

23 August 2016

ASX Announcement & Media Release

Material 14% increase in SNE field contingent recoverable oil resources

- SNE field 2C contingent recoverable oil resource upgraded by 14% to 641 mmbbls.
- Upgrade includes results from BEL-1 and SNE-4 wells.
- The third material upgrade since discovery supports FAR's view that SNE is a world class oil field with the credentials to support a potential commercial development.
- FAR will provide a statement on SNE commerciality, plus update Senegal prospective resources*, including the Djiffere block, in coming weeks.

Material SNE contingent resource upgrade

2C contingent oil resources contained in the SNE field offshore Senegal have increased by 14% to 641 mmbbls (100% basis, recoverable, unrisks).

A new, updated Independent Resources Report for FAR Ltd (ASX: FAR) on the SNE oil field has been completed by RISC Operations Pty Ltd ("RISC") following the drilling of two further successful appraisal wells, BEL-1 and SNE-4.

The SNE contingent resource assessment completed by RISC and set out in its new Independent Resource Report represents a material increase to the estimates previously reported by FAR in April (Refer: FAR ASX announcement 13 April 2016).

The SNE oil field contingent resource estimate detailed in Table 1 below are set out in RISC's report and assessment of the probabilistic resource evaluation carried out by FAR in accordance with industry standard SPE-PRMS definitions.

Table 1. Summary of oil contingent resources (MMstb) included in RISC's August 2016 report

	Gross			Net Attributable		
	1C	2C	3C	1C	2C	3C
SNE Discovery (MMstb)	348	641	1128	52	96	169
Percentage change from April 2016	+26%	+14%	+5%	+26%	+14%	+5%

1. Gross are 100% of the resources attributable to the licence.
2. Net attributable are reported on the basis of FAR's current working interest share of 15%. Petrosen has an option to increase its working interest through the exploitation phase which would reduce FAR's working interest to 13.7%.
3. The contingent estimates are not adjusted to reflect the Production Sharing Contract entitlement on net economic interest basis.

This third material increase in the SNE oil field contingent recoverable resources is a result of improved understanding of SNE oil field parameters after incorporating the results of the SNE-1 discovery well and four successful SNE oil field appraisal wells along with associated wireline logging, flow testing, available core data and high quality re-processed 3D seismic data.

* Refer to Cautionary Statement in this report (page 4) relating to estimates of prospective resources

The latest estimation of Stock Tank Oil Initially in Place (“STOIIP”) was based on reprocessed and depth converted 3D seismic data covering the field and wireline log and oil sample data from SNE-1, SNE-2, SNE-3, BEL-1 and SNE-4. The recovery estimates have been evaluated using analytical methods. The volumes of individual zones have been aggregated probabilistically taking account of dependency between input property distributions.

The SNE discovery is at an advanced stage of appraisal. Further drilling, testing and studies are expected to be undertaken to define a development project.

The growth in FAR’s estimated SNE contingent recoverable oil resource has been significant since the joint venture made the SNE-1 oil discovery in November 2014. As more data has become available the field size has increased by 316% at the 2C level from the pre-drill best estimate of 154 mmbbls.

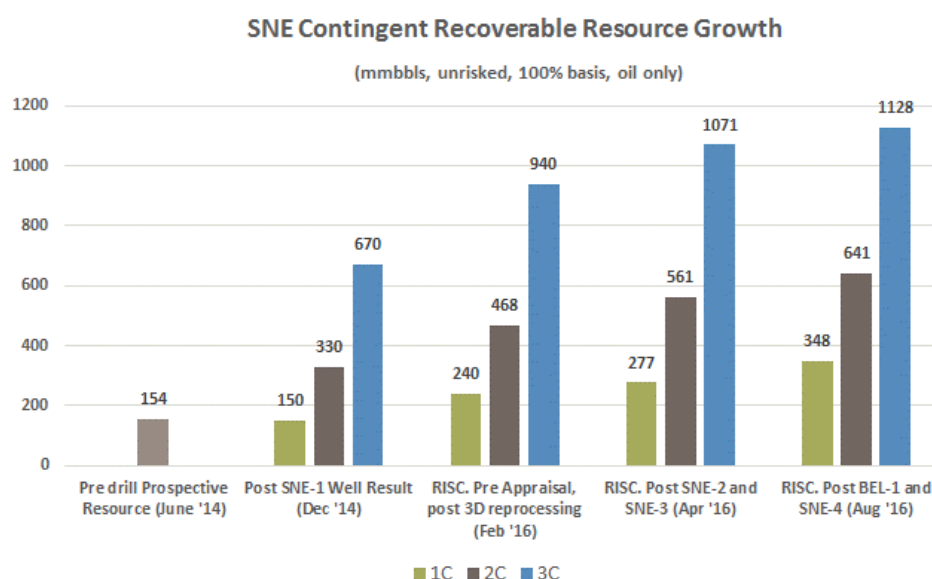


Figure 1. Growth of the SNE oil field over time

FAR estimates the SNE oil field covers an areal extent of more than 350km² (135 sq miles). This very large foot print and significant resource rate SNE as a global giant, or “elephant” sized oil field. The five wells drilled to date into the field (SNE-1, SNE-2, SNE-3, BEL-1 and SNE-4) cover a distance of approximately 9km in a north-south direction (BEL-1 to SNE-3) and 5km to the east (SNE-4). All of the SNE wells have confirmed a ~100m gross oil column, high quality 32° API oil, and the presence and correlation of principal reservoir units across the field. In addition, flow tests from SNE-2 and SNE-3 have also indicated the potential for commercially viable well production rates.

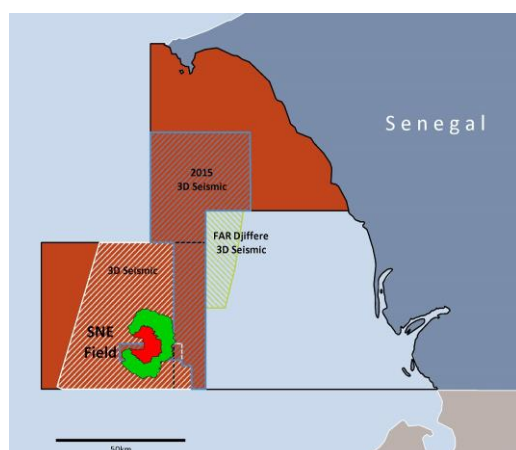


Figure 2. SNE field location and 3D seismic coverage offshore Senegal.

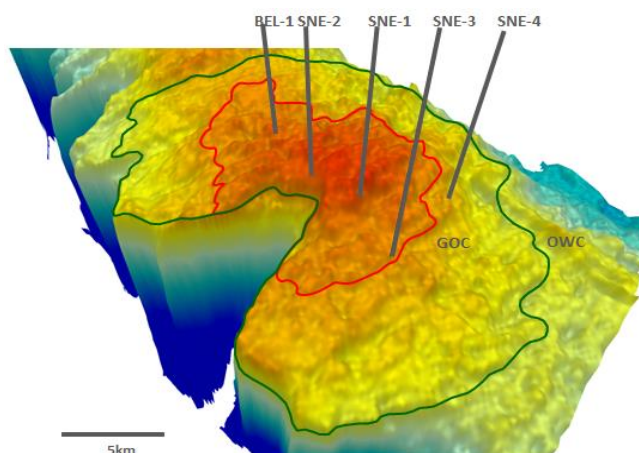


Figure 3. SNE field outline with well locations and interpreted gas-oil and oil-water contacts

FAR Managing Director Cath Norman said;

"RISC's new independent assessment of SNE's 2C contingent recoverable resource of 641 mmbbls represents a significant 14% increase to RISC's previously reported estimate of 561 mmbbls, and a stellar increase of 316% from the pre-drill estimated size of the field".

"RISC's latest assessment of SNE integrates the results from the successful BEL-1 and SNE-4 appraisal wells. BEL-1 confirmed good quality oil reservoirs in the northern portion of the SNE field. SNE-4 found oil bearing upper reservoir sands of similar quality to those encountered as gas bearing elsewhere in the SNE field".

"The industry phrase "good fields get better" could not be more appropriate for this world class field. The growth of the SNE field from a pre-drill P50 estimate of 154mmbbls to a 2C recoverable contingent resource of 641 mmbbls today has been achieved in less than two years. This highlights that new information from each successful SNE appraisal well and associated wireline logging, flow testing and core data has improved the overall level of confidence of the size of the field when integrated with 3D seismic and reservoir mapping".

"The Senegal JV has cut 612m of core data from four successful appraisal wells drilled into the field and this information is now dramatically improving our understanding of the petrophysical nature of the reservoir when combined with the well log data, particularly for the upper reservoir sand units".

"FAR has delivered another remarkable independently audited SNE resource upgrade and we look forward to providing investors with a future statement on FAR's view of the commerciality of the SNE oil field, update on our prospective resources, and the resumption of drilling offshore Senegal in 2H 2016. SNE is a world class oil field that is truly worthy of the "elephant" title".

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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.

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 and 23/08/2016 (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.

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 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.