMATION

Pursuant to the Listing requirements of the Australian Securities Exchange the following additional information for Listed Companies as at 29 April 2021.

Number of holders of equity securities

Ordinary Shares

The issued capital comprised of 9,978,830,197 ordinary shares held by 11,607 holders.

Unlisted performance rights

There were no unlisted performance rights on issue at the date of this report.

Distribution of shareholder numbers

			Number of Holders	Number of Units	% of Total Issued Capital
1	-	1,000	597	239,827	0.00
1,001	-	5,000	497	1,629,613	0.02
5,001	-	10,000	838	7,033,100	0.07
10,001	-	100,000	5,088	239,749,881	2.40
100,001 and over			4,508	9,730,177,776	97.51
Total			11,608	9,978,830,197	100.00
Holding less than a marketable parcel			0	0	0

Substantial Shareholders	Number of shares	% of Issued Capital
Meridian Capital	1,913,146,327	19.17
Allan Gray Australia Pty Ltd	1,227,603,986	12.30
Farjoy Pty Ltd	515,522,060	5.17

Twenty largest shareholders – ordinary shares as at 29 April 2021	Number of shares	% of Issued Capital
Citicorp Nominees Pty Ltd	2,799,602,689	28.06
J P Morgan Nominees Australia Pty Limited	775,732,643	7.77
HSBC Custody Nominees (Australia) Limited	523,792,075	5.25
Farjoy Pty Ltd	514,463,236	5.16
City Securities Ltd	307,030,654	3.08
CS Fourth Nominees Pty Limited <HSBC CUST NOM AU LTD 11 A/C>	192,511,650	1.93
National Nominees Limited	144,676,663	1.45
BNP Paribas Noms Pty Ltd <DRP>	75,647,869	0.76
Mr Oliver Lennox-King	75,000,000	0.75
Nero Resource Fund Pty Ltd < Nero Resource Fund A/C>	71,561,521	0.72
Toad Facilities Pty Ltd <JP Nettleton/Toad S/F A/C>	68,528,589	0.69
BNP Paribas Nominees Pty Ltd < IB AU NOMS RETAILCLIENT DRP>	66,134,974	0.66
HSBC Custody Nominees (Australia) Limited – A/C 2	54,921,329	0.55
Netwealth Investments Limited <Wrap Services A/C>	46,777,021	0.47
Treasury Services Group Pty Ltd <Nero Resource Fund A/C>	43,000,000	0.43
Mr Matthew James Knox	39,000,000	0.39
N&P Superannuation Pty Limited <Neil McMullin Family SF A/C>	35,380,087	0.35
CS Third Nominees Pty Limited <HSBC CUST NOM AU LTD 13 A/C>	33,941,833	0.34
Knox Enterprise International Pty Limited <Knox Enterprise Super A/C>	32,005,882	0.32
Floteck Consultant Limited	30,000,000	0.30
	5,929,708,715	59.43

Voting rights

Voting rights of members are governed by the Company's constitution. In summary, each member present at general meeting in person or by proxy shall have one vote and, upon a poll, every such attending member shall be entitled to one vote for every ordinary share held.

CORPORATE DIRECTORY

DIRECTORS

Nicholas Limb (Chairman)

Catherine Norman (Managing Director)

Timothy Woodall (Executive Director)

Reginald Nelson (Non-Executive Director)

COMPANY SECRETARY

Elisha Larkin

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

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Melbourne Victoria 3000
Australia

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Facsimile: +61 (0) 3 9620 5200

Website: www.far.com.au

Email: info@far.com.au

SHARE REGISTRY

Computershare
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Yarra Falls
452 Johnston Street
Abbotsford Victoria 3067

Telephone: +61 (0) 3 9415 4000

Facsimile : +61 (0) 3 9473 2500

Website: www.computershare.com.au

STOCK EXCHANGE LISTING

Australian Securities Exchange

ASX Code: FAR

BANKERS

Westpac Banking Corporation
150 Collins Street
Melbourne Victoria 3000
Australia

Standard Chartered Bank Gambia Limited
8 Ecowas Avenue
Banjul, The Gambia

SOLICITORS

Baker & McKenzie
Level 19, 181 William Street
Melbourne Victoria 3000
Australia

AUDITORS

Deloitte Touche Tohmatsu
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123 St Georges Terrace
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Australia

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