

18 May 2017

## *ASX Announcement & Media Release*

### **Successful connectivity result from SNE-6 appraisal well, offshore Senegal**

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- Wireline logging, sampling and flow testing of the SNE-6 appraisal well has been completed
- Pressure measurements and flow testing of two Upper Reservoirs have proven connectivity to the SNE-5 well
- Confirmation of connectivity has met final appraisal objective for the SNE Field
- SNE-6 well completed safely and under budget
- Drilling of FAN South-1 well to be commenced on completion of SNE-6 operations
- Joint venture planning to submit SNE Field development for Government approval in 2018

The SNE-6 well has been highly successful with excellent flow rates recorded from the Upper Reservoirs in the SNE Field, and connectivity of these reservoirs has been established with the SNE-5 well.

By achieving connectivity with the SNE-5 well, the SNE-6 well has successfully addressed the remaining key objective of the SNE field appraisal program.

The SNE-6 well was completed ahead of schedule and under budget following drilling, logging and Drill Stem Testing (DST) and will now be plugged and abandoned as planned.

The drill rig, Stena DrillMAX, is now moving to the FAN South-1 exploration well location.

The SNE-6 well, along with the previous successful SNE-5 well, formed part of an interference test designed to demonstrate connectivity within the Upper (400 series) Reservoirs. Pressure data from SNE-6 immediately confirmed good connectivity with SNE-5 and accordingly a short, but highly successful, DST was performed.

The DST produced the following results:

- The main reservoir units, pressure data and fluid contacts are in line with previous SNE appraisal wells
- Multiple samples of oil were recovered during the DST and analysis indicates oil of similar quality to previous wells
- Two DSTs were conducted within the Upper Reservoir units
- DST#1A flowed from an 11m interval at a maximum rate of ~4,700 barrels of oil per day (bopd) on a 60/64" choke. A 48 hour main flow period was performed at ~3,700 bopd on a 52/64" choke.
- For DST#1B an additional 12m zone was added and the well flowed at a maximum rate of ~5,300 bopd on a 64/64" choke, followed by a 24 hour flow at an average rate of ~4,600 bopd on a 52/64" choke.
- Pressure data from SNE-6 has confirmed that the Upper Reservoirs are connected with SNE-5, ~1.6km away.

Excellent flow rates were observed with the SNE-6 DST. FAR's preliminary analysis of the data is consistent with pre-drill geological modelling and indicates that the SNE-5 and SNE-6 wells are sufficiently connected to optimise production of the S480 reservoirs with water flood enhanced recovery techniques.

Further analysis will be performed once interference test data has been collected from all the observation wells (including SNE-3 and SNE-4), to determine the impact on modelled reservoir architecture, recoverable resource base and forward development plan.

**FAR Managing Director, Cath Norman, said,**

*"The SNE-6 well has been drilled safely and ahead of budget and importantly continues FAR's successful drilling campaign in Senegal being the ninth well now drilled offshore.*

*The SNE Field appraisal program was designed to prove commercially viable size, deliverability and connectivity for the field. Having successfully proven size and deliverability in the 2016 drilling campaign, the 2017 program was designed to understand the connectivity of the Upper Reservoirs in the field. The SNE-6 results, together with the results from the earlier SNE-5 and VR-1 well, successfully confirmed connectivity and hence the appraisal objectives for the field have now been achieved.*

*As a result, the Joint Venture now has the essential data to progress with pre-development work and plan to submit a SNE field development plan to the Government of Senegal in 2018.*

*Our focus is now moving to the south where we are drilling a new, pure exploration well in FAN South-1. Success in this well will further confirm offshore Senegal as one of the world's oil exploration hot spots."*

#### FAN South-1 well

The FAN South-1 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. The location of the FAN South-1 well is shown in Figure 1.

FAN South-1 is being drilled into the South Fan Prospects and will be targeting a best estimate, recoverable prospective resource of 134 mmbbls\* (*refer ASX release 7 February 2017*) within two main objectives:

- Upper Cretaceous stacked, multi-layer, channelised turbidite fan
- Lower Cretaceous base of slope turbidite fan objective, which is equivalent to the FAN-1 2014 oil discovery.

FAR has a 15% Working Interest (WI) in the RSSD blocks offshore Senegal (Rufisque, Sangomar and Sangomar Deep) that house the SNE Field, FAN-1 discovery and South FAN Prospect to be drilled with the FAN South-1 well.

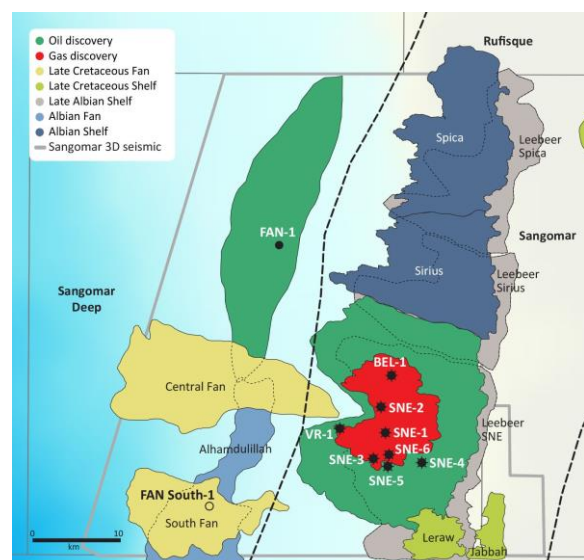


Figure 1: Location of the FAN South-1 well

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

## 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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