

25 November 2016

ASX Announcement & Media Release

2017 Senegal drilling program

- Two firm SNE appraisal wells to be drilled early 2017
- Stena DrillMAX drillship contract executed
- Drilling day rates significantly reduced
- Drilling expected to commence in 1Q 2017

FAR Ltd (FAR) and its Senegal joint venture partners have agreed the firm drilling program for 2017 consisting of two appraisal wells on the world class SNE oil field. The wells will be drilled in order to optimise the SNE field development plan before submission to the Government of Senegal for approval.

The joint venture has completed an extensive rig tender evaluation process and executed contracts for the use of the Stena DrillMAX drillship for the two well drilling program commencing in 1Q 2017. The SNE-5 and SNE-6 wells are located within the SNE oil field and are designed to evaluate the upper SNE reservoir units (400 series), specifically the connectivity of the reservoir section and depositional model interpreted from existing wells and high quality 3D seismic data.

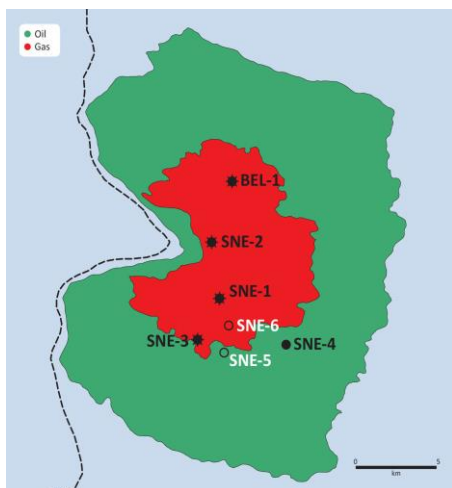


Figure 1: SNE field outline

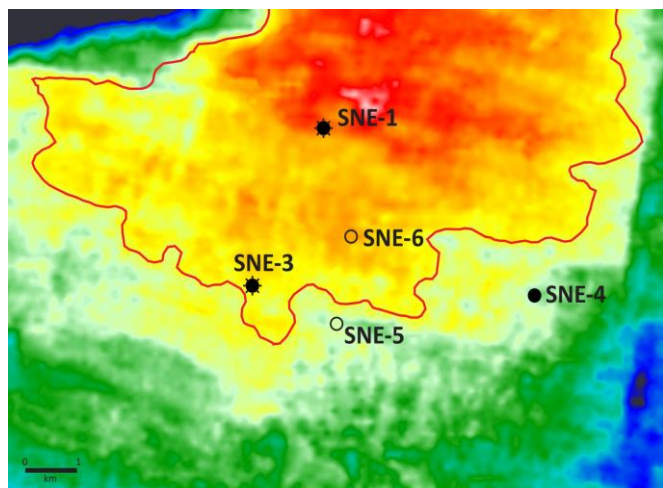


Figure 2: Proposed new SNE-5 and 6 well locations

The drilling and evaluation plan is for SNE-5 to undergo drill stem testing (DST) and have permanent gauges placed in the upper reservoir units. SNE-6 is to be drilled immediately after SNE-5, and it is also expected to undergo an extended DST program in order to generate a pulse that will be registered in the gauges installed within the upper reservoir section at SNE-5 and SNE-3.

Successful flow and interference test results that support connected reservoir units are expected to lead to higher than currently estimated ultimate oil recoveries by FAR from these reservoir units.

The joint venture is progressing towards the submission of a development plan for the SNE field as quickly and efficiently as possible, with pre-FEED activities currently focused on determining the final project size and scope. The SNE-5 and SNE-6 wells are expected to provide important data for SNE reservoir management and will play a key role in optimising the proposed SNE project development.

The Stena DrillMAX has been contracted for a firm two wells plus additional option wells and the drilling program will commence in Q1 2017.

FAR managing director, Cath Norman, said, *“We look forward to the results from the next phase of drilling and evaluation activity over our world class SNE oil field, offshore Senegal. The Stena Drillmax has completed an efficient drilling program elsewhere offshore West Africa and is currently located in Las Palmas. After a rigorous tender process, our joint venture has been able to secure the rig at a very attractive operating day rate, reflecting current market conditions and at a substantially lower cost than our two previous drilling campaigns. We look forward to providing updates in the coming weeks regarding expected spud date”.*

Stena DrillMAX

- Dynamically positioned DP Class 3 drillship
- Capacity up to 3,000m water depth and 10,700m drilling depth
- Length: 228m, Width: 42m
- Accommodation 180 persons
- Dual hoisting mast and drilling tower
- Two BOP systems
- 85,000 barrels of crude storage capability



Figure 3: Stena DrillMAX drill ship

Stena

Stena, one of Sweden’s biggest family-owned companies, based in Aberdeen, Scotland is a leading global independent drilling rig operator with four ultra deepwater drillships.

The Senegal joint venture has taken advantage of favourable market conditions and reduced deep water rig rates to secure the Stena DrillMAX drill ship at a highly competitive operational day rate, significantly lower than previously achieved with the Ocean Rig Athena.

The Stena DrillMAX is a state of the art, dual mast, dynamically positioned, deep water drill ship with a rig crew that has extensive international and regional West African experience.

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