

A world class oil story

Investor Update
February 2017

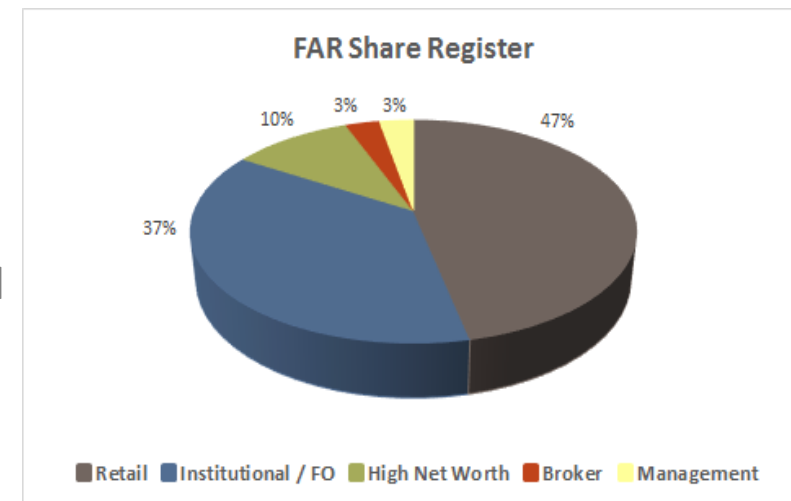


About FAR

- **NW Africa focussed** oil exploration company
- **Sixth largest** independent exploration & production company listed on the Australian Securities Exchange
- SNE ranked **world's No. 1 discovery** in 2014 by IHS
- RISC audited SNE 2C contingent recoverable oil resource **641 mmbbls (96 mmbbls net to FAR)*** with upside
- 21 mths from SNE discovery to **commerciality statement**
- **Drilling offshore Senegal now** (SNE-5 spudded 21 Jan)
- **Funded** for approved 2017 Senegal work program
- Planning for SNE development in **low cost environment**
- **Robust balance sheet** (no debt), **experienced board** and management team with **strong relationships** in Africa
- Awarded 2016 '**Breakthrough Company of the Year**' by the Oil and Gas Council, Africa

ASX Ticker	FAR
Share price*	A\$0.08
Cash*	A\$47m
Issued shares	4.46bn
Market capitalisation	A\$345M

*Share price as at 02 February 2017. Cash balance as at 31 December 2016



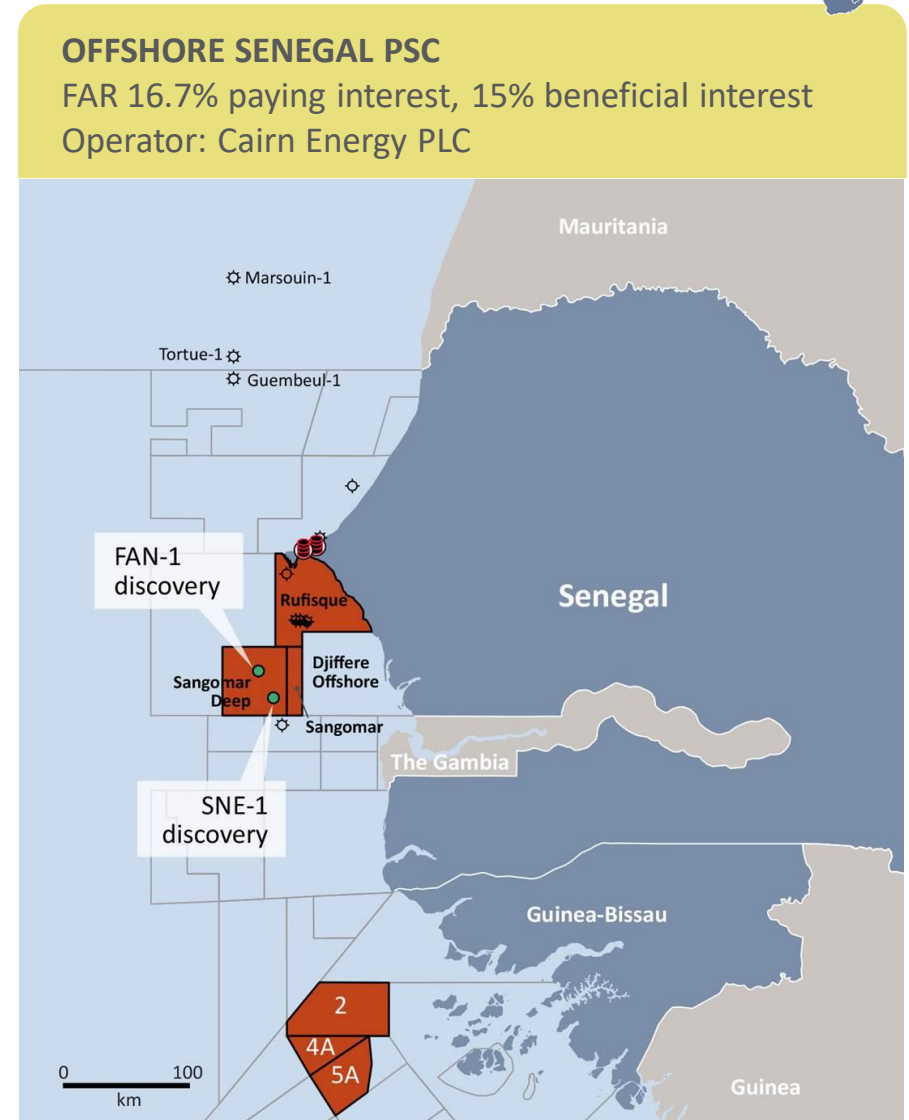
As at 21 October 2016

*Reference: FAR ASX release dated 23 August 2016, unrisks contingent resources, 100% basis, oil only

FAR in Senegal



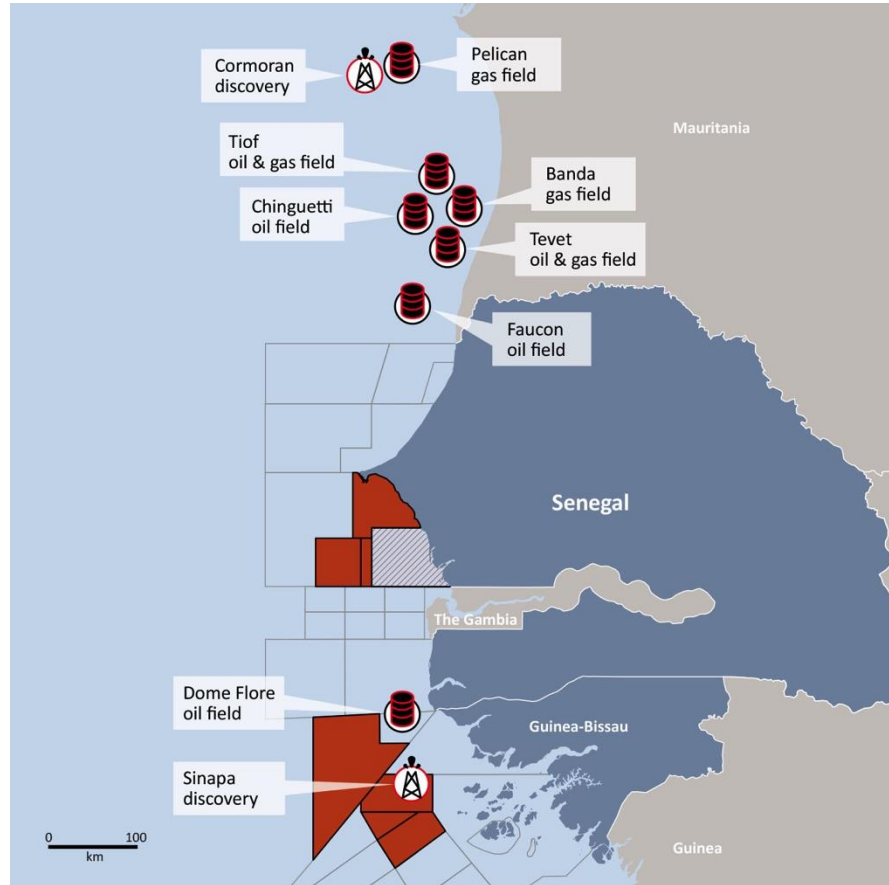
- FAR has been in Senegal since 2016
- Senegal is a peaceful democracy with a stable outlook (**S&P sovereign credit rating B+/B**) and projected growth rate of 6% this year
- **Strong in country relationships**
- **Farmed down** to Cairn Energy and ConocoPhillips in 2013 for US\$196M carry + cash
- **PSC partners:** Cairn Energy (Operator) 40%, ConocoPhillips Senegal BV 35%, FAR 15%, Petrosen 10%
- Sale of COP's Senegal assets subject to partner pre-emptive rights and Senegal Government approval
- President is a petroleum geologist!



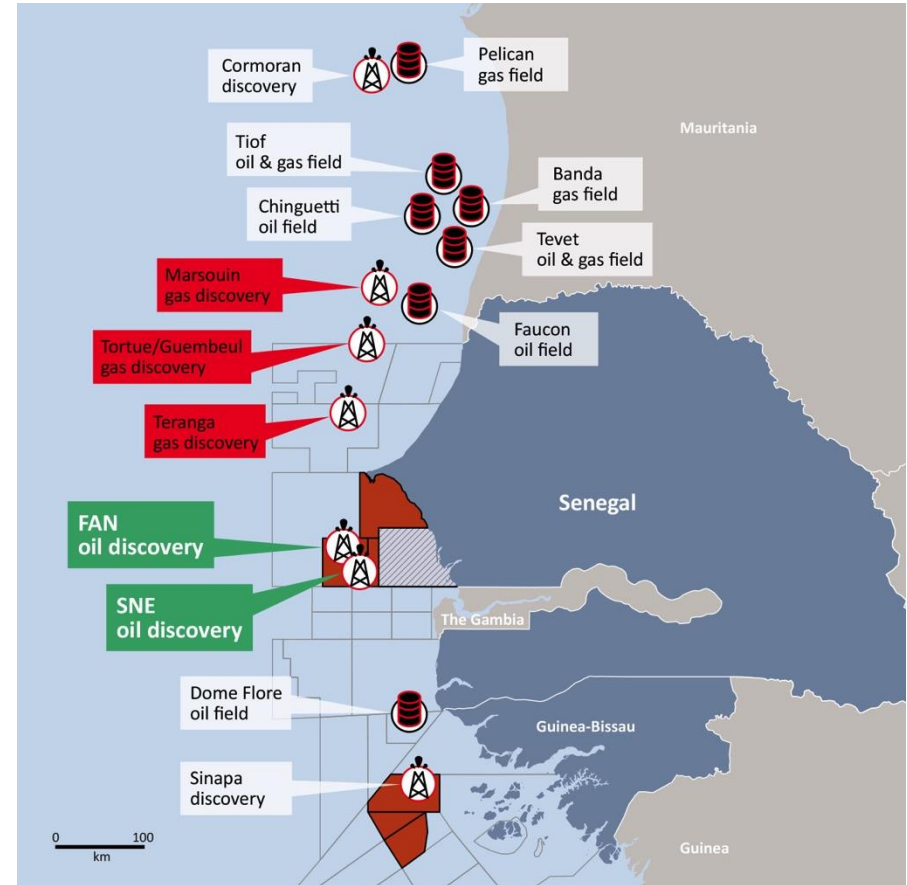
World hot spot for oil and gas discoveries



2013 – No deep water drilling offshore Senegal



2016 – Offshore oil and gas discoveries



The basin opening FAN-1 and SNE-1 oil discoveries have made Senegal one of the world's most attractive new areas for oil exploration with a 100% deep water drilling success rate since 2014 . Major gas discoveries north of FAR and BP's farm-in into them has introduced a large IOC to the basin

Senegal geology and discovery wells



WEST

FAN-1

SNE-1

EAST

Basin

Shelf

- Oil
- Gas
- Sandstones
- Carbonates
- Talus slope

FAN-1 oil discovery (Oct 2014)

- Oil gravity 28-41° API
- Gross oil bearing interval >500m
- Operator gross oil STOIP (in place)*
P90: 250 mmbbls,
P50: 950 mmbbls,
P10: 2,500 mmbbls
- Proved prolific source
- De-risked future drilling

SNE-1 oil discovery (Nov 2014)

- Oil gravity 32° API
- Gross oil column 96m
- FAR gross contingent resource*
P90 (1C): 348 mmbbls,
P50 (2C): 641 mmbbls,
P10 (3C): 1,128 mmbbls
- Excellent reservoir rocks in 2 main families: lower and upper reservoir sands

Oil migration

Fan play

Shelf Edge play

Source Interval

0 5 10Km

*Reference FAR ASX releases dated 13 Apr 2015 and 23 August 2016, best estimate, gross resources, 100% basis, oil only

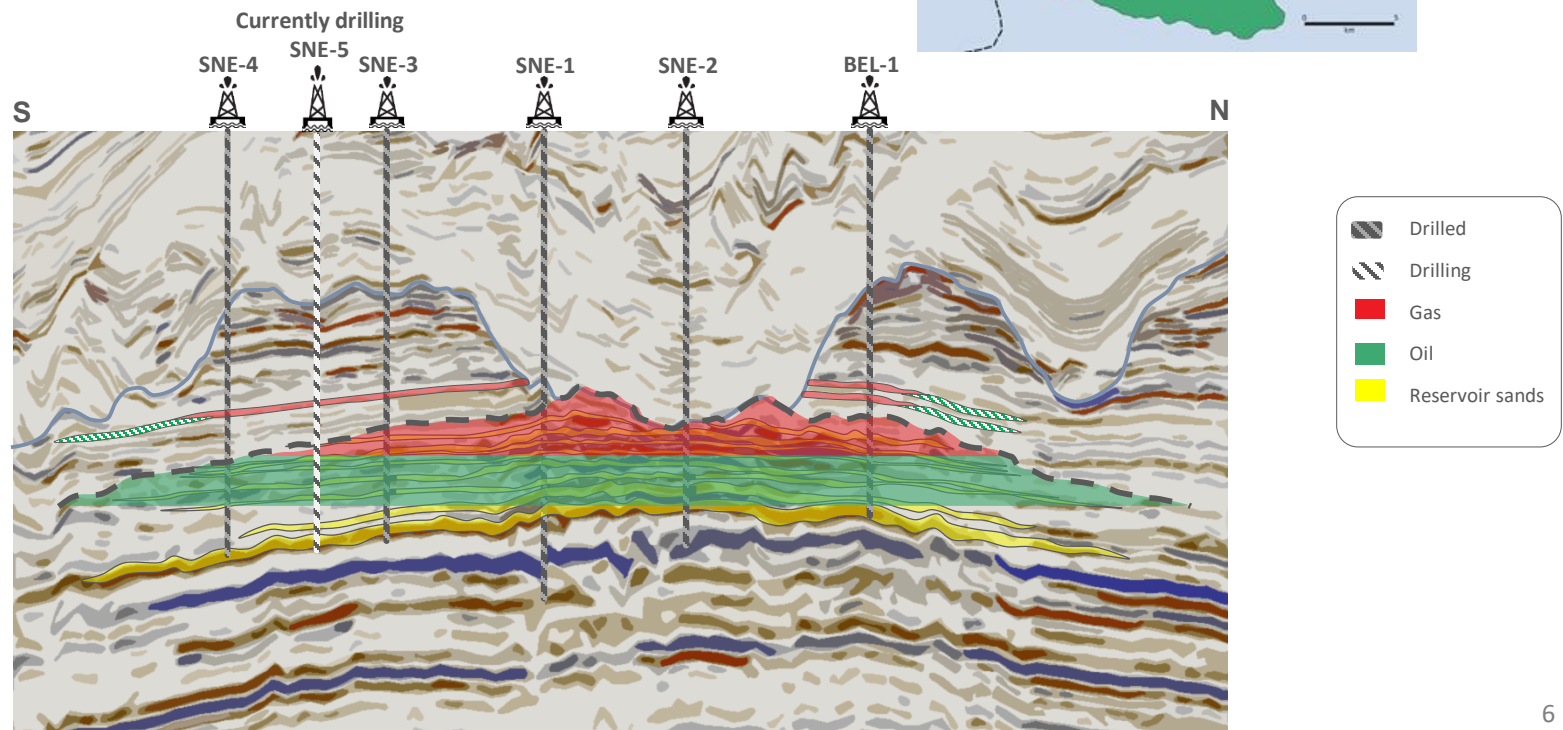
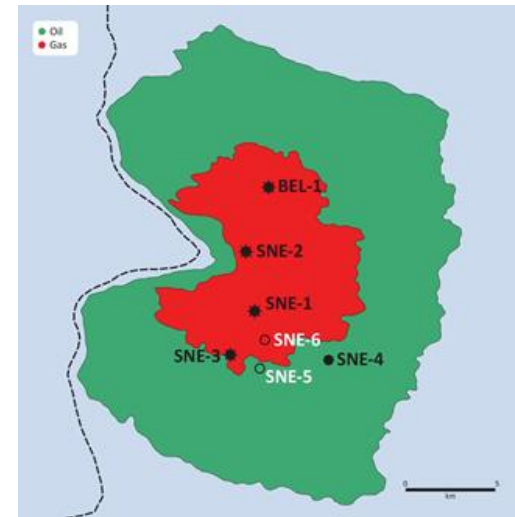
SNE 2015/16 appraisal wells



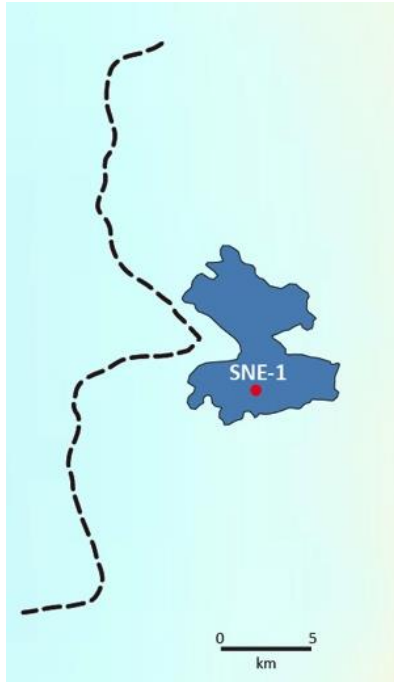
Four appraisal wells drilled in the 2015/16 campaign

Objective the appraisal program:

- Size of oil pool
- Test reservoir properties and **deliverability** from logging, coring and testing
- Measure field **connectivity** (2017 SNE-5 & 6 wells)

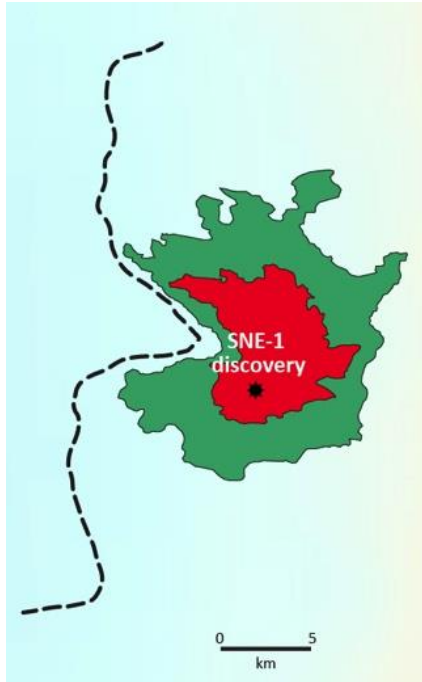


Size of the SNE oil pool



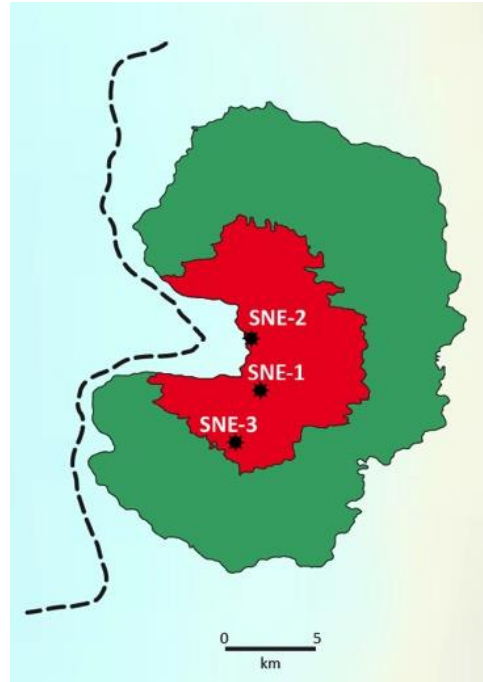
Pre-Drill
(Oct 2014)

P90 : 50mmbbls
P50 : 154 mmbbls
 P10 : 350 mmbbls



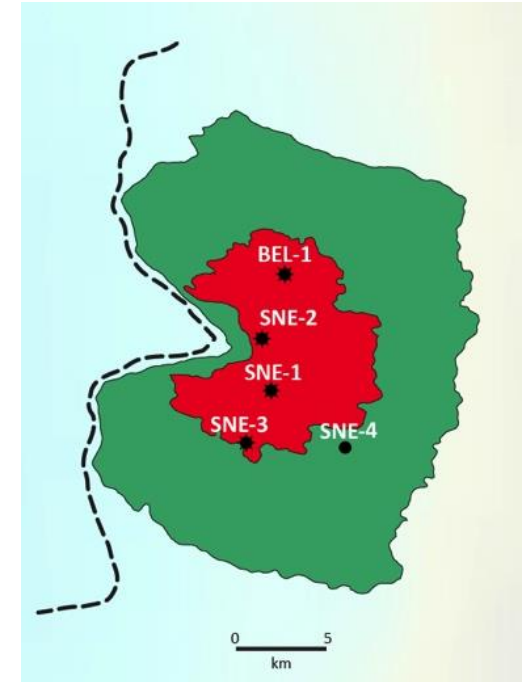
Post discovery
(Nov 2014)

1C: 150 mmbbls
2C: 330 mmbbls
 3C: 670 mmbbls



RISC audited
(April 2016)

1C: 277 mmbbls
2C: 561 mmbbls
 3C: 1071 mmbbls



Latest RISC audited
(August 2016)

1C: 348 mmbbls
2C: 641 mmbbls
 3C: 1128 mmbbls

*Reference FAR ASX releases dated 23 August 2016, 13 April 2016, 20 Nov 2014: unrisked contingent resources, 100% basis, oil only
 RISC is an independent technical expert that reviewed and modified a probabilistic resource evaluation carried out by FAR in accordance with industry standard SPE-PRMS definitions

Deliverability of oil from SNE



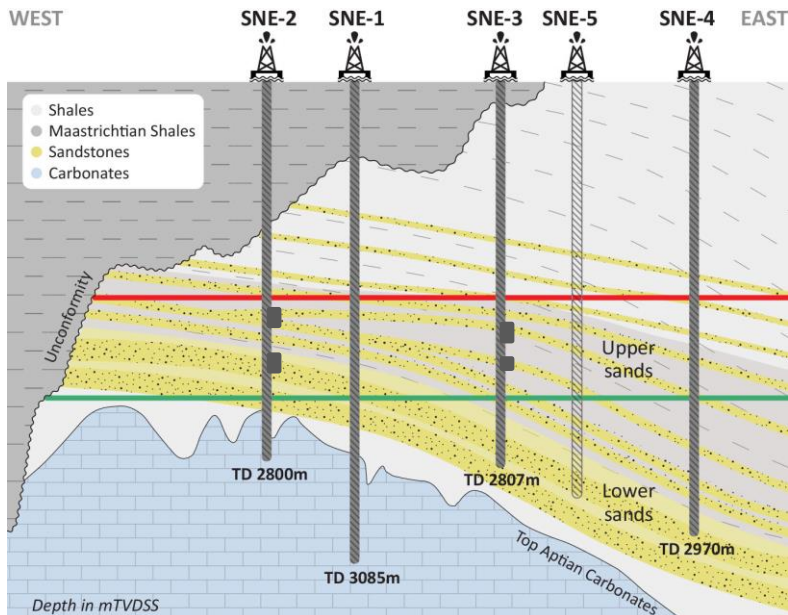
Main reservoirs flowed at commercially viable rates

SNE-2 lower and upper reservoir units

- Gross 12m: 8,000 bopd through 3/4" choke (stabilised constrained flow)
- Gross 15m: 1,000 bopd through 3/8" choke (unstabilised)
- Flowed higher than estimates

SNE-3 tested upper reservoir units

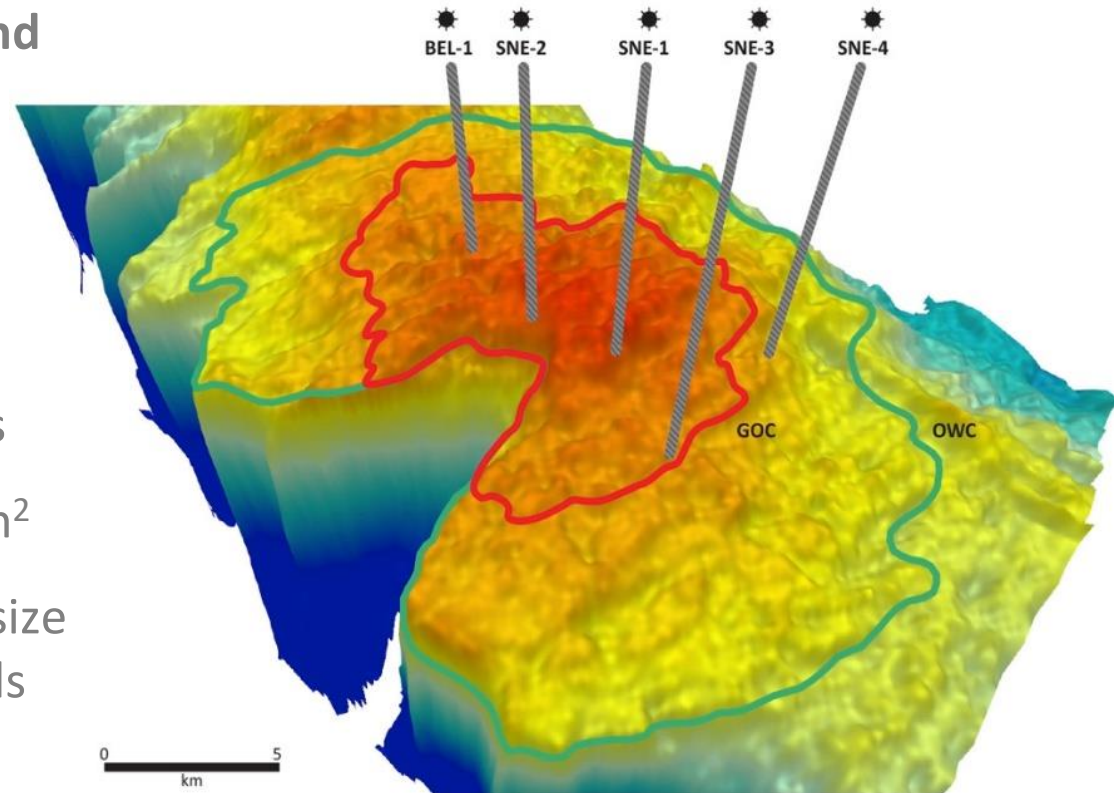
- Gross 15m: 5,400 bopd / 4,000 bopd through a 7/8" choke (stabilised)
- Gross 20.5m zone: 4,500 bopd co-mingled through a 7/8" choke (stabilised)
- Flow higher than estimated and confirmed the field is larger to the south



Appraisal results to date



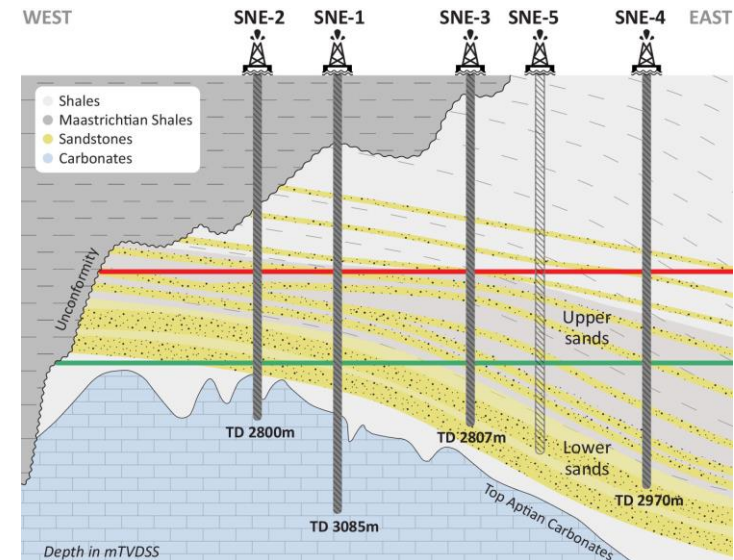
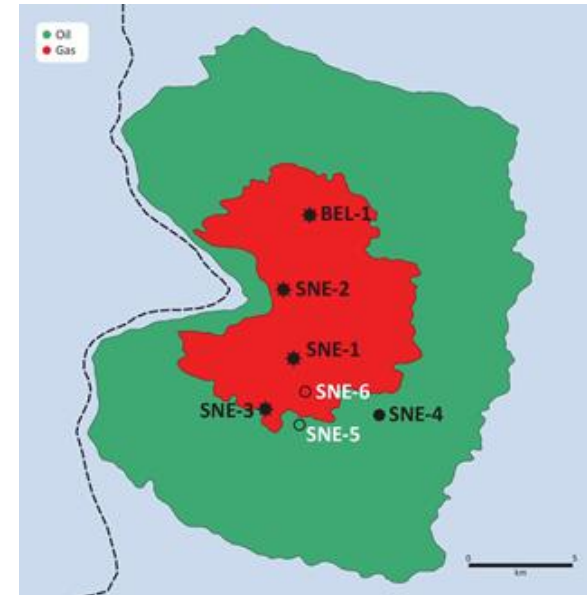
- 2015/16 drilling program completed safely, efficiently and under budget
- Each well confirmed:
 - ~100m gross oil column
 - High quality 32° API oil
 - Correlation of reservoir units
- **Footprint:** SNE field now 350km²
- **Size:** Minimum economic field size (MEFS) established >200mmbbls
- **Deliverability :** Proven through DST's



2017 Drilling program



- Drilling of SNE-5 commenced 21 January
- Back to back SNE-5 and SNE-6 field development optimisation wells
 - SNE-5 to be flow tested and pressure gauges installed
 - SNE-6 to be flow tested and used as a pulse well for the interference test across the field
- Objectives of the two wells:
 - confirm volumes, **connectivity** and productivity
 - **evaluate reservoirs** not flow tested to date
 - Collect data required to **optimise field development plan**



Drill costs coming down



Stena Drillmax contracted for the drilling and evaluation of SNE-5 and SNE-6 plus options



Stena DrillMAX is a state of the art, sixth generation, dual mast, dynamically positioned, deep water drill ship with extensive international and regional West African experience

Status of SNE development planning

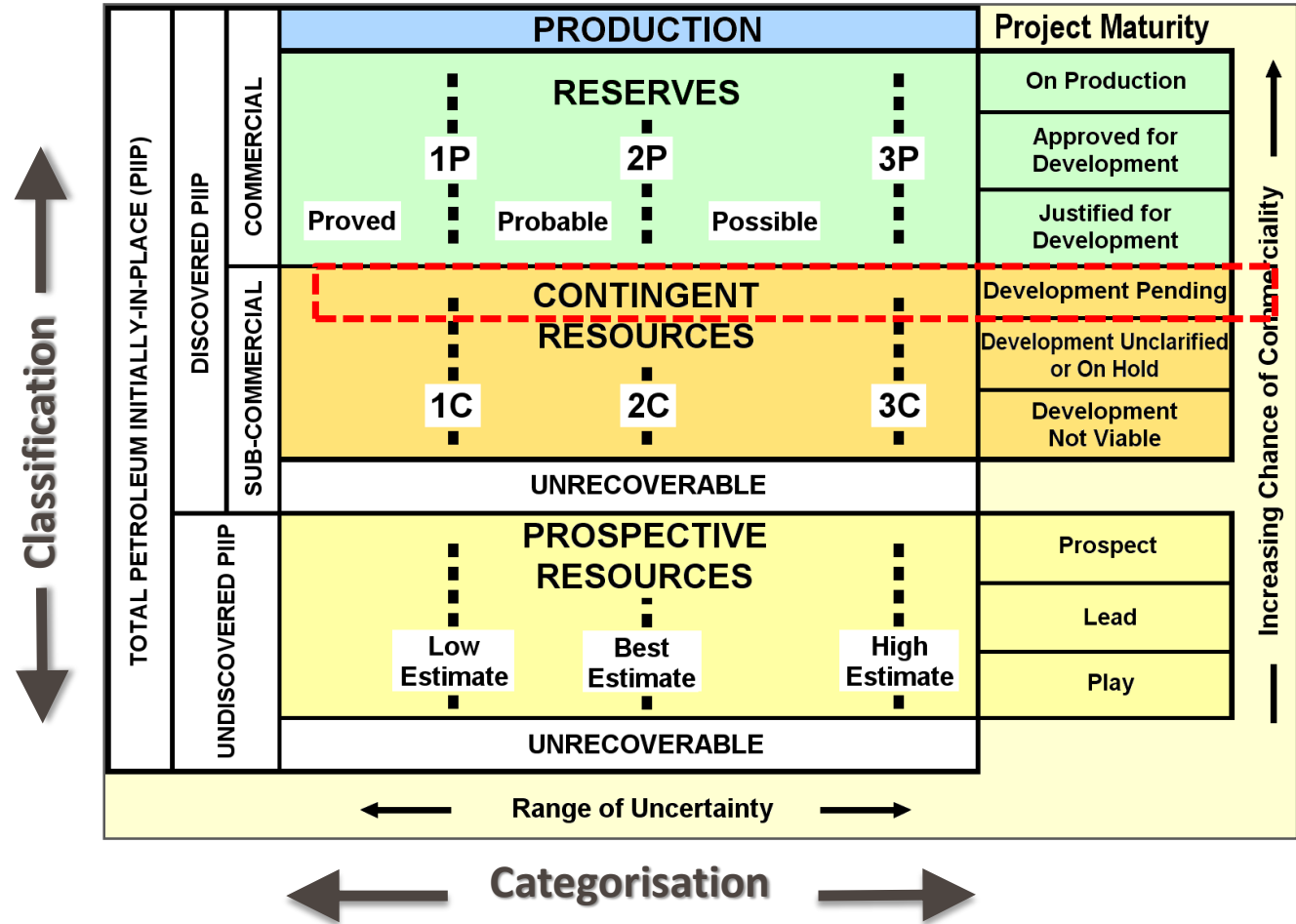


Development planning underway

- Currently in pre-FEED stage (concept select)*
- Low cost environment

SNE development to benefit from:

- Project optimisation
- Standardisation



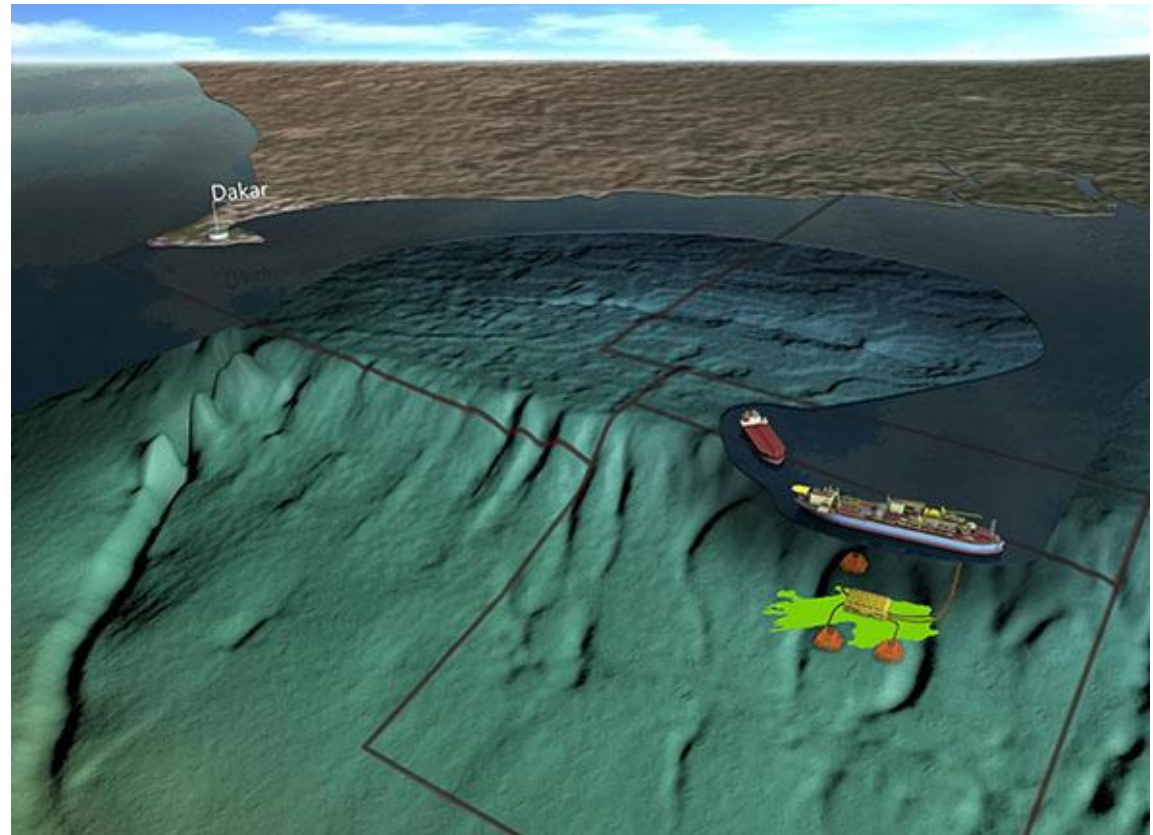
Source: Society of Petroleum Engineers, Petroleum Resource Management System

*Cairn Energy Half Yearly Result 16/08/2016

SNE development concept



- **Standalone FPSO:** with expansion capability for satellite tie-backs
- **FAR's phased development concept** has plateau production of 140,000 bopd and first oil in 2022*
- **Development expenditure:**
US\$13-\$15/bbl*
- **Operating expenditure:**
US\$12-\$14/bbl*
(including FPSO lease costs)
- **Breakeven oil price:** US\$35/bbl*

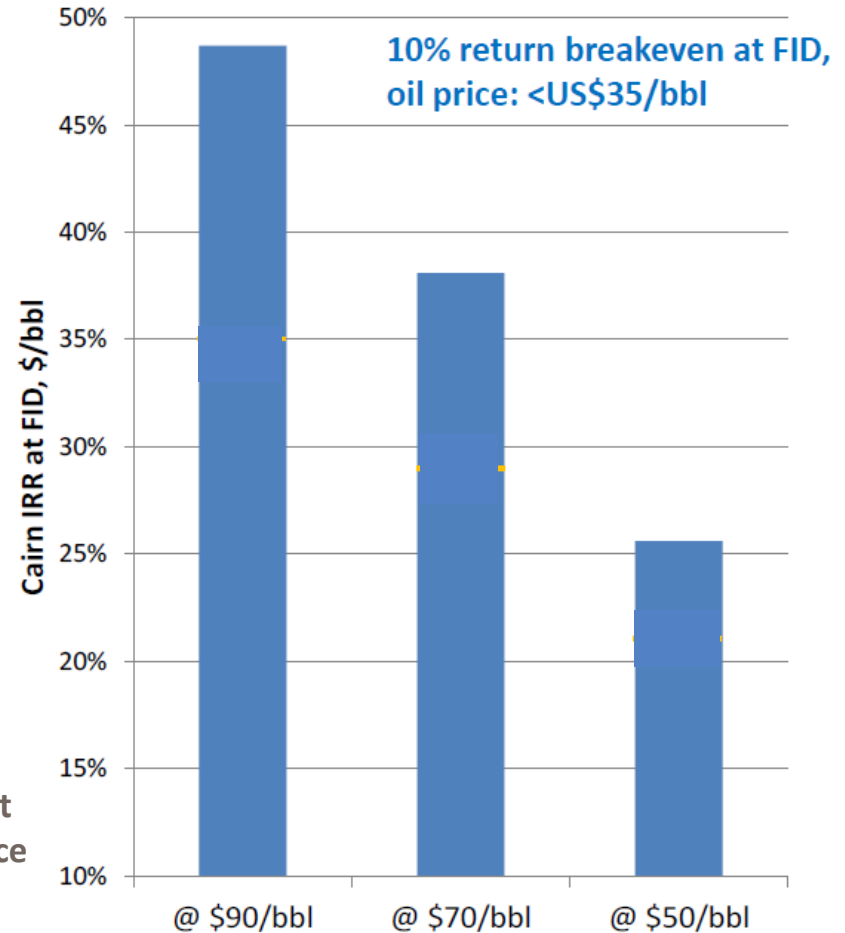
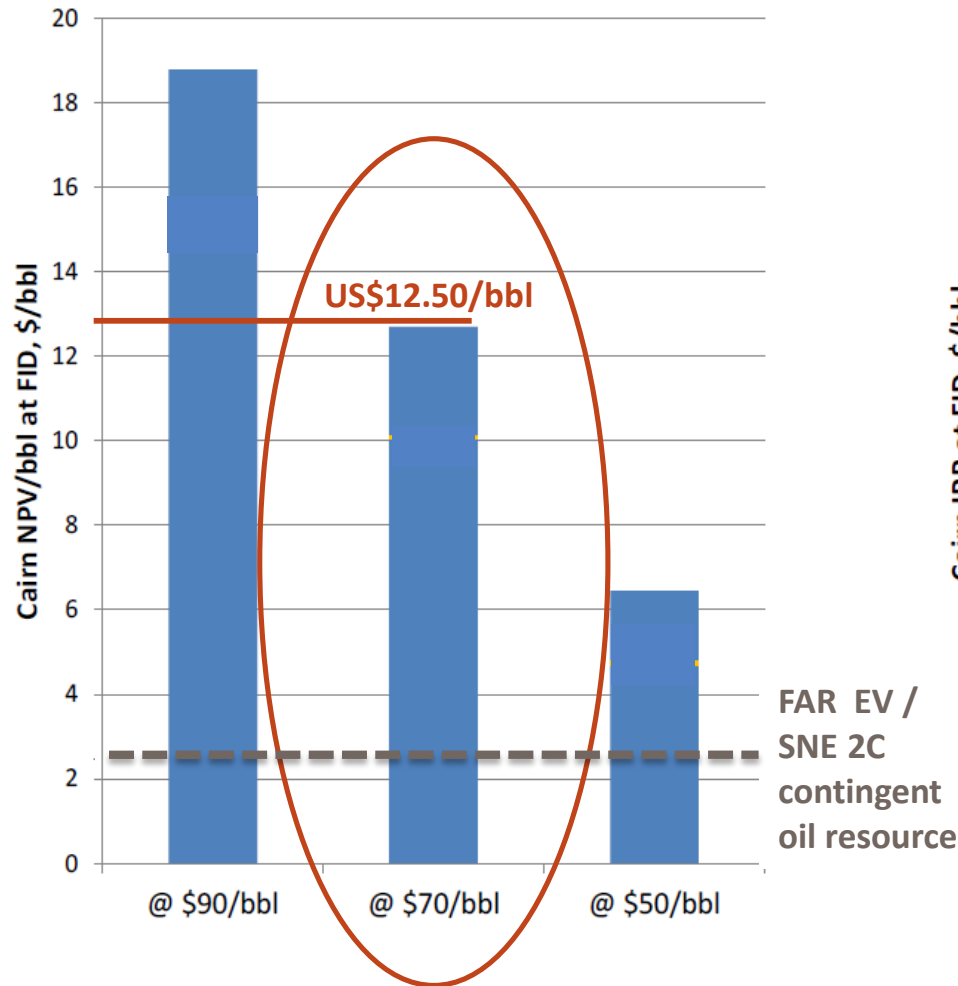


*Reference FAR ASX release dated 1 September 2016

Operator economic development scenario



SNE stand alone development (based on Cairn 2C 473 mmbbls)

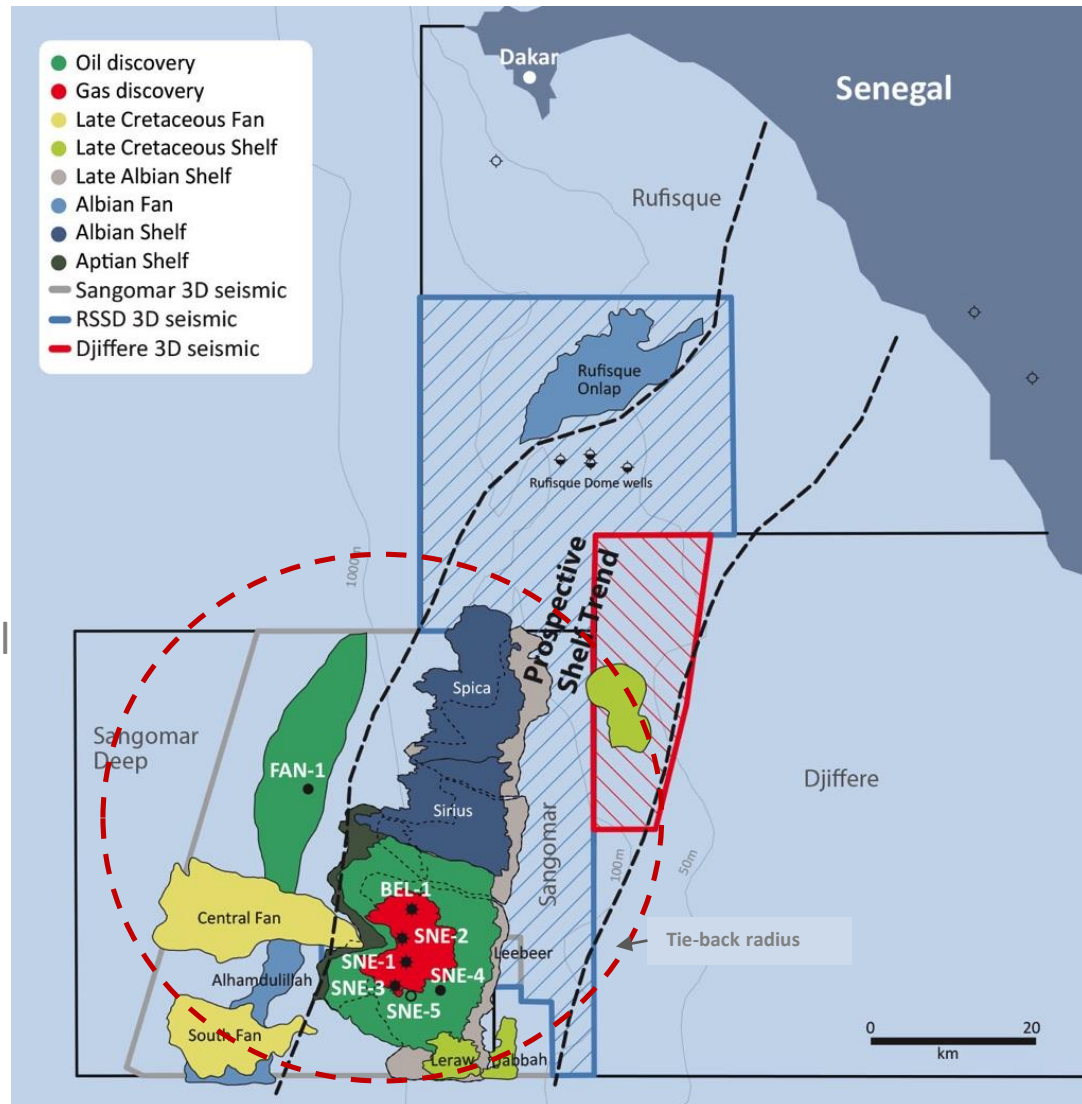


Source: Cairn Energy estimates (refer Cairn Energy Half Yearly Result 16/08/2016 and Cairn Energy Capital Markets Day presentation 11/05/2015)
 FAR EV/2C contingent oil resource: Assumes \$0.08 share price, A/US: \$0.75, Cash: A\$47m, SNE 2C: 641 mmbbls

Scratching the surface of the prospectivity



- **500m of gross oil interval** intersected in the FAN-1 well – **prolific, oil source rock**
- **Deepwater drilling has a 100% track record.** There have been 6/6 successful wells drilled by FAR from 2014
- **Extensive portfolio of undrilled exploration prospects** with >1.5bn bbls* (unrisked) potential
- New **2015 3D seismic shot** along shelf edge trend from SNE



Senegal undrilled prospect inventory*



Prospect	Target Reservoir	Low Estimate (mmbbls)	Best Estimate (mmbbls)	High Estimate (mmbbls)	FAR Working Interest	Unrisked Best Estimate Prospective Resources net to FAR (mmbbls)	Chance of Discovery (%)
Sirius	Albian shelf edge	137	294	458	15%	44.1	60%
Spica	Albian shelf edge	85	199	325	15%	29.9	37%
Leebeer SNE	Late Albian shelf	36	116	335	15%	17.4	33%
Leebeer Sirius	Late Albian shelf	16	50	146	15%	7.5	20%
Leebeer Spica	Late Albian shelf	16	47	128	15%	7.1	20%
Rufisque Onlap	Albian	28	181	849	15%	27.2	15%
South Fan	Turonian Fan	51	134	322	15%	20.1	18%
Central Fan	Turonian Fan	31	96	267	15%	14.4	17%
Alhamdulillah	Albian Fan	28	80	198	15%	12.0	23%
Leraw	Cenomanian	35	108	316	15%	16.2	23%
Jabbah	Cenomanian	17	44	106	15%	6.6	25%
Jabbah Deep	Cenomanian	50	111	231	15%	16.7	16%
Total all prospects		530	1460	3681		219.0	
Suum Lead ¹	Aptian carbonates		103		15%	15.5	
Total prospects and leads			1563			234.5	

* Reference FAR ASX release dated 7 Feb 2017 best estimate, gross, unrisked prospective resources, 100% basis, oil only

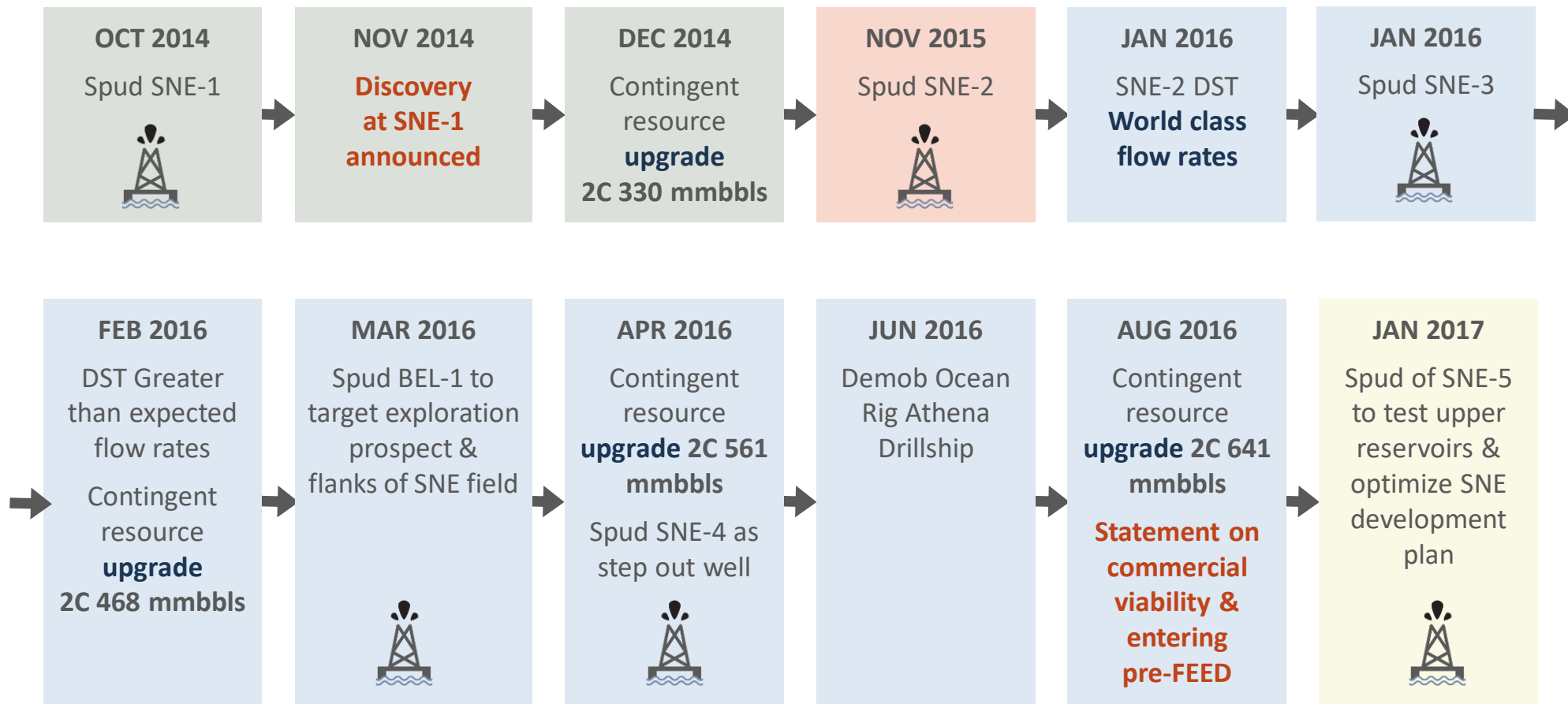
1. Not audited by RISC

Operator chance of discovery at Sirius 67% (refer Cairn Energy Half Yearly Results, August 2016)

SNE story so FAR



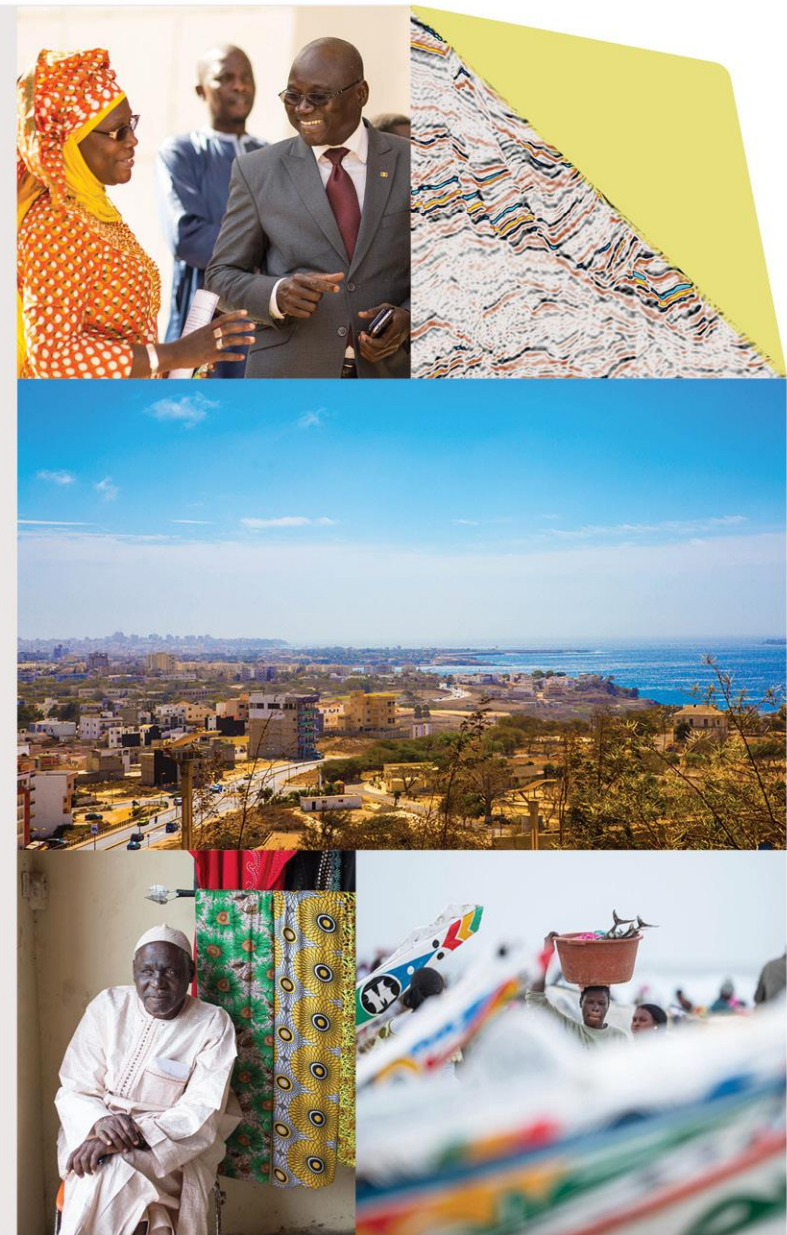
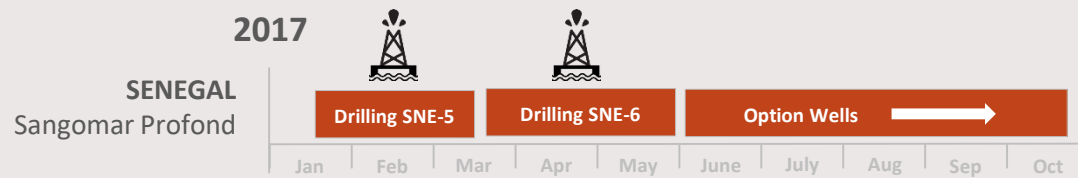
21 months from discovery to statement of commerciality



*Reference FAR ASX releases dated 23 August 2016, 13 April 2016, 20 Nov 2014: unrisks contingent resources, 100% basis, oil only

What's next in Senegal?

- **Drilling and flow test results** from the firm SNE-5 and SNE-6 drilling program
 - Addition to contingent resources
 - De-risking barrels towards reserves
- **Progress the SNE development plan** for the SNE Field and move from pre-FEED to FEED
- **Further evaluation** FAR's extensive portfolio of high quality prospects
- **Active new ventures program** – focus on the NW African margin



Appendices



Board with significant experience

	<p>Nicholas Limb Non-Executive Chairman Appointed 2012</p>	<p>Geophysicist and investment banker 16 years as MD/Chairman of an ASX listed, international mining company, Australia. 11 years in Financial services with May and Mellor and HSBC. 39 years industry experience in the resources industry.</p>
	<p>Catherine Norman Managing Director Appointed Nov 2011</p>	<p>Geophysicist 29 years experience in the resources industry. 6 years as MD of Flow Energy Limited. 10 years as Managing Director of international oil services company in the UK developing projects in Europe, Africa and the Middle East region.</p>
	<p>Ben Clube Executive Director Appointed 2013</p>	<p>Geologist and Chartered Accountant 28 years of experience in the resource sector. Senior Finance Executive BHP Petroleum. Finance Director and Company Secretary of Oilex Ltd prior to joining FAR.</p>
	<p>Reg Nelson Non-Executive Director Appointed 2015</p>	<p>Exploration Geophysicist 45 years of experience in the petroleum and minerals industries. 13 years as Managing Director of Beach Energy plus 10 years as CEO and Executive Director. Recipient of APPEA's Reg Sprigg Gold Medal in 2009 for outstanding services to the Australian oil and gas industry.</p>
	<p>Albert Brindal Non-Executive Director Appointed 2007</p>	<p>Fellow Certified Practising Accountant Director of the Company since 2007. Broad commercial experience and Chairman of Remuneration Committee.</p>

FAR research coverage

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- Cautionary Statement for Prospective Resource Estimates – With respect to the prospective resource estimates contained within this presentation, 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 presentation are prepared as at 27/2/2013, 11/3/2014, 5/2/2014, 13/04/2015, 13/4/2016 and 23/08/2016 (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.

Disclaimer

- Competent Person Statement Information - The hydrocarbon resource estimates in this presentation 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.