

8 February 2016

## ASX Announcement & Media Release

### Senegal project update: SNE oil field contingent resources upgraded

- Independent Resources Report completed by RISC for FAR's SNE oil discovery, offshore Senegal.
- SNE oil field contingent resources (100% basis, recoverable) have been upgraded by RISC to 240 million barrels of oil ("mmbbls") 1C, 468 mmbbls 2C, 940 mmbbls 3C.
- RISC's SNE oil field contingent resource 2C of 468 mmbbls (70 mmbbls net to FAR) represents a 42% increase to FAR's previous estimate of 330mmbbls (50 mmbbls net to FAR).
- The SNE oil field Minimum Economic Field Size ("MEFS") is estimated by FAR to be approximately 200mmbbls.
- RISC will update its independent assessment following results from the ongoing SNE three well appraisal program.
- SNE-3 appraisal well has been drilled to total depth, coring and wireline logging has now been completed and operations are currently preparing for drill stem testing.

FAR Ltd (ASX:FAR) commissioned RISC Operations Pty Ltd ("RISC") to prepare an Independent Resources Report for FAR's SNE oil field offshore Senegal. The report was prepared as at December 2015 incorporating recent data available from wells SNE-1 and FAN-1 and reprocessed 3D seismic.

The SNE contingent resources set out in RISC's Independent Resource Report represent a material increase to the estimates previously reported by FAR in late 2014 (*Refer: FAR ASX announcement 10 November 2014*) with the SNE field 2C contingent resource increasing by 42% to 468 mmbbls (100% basis, recoverable).

RISC reviewed and modified a probabilistic resource evaluation carried out by FAR in accordance with industry standard SPE-PRMS definitions.

Table 1 below sets out the SNE field oil contingent resource estimates included in RISC's report.

**Table 1. Summary of Oil Contingent Resources (MMstb)**

	Gross			Net Attributable		
	1C	2C	3C	1C	2C	3C
<b>SNE Discovery</b>	<b>240</b>	<b>468</b>	<b>940</b>	<b>36</b>	<b>70</b>	<b>141</b>

1. Gross are 100% of the resources attributable to the licence
2. Net attributable are reported on the basis of FAR's current working interest share of 15%. Petrosen has an option to increase its working interest through the exploitation phase to 13.7%
3. The contingent estimates are not adjusted to reflect the Production Sharing Contract entitlement on net economic interest basis

The estimation of Stock Tank Oil Initially in Place used 3D seismic data covering the field and wireline log data from SNE-1. The recovery estimates have been evaluated using analytical methods. The volumes of individual zones have been aggregated probabilistically taking account of dependency between input property distributions.

FAR has requested RISC to update its independent assessment of SNE contingent resources following results from each of the wells in the ongoing three well SNE appraisal program.

FAR announced the successful results from SNE-2, the first well of this appraisal program well, in early January (*Refer: FAR ASX announcement 4 January 2016*). The second SNE appraisal well (SNE-3) is currently undergoing preparations for a drill stem testing program following the successful drilling, coring and wireline logging of the well. SNE-3 has been drilled approximately 3km south of SNE-1 at a location designed to evaluate the mid reservoir and upper “hetrolithic” reservoir sections. This well will be followed by BEL-1, to be drilled into the Bellatrix Prospect and evaluate the Buried Hill exploration play as well as being deepened to appraise the northern part of the SNE oil field.

RISC’s Independent Resource Report notes that the SNE field contingent resource estimates presented in its report have not been updated to reflect the results of the SNE-2 appraisal well or any other changes since December 2015, and that new data may materially impact these contingent resource estimates.

The SNE discovery is at a very early stage of appraisal and will require significant further drilling, testing and studies before any commercial development scheme could be defined.

**FAR Managing Director Cath Norman said;**

*“The SNE oil field contingent resources estimated by RISC represent a significant upgrade on FAR’s previous estimates. RISC’s 2C contingent resource of 468 mmbbls represents a 42% increase to FAR’s previously reported estimate of 330mmbbls.*

*“This increase to FAR’s SNE oil field contingent resource estimates gives FAR increasing confidence that the SNE reservoirs are of such a scale and extent to justify a significant commercial development.*

*“Further, our current appraisal drilling program continues with the safe drilling of the SNE-3 well to total depth and we look forward to providing an update of the results of the SNE-3 well on the completion of the flow testing program.”*

*“We continue to be very pleased with the progress of the evaluation of our world class SNE discovery offshore Senegal.”*

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### 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 7,490km<sup>2</sup>) in an emerging offshore exploration global hot spot offshore Senegal located along the West Africa transform margin (see Figure 1 for location map). FAR delivered two world class oil discoveries offshore Senegal in late 2014 at FAN-1 and SNE-1. These were the first deep water exploration wells ever drilled, and first offshore wells drilled for more than 20 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 resource of P90: 250 mmbbls, P50: 900 mmbbls, P10: 2500 mmbbls\*.

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

FAR is currently conducting a three well evaluation program to appraise the SNE discovery.

FAR has further 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 un-risked best estimate basis\* (FAR net 225 million barrels potential\*).

Offshore Senegal PSC partners are: Cairn Energy 40% (operator), ConocoPhillips 35%, FAR 15%, Petrosen 10%.

### About RISC

Resource Investment Strategy Consultants ("RISC") is an independent oil and gas advisory firm founded in 1994 to provide independent advice to companies associated with the oil and gas industry.

The company has approximately 40 highly experienced professional staff at offices in Perth, Brisbane, Jakarta and London. RISC has completed over 2000 assignments in 68 countries for nearly 500 clients.

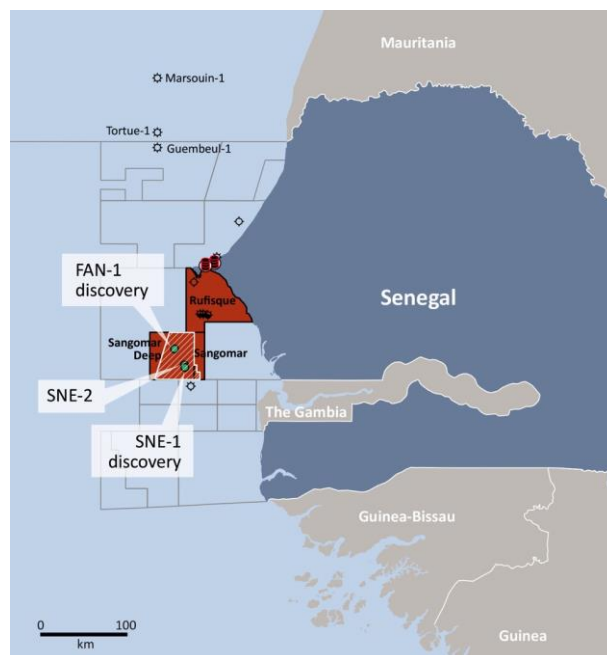


Figure 1: FAR acreage offshore Senegal with well locations

\* Refer to Cautionary Statement in this report (Page 4) relating to estimates of contingent resources

## Disclaimers

**\*Prospective and Contingent 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 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.

**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.

**Qualified Petroleum Reserves and Resources Statement** - The estimates of contingent resources contained in this announcement are based on, and fairly represent, an Independent Resources Report prepared under the supervision of Mr Geoff Salter. Mr Salter is an employee of RISC, an independent oil and gas advisory firm. Mr Salter is a member of the Society of Petroleum Engineers and holds a BA (Engineering), Cambridge University, 1979 and an MSc (Petroleum Engineering), Imperial College, 1983. Mr Salter has over 35 years' experience in the sector and is a qualified petroleum reserves and resources evaluator (QPPRE) as defined by ASX listing rules. Mr Salter consents to the form and context in which the estimated contingent resources and the supporting information are presented in this announcement.