

19 March 2014

ASX Announcement & Media Release

Shareholder update

- Drilling offshore Senegal to commence in April
- Positive news from Sunbird-1 well offshore Kenya
- Strong cash position of \$28.4M

Senegal update

Drilling of two potentially high impact offshore oil exploration wells in FAR Limited's ("FAR") Senegal acreage in west Africa will begin in April after receiving advice from joint venture partner Cairn Energy PLC ("Cairn") of the UK.

Cairn yesterday advised that, "The two well exploration programme offshore Senegal (Cairn 40% WI, Operator) will start in April after drilling operations are completed in Morocco."

In a release to the London Stock Exchange Cairn provided an update on the schedule for the Cajun Express drilling rig which is completing Cairn's Moroccan exploration well and which will be moving to Senegal to drill the two FAR wells.

The first exploration well will be located on the North Fan prospect in 1,500m water depth. This well will be immediately followed by a second exploration well targeting a Shelf Edge Prospect in 1,100m of water. These will be the first deep water (>1,000m) wells drilled in Senegal and only the second and third deep water wells along the central Atlantic margin of West Africa.

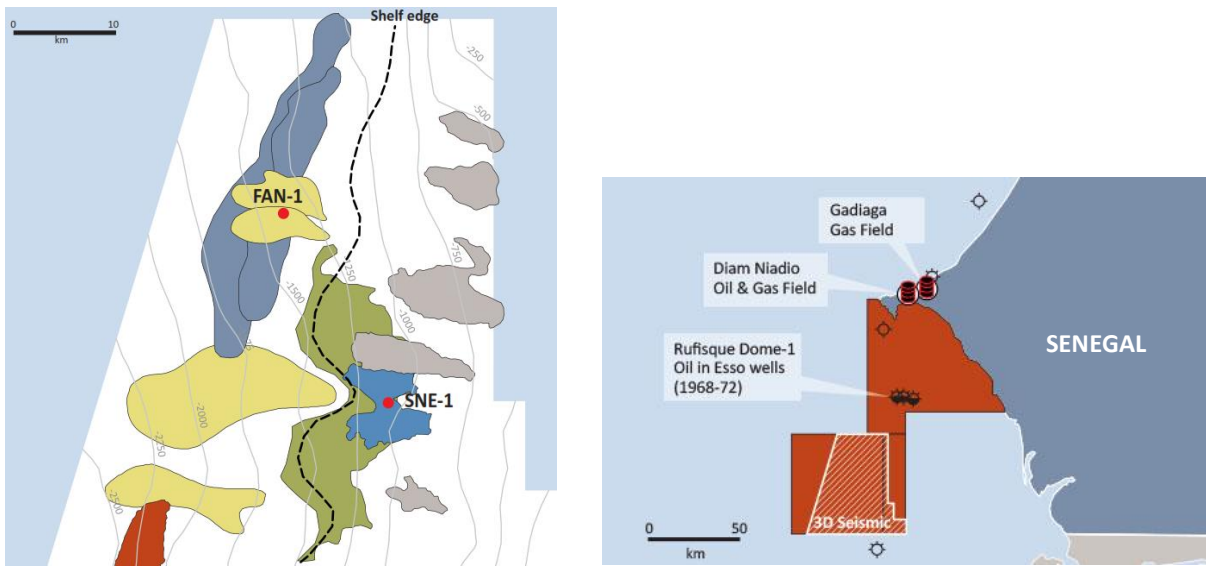
The two exploration wells will test combined prospective resources of approximately 1.5 billion barrels of unrisked prospective resources* (*Reference: FAR ASX release of 27/2/2013*) and FAR retains a 15% working interest in the blocks.

FAR has successfully secured funding of approximately US\$190 million (100% basis, FAR estimate) for these two exploration wells in farm out deals completed with Cairn and ConocoPhillips.

"It has been a terrific year for FAR in that we have now completed three farm-out deals and as a consequence we are funded through two high impact exploration wells in Senegal spudding in the next month as well as being fully funded through a seismic and drilling program in Kenya Block L6 due to be commencing in Q2. The recent announcement by Pancontinental updating the status of the Sunbird-1 well is highly encouraging for offshore Kenya, especially the reef play that extends through both Blocks L6 and L9 in which FAR has an interest."

Cath Norman Managing Director

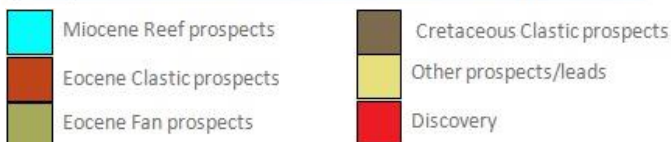
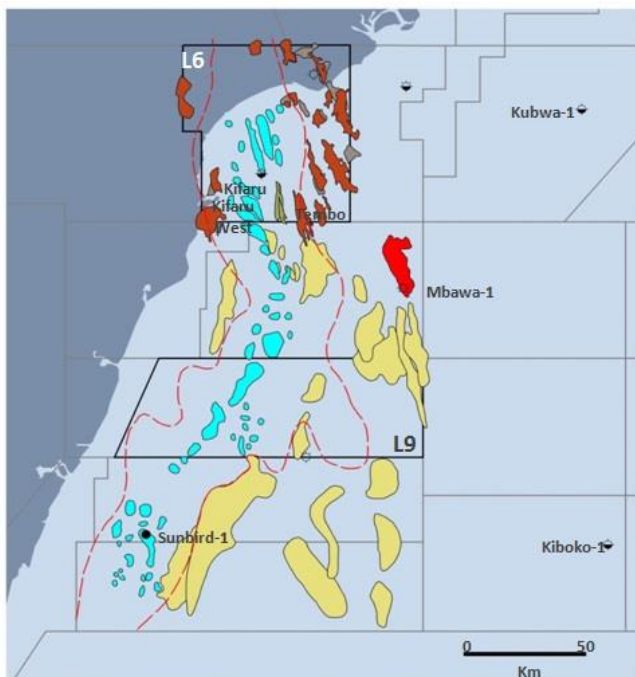
A map showing the location of the Senegalese fan prospect to be drilled (FAN-1) and the shelf edge prospect is shown below. In the event of success in these wells, FAR has identified a further 3.5 billion barrels of unrisks prospective resources* (Reference: FAR ASX release of 27/2/2013) in these and other plays offshore Senegal.



Location of the two Senegalese wells in the FAR 3D seismic area, offshore Senegal

Kenya update : Positive news from the Sunbird-1 well offshore Kenya

Pancontinental Oil & Gas NL (“PCL”) announced to the ASX on 17 March an update on the results of the recently drilled Sunbird-1 well in Block 10A offshore Kenya. The PCL announcement stated the Sunbird well had encountered a hydrocarbon column and that hydrocarbon samples had been recovered. The Sunbird block sits directly to the south of Blocks L9 and L6 in which FAR Limited (“FAR”) has a 30% and 60% working interest offshore respectively. A map showing the location of the offshore blocks is shown below.



*Refer to Cautionary Statement in this report (Page 5) relating to estimates of prospective resources

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The Sunbird-1 well is the first well to be drilled into the Miocene reef play that extends along the coast of Kenya in the Lamu basin as shown in the above map. The play extends into FAR's Blocks L9 and L6 as also shown.

Important to note from PCL's ASX release is that:

- Sunbird-1 contains a hydrocarbon column
- Hydrocarbons have been recovered from the well
- Drilling mud losses were suffered during the drilling of the well

From these points, we can conclude that there is a working hydrocarbon system in place, there is a working seal over the Sunbird prospect allowing the formation of a hydrocarbon column and that the reservoir is highly porous and permeable, resulting in the loss of mud while drilling.

This is very encouraging for the Miocene reef play along the margin and especially for confirming the attractiveness of the Kifaru and Kifaru West Miocene prospects mapped in Block L6.

FAR has mapped the Prospective Resources housed in the offshore Miocene reef play in Block L6 alone to total 1.5 billion barrels of oil (unrisked, Best Estimate, 100% basis)* resulting in an estimated 900 million barrels net to FAR* (reference FAR ASX release 27/2/2013).

Following recent Kenyan Government approval of the farm out transaction with Milio E&P Limited and Milio International ("Milio") FAR retains a 24% interest in the onshore part of Block L6 and a 60% interest in the highly prospective offshore part of Block L6 which houses this Miocene reef play. FAR is also currently in discussions with parties to farm-in to drill an offshore well in Block L6.

Under the terms of the farm-in with Milio, FAR will be fully funded through the drilling and testing of a high impact onshore exploration well onshore Block L6, expected to spud in H1 2015.

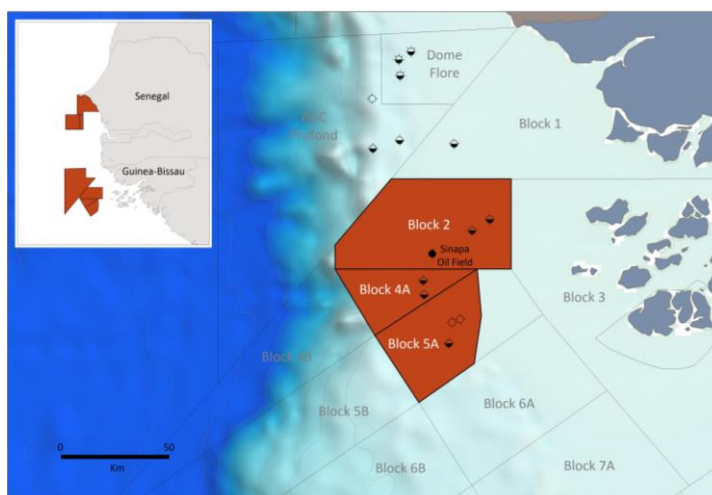
FAR will also be fully funded through the acquisition, processing and interpretation of a regional onshore 1,000 kilometre 2D seismic survey. This is expected to confirm a number of prospects in onshore L6 as drill targets and commence mid 2014.

The drilling of the well under the Milio farm in meets all work program and expenditure commitments on the Block L6 for the current period. In addition, FAR remains operator of the entire block.

Guinea Bissau update

FAR holds a 15% participating interest and 21.43% paying interest in Sinapa Block 2 and Esperanca Blocks 4A/5A in offshore Guinea-Bissau. Petroguin, the National Oil Company, has a 30% participating interest which is non-paying during the exploration phase. Svenska Petroleum Exploration Guinea Bissau A.B. ("Svenska") holds the remaining participating interest and is Operator of the permits.

FAR and Svenska have approved a work program and budget which includes one firm appraisal well and one contingent exploration well. Svenska was making preparations to drill in late 2014 but has advised that they are rescheduling drilling activities to now commence at end of Q1 2015. It is anticipated that at this time, the joint venture will be able to take advantage of availability of a nearby rig for use in the drilling of the West Sinapa prospect.



FAR's West Africa permits and location of FAR's Guinea-Bissau permits

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In December 2012, the Government of Guinea-Bissau approved a 3 year extension to the current exploration term. The extension period began on 26 November 2012 and has no work program obligations.

East Sinapa (Reference: FAR ASX release of 17/3/2014)

The East Sinapa discovery was made by Premier in 2004 with the drilling of Sinapa-2 well. The well intersected a salt related structure with a gross oil column of 124 metres (measured depth), and oil was also encountered updip by a sidetrack well. A Competent Persons Report prepared by Synergy in 2012 made a probabilistic assessment of the recoverable hydrocarbon volume intersected by these wells and assessed Contingent Resources of 13.4 million barrels of oil (unrisked 2C, 100% basis) with 2.0 million net to FAR. Additional potential was also recognised by Synergy in deeper sands which were water bearing in the wells, but were assessed to have the potential to contain trapped oil in up dip locations against the salt dome.

Since then, 3D seismic was acquired over a large portion of the acreage including the East Sinapa discovery. The results of this did not materially impact on the Synergy assessment of Contingent Resources.

West Sinapa (Reference: FAR ASX release of 17/3/2014)

The West Sinapa prospect is a salt related feature adjacent to the East Sinapa discovery. In 2010 a 1,640km² 3D seismic survey was acquired over a large portion of the acreage including the West Sinapa prospect. Svenska received the processed data in December 2012 and following preliminary interpretative work, the data was provided to FAR in August 2013. FAR has since completed a detailed interpretation of the processed 3D data.

The modern 3D seismic and geological data indicates that the reservoir at West Sinapa and other prospects may be greatly improved over that of the Sinapa-2 well.

The East Sinapa discovery and the West Sinapa prospect are sufficiently close such that, should drilling on West Sinapa result in discovery of oil, both features could conceivably be developed using a single production facility. The combined Contingent and Prospective Resource potential of the two features is estimated by FAR to be 85.6 million barrels of oil (unrisked, 2C and Best Estimate, 100% basis) with an upside potential of 324.8 million barrels (unrisked, 3C and High Estimate, 100% basis).

About FAR

FAR (ASX: FAR) is an independent oil and gas explorer with high impact assets in East and West Africa. FAR holds a significant acreage position in the emerging exploration hot spots of East and West Africa transform margins. FAR has identified a sizeable prospect and lead portfolio in its acreage that is estimated to contain prospective resources of over 7 billion barrels of oil on a gross un-risked best estimate basis.

In 2013, FAR signed two farm in deals with ConocoPhillips and Cairn Energy (a leading UK independent) to secure its share of funding for 2 high impact offshore exploration wells in Senegal to be drilled in early 2014.

In addition, FAR recently signed a farm in deal with Milio who will fund FAR through a seismic data acquisition program and drilling of one well in Block L6 of the Lamu Basin, Kenya, The seismic program will commence in April 2014 and it is anticipated that a well will be drilled in early 2015.

Recent takeover activity, drilling and major gas discoveries close to FAR's Kenyan acreage have heightened interest in the region generally and in FAR's acreage position specifically. Exploration activity is ramping up in the Kenya offshore arena with 6 high impact wells expected to be drilled in the next 12 months.

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 February 2013. (Reference: FAR ASX release of 27/02/2013). 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.

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