

25 August 2017

ASX Announcement & Media Release

Guinea-Bissau Update

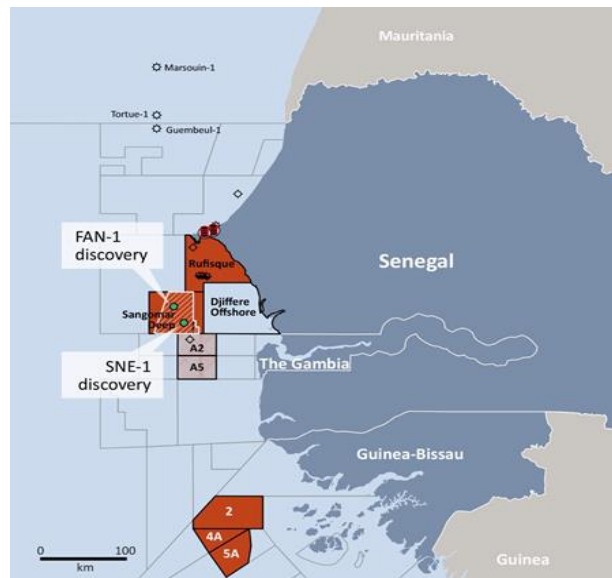
- FAR awarded additional equity and improved deep water terms in the Guinea-Bissau Licences
- Licence periods have been extended to 25 November 2020
- Government Decree executed to approve additional equity and terms

FAR Limited (ASX:FAR) has received official confirmation that the increase in equity and amendments to the Guinea-Bissau licences announced on 4 April 2017, have been approved by Government Decree.

These changes to Licence terms are consistent with FAR's strategy to focus on the shelf edge areas of the Sinapa and Esperanca Licences which display a similar geological setting to offshore Senegal and FAR's enormous SNE field discovery.

In early April, negotiations concluded with the National Oil Company of Guinea-Bissau, Petroguin, to revise the terms of both the Sinapa and Esperanca Licences to which FAR has interests.

Under the revised Licence terms negotiated by FAR and its joint venture partner Svenska Petroleum Exploration AB ("Svenska"), FAR now have a 21.42% participating and paying interest in the permits, an increase from the 15% participating and 21.42% paying interests as previously reported. These changes reflect the fact that Petroguin will no longer have a participating interest in the joint venture prior to a commercial discovery. Upon making a commercial discovery, Petroguin will have a reduced participating and paying interest of 10% and FAR and Svenska will respectively have interests of 19.28% and 70.71%.



In addition the new Licence terms negotiated include more favourable arrangements for deep water investment including a reduction to production royalty rates payable to Government.

The Joint Venture has also been awarded a three-year extension to the current Licence periods, now ending on 25 November 2020.

During these Licence periods, the Joint Venture will drill one exploration well on each Licence with a minimum expenditure commitment for each Licence of US\$3 million (gross).

These changes in the terms of the Licences have been now been approved by Government Decree.

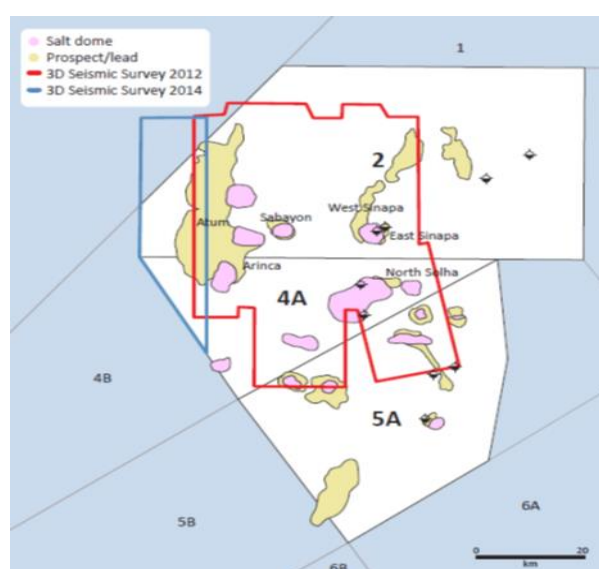
FAR Managing Director, Cath Norman, said:

“We are very pleased to have concluded the approval process to ratify the increase in equity and change in terms for the Guinea-Bissau licences. FAR has previously mapped a 470mmmbbls prospect called Atum on the Guinea-Bissau shelf edge in a play similar to the large SNE discovery made by FAR and it’s Senegal partners in 2014.*

It is testimony to the close working relationship that FAR and Svenska have with Petroguin, that these agreed Licence changes including the 3 year extensions, provide a strong basis to proceed with deep water exploration work program and investment.

FAR looks forward to working with Svenska and Petroguin leading up to drilling our first exploration well offshore Guinea-Bissau.”

FAR’s acreage offshore Guinea-Bissau is shown in the accompanying maps. Blocks 2, 4A and 5A are also known as the Sinapa and Esperanca blocks. FAR has mapped the Atum prospect in Blocks 2 and 4A as a shelf edge prospect having a best estimate (P50) prospective resource of 471 mmmbbls (gross, unrisked recoverable oil resources). As reported in FAR’s 2016 Annual Report to Shareholders, FAR has an extensive inventory of leads and prospects mapped offshore Guinea-Bissau (as seen in the following table).



Guinea-Bissau project contingent and prospective resources, gross, unrisked, recoverable, mmmbbls, oil only*

Guinea-Bissau Prospect	Low Estimate	Best Estimate	High Estimate
Sinapa Discovery	4.4	13.4	38.9
Total	4.4	13.4	38.9
Total Net to FAR	0.7	2	5.8
East Sinapa	1.8	7.5	34.2
West Sinapa	17.7	34.7	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 Prospects	269	954	3,500
Total Net to FAR	40	143	525

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, 23/08/2016 and 7/2/2017 (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.

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

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