

01 October – 31 December 2018

Q4 Report

Highlights

- SNE Development and Exploitation Plan submitted to Government on 25 October 2018
- First oil targeted in 2022 with gross production of 100,000 barrels of oil per day
- First well drilled offshore The Gambia in 40 years at Samo-1
- FAR Operated Samo-1 exploration well drilled safely, efficiently and under budget
- Cash at end of 2018 AU\$30.3M

Projects update

Offshore Senegal (FAR 15% Working Interest)

During the quarter, FAR Limited announced that the Rufisque Offshore, Sangomar Offshore and Sangomar Offshore Deep (RSSD) joint venture submitted the Development and Exploitation Plan for the SNE oil field offshore Senegal to the Senegal Ministry of Petroleum and Energy.

Woodside assumed the role of Development Operator for the SNE Field on 1 December 2018 following approval by the Minister of Petroleum and Energy.

The RSSD joint venture commenced FEED activities and awarded the subsea FEED contract on 16 December 2018 to Subsea Integration Alliance. Further FEED contracts are targeted to be awarded in early 2019.

The Joint Venture project financing was also successfully launched in the quarter.

Subsequent to the quarter, the RSSD joint venture's Environmental and Social Impact Assessment (ESIA) was approved by the Directorate of Environment and Classified Establishments on 2 January 2019.

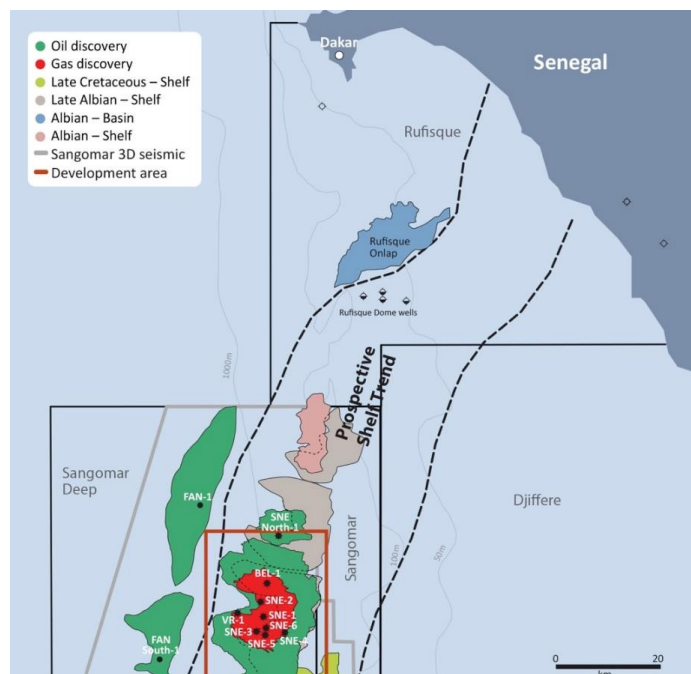


Figure 1: Location of the Senegal RSSD Blocks and prospects

Offshore, The Gambia

Blocks A2/A5 (FAR 40% WI and Operator)

On 22 October 2018, FAR commenced drilling on the first well to be drilled offshore The Gambia in over 40 years at Samo-1 in block A2. The Samo-1 well was drilled to a total depth of 3240m and took 25 days to complete. The well operations were conducted safely, efficiently, ahead of schedule and under budget. The well was plugged and abandoned as planned.

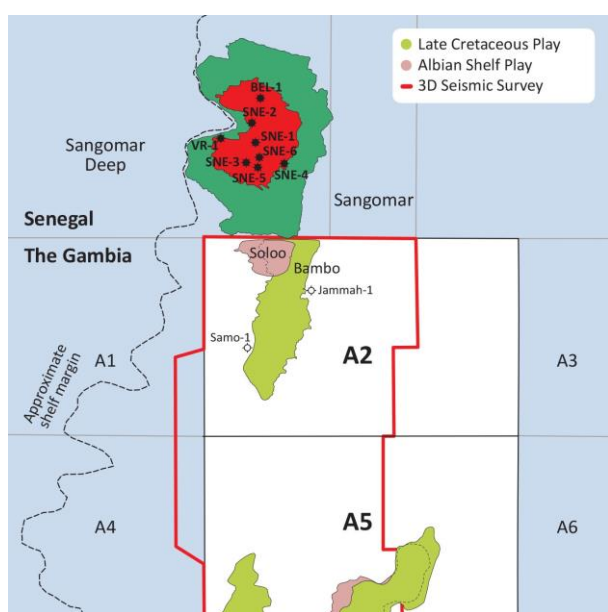


Figure 2: Location of blocks A2 & A5 The Gambia and Samo-1 location

Interpretation of the wireline logs indicated that the main target horizons were water-bearing. Oil shows were encountered at several levels indicating that the area has access to an active hydrocarbon charge. The well also encountered excellent reservoir and seal facies, indicating that several key components for a successful prospect are present. As the first offshore well in forty years and the first modern well, the data collected at Samo-1 and the ongoing interpretation will be critical to unlocking the remaining hydrocarbon potential in the area.

The Government of The Gambia confirmed a six-month extension to the current licence period to the end of June 2019 to allow for evaluation of the Samo-1 well results.

Guinea-Bissau

No update from previous quarter

Block 2, 4A, and 5A	Working Interest
FAR	21.43%
Svenska	78.57% Operator

Kenya

No update from previous quarter

Kenya Block L6	Working Interest
FAR	60% Operator
Pancontinental Oil and Gas	40%

NW Shelf (Australia)

During the quarter, FAR concluded stakeholder engagements with CGG to join in the much anticipated Davros Extension Multiclient 3D Survey. FAR received a Notice of Start of Acquisition from CGG in mid-December as the MV Geo Coral began its mobilisation from southeast Asia. After a brief port call in Broome, the vessel commenced deployment of in-water equipment whilst on route to the survey area. Post end of the quarter, seismic acquisition across permit WA-458-P began. The survey was safely and securely completed in mid-January. FAR anticipates receiving the final processed data in H2 2019.

WA-458-P	Working Interest
FAR	100% Operator

Managing Director comments:

2018 was a very busy and eventful year for FAR, as every year has been since the discovery of the giant SNE Field in 2014. FAR has firmly cemented itself as a strong player in the MSGBC Basin offshore West Africa.

2018 saw FAR become a company of two halves as we reached the significant milestone in submitting the Exploitation and Development Plan for the SNE Field to the Government and operated the first well offshore The Gambia for forty years.

The operations of the company remained solid and unwavering and I must thank the continued support of our shareholders along the way.

We continued to make excellent progress in 2018 with our African portfolio by farming out 40% of our 80% interest in the highly prospective blocks A2 and A5 in The Gambia to PETRONAS and have enjoyed an excellent, collaborative relationship with them and the Government of The Gambia throughout the year.

Drilling Samo-1 brought an abundance of modern subsurface data that we can now use to further understand the geological play along the shelf edge, an area which remains grossly underexplored. I am very proud of the operations team on this project who operated FAR's first exploration well safely, under budget and without incident in a water depth of approximately 1000m which is an impressive accomplishment.

Our subsurface team is working to integrate the well results to review the prospect inventory as a basis for a way forward in blocks A2 and A5. We have an extension to the current licence period until the end of June to allow us to undertake this review and finalise any future plans.

It has been a successful 2018 for the SNE Field development offshore Senegal with several milestones reached during the year. They included the submission of the Evaluation Report to the Government of Senegal including a Statement of Commerciality of the SNE field, the submission of the Development and Exploitation Plan to the Government of Senegal and finally the announcement of the first phase of FEED commencing. These are all further steps towards the Final Investment Decision (FID) targeted for 2019.

From discovery of this world class oil field in 2014 to entering FEED in a four-year period, especially given the market conditions, is a substantial achievement for the Joint Venture.

In 2017, FAR initiated an arbitration before the International Chamber of Commerce to enforce its right to pre-empt ConocoPhillips' sale of its 35% working interest in the Senegalese RSSD project to

Woodside. The arbitration continued into 2018. Following appointment of the president of the arbitral tribunal and the signing of the terms of reference, the parties have been engaged in briefing preliminary issues and dealing with related procedural matters. The tribunal has scheduled a hearing on the preliminary issues in July 2019.

As we look to 2019, we see significant opportunity ahead as we progress our Senegal project towards FID, reveal further exploration potential in The Gambia, progress Guinea-Bissau towards drilling and look for new opportunities in the MSGBC Basin. We stand by our vision to create long term value through oil and gas discoveries and pursue new exploration opportunities. There is significant underlying value at SNE and we look to realise that value as we reach each additional milestone.

I thank shareholders for their ongoing support of the board and management team and wish to thank the many of you who took the time to give encouragement and appreciation towards the end of 2018.

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Disclaimers

***Prospective Resource Estimates Cautionary Statement** - With respect to the Prospective Resource estimates contained within this report, it should be noted that the estimated quantities of Petroleum that may potentially be recovered by the future application of a development project may relate to undiscovered accumulations. These estimates have an associated risk of discovery and risk of development. Further exploration and appraisal is required to determine the existence of a significant quantity of potentially moveable hydrocarbons. The Prospective Resource estimates provided in this report are Low Estimate, Best Estimate and High Estimate and represent that there is a 90%, 50% and 10% probability respectively that the actual resource volume will be in excess of the amounts reported.

Prospective and Contingent Resources - All contingent and Prospective Resource estimates presented in this report are prepared as at 27/2/2013, 11/3/2014, 5/2/2014, 13/04/2015, 13/4/2016, 23/08/2016, 7/2/2017 and 21/11/2017 (Reference: FAR ASX releases of the same dates). The estimates have been prepared by the Company in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System, 2007 approved by the Society of Petroleum Engineer and have been prepared using probabilistic methods. 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. The Prospective Resource estimates provided in this report are Best Estimates and represent that there is a 50% probability that the actual resource volume will be in excess of the amounts reported. The estimates are unrisks and have not been adjusted for both an associated chance of discovery and a chance of development. The 100% basis and net to FAR contingent and Prospective Resource estimates include Government share of production applicable under the Production Sharing Contract or Licence.

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 30 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.

Top 10 shareholders (as at 29 January 2019)

	Shareholder	Units	%
1.	CITICORP NOMINEES PTY LIMITED	966,650,494	17.70
2.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	573,994,248	10.51
3.	FARJOY PTY LTD	514,463,236	9.42
4.	J P MORGAN NOMINEES AUSTRALIA LIMITED	215,269,793	3.94
5.	CITY SECURITIES	134,755,980	2.47
6.	MR OLIVER LENNOX-KING	75,647,869	1.39
7.	TOAD FACILITIES PTY LIMITED	68,528,589	1.25
8.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	51,783,695	0.95
9.	NATIONAL NOMINEES LIMITED	51,766,487	0.95
10.	BNP PARIBAS NOMS PTY LTD	44,468,953	0.81
	TOTAL	2,697,329,344	49.39

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

FAR Ltd

ABN

41 009 117 293

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation [#]	2,472	(14,577)
(b) development	-	-
(c) production	-	-
(d) staff costs	(1,017)	(5,075)
(e) administration and corporate costs	(398)	(1,947)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	121	474
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	1,178	(21,125)

[#]: during the quarter the company reclassified exploration & evaluation from cash flows in operating activities to cash flows from investing activities.

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(202)	(365)
	(b) tenements,	-	-
	(c) investments	-	-
	(d) exploration and evaluation	(9,136)	(22,087)
2.2	Proceeds from the disposal/farm-out of:		
	(a) property, plant and equipment	-	-
	(b) tenements	1,796	22,388
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – payment for performance bond	-	-
2.6	Net cash from / (used in) investing activities	(7,542)	(64)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	35,833	49,927
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,178	(21,125)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7,542)	(64)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	832	1,563
4.6	Cash and cash equivalents at end of period	30,301	30,301

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	29,595	34,680
5.2	Call deposits	706	53
5.3	Bank overdrafts	-	-
5.4	Other – Term deposits	-	1,100
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	30,301	35,833

6. Payments to directors of the entity and their associates

		Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	391
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

6.1 includes special exertion fees paid to a Non-Executive Director for services in relation to the Senegal project development financing.

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8.	Financing facilities available	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Add notes as necessary for an understanding of the position</i>		
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation *	9,000
9.2	Development	-
9.3	Production	-
9.4	Staff costs	960
9.5	Administration and corporate costs	340
9.6	Other	-
9.7	Total estimated cash outflow	10,300

* The net exploration and evaluation cash outflow of AU\$9m for the quarter represents estimated cash outflows of AU\$10.9m less estimated cash inflows of AU\$1.9m (US\$1.4m) relating to additional proceeds invoiced in accordance with the Gambian Blocks A2/A5 farm-out agreement to PETRONAS announced on 28 August 2018.

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:
Company secretary

Date: 31 January 2019

Print name: Peter Thiessen

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.