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ASX Announcement & Media Release

Senegal update: SNE oil field contingent resources upgraded

- SNE oil field 2C contingent resource increased by 20% to 561 mmbbls.
- Update follows results of SNE-2 and SNE-3 appraisal wells and final reprocessed 3D seismic data.
- Further update expected after BEL-1 and SNE-4 well results.
- The SNE oil field Minimum Economic Field Size (“MEFS”) is estimated by FAR to be approximately 200 mmbbls.

FAR Ltd (ASX: FAR) commissioned RISC Operations Pty Ltd (“RISC”) to update an Independent Resources Report for FAR’s SNE oil field offshore Senegal following the drilling of two successful appraisal wells SNE-2 and SNE-3. The report was prepared as part of an ongoing evaluation of the drilling program being undertaken by FAR and their partners in the Senegal JV.

The SNE contingent resources set out in RISC’s Independent Resource Report represent a material increase to the estimates previously reported by FAR in February (*Refer: FAR ASX announcement 8 February 2016*) with the SNE field 2C contingent resource increasing by 20% to 561 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
SNE Oil Field	277	561	1,071	42	84	161

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, which would reduce FAR’s working interest 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 (“STOIP”) used reprocessed and fully depth converted 3D seismic data covering the field and wireline log and oil sample data from SNE-1, SNE-2 and SNE-3. 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 SNE appraisal program.

RISC’s Independent Resource Report notes that the SNE field contingent resource estimates

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

presented in its report have not been updated to reflect the results of the BEL-1 appraisal well or any other changes since 31 March 2016, and that new data may impact these contingent resource estimates.

FAR anticipates RISC will undertake a further update of its independent assessment of contingent resources following results from the BEL-1 and SNE-4 wells.

The SNE discovery is at an early stage of appraisal and will require further drilling, testing and studies before any commercial development can be defined.

FAR Managing Director Cath Norman said;

“A key aim of the SNE appraisal program is to progress proving the commercial viability of the SNE field. Appraisal drilling results to date indicate the SNE field could be a world class oil deposit which could justify a significant commercial development.

RISC’s latest independent assessment of contingent resources incorporates the results from the SNE-2 and SNE-3 appraisal wells. These wells have demonstrated the ability of the SNE reservoirs to flow at commercially viable rates.

The SNE oil field contingent resources estimated by RISC represent a significant upgrade on FAR’s previous estimates. RISC’s 2C contingent resource of 561 mmbbls represents a 20% increase to RISC’s previously reported estimate of 468 mmbbls.

Following the completion of the successful BEL-1 well, our current appraisal drilling program will continue shortly with the spudding of the SNE-4 well. In due course, we look forward to providing RISC’s further independent updates on SNE field contingent resources which incorporate the BEL-1 and SNE-4 well results.”

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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, 13/04/2015 and 8/2/2016 (Reference: FAR ASX releases of 27/02/2013, 11/3/2014, 5/2/2014, 13/04/2015 and 8/2/2016). 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.