

24 September 2015

ASX Announcement & Media Release

FAR SECURES OPTION ON NEW BLOCK OFFSHORE SENEGAL

- FAR option to earn 75% working interest in Djiffere block offshore Senegal
- Djiffere block adjacent to FAR's existing highly prospective blocks offshore Senegal
- Emerging significant shelf play trend, proven by FAR's world class SNE discovery, intersects Western part of Djiffere block
- 3D seismic survey to evaluate Djiffere exploration potential now in progress

FAR Ltd ("FAR" ASX:FAR) has entered into a farm in option agreement with a subsidiary of Trace Atlantic Oil Ltd ("Trace") for the Djiffere block offshore Senegal. The Djiffere block is adjacent to FAR's highly prospective Rufisque, Sangomar and Sangomar Deep ("RSSD") blocks that contain the significant SNE-1 and FAN-1 oil discoveries.

The western part of the Djiffere Block is located along geological trend with the shelf play types identified in the eastern part of FAR's RSSD blocks. The potential of this shelf trend has been proven by the world class SNE-1 discovery, which was ranked by IHS CERA as the largest oil discovery worldwide in 2014.

FAR has identified multiple large prospects for drilling in its existing RSSD blocks along the shelf trend totalling 765 million barrels of prospective oil resources (gross, unrisks, best estimate, 100%) in a variety of structural play types including Buried Hill and Shelf Edge plays (refer FAR's prospective resources ASX announcement of 13 April 2015).

FAR has further identified a number of potential shelf structures within the Djiffere block from existing 2D seismic data, with one lead already estimated by FAR to have potential to contain in excess of 100 million barrels of unrisks prospective resources. The Djiffere block, being in shallow water, is suitable for low cost drilling and near term development projects.

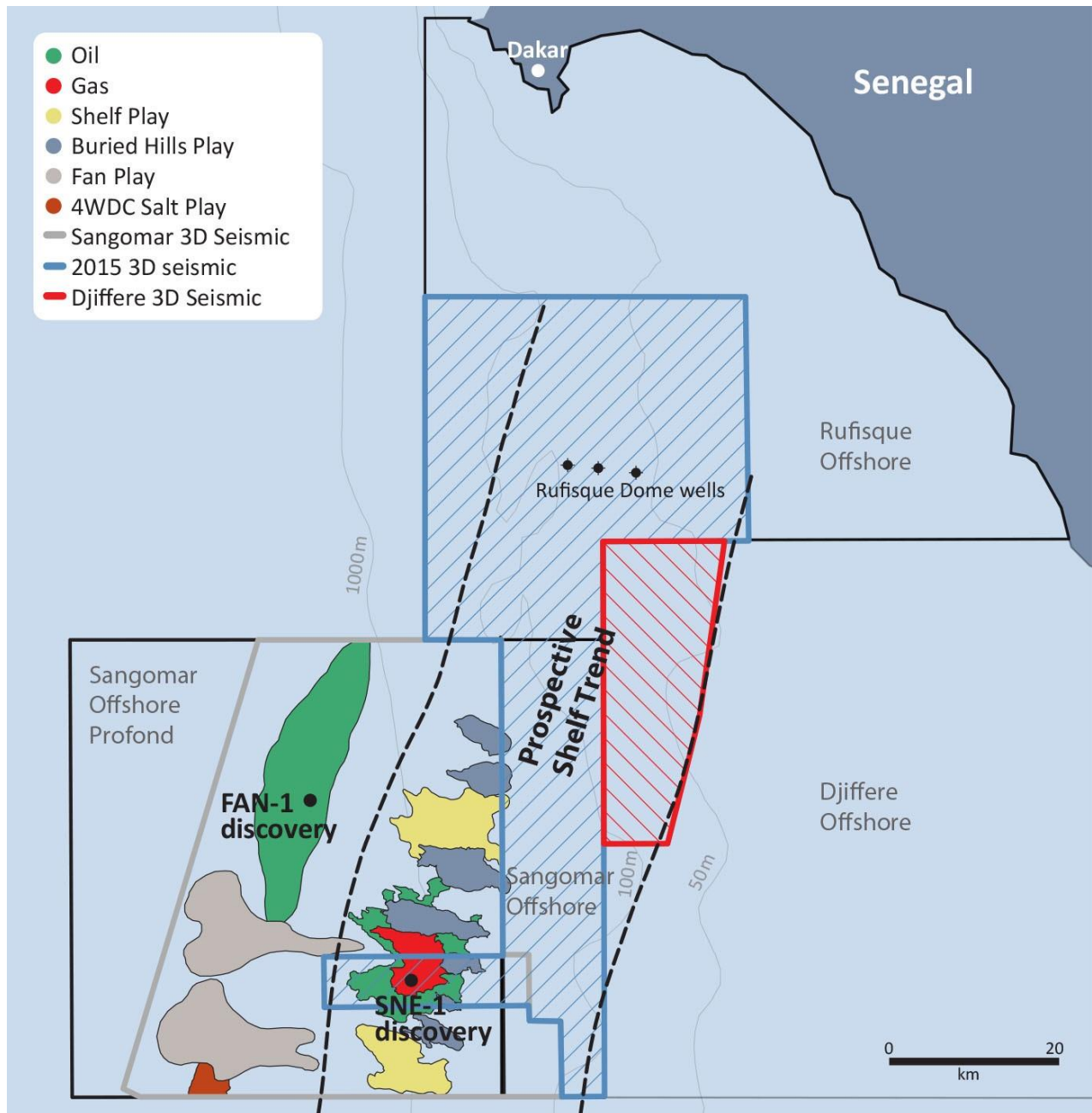
Under its agreements with Trace, FAR has the option to earn a 75% working interest in the Djiffere block by drilling an exploration well before 31 July 2018 (subject to Government approvals). The farm-in option can be exercised by FAR at any time before 31 October 2016, by which time FAR expects to have completed the firm 3 well shelf drilling program in its RSSD blocks.

FAR has awarded Polarcus a contract to undertake a 3D seismic survey in the Western part of the Djiffere block. This survey, in combination with other seismic data will provide 400km² of 3D coverage and will evaluate the shelf trend potential within the Djiffere block. The survey will be completed during this month as an extension of the current ongoing 3D seismic survey being conducted by FAR and its Senegal joint venture partners over its RSSD blocks. FAR estimates that its 3D survey in Djiffere will cost US\$1.1 million.

FAR's Managing Director Cath Norman said;

"This option agreement provides FAR with access to exciting new acreage offshore Senegal adjacent to our existing blocks and with increased exposure to the shelf trend prospectivity confirmed by the SNE discovery. With a large 75% equity position in Djiffere, FAR is well positioned to build its acreage position in this highly prospective emerging petroleum province".

Location Map Offshore Senegal



The Djiffere Block

The Djiffere PSC covers an exploration block of 4,459 km² offshore central Senegal. The block is in water depths of between 10m and 250m, and predominantly less than 100m.

To the north, the Rufisque Block (operated by Cairn Energy, with partners FAR and ConocoPhillips) contains the Rufisque Dome wells, with several incidences of oil shows of Cretaceous age. To the west lies the Sangomar Block where in 2014 the FAN-1 and SNE-1 wildcat wells made new oil discoveries in 2014.

About FAR

FAR (ASX: FAR) is an independent oil and gas explorer with high impact assets in West and East Africa.

FAR holds a significant acreage position (PSC area 7,490 km²) in an emerging offshore exploration global hot spot offshore Senegal located along the West Africa transform margin. FAR delivered two world class oil discoveries offshore Senegal late last year at FAN-1 and SNE-1. These were the first deep water exploration wells ever drilled, and first oil exploration wells drilled offshore for more than 40 years offshore Senegal.

FAN-1 is significant because it confirmed a working petroleum system offshore Senegal by identifying excellent (world class) source rocks. FAN discovered a 500m gross oil interval (made up of a series of discrete oil columns) within a channel fed submarine fan play (stacked sequence) with 29m of net oil pay and no oil water contact. FAN has potential to be large with the operator quoted oil in place (STOIIP) of P90: 250 mmbbls, P50: 900 mmbbls, P10: 2500 mmbbls*.

SNE-1 confirmed 36m of net oil pay in a gross 96m oil column and the reservoir quality is excellent (25% porosity). The high quality result from SNE-1 and confidence in mapping the SNE structure (3D seismic) has led the joint venture to announce a SNE recoverable contingent resource of 1C: 150 mmbbls, 2C: 330 mmbbls, and 3C: 670 mmbbls* (gross, unrisked). IHS CERA has rated SNE as the world's largest oil discovery in 2014.

In addition to the discoveries, FAR has identified a sizeable prospect and lead portfolio in its offshore Senegal acreage that is estimated to contain prospective resources of over 1.5 billion barrels of oil on a gross unrisked best estimate basis* (FAR net 225 million barrels potential*).

About Trace

Trace Atlantic Oil Ltd. (TAOL) is a privately held international oil exploration corporation focusing on off-shore assets on the West coast of Africa, one of the most promising under-explored oil and gas regions in the world.

TAOL Senegal (Djiffere) Ltd is a private company part of the Trace Atlantic Oil Ltd group. In Senegal, TAOL Senegal (Djiffere) Ltd operate, with 90% participating interest, the Djiffere PSC, with Petrosen (the state oil company of Senegal) as partner.

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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 Resources - All prospective resource estimates presented in this report are prepared as at 27/2/2013, 11/3/2014, 5/2/2014 and 13/04/2015 (Reference: FAR ASX releases of 27/02/2013, 11/3/2014, 5/2/2014 and 13/04/2015). 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. Unless otherwise stated the 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 prospective resource estimates include Government share of production applicable under the Production Sharing Contract.

Competent Person Statement Information - In this report relating to hydrocarbon resource estimates has 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 Prospective Resources in the form and context in which it appears. The 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.