

# Annual General Meeting

ASX:FAR  
29 May 2017



# Board and management



**Experienced Board and management with strong relationships in Africa**

# Board with significant experience

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	<p><b>Nicholas Limb</b> Non-Executive Chairman Appointed 2012</p>	<p><b>Geophysicist and investment banker</b> 15 years as MD/Chairman of an ASX listed, international mining company, Australia. 10 years in Financial services with May and Mellor and HSBC. 38 years industry experience in the resources industry.</p>
	<p><b>Catherine Norman</b> Managing Director Appointed Nov 2011</p>	<p><b>Geophysicist</b> 28 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><b>Ben Clube</b> Executive Director Appointed 2013</p>	<p><b>Geologist and Chartered Accountant</b> 27 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><b>Reg Nelson</b> Non-Executive Director Appointed 2015</p>	<p><b>Exploration Geophysicist</b> 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><b>Albert Brindal</b> Non-Executive Director Appointed 2007, retiring 2017</p>	<p><b>Fellow Certified Practising Accountant</b> Director of the Company since 2007. Broad commercial experience and Chairman of Remuneration Committee.</p>

# Senior management

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**Catherine Norman**  
Managing Director

BSC (geophysics), AICD

Over 20 years experience in the mineral and oil & gas exploration industry, having held executive positions both in Australia and in the UK. Cath has carried out operating assignments in Europe, Africa, the Middle East and Australia. Cath is a geophysicist who has been Managing Director of FAR since Nov 2011 and previously served as the Managing Director of Flow Energy for 6 years.



**Ben Clube**  
Chief Operating Officer,  
Executive Director

BSC (geology), AICD, AIPN

Over 20 years experience as a finance executive in the upstream petroleum industry. He has spent the majority of his career at BHP Billiton Petroleum and held roles across the full life cycle of exploration, development and operations. Ben has extensive experience capturing and implementing international projects. Ben is an associate of the Institute of Chartered Accountants of England and Wales.



**Pete Thiessen**  
Chief Financial Officer

BA (accounting), MICA

Over 15 years experience as a Chartered Accountant. Pete has previously contracted independently to the mining and exploration industry and more recently was the CFO and Company Secretary of Flow Energy Limited. Prior to that he was a Client Director with Deloitte global accounting and professional service firm. Pete is a member of the Institute of Chartered Accountants.



**Peter Nicholls**  
Exploration Manager

BSC (geophysics)

Over 30 years experience in oil and gas exploration and development projects with BHP Billiton Petroleum, Nexus Energy, Antares, Oil Search and BP Australia. A professional geophysicist with experience in managing exploration teams operating offshore permits and wells. Proven track record of identifying prospective areas, working up prospects, and finding commercial fields.



**Jon Keall**  
Chief Geoscientist

MSC (geology)

Over 20 years experience in oil and gas exploration internationally and within Australia. A professional geologist that has worked for BHP Petroleum on many of the petroliferous basins of Australia-Asia and involved in several significant oil and gas discoveries. Experience over the full exploration cycle from identification and capture of new acreage, prospect generation, drilling and discovery of hydrocarbons.

# Our Company

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- **Fifth largest E&P** on the ASX: Market cap A\$442M<sup>1</sup>
- **Strategic focus** Mauritania-Senegal-Guinea-Bissau (MSGB) Basin
- 8 exploration permits in MSGB Basin
- Basin opening discoveries in **Senegal** in 2014
- Progressing towards **first oil from SNE** Field 2021
- **Strong balance sheet:** cash Q1 A\$35M, no debt
- Successfully **raised A\$80M** April<sup>2</sup> funded to SNE field development FID
- Strong commitment to **supporting social and educational programs**
- Strategic **partnership with CNOOC UK**



1: Market capitalization at 26 May 2017

2: FAR ASX Release dated 12 April 2017

# Community & social programs

Investing in education & training, enterprise & community development programs through our Senegal joint venture



Renovated a primary school in the regional city of Thiess



Sponsored regional soccer competitions through provision of 200 balls and uniforms



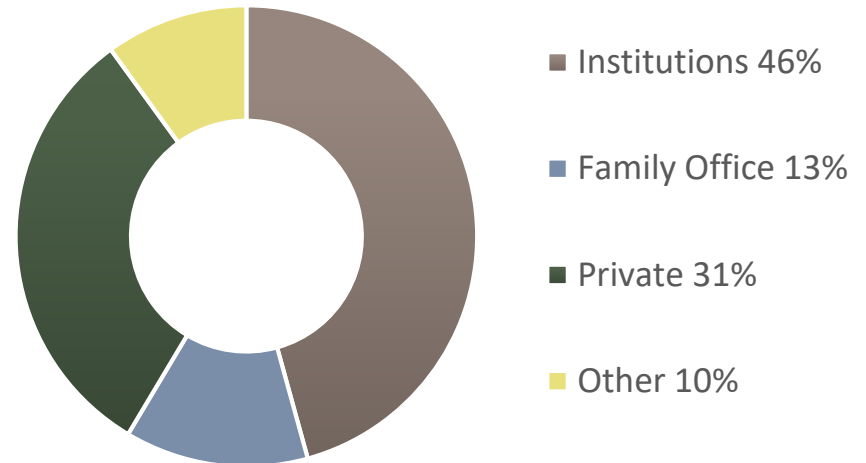
# FAR shareholder summary

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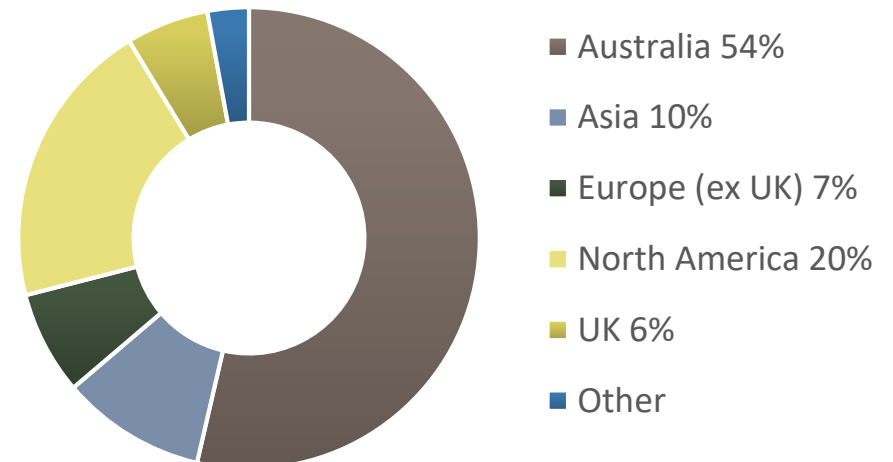
## Shareholder base\*

- Top 200 shareholders own 70% of FAR
- FAR's shareholders are predominantly located in Australia
- 3 substantial shareholders:
  - Meridian Asset Management
  - Robertson Family
  - Fidelity Group

### Top 200 shareholders by type



### Top 200 shareholders by location



\*Analysis of top 200 shareholders from FAR register as at 18 April 2017

# 2016 Achievements

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- **4 successful SNE appraisal wells** in 2016 prove SNE field capable of delivering **commercial oil flow** rates
- Increased the SNE contingent recoverable resource base from a 2C of 330mmbbls\* to a **2C of 641mmbbls\***
- **Passed MEFS** (Minimum Economic Field Size) for SNE
- **Statement on commerciality** for SNE Field
- **Pre-FEED** activities commenced
- **Preserved pre-emptive rights** over COP Senegal sale
- Completed **three high-impact social programs** in Senegal in addition to JV programs
- Change the exploration focus of the **Guinea Bissau JV**
- Successfully **raised capital**, stayed fiscally strong
- Captured **Djiffere** block option
- Awarded “**Breakthrough company of the year**”, Africa





# FAR relative performance

- Oil price rise and stabilisation is good for the ASX 200 (producers)
- FAR still greatly viewed as explorer
- COP sale price at US\$2.20/bbl reflecting low oil price environment of July 2016

Relative performance – Last twelve months



Source: IRESS.

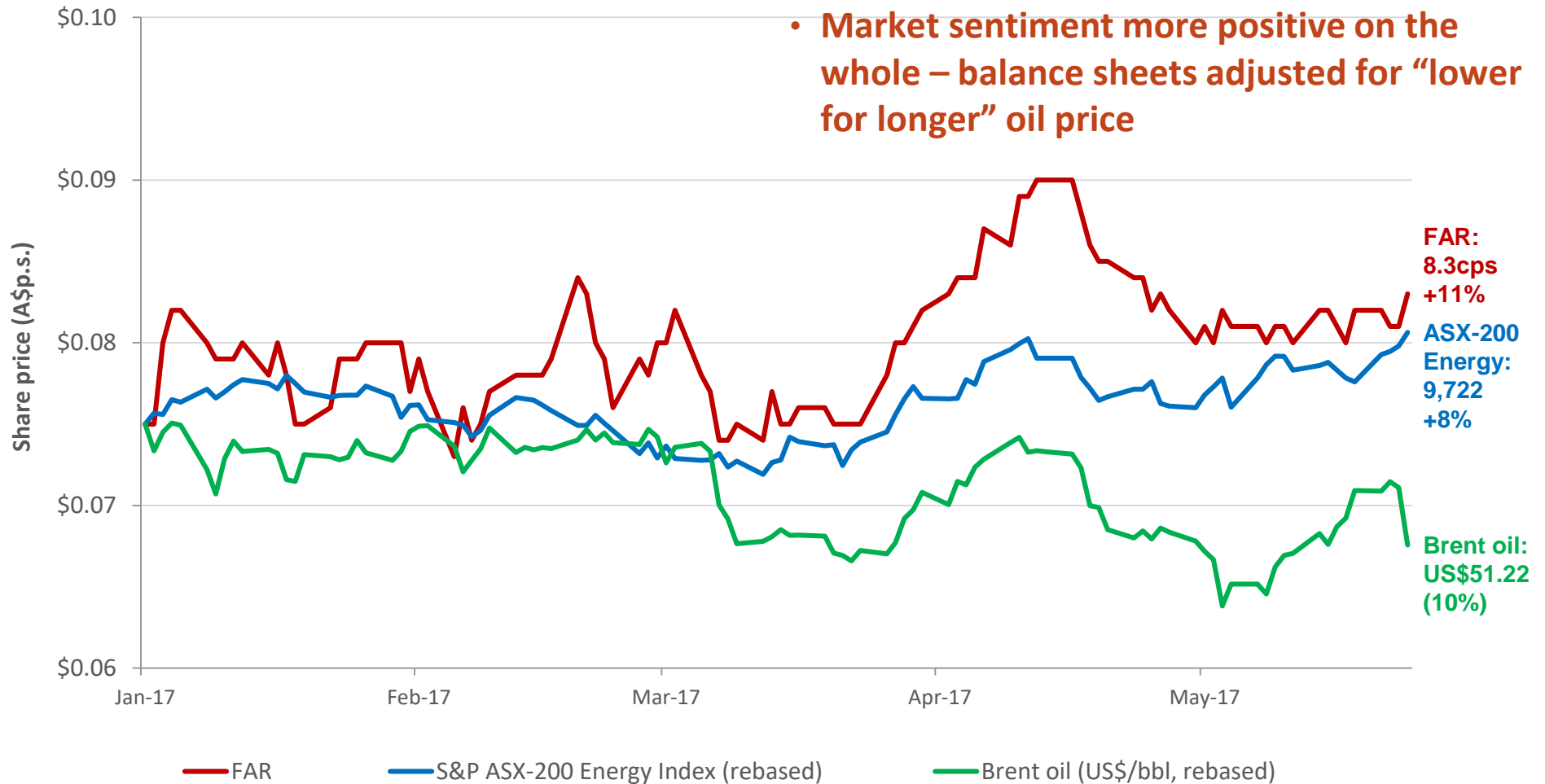
Note: Market data as at 25-May-17.

S&P ASX-200 Energy Index and Brent price indexed to FAR's share price of 8.6cps, as at 26-May-16.

# FAR relative performance

- Better performance for 2017 so far
- Risk being removed from SNE development
- FAR funded to FID
- Market sentiment more positive on the whole – balance sheets adjusted for “lower for longer” oil price

Relative performance – since 1-Jan-17



Source: IRESS.  
Note: Market data as at 25-May-17.  
S&P ASX-200 Energy Index and Brent price indexed to FAR's share price of 7.5cps, as at 2-Jan-17.

# Our industry leading into 2017

- By mid 2016, an estimated **360,000 workers** were shed by E&P companies world wide
- By mid 2016, **160,000 (42.5%) of workers** in oilfield services had lost their jobs
- Companies have been preparing for a “**Lower for longer**” oil price
- EIA Short term energy outlook predicts average of **US\$54/bbl for 2017** and **US\$57/bbl for 2018** (with a range of US\$41-US\$66 for 2017) and **US\$79/bbl for 2020**
- Most oil companies have restructured debt, sold non-core assets, reduced staff numbers and restated core objectives for 2017 onwards
- SNE Field scheduled for first oil in increasing demand for oil and forecast decrease in shale production
- **SNE breakeven at <US\$35/bbl**



# Our strategy

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- **Focus on MSGB Basin** and in particular the extension of the Shelf Edge play to the south
- Leverage local and **specific technical knowledge** into high value exploration opportunities with large equity positions
- Bring FAR local and specific technical **knowledge** to our **advantage** through **strategic partnerships**
- Keep **all options open** with respect to future participation in the SNE development
- Keep options open to **pre-empt low ball sales of equity** in FAR projects
- **Don't pay for exploration** drilling where possible
- Ensure market fully informed to get **maximum value in share price** for shareholders
- Ensure we are robustly funded and **financially strong**



# 2017 Strategy at work

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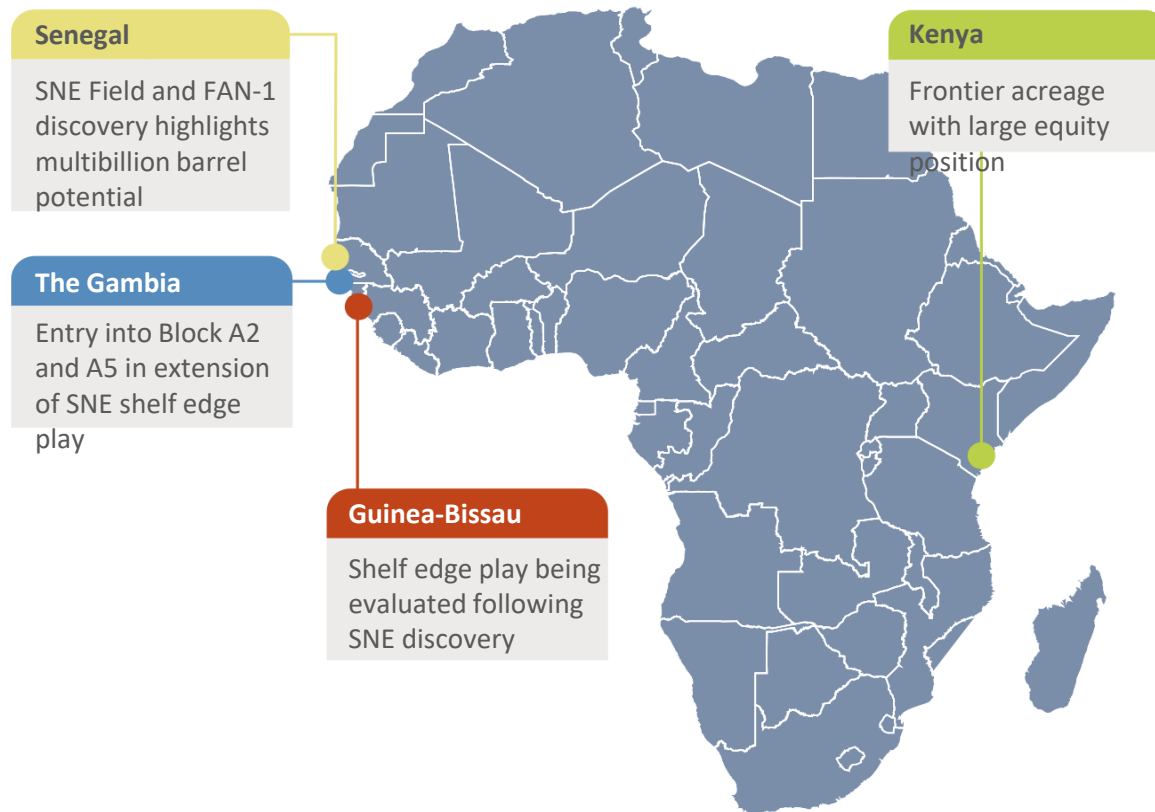
- Negotiated farm-in to blocks **A2/A5 The Gambia**: continuation of SNE Field shelf edge structure
- Executed AMI (Area of Mutual Interest) **Agreement with CNOOK UK**
- Upgraded **undrilled prospective resources** : >1bbbls
- Successfully **raised \$80M** to leave FAR **funded to FID** on the SNE Field development
- Completed **3 successful SNE appraisal wells** safely and under budget
- **Met final objectives** of SNE Field evaluation
- Spudded first **pure exploration** well since 2014
- **Revision** of contingent resources, first phase development plan and economics underway
- Continuing to **grow online shareholder communications** platforms



# World class acreage in MSGB Basin

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- 10 exploration licenses globally, 4 operated by FAR
- 8 licences in the MSGB Basin
- **2 successful discoveries offshore Senegal and further exploration drilling planned on MSGB licences in next 3 years**

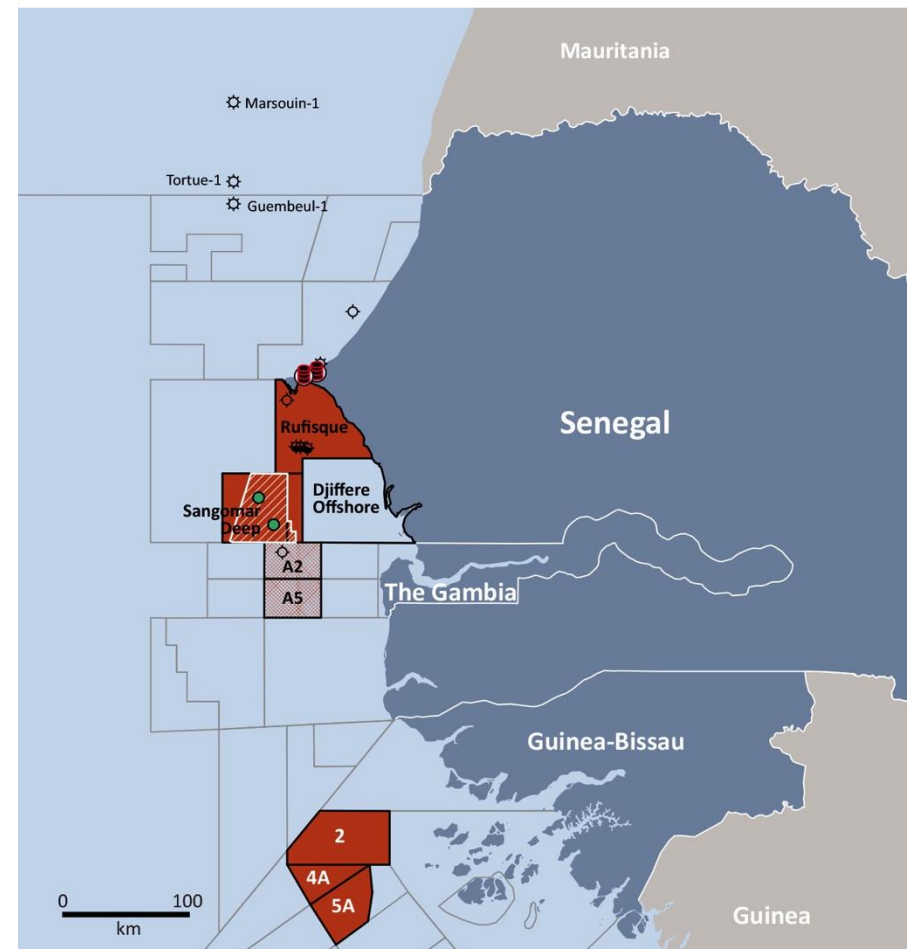


# FAR in Senegal



- FAR in Senegal since 2006
- Basin opening FAN-1 and SNE-1 oil discoveries, 2014
- SNE ranked as worlds largest oil discovery in 2014
- JV invested ~ **US\$800M in three years**
- 9 deep water exploration/appraisal wells with a **100% success rate**
- SNE field grown to **641mmbbls 2C** resource
- Appraisal of SNE Field completed may 2017
- Multi-billion dollar deep water development planned
- Strong commitment to sustainable social development and capacity building in country

## FAR LICENCES OFFSHORE SENEGAL, THE GAMBIA & GUINEA-BISSAU

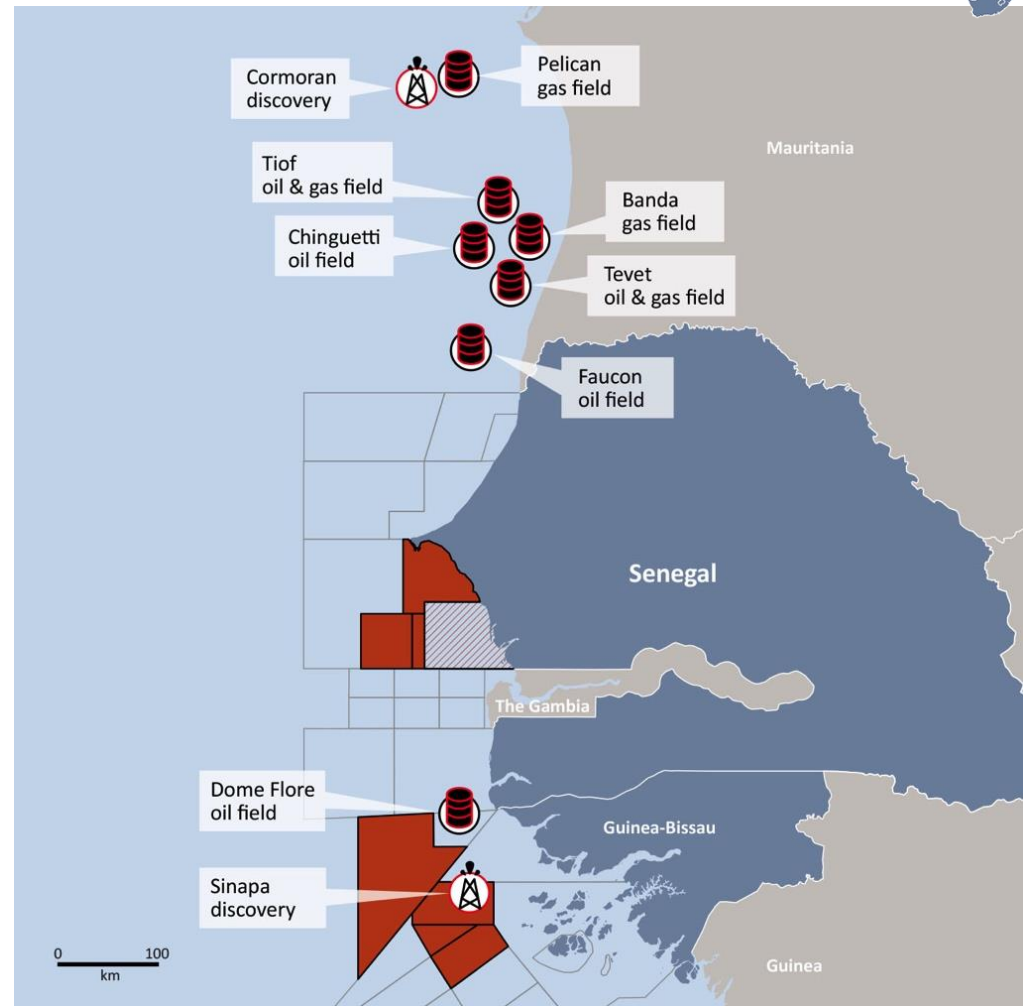


# No production or activity offshore Senegal



## 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





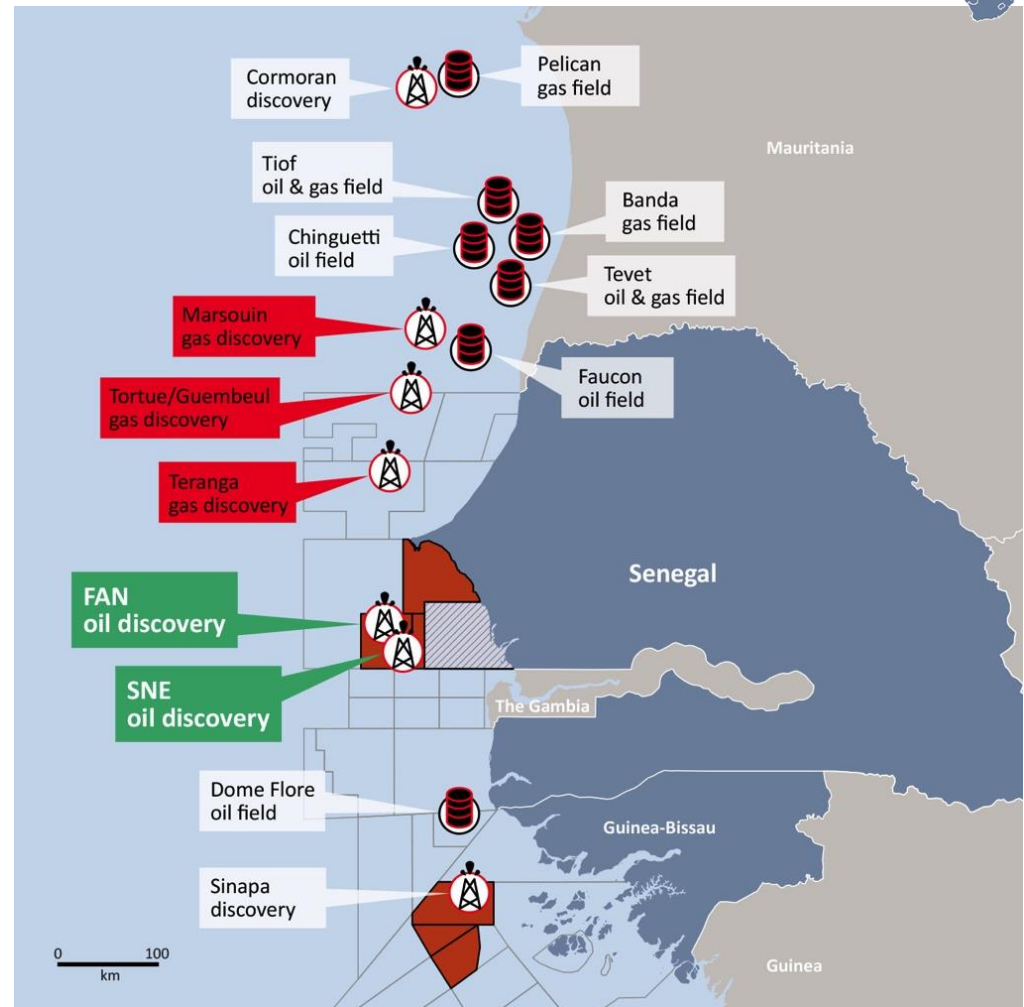
# FAN-1 and SNE-1 opened up Senegal



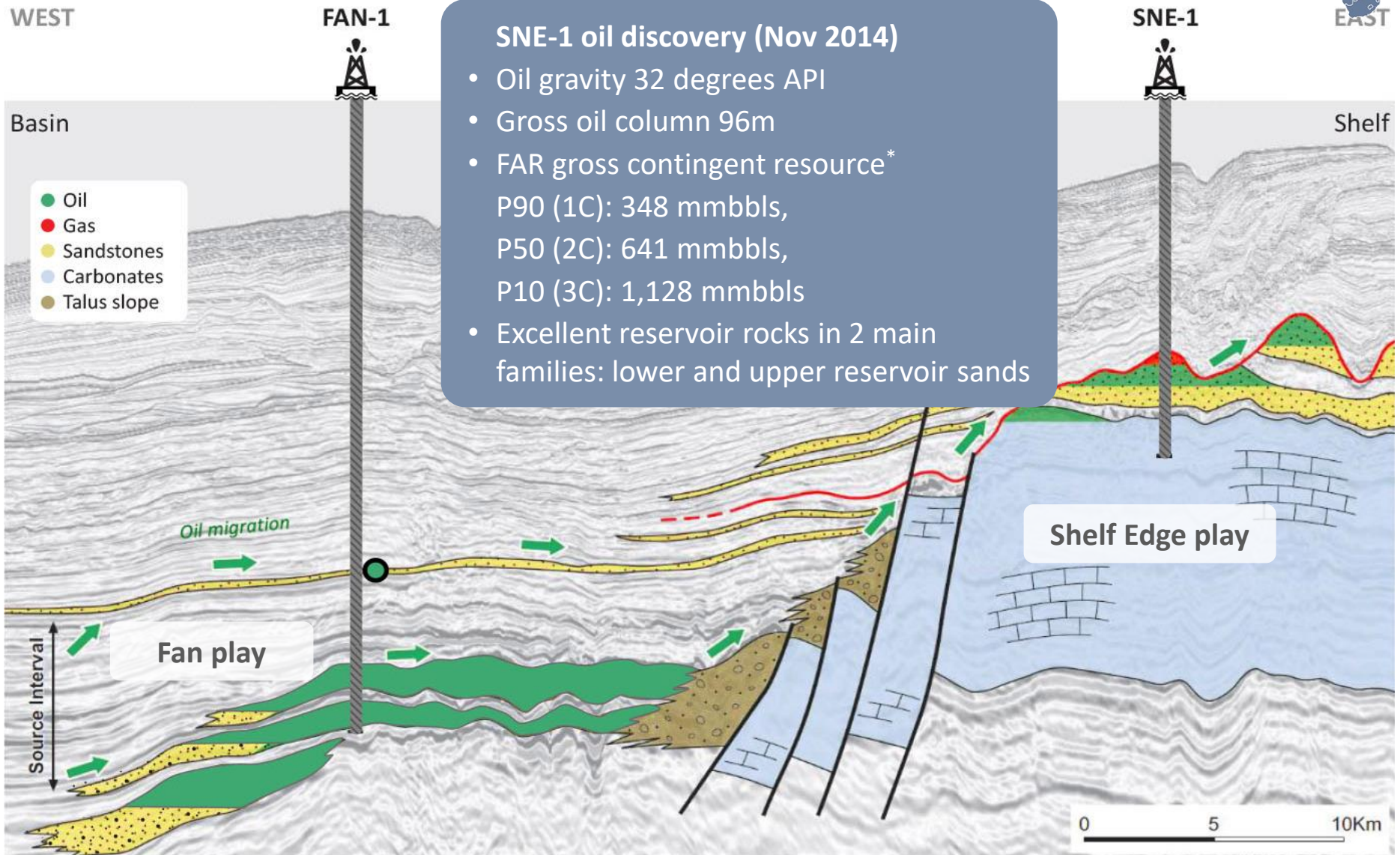
## Current state of discoveries

- 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

Stellar Energy Advisers stated “The SNE discovery saved African exploration”



# SNE Field geological setting and discovery well



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

# SNE Field evaluation program

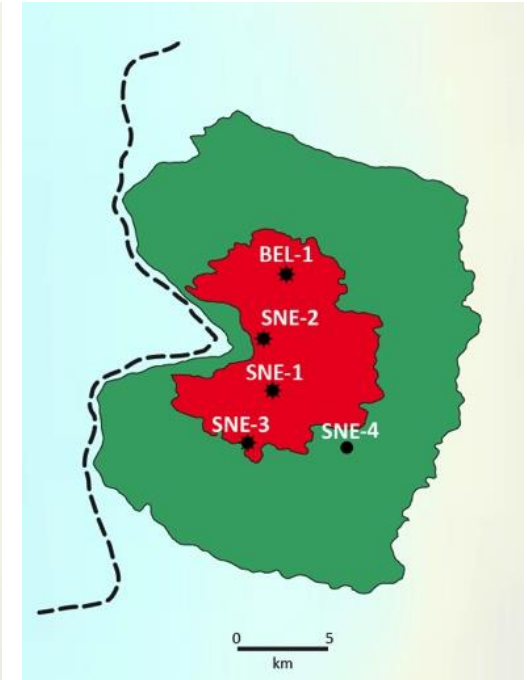
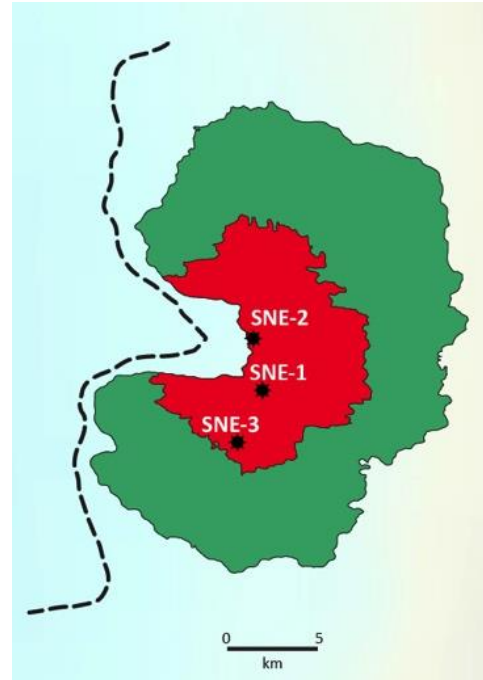
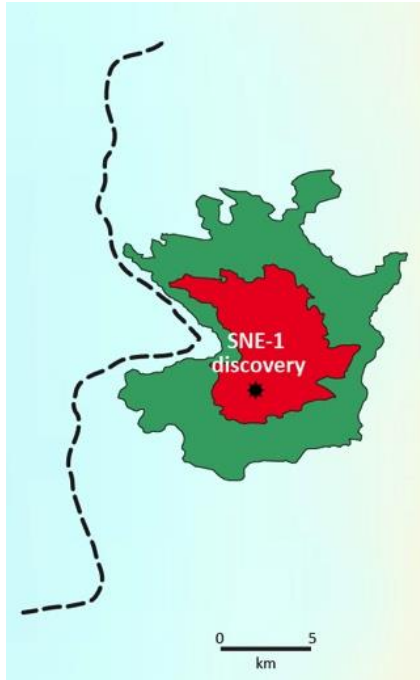
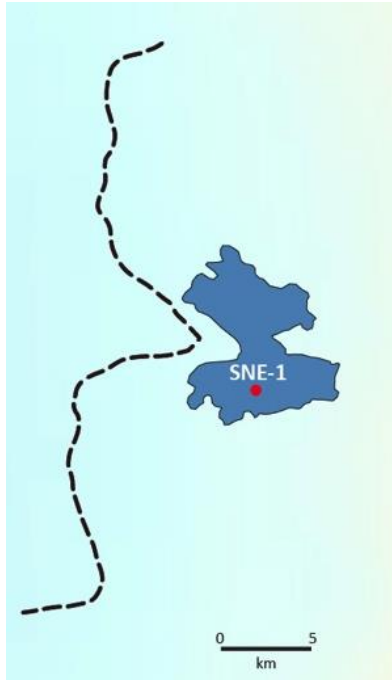


- Commenced appraisal drilling in Nov 2015
- Seven successful appraisal wells now drilled
- Pre-development appraisal completed
- Objectives of the appraisal program:
  - **Size** of oil pool – 641mmbbls 2C recoverable oil\*. Exceeded minimum economic field size of 200mmbbls
  - Measure **deliverability**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

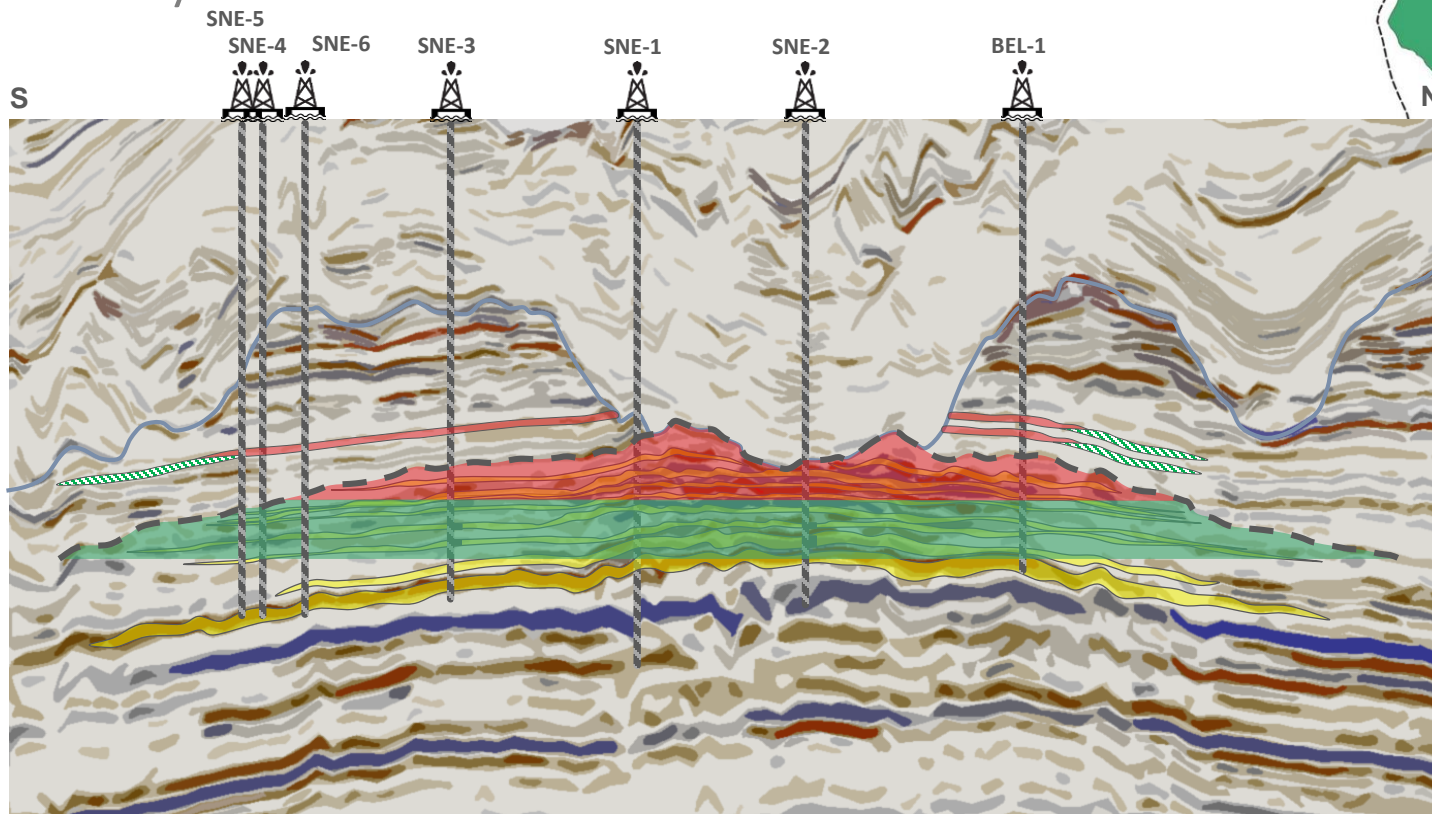
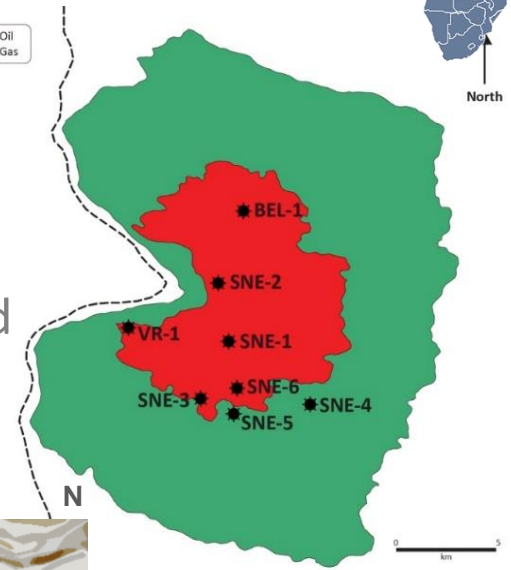
1C: 348 mmbbls  
**2C: 641 mmbbls**  
 3C: 1128 mmbbls

\*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



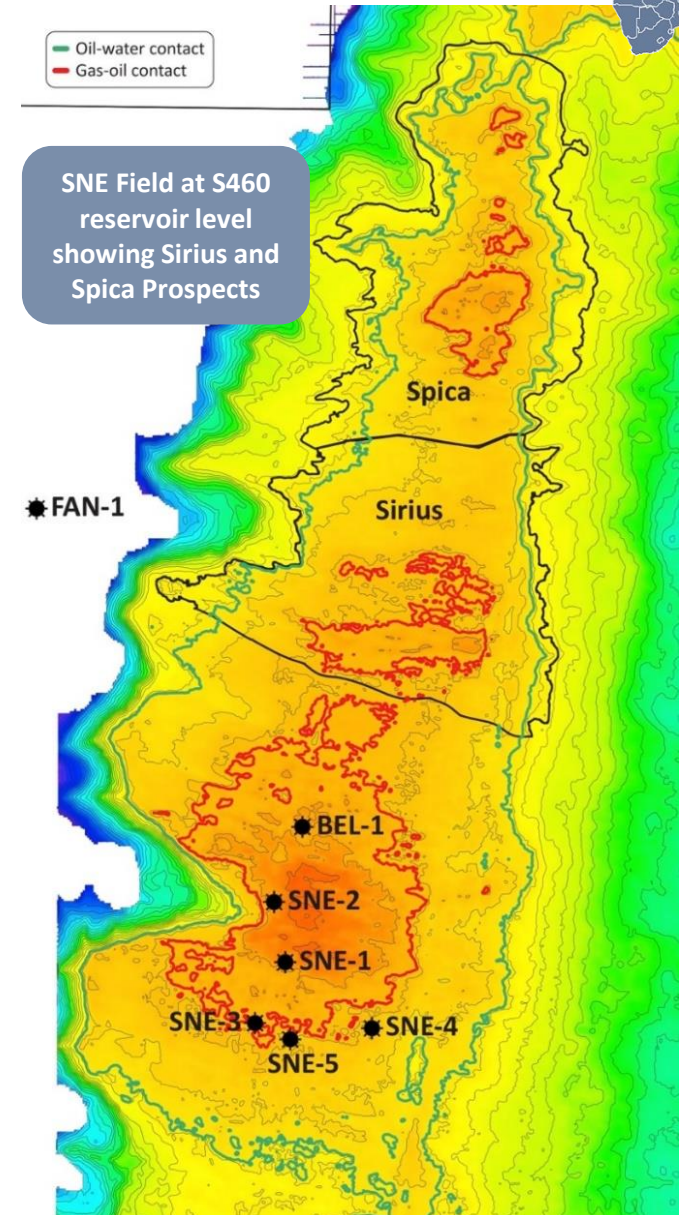
- DST's conducted on SNE-2, SNE-3, SNE-5, SNE-6
- Pressure gauges installed in SNE-3 and SNE-5
- Lower reservoirs flowed at world class rates (SNE-2)
- Deliverability and connectivity of upper reservoirs completed in May 2017



# 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**



\*Reference FAR ASX release dated 23 August 2016, 13 April 2016: unrisks contingent resources, 100% basis, oil only

# Efficient drilling, lower costs

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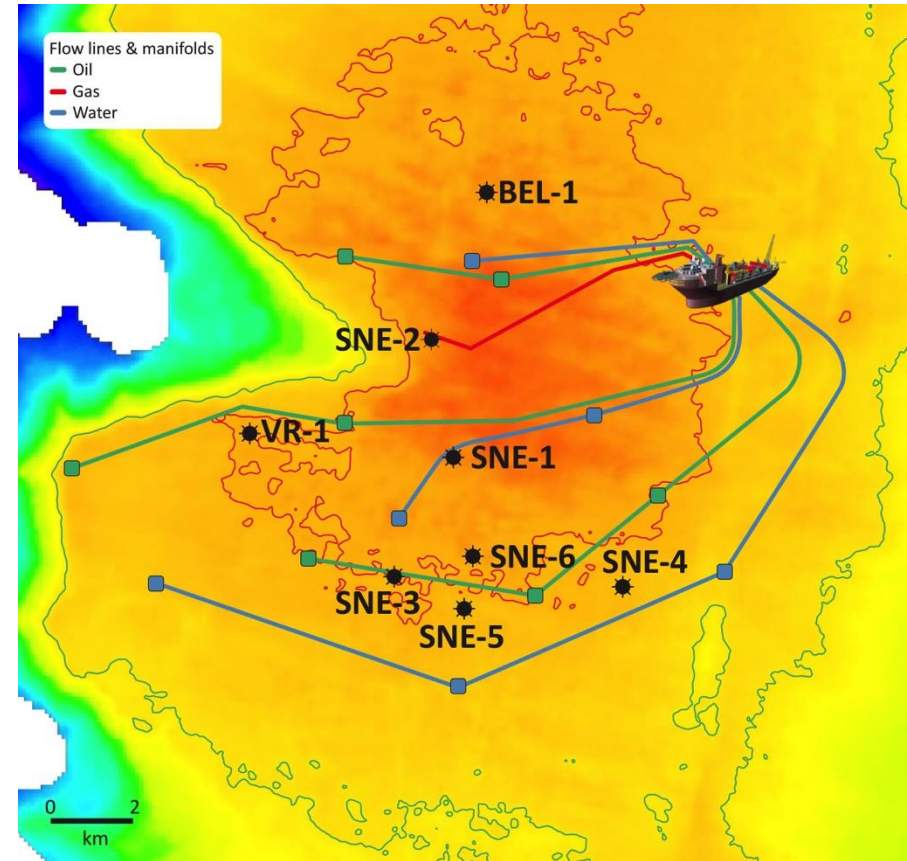
- Currently using the Stena DrillMAX – a 6<sup>th</sup> generation, dual mast, dual BOP drill ship
- 2017 drilling program significantly ahead of planned AFE
- Drilling completed successfully and safely
- Daily rig rates reduced by 70% since first drilling campaign in 2014
- **Great time to be drilling 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
- **CAPEX:** US\$12- US\$15/bbl\*
- **OPEX:** < US\$10/bbl\*
- **Breakeven oil price:** US\$35/bbl\*
- **NPV/bbl :** US\$12.50/bbl\* (at FID, US\$70/bbl oil price, 2C 473mmbbls)
- **FAR Plateau production:** ~140,000 bopd
- **FAR Phase 1 development:** 349 mmbbls
- Drilling cost reductions yet to reduce CAPEX estimate



**FAR Phase 1 development concept**

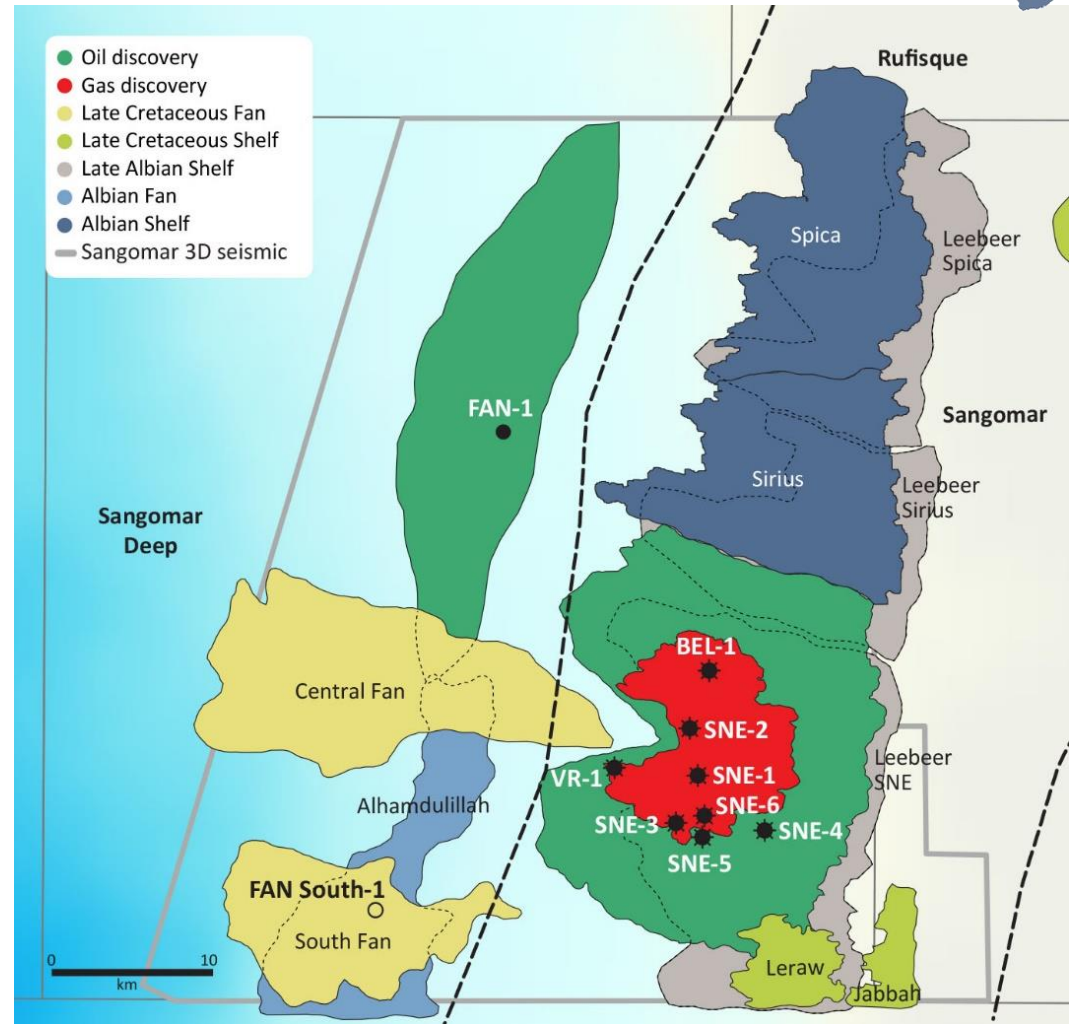
Refer to FAR ASX releases dated 24 September 2015 and 4 January 2016



# First pure exploration well planned since 2014



- FAN South-1 on the South Fan prospect being drilled
- 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, unrisked, recoverable, best estimate of prospective resources, oil only

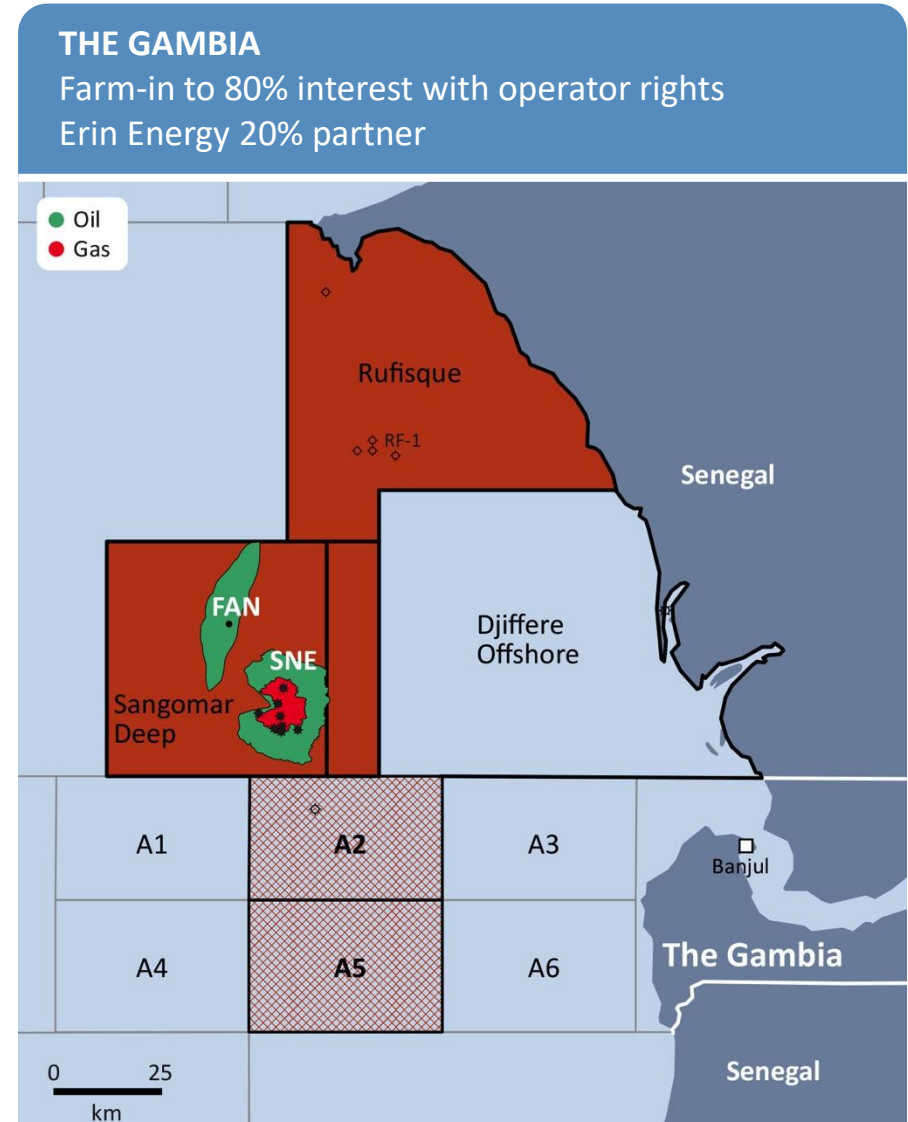
# The Gambia licence acquisitions



- In line with FAR's strategy to focus on NW African shelf following Senegal success
- FAR payment of US\$5.18M to Erin, due on Government approval
- Well at end 2018
- Large equity position gives FAR options to farm down
- Support letter from Ministry of Petroleum

## About The Gambia

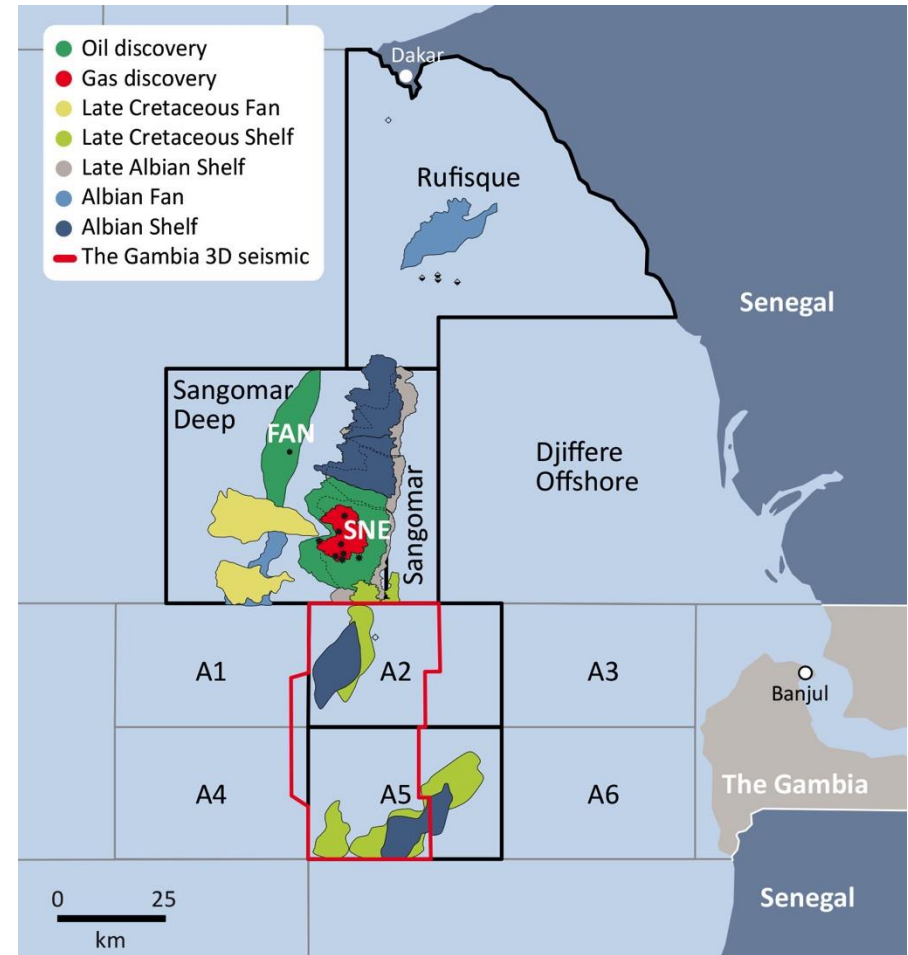
- Capital: Banjul
- Population: 1.8M
- Languages: English (official), Mandinka, Wolof
- Major religions: Islam, Christianity



# Blocks A2 and A5 prospectivity



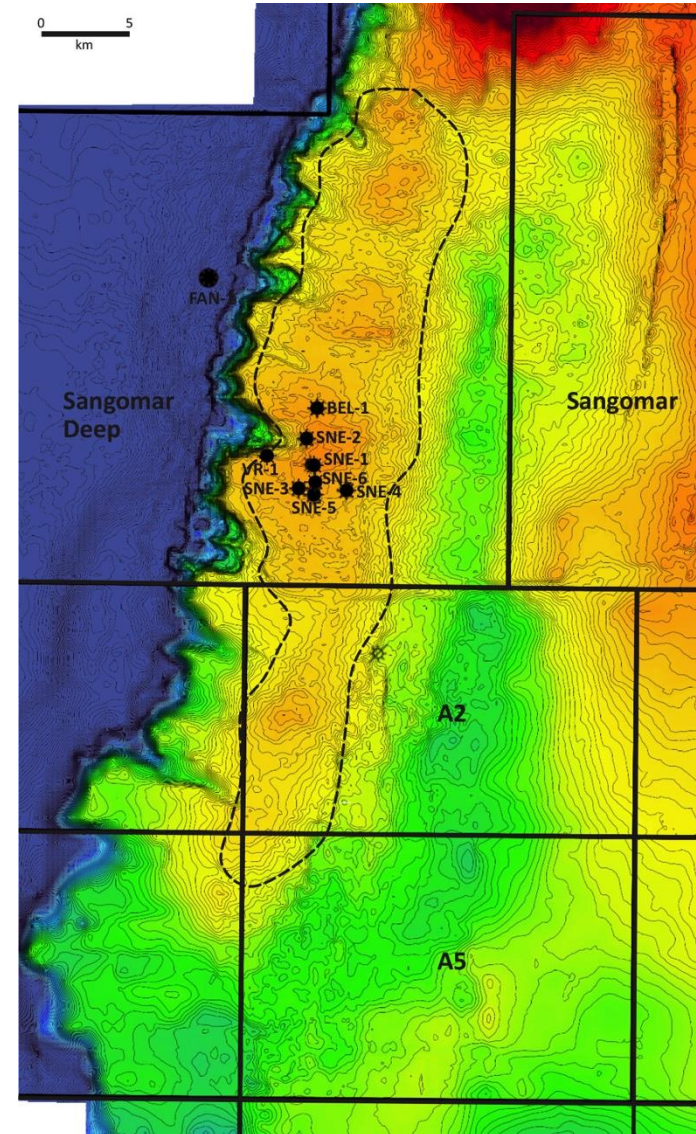
- 1 billion barrels of oil prospectivity mapped to date\*
- Sama prospect defined on 3D seismic approximately 500mmbbls recoverable\*
- 1,504km<sup>2</sup> 3D seismic data acquired in 2015
- Seismic reprocessing planned before drilling in 2018



# Extension of the SNE shelf edge trend



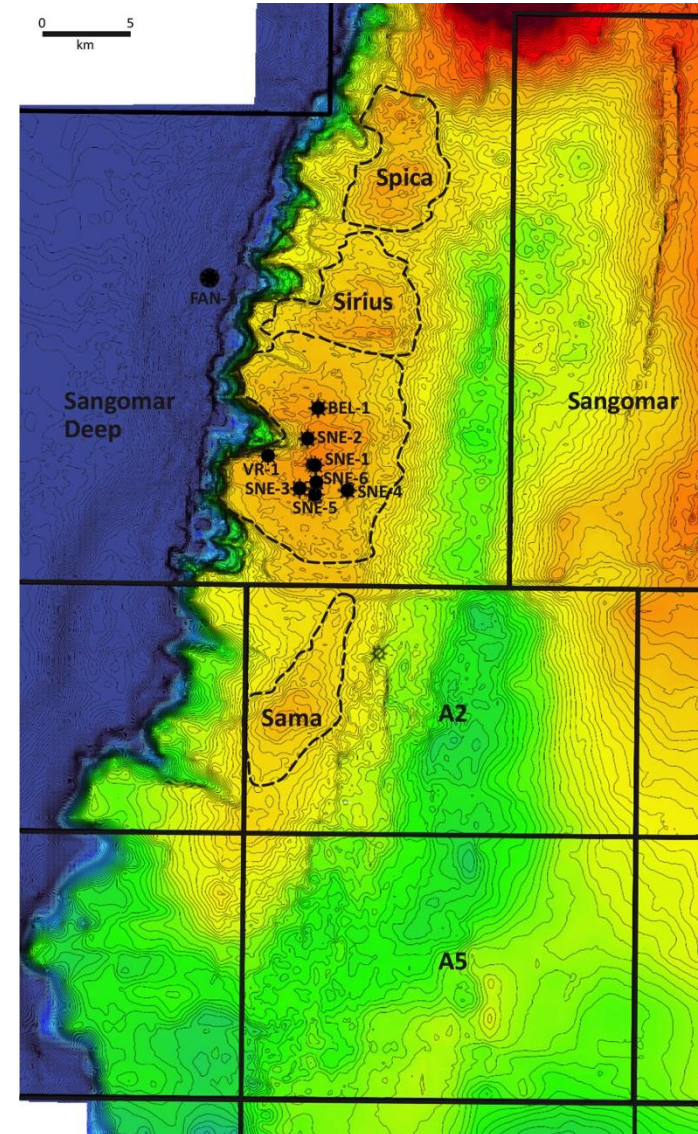
- On trend with SNE – same play
- Access to same source kitchen
- Highly prospective
- High chance of success
- Reservoirs now penetrated by 8 wells



# 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

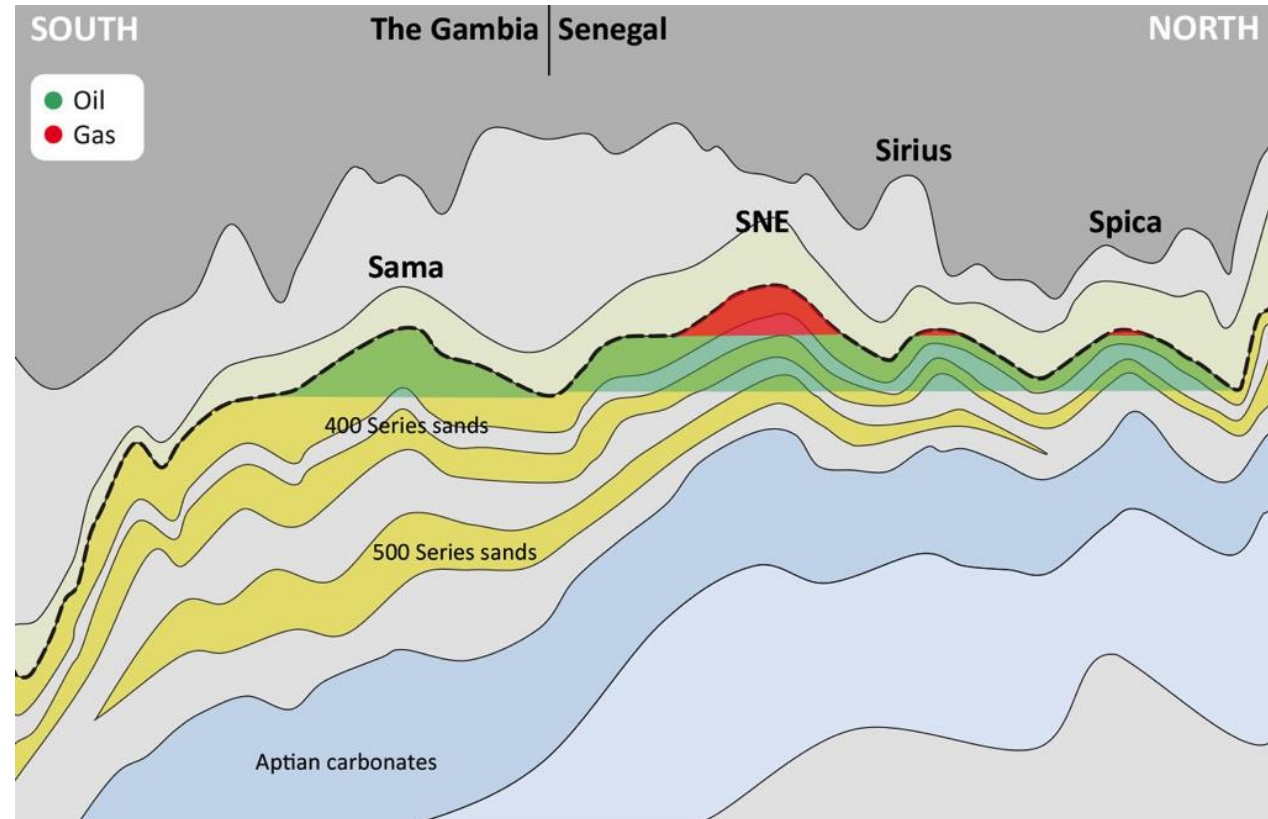


\*Gross, unrisksed, recoverable, best estimate of prospective resources, oil only

# Regional schematic cross-section



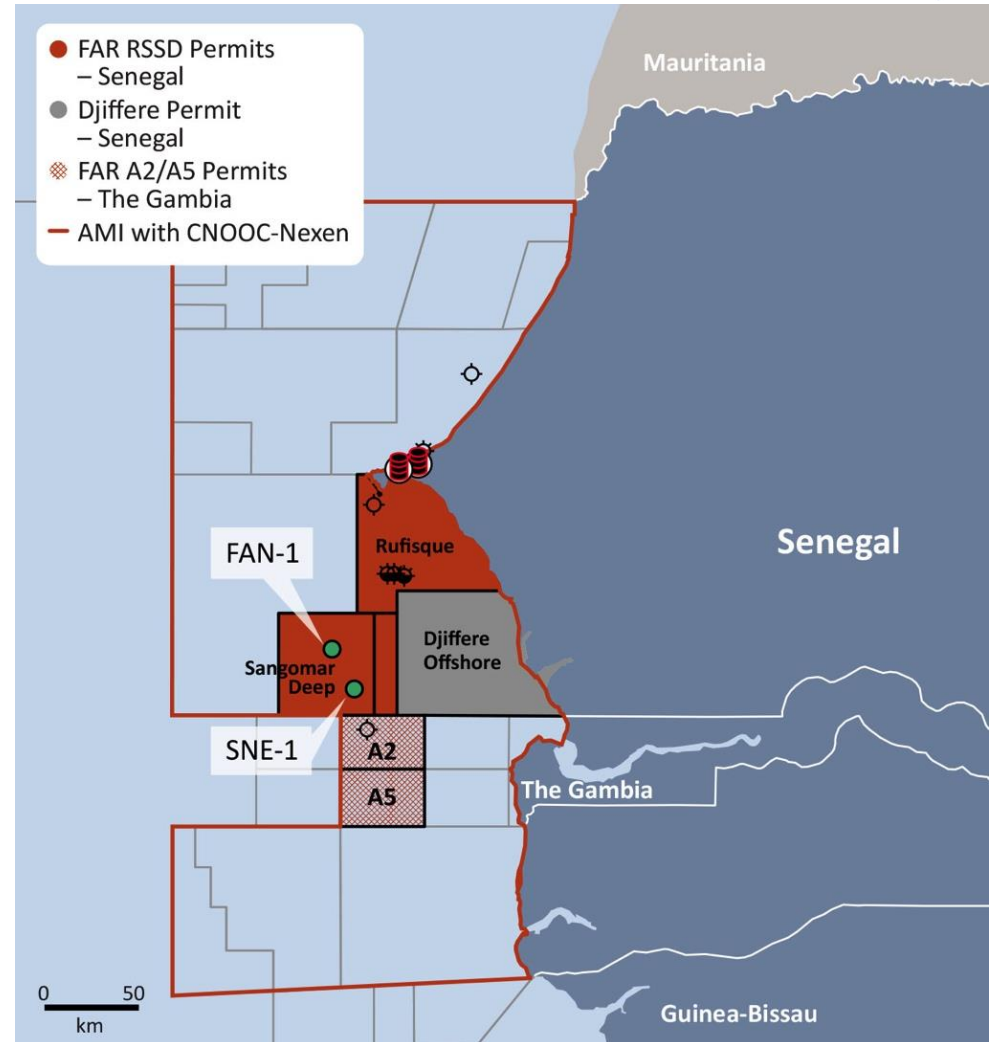
- Same upper/400 series reservoirs as SNE
- Thickening of 400 series sands to the south



# AMI with CNOOC



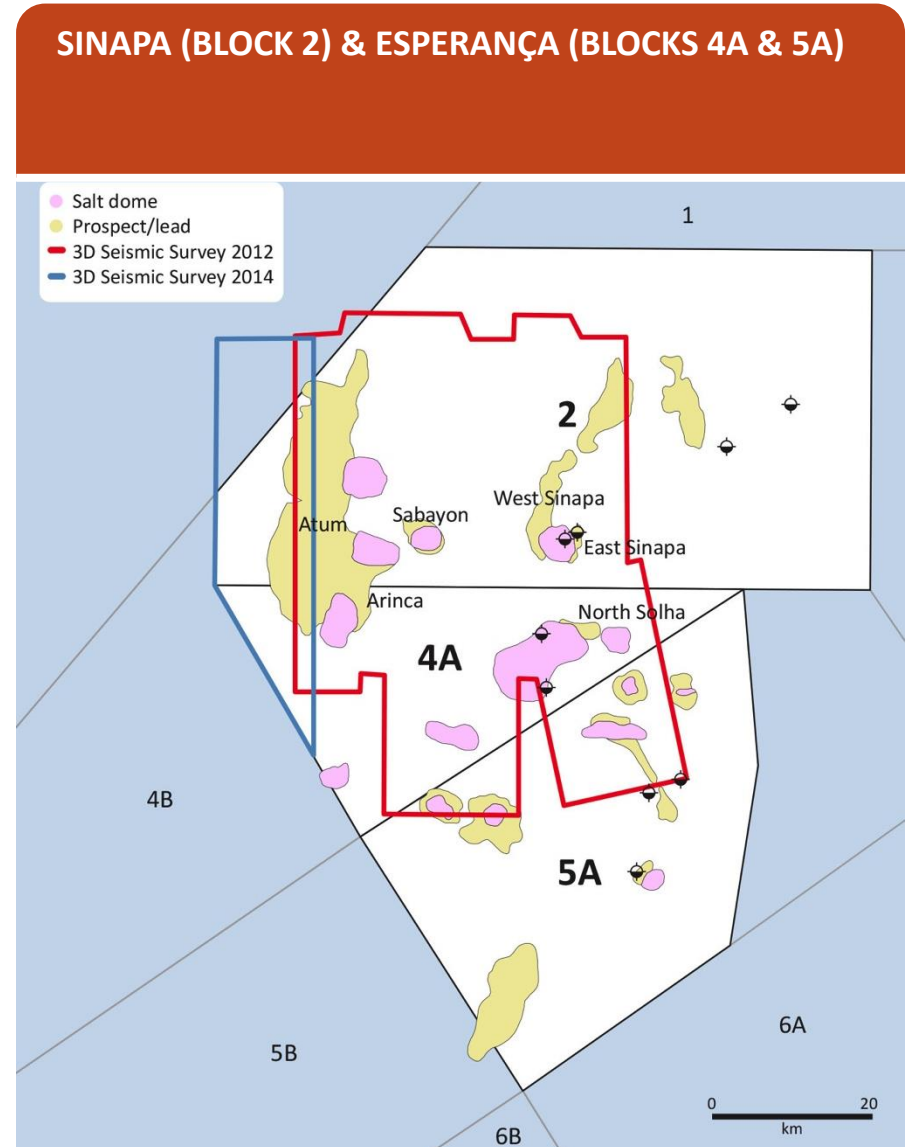
- Area of Mutual interest agreement with CNOOC
- Covering the designated area offshore Senegal and The Gambia
- CNOOC one of the largest independent oil and gas producers in the world
- Complementary skills enhance FAR and CNOOC ability to secure additional acreage



# Guinea-Bissau update



- Three blocks, operator Svenska
- New 3D seismic evaluating SNE look-a-like prospect (Atum)
- FAR awarded additional equity (21.42%) and improved deep water terms
- Licence periods have been extended to 25 November 2020
- Joint venture to drill exploration well during licence period

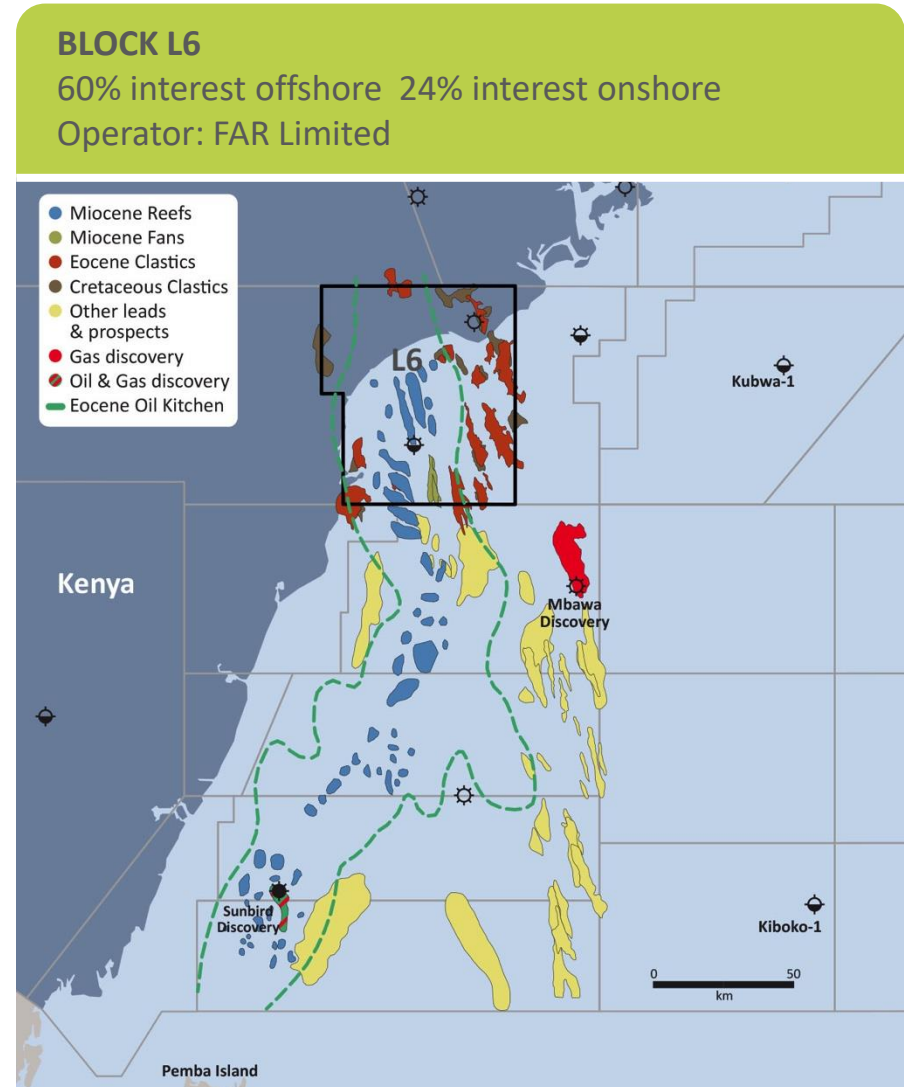




# Kenya update



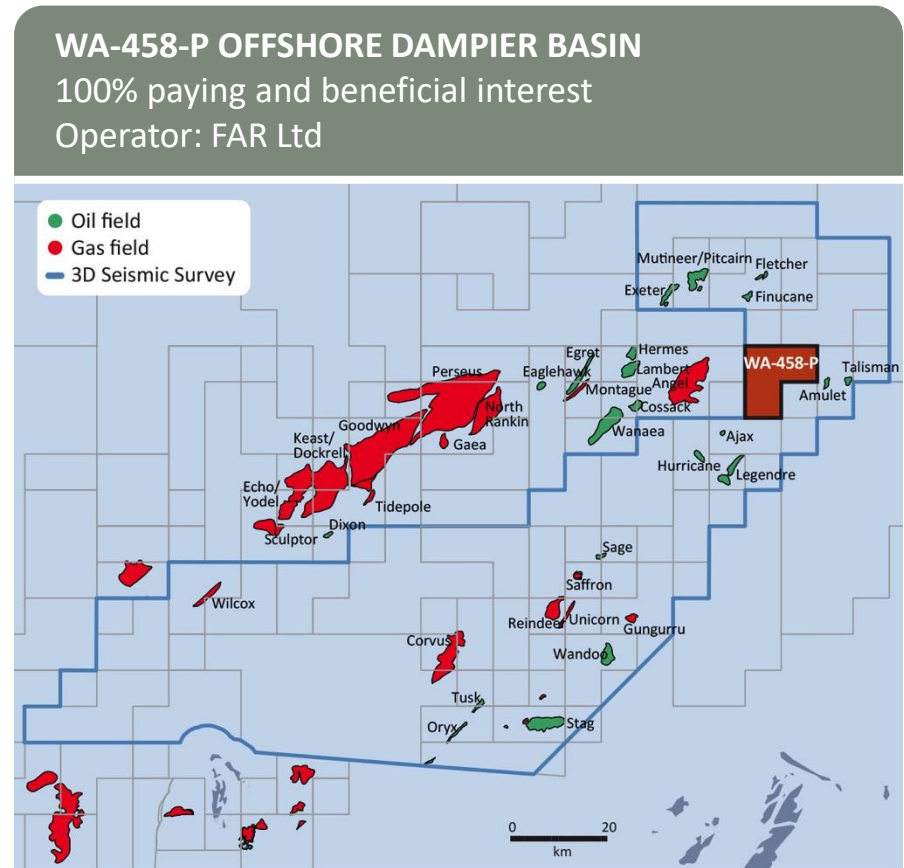
- Interest in two exploration blocks in the Lamu Basin
- Lamu Basin has proven oil at both ends of Miocene reef play
- Farmout for onshore L6 by Milio not completed
- Problems continue with access to onshore for seismic acquisition
- Currently seeking extension from the government



# Australia update



- WA-458-P exploration permit offshore Western Australia is surrounded by discoveries
- Combined unrisks prospective resources for WA-458-P to be 359mmbbls\*
- 3D seismic survey over WA-458-P yet to be completed
- Application underway for extension to the permit terms
- Awaiting government approval for surrender of WA-457-P



# FAR moving forward in 2017

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- **2013:** Year of farmout
- **2014:** Year of discovery
- **2015-2017:** Appraisal of 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**



# Contact us

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- By its very nature exploration and development of oil and gas is high risk and is not suitable for certain investors. FAR shares are a speculative investment. There are a number of risks, both specific to FAR and of a general nature which may affect the future operating and financial performance of FAR and the value of an investment in FAR including and not limited to economic conditions, stock market fluctuations, oil and gas demand and price movements, regional infrastructure constraints, securing drilling rigs, timing of approvals from relevant authorities, regulatory risks, operational risks, reliance on key personnel, foreign currency fluctuations, and regional geopolitical risks.
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- Cautionary Statement for Prospective Resource Estimates – 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.
- 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.