

27 March 2017

ASX Announcement & Media Release

VR-1 well finds oil in Senegal, 8/8 successful wells drilled

- The VR-1 well has drilled to a depth of 2759m, below the OWC for the SNE field
- The well intersected a 97m gross oil column across multiple reservoirs with highest net pay in any well drilled to date
- Greater than expected thickness of Lower SNE Reservoirs in oil column
- Best Lower SNE Reservoir properties measured so far in the SNE field
- Samples of oil have been taken confirming fluid contacts
- FAR expects the VR-1 well results to contribute to a revision of resource estimate for SNE
- Well is currently ahead of schedule
- Operations are continuing, preparing to deepen and drill into the Aptian carbonate play

Drilling operations on the FAR Limited (ASX: FAR) VR-1 well offshore Senegal have reached a depth of 2759m, wireline logging and sampling through the SNE section are complete and preparations are underway for deepening the well into the Aptian carbonate objectives below the SNE field.

FAR's evaluation of the well results are as follows:

- The reservoir units are in oil as prognosed
- The lower, 500 series 520 reservoir (16m in oil), a key reservoir to the phase 1 development of the SNE field, exhibited excellent reservoir properties, superior to all other reservoirs sampled in the SNE field to date
- The deeper 540 reservoir (11m in oil) has only been seen in the SNE-2 well in oil (2m)
- Samples of oil have been taken
- Along with other appraisal wells, the well confirmed a 97m gross oil column with greater than expected net pay and thickest net pay of all appraisal wells drilled to date

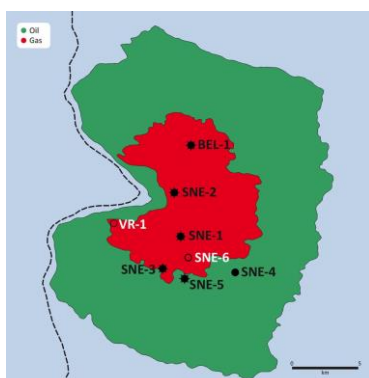


Figure 1: Location of the planned VR-1 and SNE-6 wells

FAR anticipates that the results of the VR-1 well, together with the recent SNE-5 results will lead to a revision of contingent resource estimate for the SNE field and have an impact on design of the development plan in the coming months. The 1C resource is currently 348mmbbls* (gross, unrisks, ref ASX announcement 23 August 2016) compared to the minimum economic field size for the SNE field of 200mmbbls.

The VR-1 well is the 8th successful well to be drilled offshore Senegal since drilling commenced in 2014.

Currently the well is 4 days ahead of budget reflecting similar

efficiencies experienced at the SNE-5 well.

The VR-1 well is located approximately 5kms west of the SNE-1 discovery well (as seen in Figure 1) and is being drilled to appraise the lower and upper reservoir units in the western part of the SNE field.

The VR-1 well will also assess the potential for additional reservoir units within the upper reservoirs in the western part of the SNE field. In addition, the VR-1 well will examine deeper Aptian carbonate exploration targets under the SNE field (refer to *Suum lead in FAR ASX announcement dated 7 February 2017*). The cross section in Figure 2 illustrates the location of the well relative to the SNE reservoirs and the deeper Aptian target.

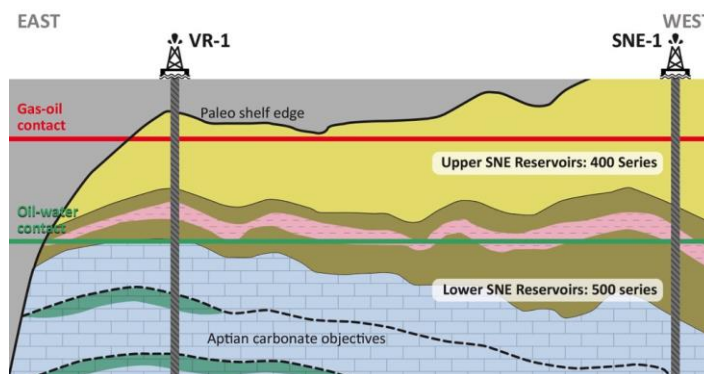


Figure 2: Cross section showing the geological setting for the VR-1 well versus the SNE-1 well

Budget and drilling efficiencies

Due to the efficiencies achieved on the SNE-5 well and projected improved drilling performance, FAR estimates that the inclusion of the VR-1 well into the drilling program will have a minimal incremental funding impact for FAR (estimated at approximately A\$2-3 million). FAR reported a closing cash position at 31 December 2016 of \$47 million. FAR is able to fund the additional VR-1 well.

FAR Managing Director, Cath Norman, said,

“The VR-1 well has been highly successful, providing important information regarding the geology of the western flank of the SNE field and in particular the nature of the 500 series reservoirs. Understanding these reservoirs is critical to finalising the Phase 1 development concept and plan.

The operations team and the Stena DrillMAX continue to perform well and it bodes well for further cost savings in the drilling program.

We look forward to bringing our shareholders results from our exploration of the deeper Aptian carbonate play.”

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 - 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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