

26 April 2017

## ASX Announcement & Media Release

### Shareholder update: FAR back to exploration drilling

- FAR to drill first pure exploration well offshore Senegal since the SNE discovery
- Exploration well to be drilled in the South Fan prospect in the Basin Fan play
- Well will evaluate potential for improved reservoirs in the Basin Fan play
- FAN South-1 will be drilled on completion of SNE-6
- SNE-6 has reached Total Depth and operations are progressing in line with plan

FAR Limited (ASX: FAR) and the Senegal Joint Venture are drilling the FAN South-1 exploration well into the Southern FAN prospect in the first pure exploration well to be drilled offshore Senegal since the discovery wells of FAN-1 and SNE-1 in 2014.

FAN South-1 will be the next well to be drilled in the current Senegal drilling campaign and will be drilling into the South Fan prospect. FAN South-1 is the first well drilled into the Basin play since the initial FAN-1 discovery well in 2014. The well will assess the upside potential for improved reservoir presence and quality in the basin. FAR assesses the FAN South prospect to contain 134 mmbbls\* of recoverable oil on a best estimate basis, with an 18% chance of success (*refer ASX release 7 February 2017*). Figure 1 below shows the location of the FAN South-1 well.

The South Fan prospect consists of several stacked reservoir targets. The well will be drilled to an estimated Total Depth (“TD”) of 5,317 metres in a water depth of 2,139 metres. The firm well plan for FAN South-1 includes logging programs prior to the well being plugged and abandoned.

FAN South-1 will be drilled on completion of the SNE-6 appraisal well which has now reached Total Depth and operations including wireline logging, collection of samples and drill stem testing are underway. SNE-6 has been drilled ahead of planned timing.

*Managing Director, Cath Norman said, “It is great to be back drilling a pure exploration target offshore Senegal, and the first well in the basin play since our original FAN-1 discovery. We are drilling in a part of the basin where we expect to encounter improved reservoir presence and quality and gain valuable information in understanding the substantial potential of the large deep water basin area.*

*With drilling continuing to progress ahead of*

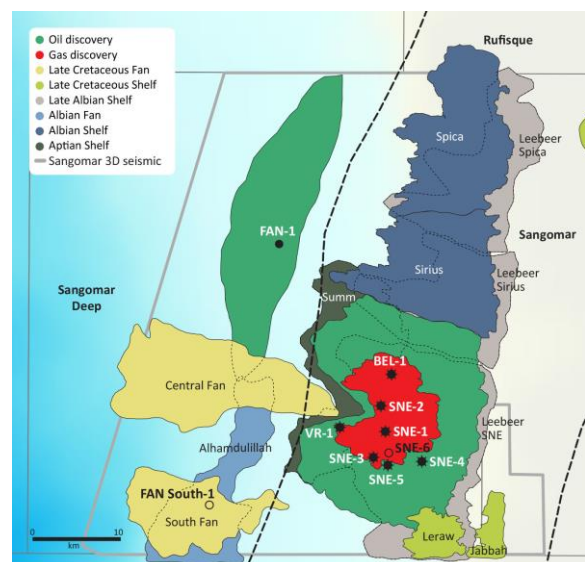
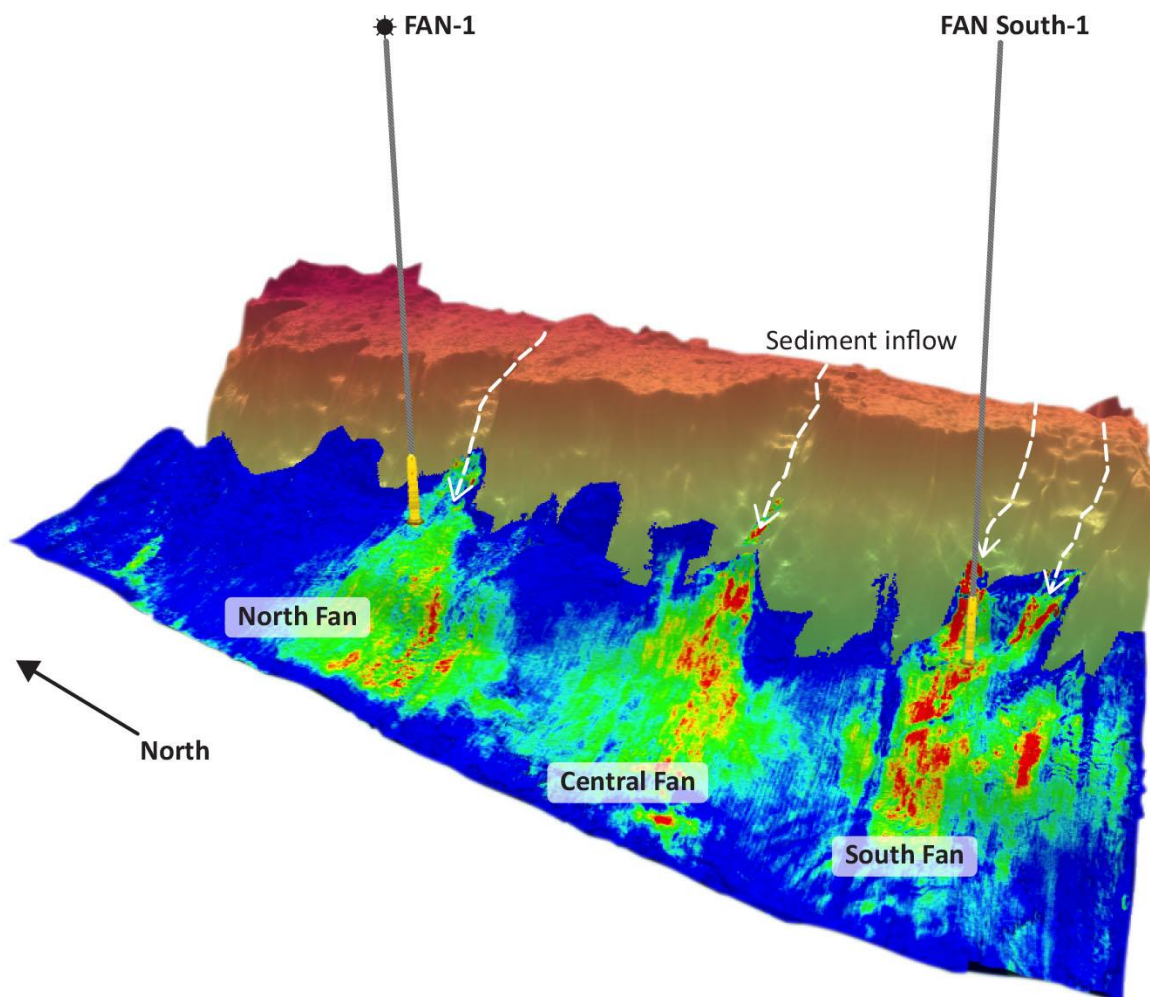


Figure 1: Location of the FAN South-1 well

\* Refer to Cautionary Statement in this report (Page 3) relating to estimates of prospective resources

*schedule, without incident and safely, we look forward to bringing further news of the planned interference test in SNE-6 in the coming weeks.”*

Figure 2 below illustrates the geological setting of the Basin Fan play containing the North Fan (drilled with the FAN-1 discovery well) in addition to the Central Fan and South Fan prospects.



## 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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