01 January – 31 March 2015

Q1 Report

Highlights

- Senegal appraisal drilling to commence Q4
- Focus on early commerciality of SNE-1 discovery
- De-risked and updated prospective resource inventory offshore Senegal following discoveries
- Two year extension granted in Guinea Bissau
- $52M cash at the end of quarter and no debt
- Reg Nelson appointed to board

Projects update

Offshore Senegal (FAR 15%)

Following the successful drilling campaign offshore Senegal in 2014, FAR Ltd ("FAR") and its joint venture partners ConocoPhillips, Cairn Energy ("Cairn") and Petrosen (the Government of Senegal) have approved a first phase work program and budget to evaluate the SNE-1 and FAN-1 discoveries.

This work program includes two wells to appraise the SNE-1 discovery and one exploration well to assess a "shelf" prospect for potential tie back into a possible future hub development at SNE-1. The program will include further evaluation of the FAN-1 discovery and a new 3D seismic survey over the Rufisque block where there is currently no 3D seismic coverage. A 3 year evaluation work program will be submitted to the Government of Senegal in early May 2015 (*reference ASX release dated 13 April 2015)*.

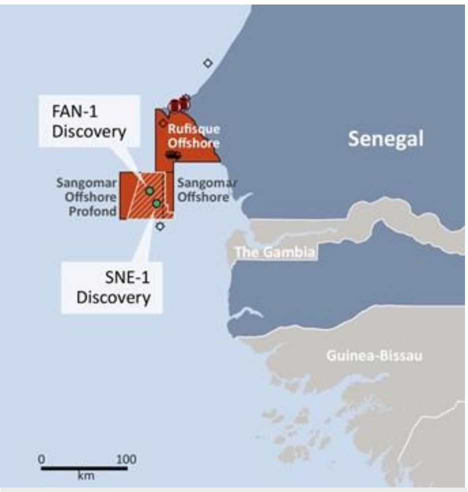


Figure 1: FAR permits offshore Senegal

The SNE-1 and FAN-1 wells (shown in Figure 1) were the first exploration wells to be drilled in the deep water offshore Senegal and were the first to be drilled offshore Senegal for 26 years. As a result, these two wells were highly significant, not only because they discovered large quantities of oil but because they have provided key data to update pre-drill geological models and have given FAR strong encouragement that further exploration drilling could result in more discoveries.

SNE Discovery

The SNE discovery was the second in the two well exploration program undertaken by FAR and its partners and the announcement of the discovery was made on 10 November 2014 (*refer ASX release 10/11/2014*). The SNE field has both an oil column and an overlying gas column in stacked Albian clastic reservoirs as shown in Figure 2.

The size of the SNE discovery in the Albian sands (gross, best estimate contingent resource 330 mmbbls*) is twice that of the pre-drill estimate for the accumulation (gross, best estimate prospective resource 154 mmbbls*). An outline of the SNE field is shown in Figure 3.

* Refer to Cautionary Statement in this report (page 7) relating to estimates of prospective resources

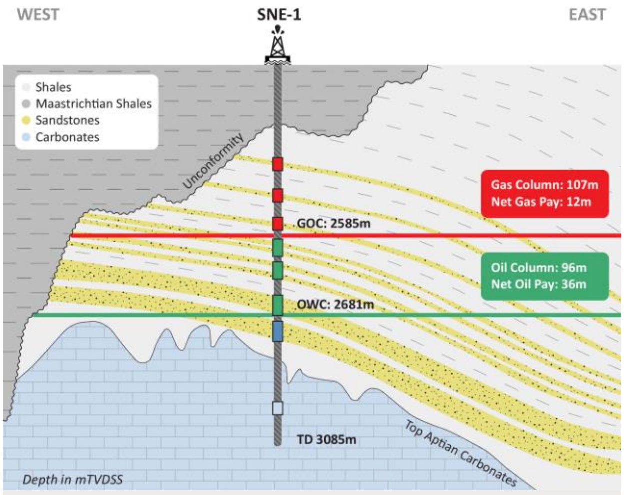


Figure 2: Cross section through the SNE-1 discovery

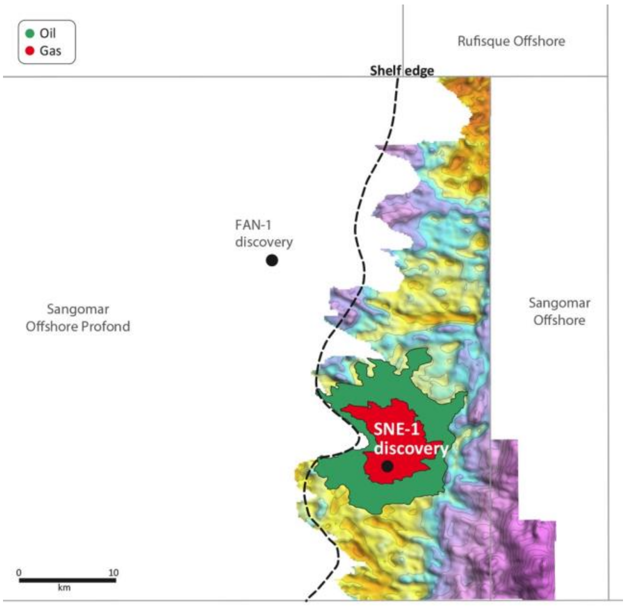


Figure 3: SNE Discovery on the geological shelf edge

The SNE-1 well was drilled in a water depth of 1100 metres on the geological shelf edge. The SNE trap is formed by a broad arch that dips to the east and south where the reservoir intervals are truncated by a major unconformity. The structure is sealed at the top by a regional shale overlying the unconformity and a clearly defined oil-water contact demarks the base of the accumulation (as shown in Figure 3). Following the discovery, the Operator's contingent resource estimates were P90 150mmbbls*, P50 330mmbbls* and P10 670 mmbbls* (*refer ASX release 10/11/2014*). The Operator's contingent resource estimates have since been audited by ERC-Equipoise. Analysis of log and core data collected in the SNE 1 well and mapping of reprocessed and depth converted 3D seismic data is ongoing.

As a part of the logging program in SNE-1, a series of pressure measurements and hydrocarbon samples were collected through the hydrocarbon column. These data demonstrated excellent mobility of hydrocarbons within all of the reservoir intervals. Further work is being carried out on the analysis of the porosity and permeability data over the reservoir but this is likely, in FAR's opinion, to confirm the excellent quality reservoir.

The discovery of oil at SNE-1 has eliminated key geological risks to discovering oil in other prospects on the geological shelf. In light of this, FAR has re-evaluated the prospects on the shelf and this is discussed below.

FAR estimates that on a gross, unrisked, best estimate basis, there is an additional prospective resource* of 765 mmbbls of oil on the shelf over and above the contingent resources in the SNE prospect. FAR expects at least one of these shelf exploration prospects to be drilled as part of the 2015/6 drilling program.

FAN Discovery

FAN-1 was the first well drilled in the Senegal drilling program and the discovery was announced on 7 October 2014 (*refer ASX release 7/10/2014*). The FAN-1 well is situated approximately 100 km west of the Senegal coast and drilled in 1428 m of water to the west of the shelf break.

The FAN-1 well was drilled to test for hydrocarbons trapped in multiple, stacked structural and stratigraphic closures. The well encountered a gross 500 metre interval over which oil shows were observed and samples were collected. Preliminary analysis indicated 29 metres of net oil bearing reservoir. Distinct oil types ranging from 28^{o} to 41^{o} API have been indicated from a number of oil samples recovered to surface (*refer ASX release 7/11/2014*).

Hydrocarbon shows were also encountered in the younger canyon play (FAR's North Canyon Prospect) however it does not appear to have the potential to hold a meaningful amount of hydrocarbons at this location and the focus of the joint venture will be on evaluating the deeper units. The South and Central Canyon Prospects remain on the FAR inventory for future exploration as they are seismically mapped as having thicker sand sequences than in the North Canyon.

* Refer to Cautionary Statement in this report (page 7) relating to estimates of prospective resources

The deeper unit (FAR's Beer Prospect) is interpreted as an elongate, closure with a very large aerial extent. The FAN-1 well drilled a thick oil-bearing interval interpreted to be a stacked series of oil columns. There is good potential for large oil columns in the field as an oil-water contact was not encountered in the well. As a result, the heights of the oil columns are unknown and therefore there is a very large range in potential volumes as, demonstrated by the large range in STOIIP estimates given by the operator on announcement of the discovery at FAN-1 from P90 250 mmbbls, P50 950 mmbbls and P10 2500 mmbbls* (*refer ASX release 7/10/2014*). The large range in the STOIIP and the release of STOIIP rather than contingent resources by the operator point to a number of key uncertainties in the FAN discovery that are being evaluated at present and this evaluation will continue into the 2015/6 work program.

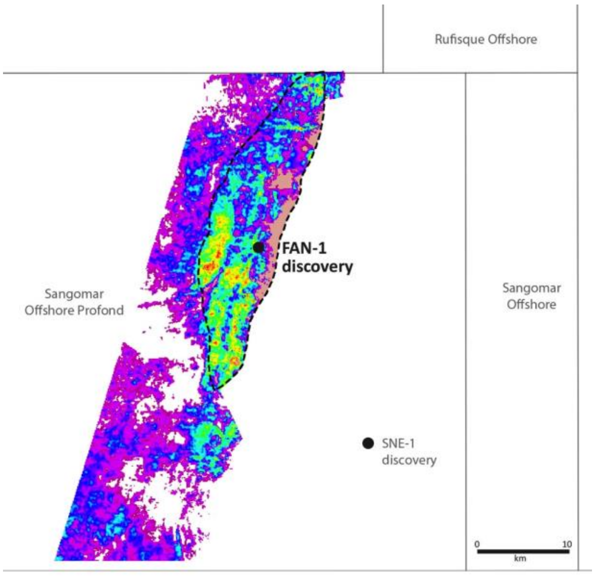


Figure 4: FAN-1 well location and Beer Prospect

Critical to addressing these uncertainties is the interpretation of the reprocessed 3D seismic data which will be completed over the deep water, basinal area in late 2015.

The outline of the Beer Prospect with the location of the FAN-1 well is shown in Figure 4. As shown, there is good conformance of the outline of the structure with the seismic amplitude anomaly in the area. As seen from this amplitude display, the FAN-1 well was drilled on the edge of this amplitude anomaly (*reference Cairn Preliminary Results Announcement to the London Stock Exchange, 10 March 2015)*. Work is ongoing to determine a drill location for an appraisal of the FAN discovery in a section of the prospect where reservoir may be thicker. Evaluation of the porosity and permeability of the reservoir at the Albian level continues.

The FAN-1 well confirmed the presence and maturity of multiple, very high quality source rocks within the basin as well as good quality lithologies for top and base seals within this play. These oil mature source intervals are believed to have provided charge to the FAN discovery. The presence of these source rocks and the sealing units has significantly reduced the risk for the remaining prospects in the deeper water, in particular the greater Beer Prospect and the Central and Southern Canyon Prospects.

Exploration prospect review

In light of the FAN-1 and SNE-1 discoveries, FAR has matured the prospect inventory for offshore Senegal with a focus on the shelf. The discovery of oil at SNE-1 demonstrates excellent reservoir, seal and trap as well as prolific source intervals, and subsequent to the discovery, FAR has mapped two additional shelf edge prospects (Sirius and Soleil), analogous to SNE, which are now included in the prospect inventory. These prospects add an additional 305 mmbbls* (gross unrisked best estimate prospective resource) to the portfolio. A map showing the prospects as defined by the 3D seismic data is shown in Figure 5.

In this focus area of the shelf, FAR now maps a total gross, unrisked best estimate of prospective resources of 1,500 mmbbls* with 225 mmbbls* net to FAR. Together with a gross, best estimate, contingent resource of 330 mmbbls* in the SNE discovery, with 49.5 mmbbls* net to FAR. This significant prospective and contingent resource inventory will be appraised and tested with the evaluation drilling program in late 2015 through to early 2016.

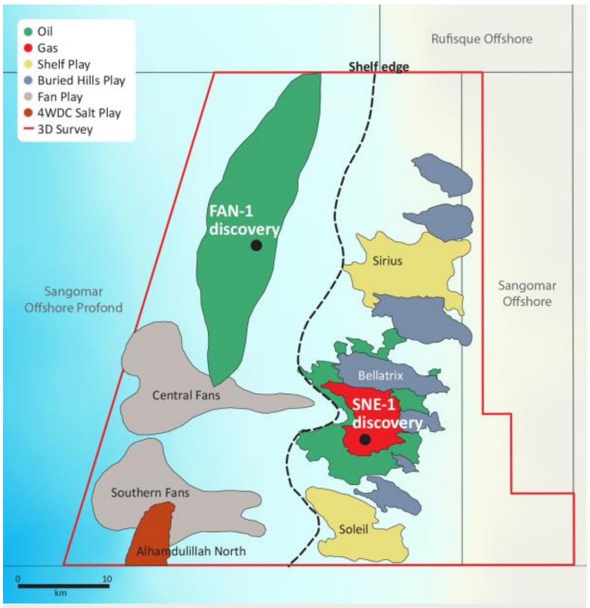


Figure 5: FAR update prospect over 3D seismic area

* Refer to Cautionary Statement in this report (page 7) relating to estimates of prospective resources

FAR expects to re-evaluate the prospect inventory following the receipt of the first tranche of re-processed 3D seismic data in early Q3. Further, the joint venture has recently received reprocessed 2D seismic in the Rufsique block and has identified early potential leads for follow up during the evaluation phase. FAR is encouraged by the potential on this block and it is likely that 3D seismic data will be acquired over the area as part of the evaluation work program.

Having proven the existence of the working source rock, the prolific nature of the source rock and the oil migration pathways to filling the traps, the geological chance of success for finding oil in all the prospects has been significantly upgraded.

			Unrisked Prospective Resources						
Prospect	Area (sq km)	Target Reservoir	Low Estimate (mmbbls)	Best Estimate (mmbbls)	High Estimate (mmbbls)	FAR Working Interest	Unrisked Best Estimate Prospective Resources net to FAR (mmbbls)	Chance of Discovery (%)	Risked Best Estimate Prospective Resources net to FAR (mmbbls)
Sirius (new)	79	Albian	83	**204**	474	15%	**30.6**	52	**16.0**
Soleil (new)	88	Albian	47	**101**	209	15%	**15.1**	43	**6.5**
Bellatrix (BH2)	33	Cenomanian	69	**168**	356	15%	**25.1**	49	**12.2**
Sabar (BH3)	46	Cenomanian	61	**141**	293	15%	**21.2**	37	**7.9**
Lamb-Ji (BH4)	21	Cenomanian	33	**74**	154	15%	**11.1**	33	**3.7**
Ramantou (BH5)	15	Cenomanian	32	**77**	176	15%	**11.6**	33	**3.8**
Central Fan	174	Turonian	101	**338**	879	15%	**50.6**	19	**9.8**
South Fan	114	Turonian	78	**258**	654	15%	**38.6**	19	**7.5**
Alhamdulilah	88	Turonian to Aptian	44	**140**	321	15%	**21.0**	37	**7.8**
Total				**1,500**			**225**		**75**

Table 1: Summary of FAR prospect inventory

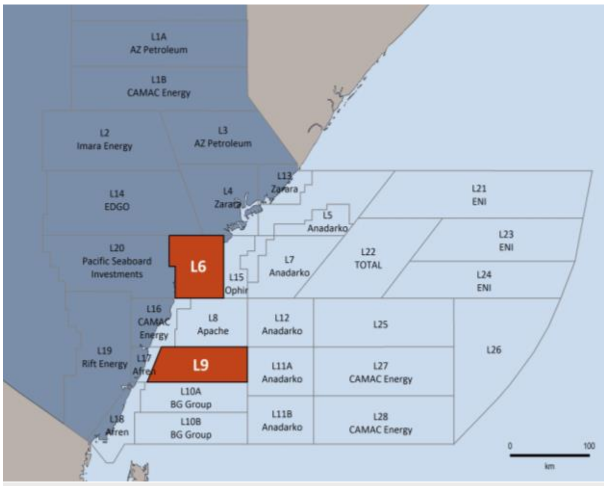
Rufisque, Sangomar, Sangomar Profond	Working Interest
FAR	**15%**
Cairn Energy	40% Operator
ConocoPhillips	35%
Petrosen	10%

Block L6, Kenya (FAR 60% offshore, 24% onshore and Operator)

Following the farmout to the Milio group of companies *(reference: FAR ASX release 04/02/2014)* FAR is fully carried through an onshore well and an onshore 2D seismic survey and associated processing and interpretation.

The farm out agreement with Milio and the associated carried work program relate to the onshore portion of Block L6 only where FAR has retained a 24% free carried interest.

The drilling of the farmout well will satisfy the work program and expenditure obligations for the current permit period of Block L6.



FAR permits Kenya

Since executing the farm-out agreement, the agreed work program, to be operated by Milio has suffered delays due to civil upheaval and security incidents in the region that arose during 2014. As a result of these incidents, the Ministry of Energy and Petroleum of Kenya awarded the Block L6 joint venture a 12 month extension and is working with the Block L6 joint venture to ensure appropriate access for petroleum operations is established. The farm-out parties are currently negotiating a farm-out amendment deed to reflect the abovementioned changed circumstances.

In relation to the offshore portion of Block L6 where FAR has a 60% interest, FAR continues to seek a farm-in partner for drilling an offshore well. The Sunbird-1 discovery well drilled by the BG Group in the nearby Kenya

* Refer to Cautionary Statement in this report (page 7) relating to estimates of prospective resources

Block 10A targeted a Miocene reef structure. The Miocene reef play extends along the coast of Kenya and through both of FAR's offshore blocks, L6 and L9. This play was drilled by the Sunbird-1 well last year with encouraging results.

Kenya Block L6	Paying Interest Onshore	Paying Interest Offshore
FAR	**24% Operator**	**60% Operator**
Pancontinental Oil and Gas	16%	40%
Milio Group	60%	

Block L9, Kenya (FAR 30% interest)

The assignment agreement between FAR and Ophir Energy (the Operator of Block L9) expired on 23 July 2014. Following this date, FAR and Ophir Energy have held discussions regarding FAR's entry into the block and the plans for a future work program in the permit.

Kenya Block L9	Paying Interest
FAR	**30%**
Ophir Energy	70% Operator

Offshore Guinea-Bissau (FAR 21.43%, Operated by Svenska)

In late April 2015, the Government of Guinea-Bissau approved a 2 year extension to the current exploration term. The extension period begins on 26 November 2015.

The joint venture has approved a work program including the drilling of one appraisal well on the Sinapa West oil discovery at the end of 2015. However, in light of FAR's neighbouring discovery on the shelf offshore Senegal (SNE-1), a re-interpretation of the Guinea Bissau 3D seismic data is ongoing to assess the potential for this oil play in the blocks. In addition, the joint venture has acquired additional 3D seismic over the shelf edge to better image the prospects in this region.

The joint venture expects to provide an update on the prospects offshore Guinea Bissau in late 2015.

Block 2, Block 4A, Block 5A	Paying Interest
FAR	**21.43%**
Svenska	78.57% Operator

Australia (FAR 100%, and Operator)

In March 2014 the Company completed an assessment of the prospective resources for its Western Australian blocks WA-457-P and WA-458-P. FAR assesses the prospective resources to be approximately 450 mmbbls of oil (unrisked, best estimate, 100% basis)* (*reference: ASX release 11/3/2014).* Work continued on reprocessing existing 2D and 3D seismic data and the Company is participating in a regional speculative 3D seismic survey over WA-458-P that is expected to be completed in late Q2.

WA-457-P, WA-458-P	Paying Interest
FAR	**100% Operator**

* Refer to Cautionary Statement in this report (page 7) relating to estimates of prospective resources

Management comment

FAR Ltd Managing Director, Cath Norman said, *"Preparing the submission of the work program for the evaluation of the SNE-1 and FAN-1 discoveries to the Government of Senegal has been the priority for FAR in this past quarter. Commencing and delivering the first phase of the appraisal of the SNE-1 discovery, continuing the evaluation of the FAN-1 discovery and unlocking the potential of the numerous exploration prospects offshore Senegal, is FAR's priority for the remainder of the year and into 2016.*

"The preliminary assessment of the two Senegalese discoveries indicates that both SNE-1 and FAN-1 are likely to be large enough to support standalone developments and the initial two well appraisal drilling program will be focussed on determining commerciality of the SNE-1 discovery. In addition to assessing commercial viability, the joint venture is planning an exploration program to explore undrilled prospects offshore Senegal. This program will piggy-back on the appraisal program resulting in a multi-well drilling plan. In the initial drilling phase, one exploration well is planned to follow the two appraisal wells on SNE-1.

"Following the two discoveries, FAR has updated the prospect inventory for the undrilled prospects offshore Senegal. FAR remains extremely encouraged by the prospectivity offshore Senegal and unrisked best estimate of 225 mmbbls of oil net as shown by the prospective resources revision, on to FAR yet to be drilled (reference ASX release 13 April 2015). In the wake of the two discoveries and proving the hydrocarbon migration and trapping models, the geological chance of success for these prospects has improved greatly. Further, the Operator has assessed that it is commercially viable to tie back discoveries of a minimum of 75mmbbls made within a 25 km radius of a hub development. It is likely a number of the shelf prospects could be tied into a single development. Drilling the exploration potential of the shelf not only remains essential for unlocking the value of the project to FAR shareholders, but also for optimising development plans for the future.*

"FAR enters this quarter with a strong cash position of A$52 million and no debt.

"With respect to FAR's other projects, in events following the end of the quarter, the Guinea Bissau joint venture has been awarded a 2 year extension to the current PSC period. The period now ends in November 2017 and provides ample time for FAR and its partners to evaluate the shelf edge play in the blocks that is possibly analogous to the play in which the SNE-1 discovery was made. FAR is participating in a speculative 3D seismic survey on the North West Shelf offshore Western Australia following the award of a 12 month extension to the current exploration period to allow it to acquire data in an optimum weather window and take advantage of vessels in the region.

"FAR has withdrawn from its remaining onshore Australian interests as they are not in line with the company's exploration or funding strategy going forward.

"FAR is extremely pleased to announce this quarter that Reg Nelson has accepted an invitation to join the board of the Company. Reg is a true statesman of the Australian oil and gas industry and brings a wealth of experience to FAR. We look forward to formally welcoming him at the AGM to be held in Melbourne on Friday 15 May.

"2015 continues to build as an exciting year for FAR shareholders as we aim to unlock value through appraisal drilling and exploration drilling into 2016. We look forward to updating on the forward drilling schedule as it is agreed by the joint venture."

For more information please contact

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* Refer to Cautionary Statement in this report (page 7) relating to estimates of prospective resources

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.*

***Prospective Resources** - All prospective resource estimates presented in this report are prepared as at 27/2/2013, 11/3/2014, 5/2/2014 and 13/04/2015 (Reference: FAR ASX releases of 27/02/2013, 11/3/2014, 5/2/2014, 13/04/2015). 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. Unless otherwise stated the 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 unrisked and have not been adjusted for both an associated chance of discovery and a chance of development. The 100% basis and net to FAR prospective resource estimates include Government share of production applicable under the Production Sharing Contract.*

***Competent Person Statement Information** - In this report relating to hydrocarbon resource estimates has 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 Prospective Resources in the form and context in which it appears. The 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.*

Project table

Project and Location	Tenement	Beneficial Interest at end of quarter	Acquired during athe quarter	Disposed during the quarter
Guinea-Bissau (offshore)	Sinapa Block 2	15.00%	–	–
	Esperanca Blocks 4A & 5A	15.00%	–	–
Senegal (offshore)	Rufisque,	15.00%	–	–
	Sangomar	15.00%	–	–
	Sangomar Deep	15.00%	–	–
Kenya (offshore)	Block L6	60.00%	–	–
Kenya (onshore)	Block L6	24.00%	–	–
Kenya (offshore)	Block L9	30.00%	–	–
Australia (WA offshore)	WA-457-P	100.00%	–	–
	WA-458-P	100.00%	–	–
Australia (WA onshore)	EP104	0.00%	–	15.67%
	R1	0.00%	–	8.89%
	L15	0.00%	–	12.00%

* Refer to Cautionary Statement in this report (page 7) relating to estimates of prospective resources

FAR Top 10 shareholders (as at 31 March 2015)

	Shareholder	Number of shares	Percentage
1	FARJOY PTY LTD	342,645,785	10.957%
2	J P MORGAN NOMINEES AUSTRALIA LIMITED	226,619,614	7.247%
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	138,547,660	4.431%
4	CITICORP NOMINEES PTY LIMITED	93,718,212	2.997%
5	MR OLIVER LENNOX-KING	75,647,869	2.419%
6	TOAD FACILITIES PTY LTD <JP NETTLETON/TOAD S/F A/C>	58,227,273	1.862%
7	FOUNTAIN OAKS PTY LTD	32,200,366	1.030%
8	NATIONAL NOMINEES LIMITED	28,818,978	0.922%
9	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	28,058,278	0.897%
10	BNP PARIBAS NOMS PTY LTD	21,144,440	0.676%
	Total	**1,045,628,475**	**33.438%**
	Total Issued Capital	**3,127,058,427**	**100.000%**

* Refer to Cautionary Statement in this report (page 7) relating to estimates of prospective resources