

7 August 2017

## ASX Announcement & Media Release

### SNE North-1 exploration well discovers hydrocarbons

- Hydrocarbons discovered in at least 3 separate intervals
- Gross hydrocarbon column in excess of 24m
- Oil and gas encountered below SNE oil water contact
- Positive implications for further hydrocarbon potential to the north of SNE field and more broadly in the permit
- Well drilled safely, ahead of schedule and under budget

FAR Limited (ASX: FAR) announces another oil discovery offshore Senegal in the SNE North-1 exploration well drilled into the Sirius Prospect, to the north of the world class SNE oil field. The well discovered hydrocarbons at three separate intervals and a fourth zone may also be present.

These intervals include an oil and gas column in the S520 which is the high quality, lower reservoir in the SNE field. At the SNE North-1 location, the S520 is deeper than the SNE field oil-water-contact. Samples of a consistent 35 degree API oil (lighter than that encountered in the SNE field), water and gas were recovered to surface. Work to determine the extent of the hydrocarbon accumulations is ongoing.

Additional work is being undertaken to establish the potential commerciality of this discovery and to integrate the results with the block wide data gathered to date. The well result has positive implications for further exploration potential to the north along the structural trend containing the SNE field.

The well is located in 900 metres (m) water depth, approximately 90 kilometres offshore in the Sangomar Deep Offshore block and 15km north of the SNE-1 discovery well. The well reached a Total Depth (TD) of 2,837m. Drilling operations on the well have again been safely and successfully completed ahead of schedule and under budget, following drilling and logging operations.

FAR's preliminary analysis indicates:

- in excess of 24m of gross hydrocarbon column across at least three intervals
- in excess of 16m of net hydrocarbons in high quality reservoirs
- a lighter oil type of 35° API

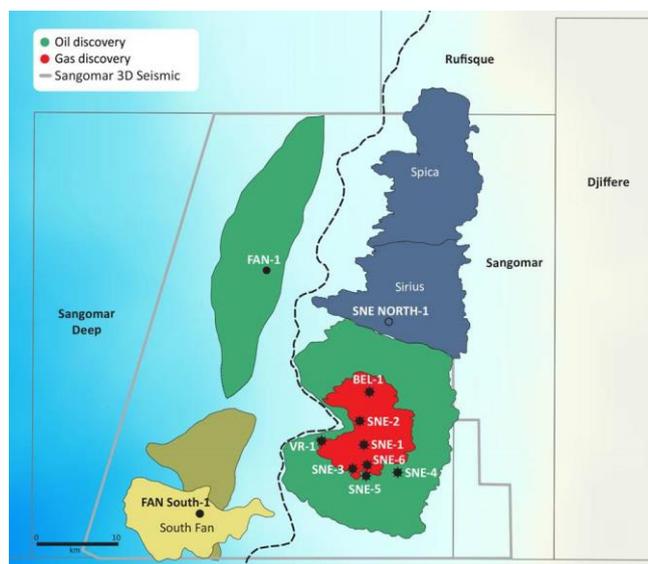


Figure 1: Location of the SNE North-1 well

After completing conventional logging, a series of tests were conducted across the reservoir section to further calibrate the geo-mechanical model of the SNE field to assist with the design of development wells.

This marks the end of the five well 2017 drilling campaign. SNE North-1 is being plugged and abandoned as planned, and the Stena DrillMAX rig will be released. The Joint Venture is reviewing the potential for further exploration drilling operations next year within the Rufisque, Sangomar and Sangomar Deep (RSSD) Production Sharing Contract (PSC) area.

FAR Managing Director, Cath Norman, said:

*“The SNE North-1 discovery yet again verifies the quality of the oil and gas generating system in our offshore Senegal permits and is another significant result. It is the 11<sup>th</sup> successful well drilled into the RSSD permits and the fifth in this year’s campaign.*

*The SNE North-1 well results are very encouraging for the structural trend to the north of the SNE field and the broader exploration potential of our Senegal permit and our other blocks in the region.*

*The Operator is to be commended for delivering a safe and successful drilling programme in Senegal this year and we look forward to now progressing the SNE field development with our joint venture partners.*

*We look forward to providing our shareholders with an updated independently certified assessment of the SNE field contingent resources and development plans for the SNE field in the coming weeks”.*

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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 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.