

A world class oil story

Offshore oil exploration success in Senegal, future development and growth

Africa Independents Forum London
24 May 2017



About FAR

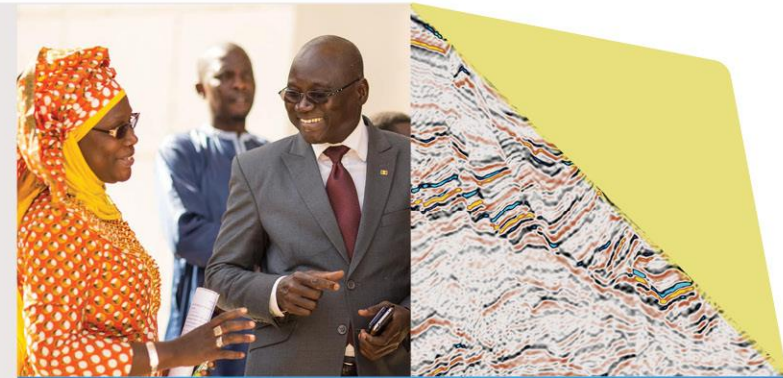
- Publicly listed on Australian Securities Exchange (FAR:ASX)
- Fifth largest E&P on the ASX: Market capitalisation A\$442M¹
- Strategic focus Mauritania-Senegal-Guinea-Bissau (MSGB) Basin
- 8 exploration permits in MSGB Basin
- Basin opening discoveries with successful Senegal drilling in 2014
- 9/9 successful wells drilled offshore Senegal
- Progressing towards first oil from SNE Field in 2021
- Funded to FID for SNE development
- Strong commitment to supporting social and educational programs in countries of operations



1: Market capitalisation at 23 May 2017

FAR in Senegal

- FAR celebrating **10 years** in Senegal in 2016
- Introduced **Cairn Energy** and **ConocoPhillips** in 2013
- Strong technical team that mapped the prospects and located the wells for the **FAN-1** and **SNE-1** discoveries
- Drilled 9 successful wells to date
- Key to unlocking Senegal's offshore oil reserves
- SNE field world's **largest oil discovery in 2014**
- **Completed appraisal** of the SNE Field May 2017
- First oil forecast for 2021

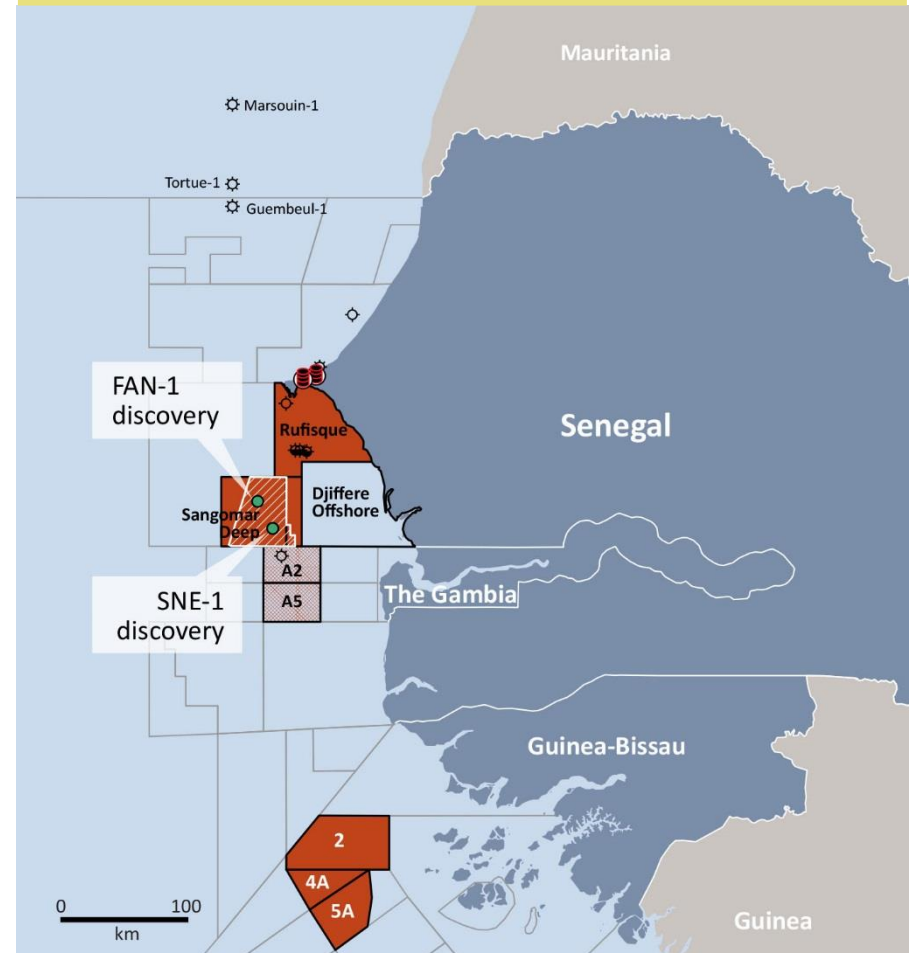


FAR in Senegal



- JV invested ~ **US\$800M** in three years
- 9 deep water exploration/appraisal wells with a **100% success rate**
- 21 months from discovery to statement on commerciality
- SNE field grown to **641mmbbls 2C** resource
- Multi-billion dollar deep water development planned
- First oil will be transformational for the Senegal economy and people
- Strong commitment to sustainable social development and capacity building in country

FAR licences offshore Senegal, The Gambia and Guinea-Bissau

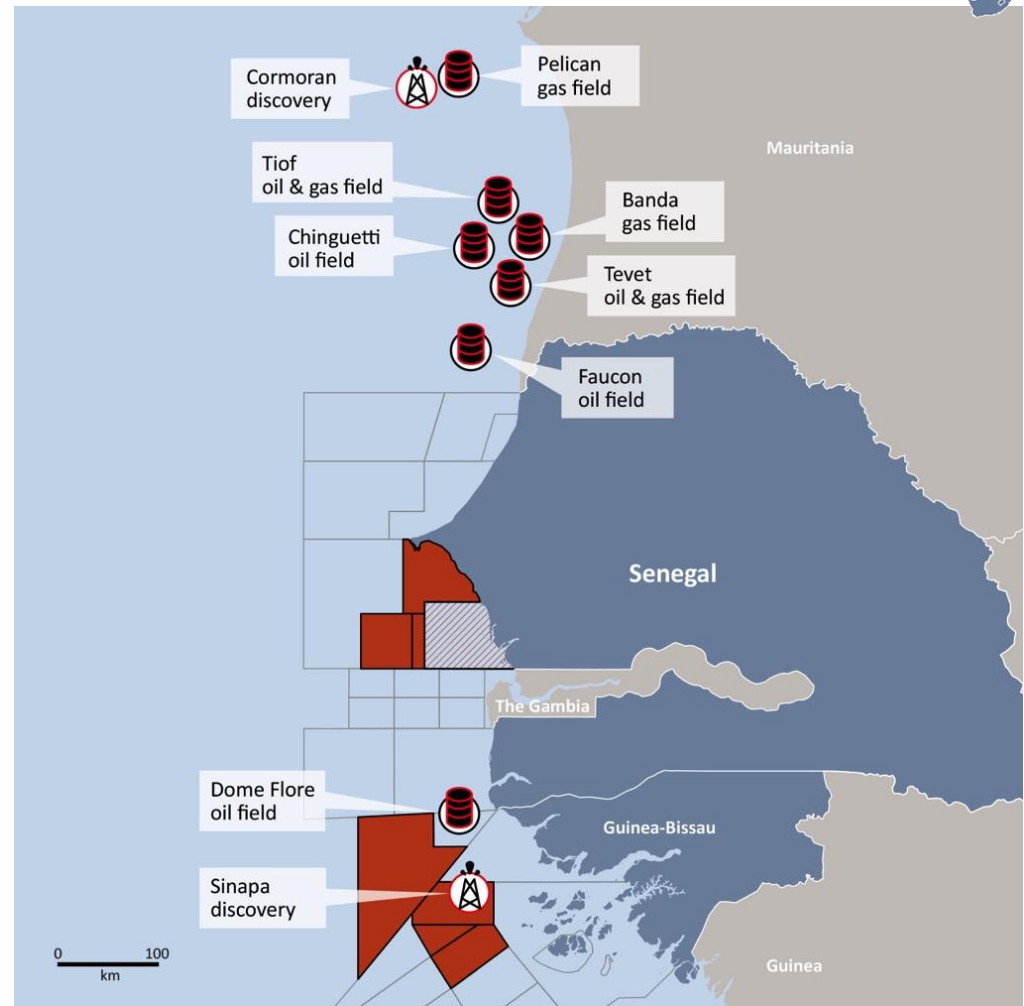


No production or activity offshore Senegal



Status in mid-2014

- No offshore production
- No oil exploration drilling offshore Senegal for 40 years
- No deep water drilling ever offshore Senegal
- FAR 90% of RSSD acreage before Cairn and COP farm down

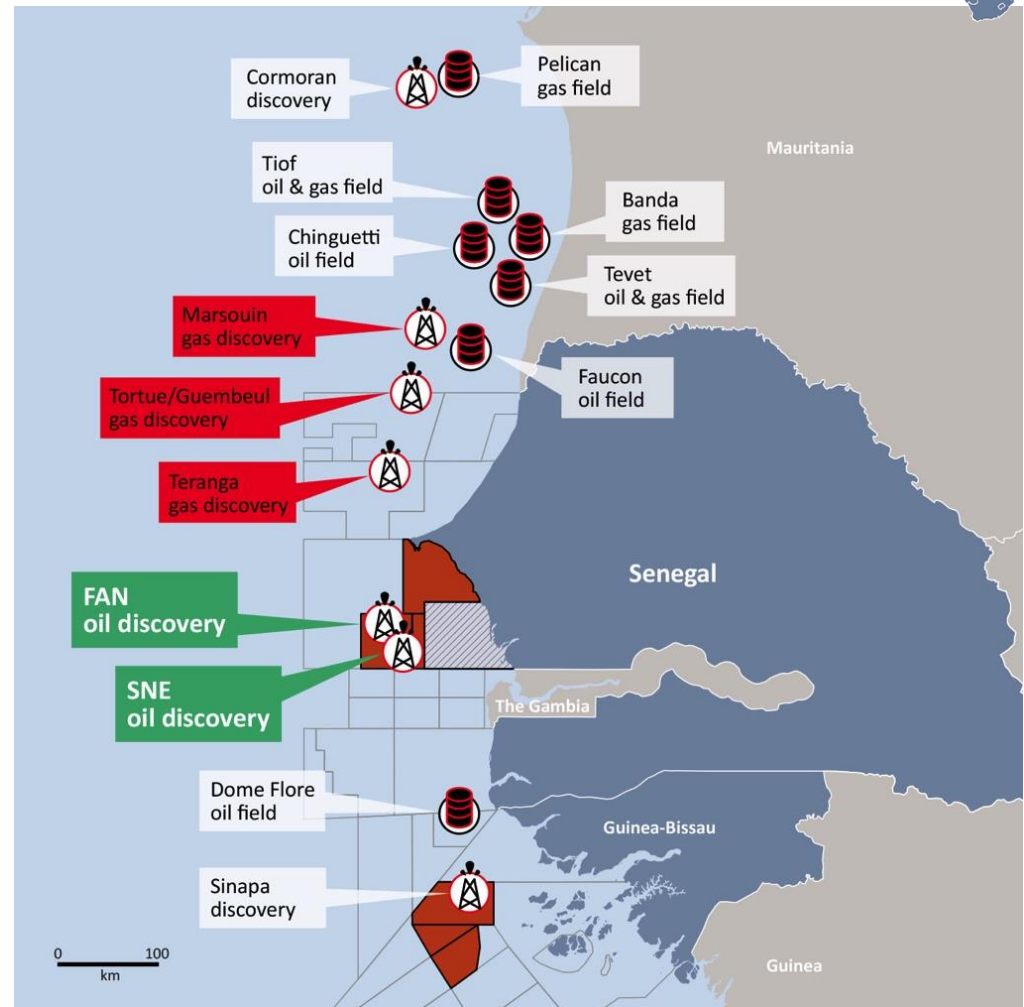


FAN-1 and SNE-1 opened up Senegal



Current state of discoveries

- 7 successful SNE appraisal wells drilled over 2015/16/17
- 100% drilling success to date
- Major gas discoveries made in 2015, 2016, 2017
- BP farm-in to Kosmos acreage introduces a large IOC to the basin
- CNOOC farm-in to Impact acreage in AGC March 2017
- Total awarded ROP block May 2017



Senegal geology and discovery wells

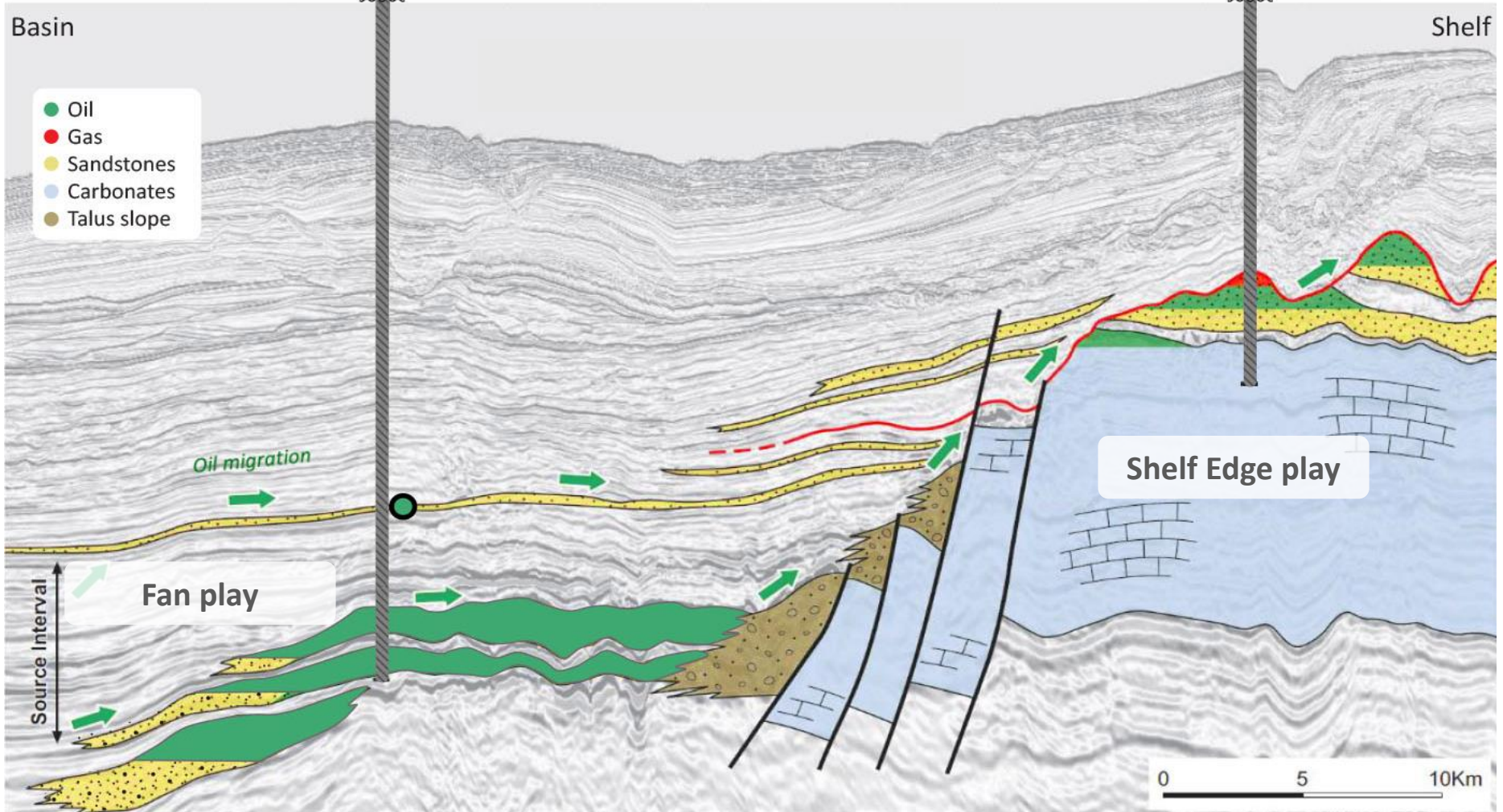


WEST

FAN-1

SNE-1

EAST



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

Senegal geology and discovery wells



WEST

FAN-1

SNE-1

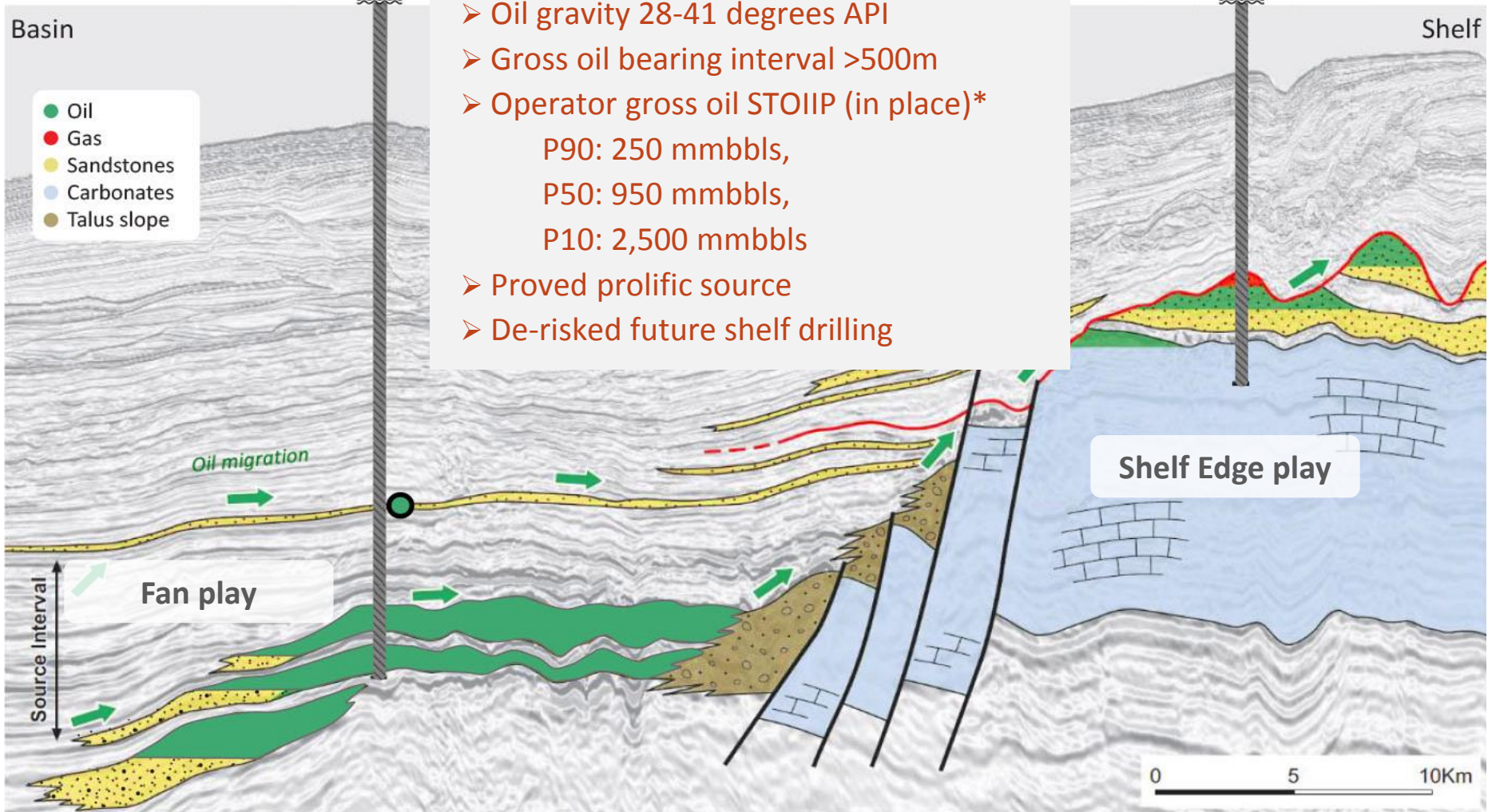
EAST

Basin

Shelf

- Oil
- Gas
- Sandstones
- Carbonates
- Talus slope

- FAN-1 oil discovery (Oct 2014)**
- Oil gravity 28-41 degrees API
 - Gross oil bearing interval >500m
 - Operator gross oil STOIIP (in place)*
 - P90: 250 mmbbls,
 - P50: 950 mmbbls,
 - P10: 2,500 mmbbls
 - Proved prolific source
 - De-risked future shelf drilling



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

Senegal geology and discovery wells



WEST

FAN-1

SNE-1

EAST

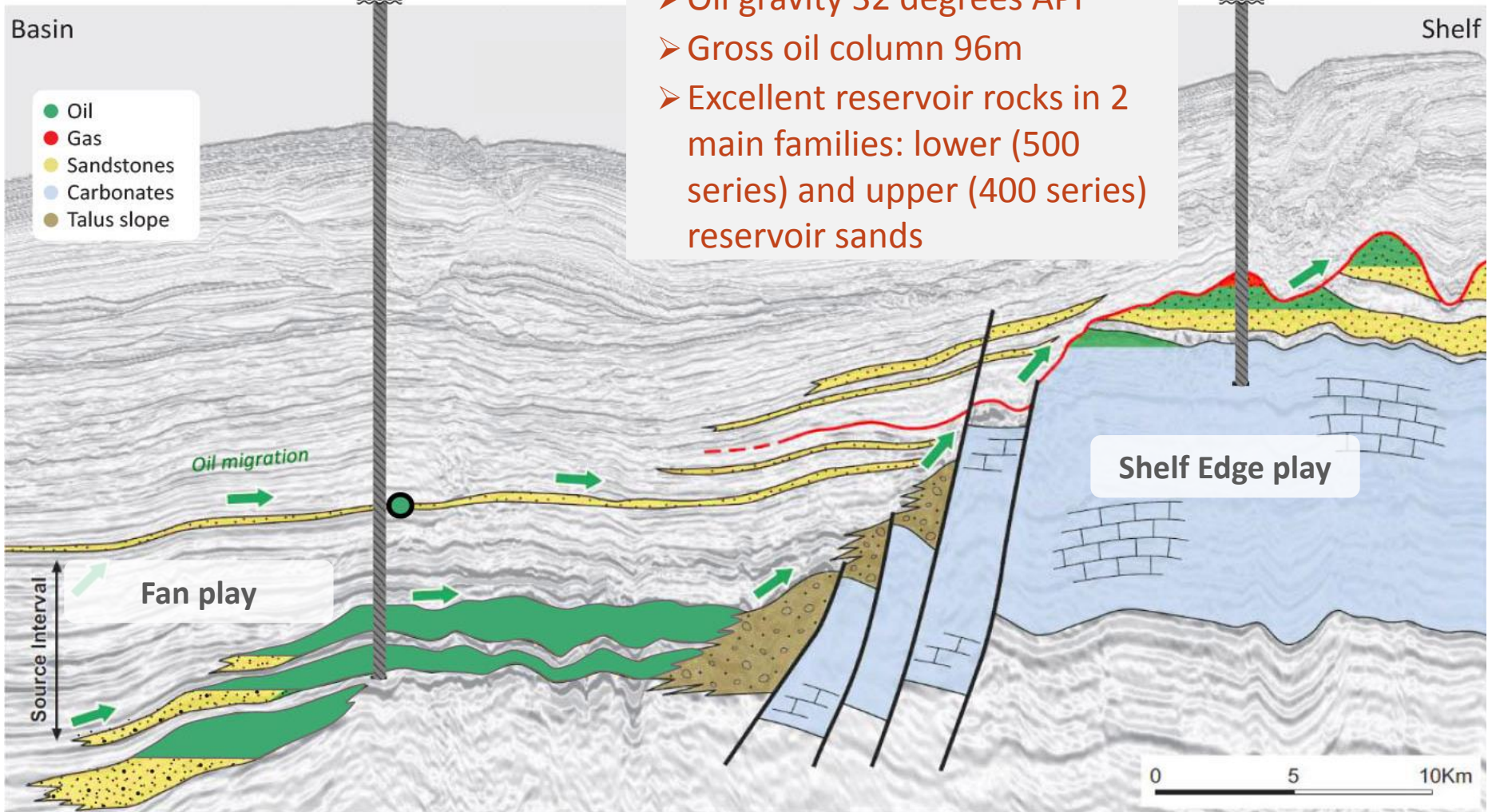
Basin

Shelf

- Oil
- Gas
- Sandstones
- Carbonates
- Talus slope

SNE-1 oil discovery (Nov 2014)*

- Oil gravity 32 degrees API
- Gross oil column 96m
- Excellent reservoir rocks in 2 main families: lower (500 series) and upper (400 series) reservoir sands



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

SNE Field evaluation program

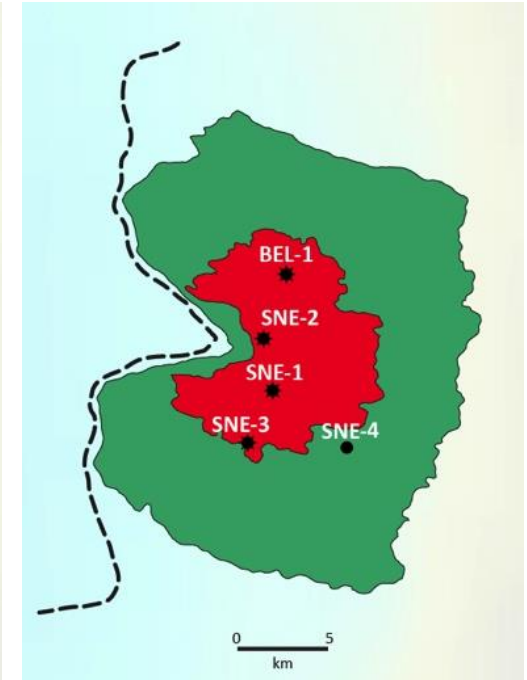
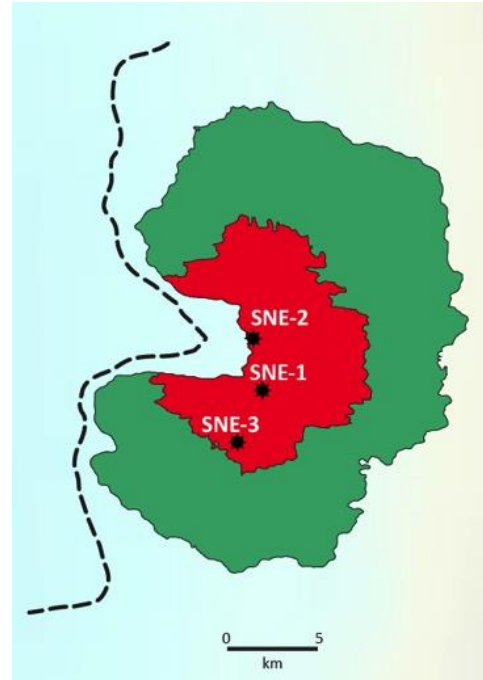
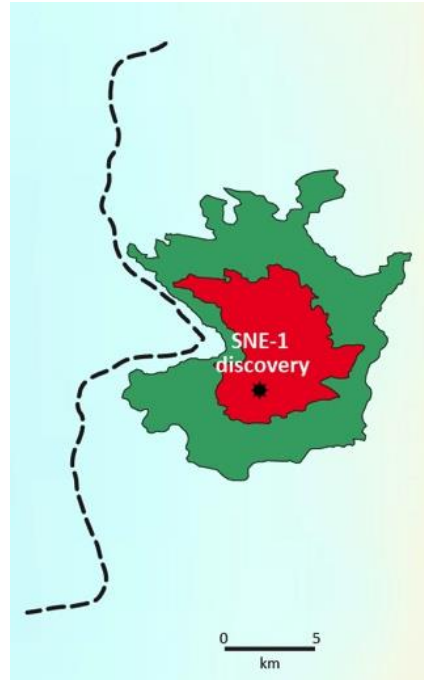
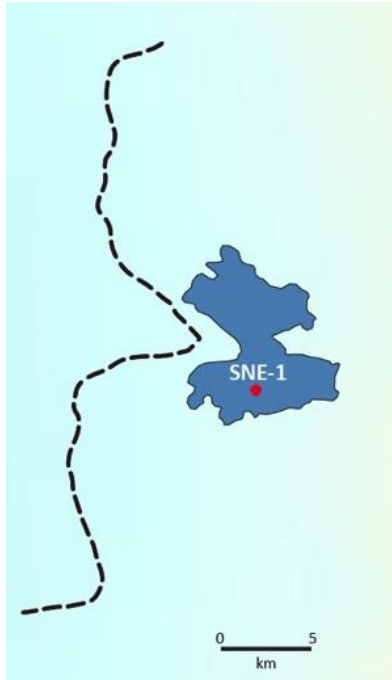


- Commenced appraisal drilling in Nov 2015
- Seven successful appraisal wells now drilled
- Pre-development appraisal completed
- Objectives of the appraisal program:
 - **Size** of oil pool – 641mmbbls 2C recoverable oil*. Exceeded minimum economic field size of 200mmbbls
 - Measure **deliverability** – world class flow rates encountered
 - Measure field **connectivity** – completed with latest appraisal well



SNE-2 flow test

Size of the SNE oil field



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)

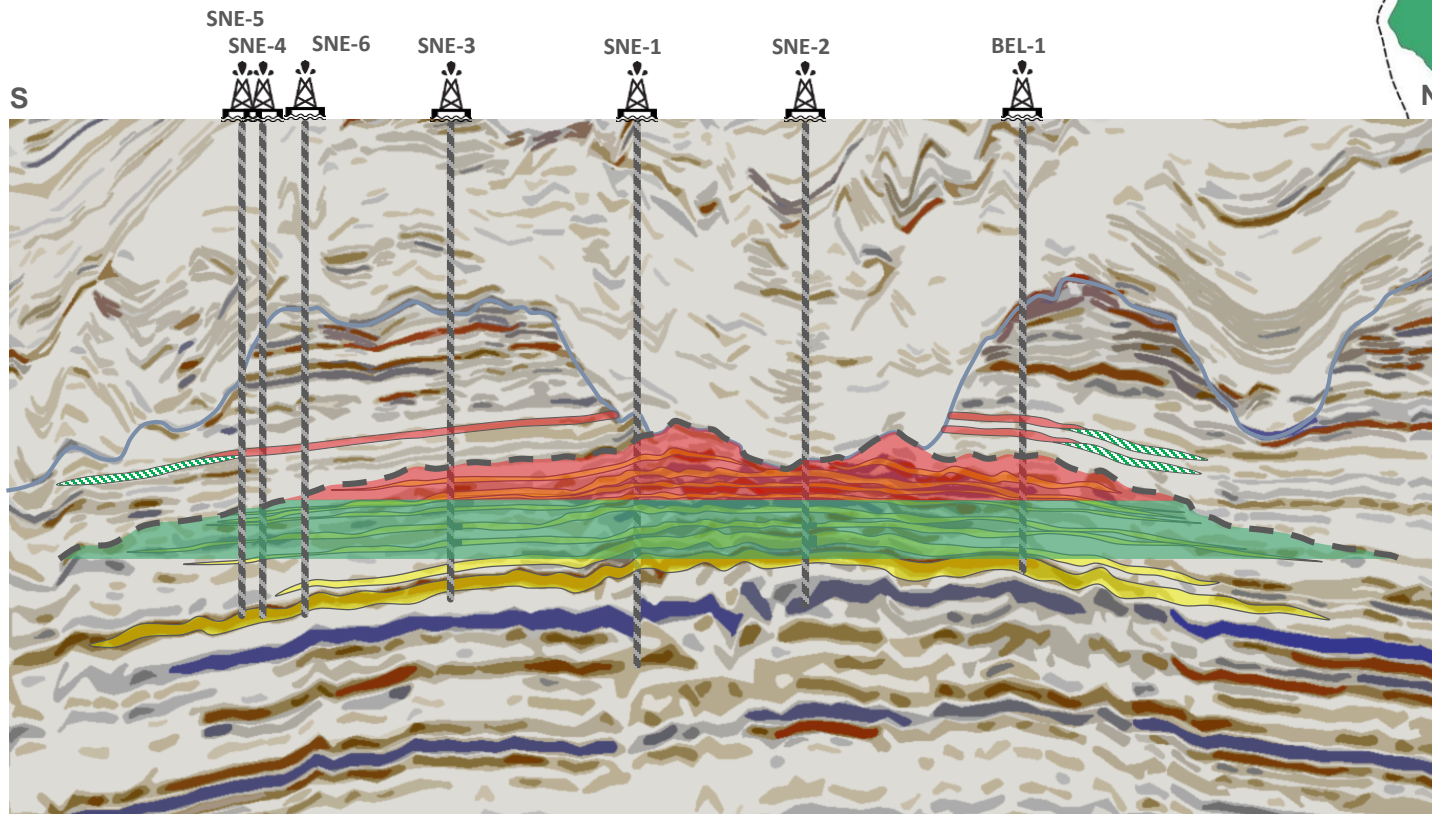
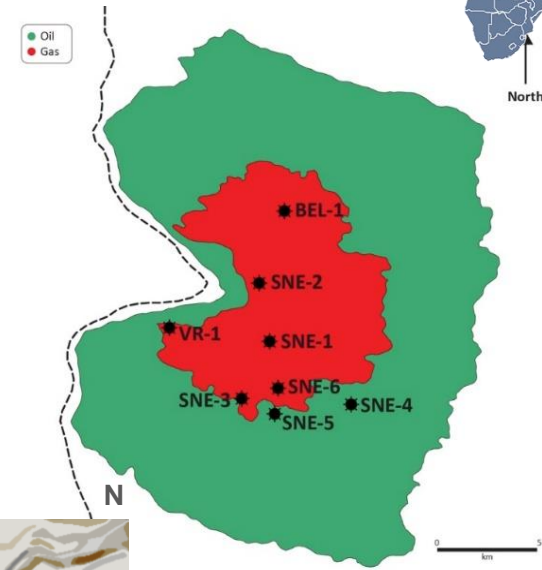
1C: 348 mmbbls
2C: 641 mmbbls
 3C: 1128 mmbbls

*Reference FAR ASX release dated 23 August 2016, 13 April 2016: 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 and connectivity of reservoirs



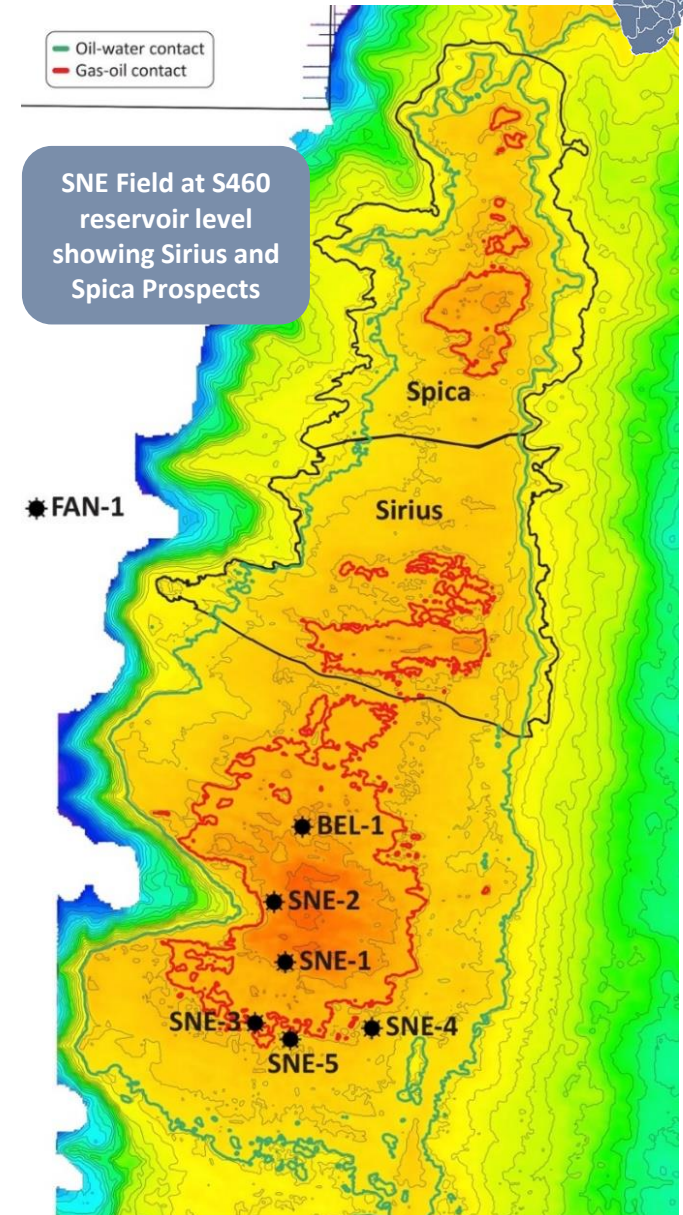
- DST's conducted on SNE-2, SNE-3, SNE-5, SNE-6
- Pressure gauges installed in SNE-3 and SNE-5
- Lower reservoirs flowed at world class rates (SNE-2)
- Deliverability and connectivity of upper reservoirs completed in May 2017



SNE Appraisal results summary



- All appraisal wells proved 97m gross oil column
- MEFS of 200mmbbls passed
- 2C resource 641mmbbls* and scope to increase
- Deliverability of reservoirs understood – world class flow rates in primary, lower reservoirs
- SNE field footprint expanding to encompass Sirius and possibly Spica prospects
- Lower reservoir units to the west with better reservoir properties
- **Size, deliverability** and **connectivity** now understood and pre-development **appraisal drilling completed**



Efficient drilling, costs coming down



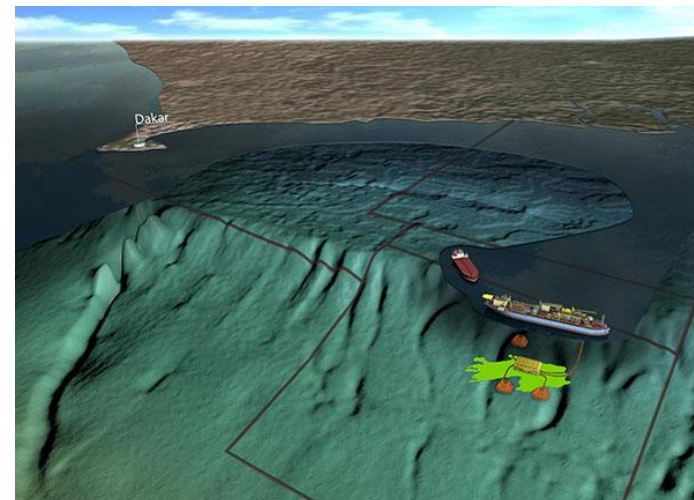
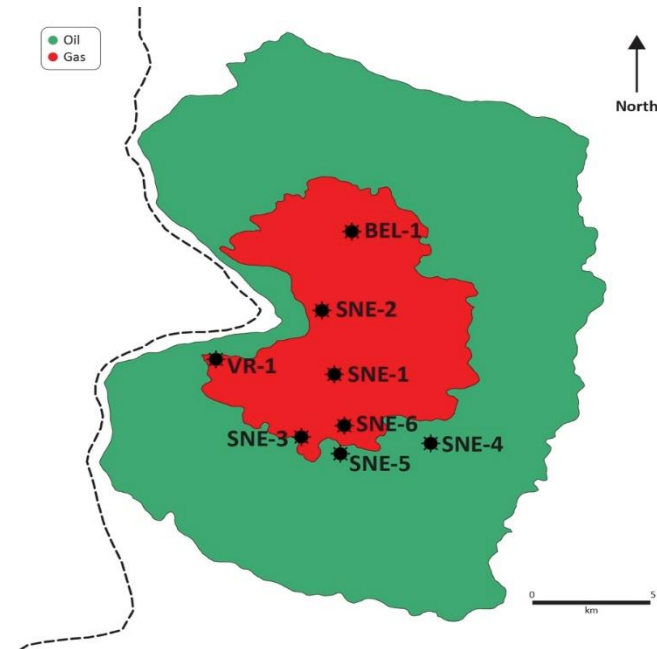
- Currently using the Stena DrillMAX – a 6th generation, dual mast, dual BOP drill ship
- 2017 drilling program significantly ahead of planned AFE
- Drilling completed successfully and safely
- Daily rig rates reduced by 70% since first drilling campaign in 2014
- **Great time to be drilling appraisal/development wells!**



Looking forward to development of SNE



- Results from interpretation of final appraisal wells expected in Q3 2017
- Development planning underway
- Development concept is FPSO (Floating Production, Storage and Offtake vessel) with subsea tie backs
- Total expected capital expenditure for Phase 1 development US\$5 billion
- First oil expected 2021
- Estimated Phase 1 production at 140,000 bbls oil per day
- Cairn Energy (operator) NPV of **US\$12.5/bbl** at project FID (2018/19) and US\$70/bbl oil price*

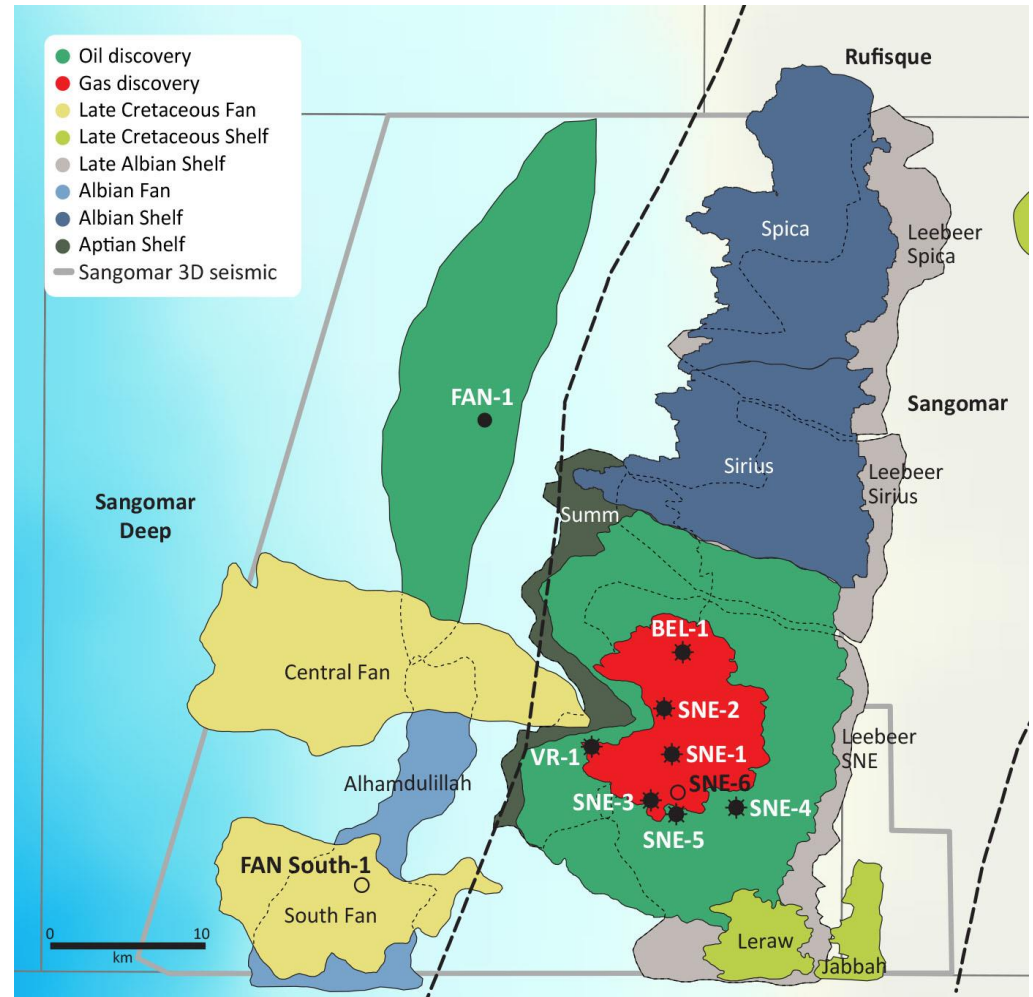


*Source: Cairn Energy estimates (refer Cairn Energy Half Yearly Result 16/08/2016)

First pure exploration well planned since 2014



- FAN South-1 on the South Fan prospect to be drilled next
- South Fan prospect mapped to contain **134 mmbbls oil***
- South Fan within tie back range to SNE development
- 500m of oil intersected in the FAN-1 well – prolific, oil source rock – indicates more oil to be found
- Undrilled exploration portfolio with >1bn bbls potential* updated Feb 2017



*Reference FAR ASX release dated 7 February 2017, : gross, unrisks, recoverable, best estimate of prospective resources, oil only

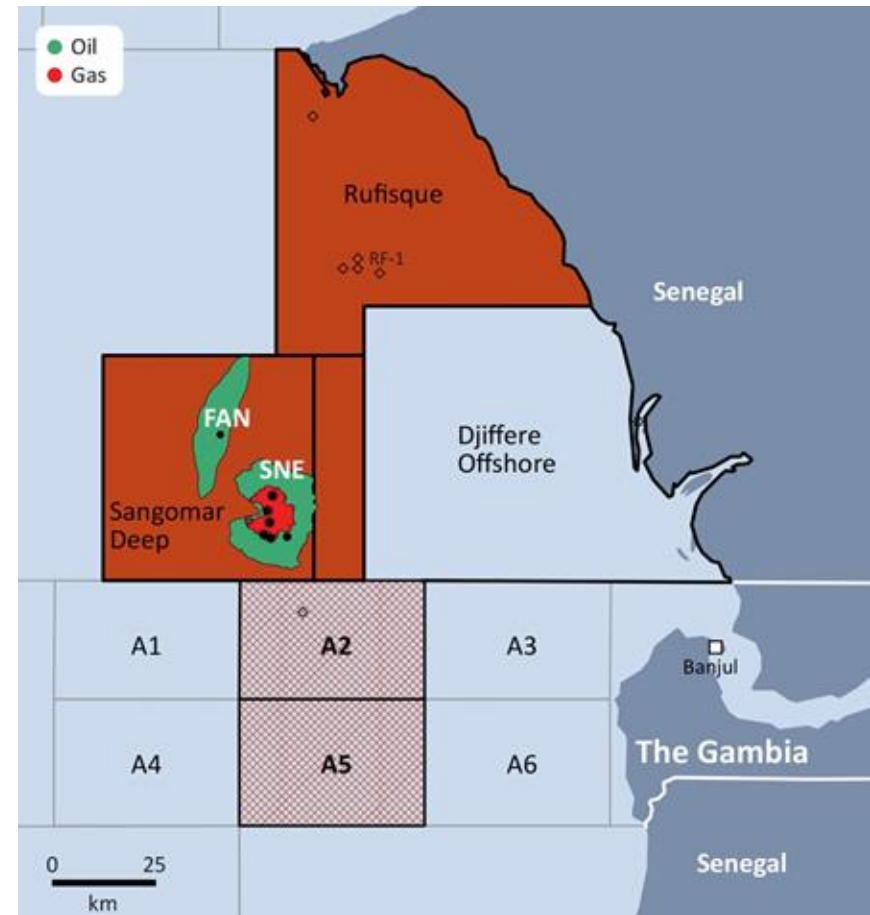
Growing the portfolio: The Gambia



- In line with FAR's strategy to focus on NW African shelf following Senegal success
- Farm-in to 80% interest with operator rights
- Well at end 2018
- Large equity position gives FAR options to farm down
- 1,500km² existing 3D seismic (2015)

About The Gambia

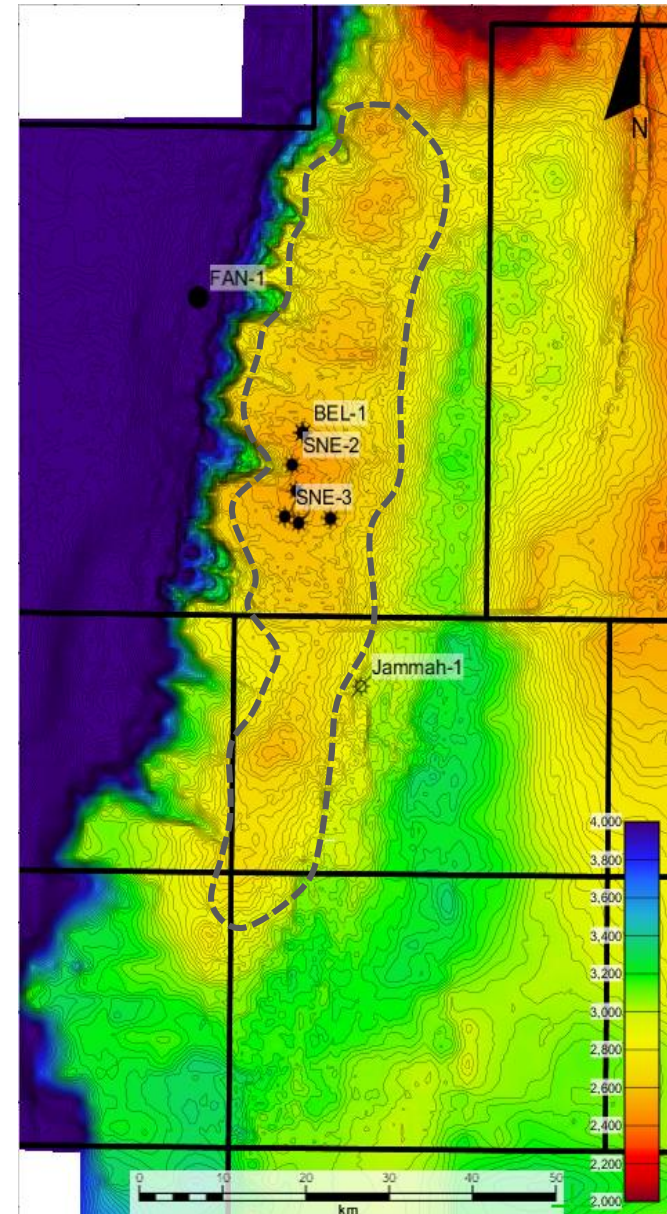
- Capital: Banjul
- Population: 1.8M
- Languages: English (official), Mandinka, Wolof



Extension of the SNE shelf edge trend



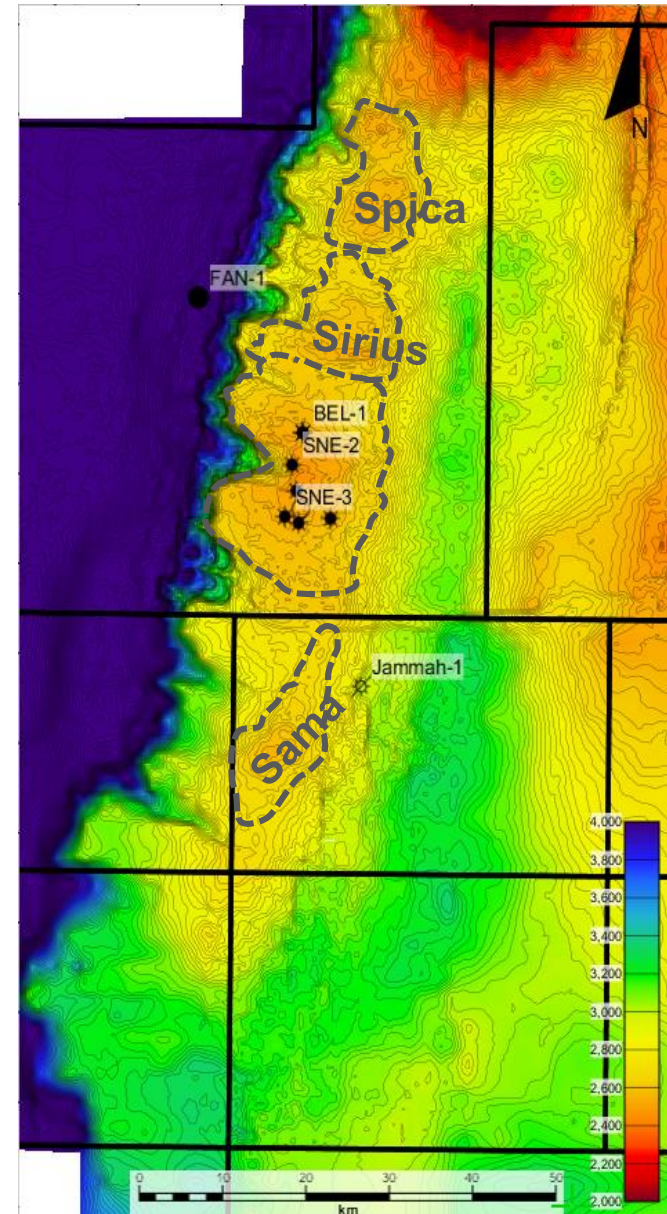
- On trend with SNE – same play
- Access to same source kitchen
- Highly prospective
- High chance of success
- Reservoirs now penetrated by 8 wells



Extension of the SNE shelf edge trend



- 1 billion barrels of oil prospectivity mapped to date*
- Sama prospect defined on 3D seismic 500mmbbls recoverable*
- Well to be drilled end 2018
- Dry hole well costs US\$25-\$30M



*Gross, unrisks, recoverable, best estimate of prospective resources, oil only

2017 revealing the prize

2013: Year of farmout

2014: Year of discovery

2015-2017: Evaluating the SNE Field

2017-2019: Development planning and studies

2019-2021: Engineering, financing & construction

2021: First oil from Phase 1 SNE development

100% success rate to date offshore Senegal

Undrilled exploration prospects with
>1bn bbls potential

Back to pure exploration with FAN South-1 well

FAR is committed to finding more elephants lurking
under these prolific waters!



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- Information in this report relating to hydrocarbon resource estimates has been compiled by Peter Nicholls, the FAR 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 Exploration Geophysicists 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.