

27 May 2020

## *ASX Announcement & Media Release*

### **Annual General Meeting 2020 - Presentation**

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In accordance with the Listing Rules, FAR Limited (ASX: FAR) releases the attached, to be presented at the Company's Annual General Meeting to be held at 10am today, 27 May 2020.

*This announcement has been approved for release by the FAR Disclosure Committee.*

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**For more information please contact:**

**FAR Limited**

**Cath Norman** Managing Director

**Angelique Callegari** Investor Relations

T: +61 3 9618 2550

F: +61 3 9620 5200

E: [info@far.com.au](mailto:info@far.com.au)

Level 17, 530 Collins Street  
Melbourne VIC 3000 Australia  
[far.com.au](http://far.com.au)

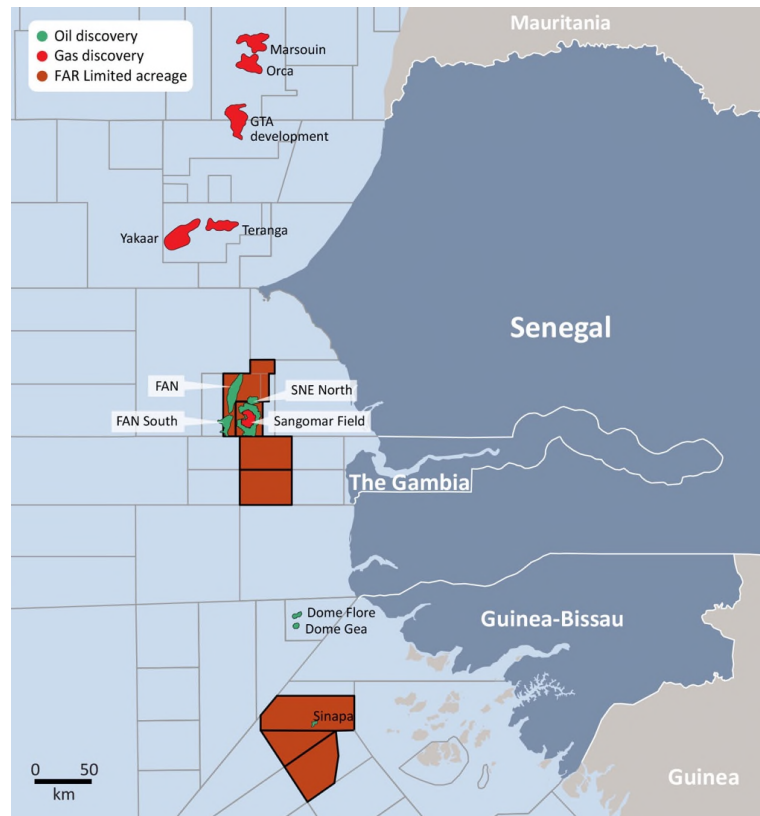
# Annual General Meeting

27 May 2020



# Our Company

FAR has a dominant acreage position offshore Senegal, Gambia and Guinea-Bissau



	Senegal RSSD <sup>(3)</sup>	The Gambia A2/A5	Guinea-Bissau 2/4A/5A
Type	JV	JV	JV
Working interest	15.0% <sup>(1)</sup>	50%	21.4%
Operator	Woodside	FAR	Svenska
Status	Under development	Exploration	Exploration

Market data <sup>(2)</sup>	A\$	US\$
Share Price	\$0.016	\$0.011
Market capitalisation	\$160m	\$105.6m
Cash	\$122.9m	\$80.3m
Enterprise value	\$37.1m	\$25.3m
Substantial shareholders	Meridian	19.17%
	Allan Gray	12.47%
	FARJOY	5.16%

Reserves & Resources (Sangomar Field)	
2P Reserves	28 mmbbls
2C Resources	32 mmbbls
<b>Total 2P &amp; 2C</b>	<b>60 mmbbls</b>

1. Other JV partners include Woodside (35%), Cairn (40%) and Petrosen (10%).

2. Cash as at 31 March 2020, AUD:USD exchange rate 0.66, market cap as at 26 May 2020

3. RSSD stands for the Rufisque, Sangomar and Sangomar Deep offshore Production Sharing Contract (which includes the Sangomar Oil Field).

# 2019 Company highlights

Successful completion of

**A\$45M**

capital raise May 2019

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Additional

**10%** interest

in Gambian blocks

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Experienced Board  
and Management  
– **appointed  
Julian Fowles  
to FAR Board**



**Development and  
Exploitation plan  
submitted for  
Sangomar Field**

approved Jan 2020

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Planning progressed to  
**drill another well  
in The Gambia  
in 2020/21**



**Broader portfolio of highly  
prospective exploration  
opportunities in Africa**



Prospective resources in The Gambia

**1.2 billion bbls**

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**Sangomar Field development:**

2P reserves

**28 mmbbls**

net to FAR (phase 1 Senegal)

2C resources

**32 mmbbls**

net to FAR (additional phases)

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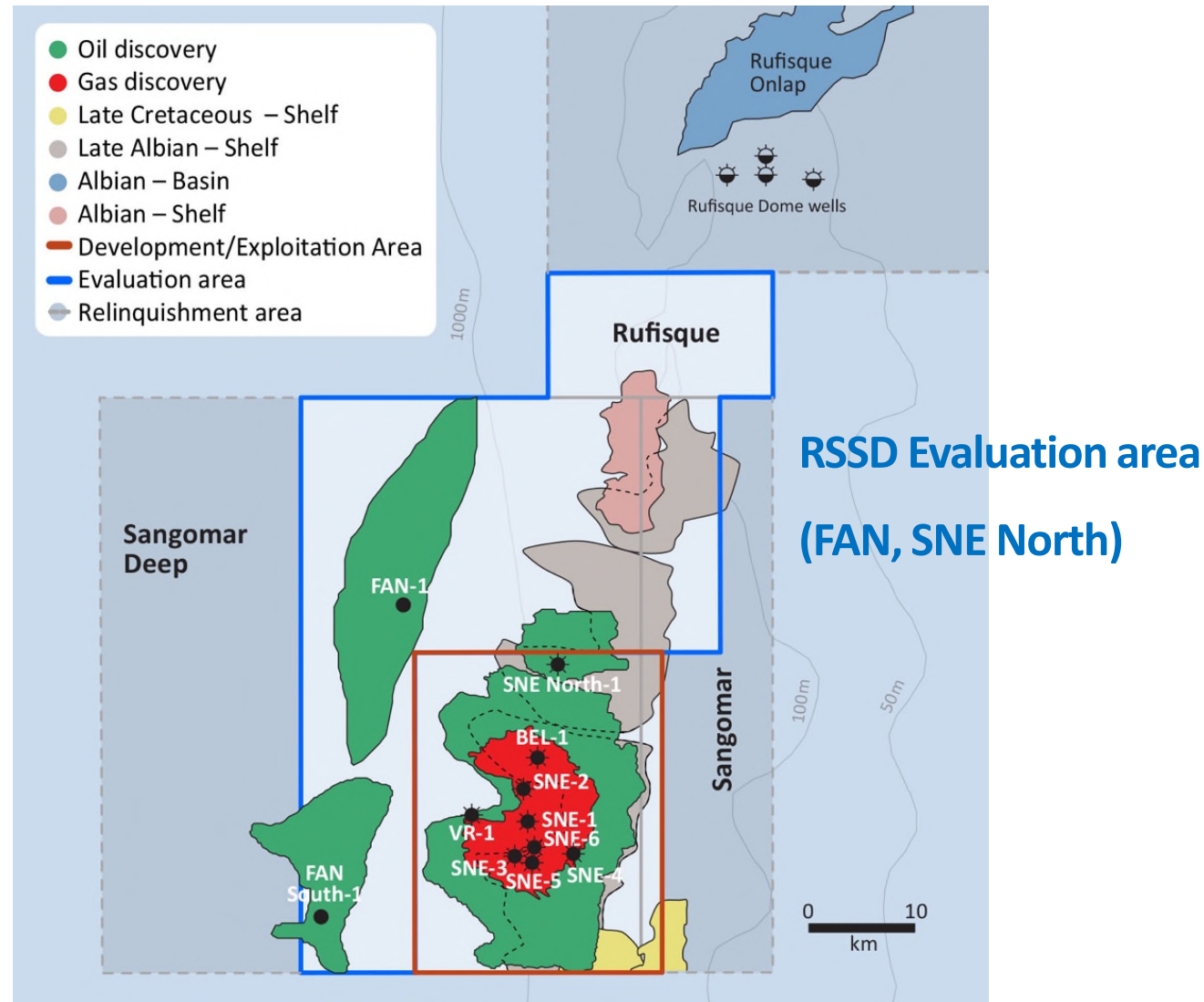
# Senegal

Rufisque, Sangomar & Sangomar Deep

15% working interest



# RSSD Exploitation and evaluation permits



**Sangomar Oil Field exploitation area**

# 2019 Senegal : Sangomar Field development highlights

## Economics

**230** mmbbl reserves  
to be developed Phase 1

**US\$22/bbl** breakeven cost

**~5B bbl** oil in place



## Technical

Front End  
Engineering &  
Design (FEED)  
completed



## Regulatory

Exploitation  
Authorisation granted

Environmental  
approval secured

Host government  
agreement  
executed

**Final Investment  
Decision (FID)**  
Jan 2020

PSC extended  
to evaluate  
other Senegal  
discoveries



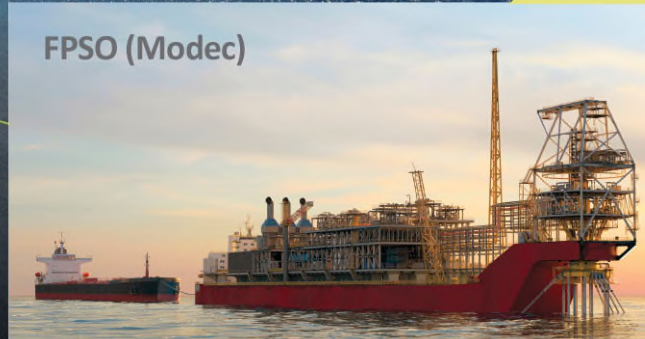
## Construction

Contracts  
awarded:



Drill rig & services  
(Diamond Offshore)

FPSO (Modec)



## Financing

Equity raising  
completed for

**A\$157M**

Jan 2020



Subsea development

# Sangomar Field development

## Phased development<sup>(1)</sup>

### Phased development designed to reduce execution risks and upfront capital requirements

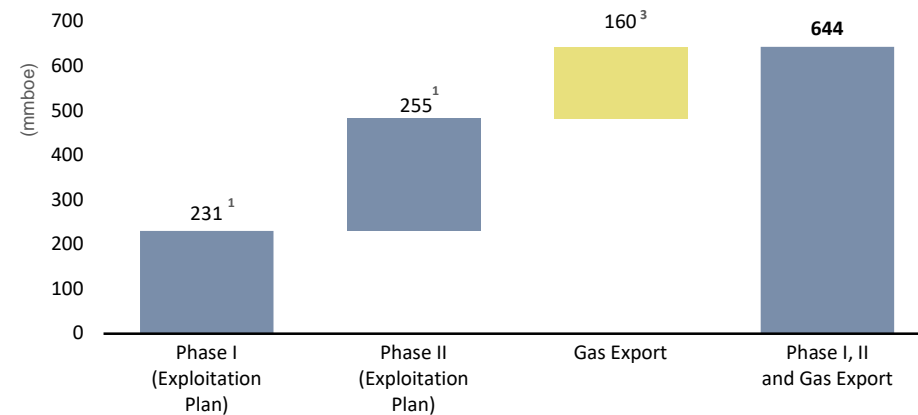
- **Phase 1:** targeting 231<sup>1</sup> mmbbls oil and peak production of 100,000 bpd (gross) or 13,670 bpd net to FAR
- Contracts awarded for subsea and drilling with FPSO in final stages
- **Phase 2/Gas Export (Phase 1A):** targeting a further 253<sup>1</sup>mmbbls oil and 160mmboc gas<sup>3</sup>, extending the production plateau to between 60,000-80,000 bpd (gross)
  - Phase 2 expected to comprise of approximately 16 production wells and 17 injectors<sup>4</sup>
- **Phase 3:** further phases, to be defined over the Phase 1/2 development periods.

1. Oil reserves, resources and production forecasts based on operator estimates.

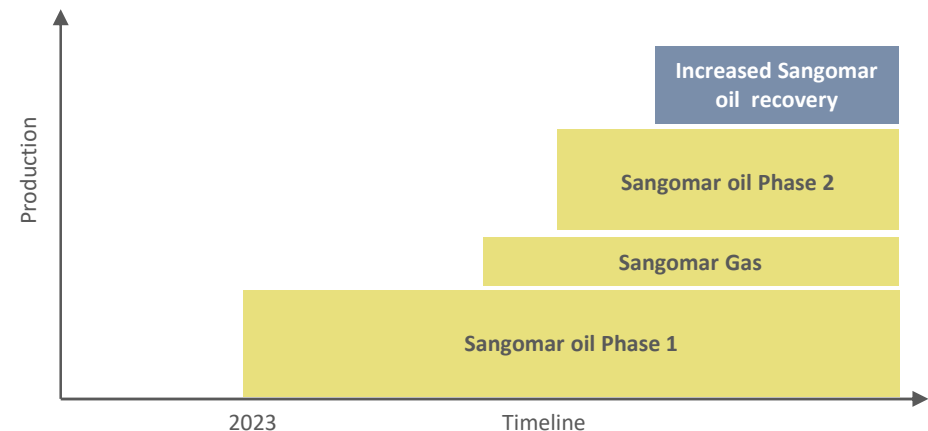
2. Oil development phasing indicative only.

3. Gas estimates and project subject to JV decisions.

## P50 resource position<sup>2</sup> (gross)...

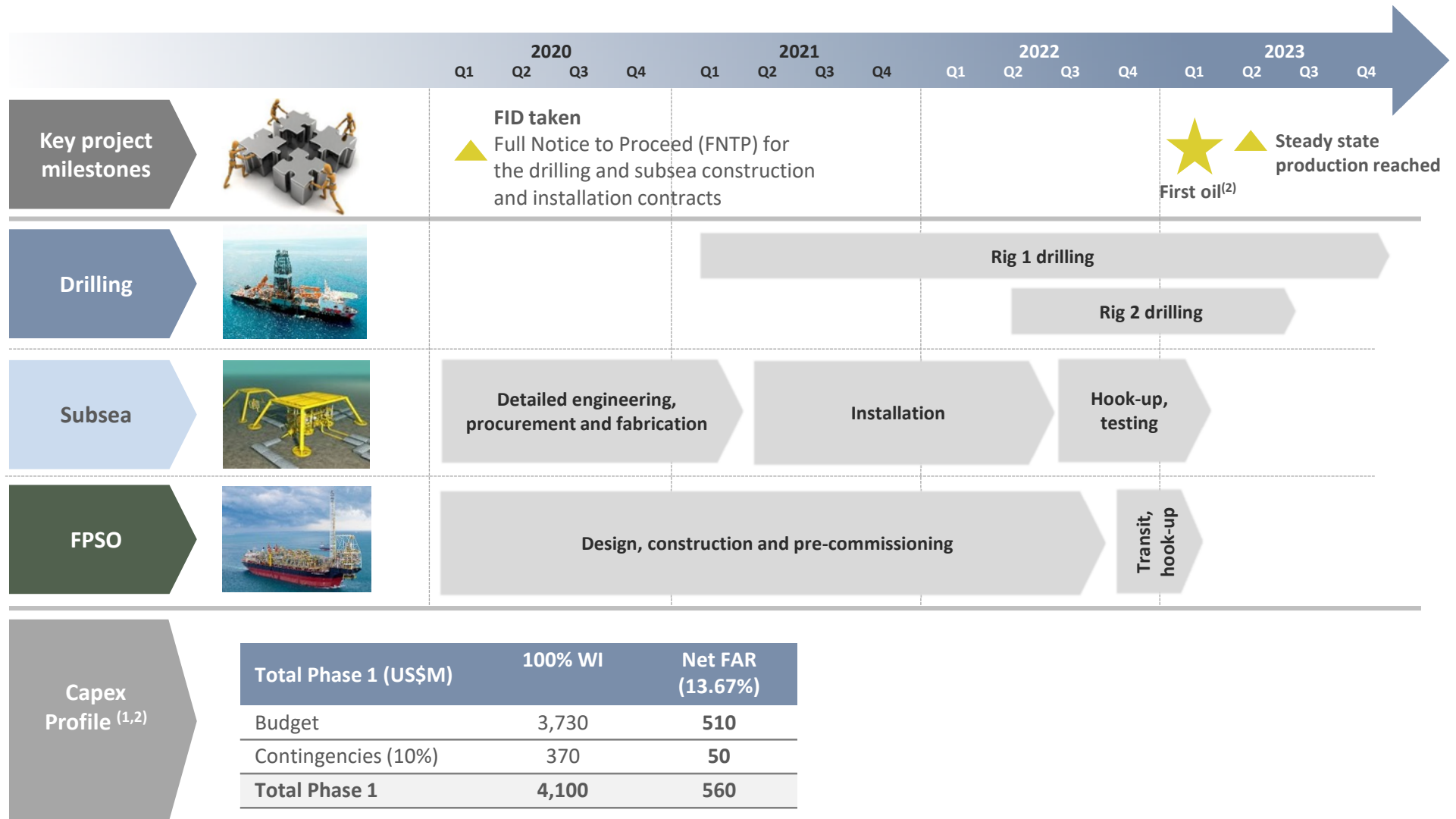


## ...underpinning long term production growth





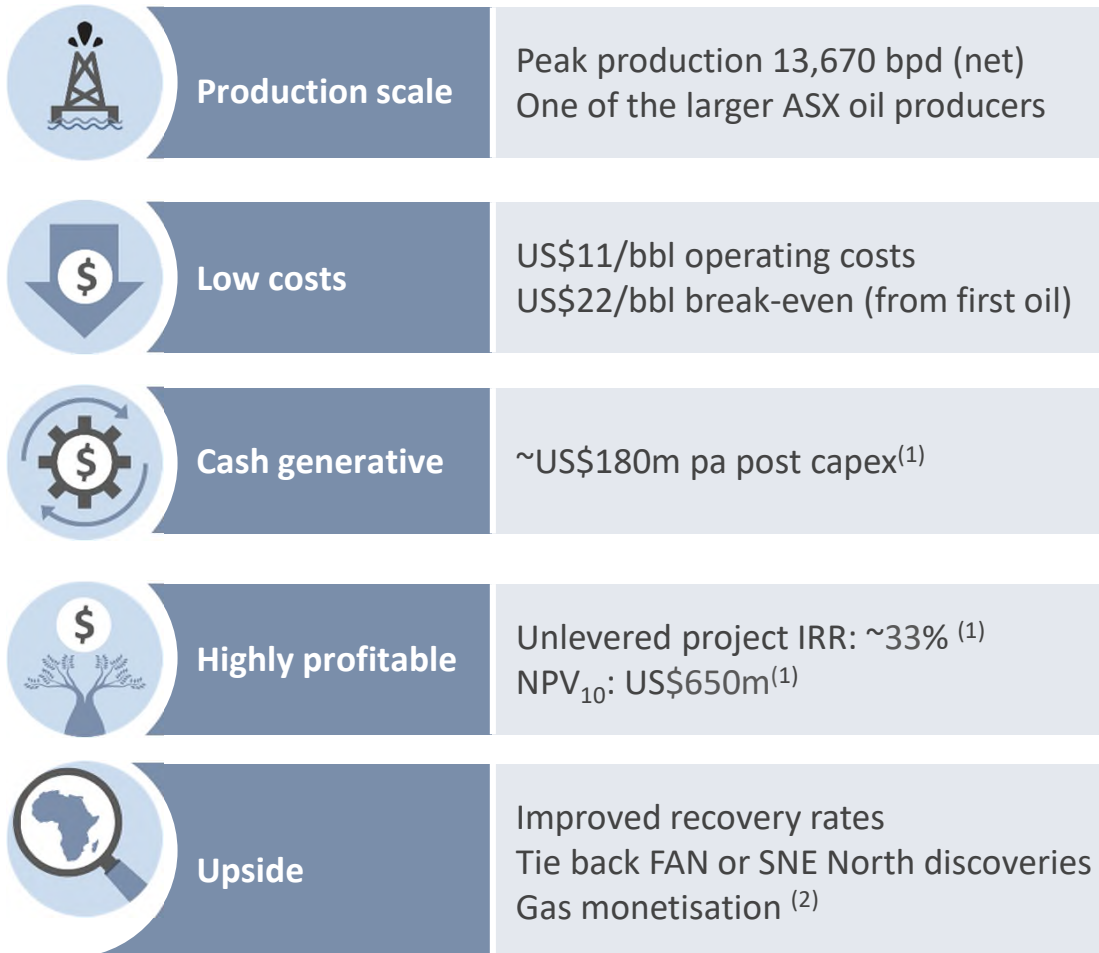
# Sangomar field development timeline (Phase 1)



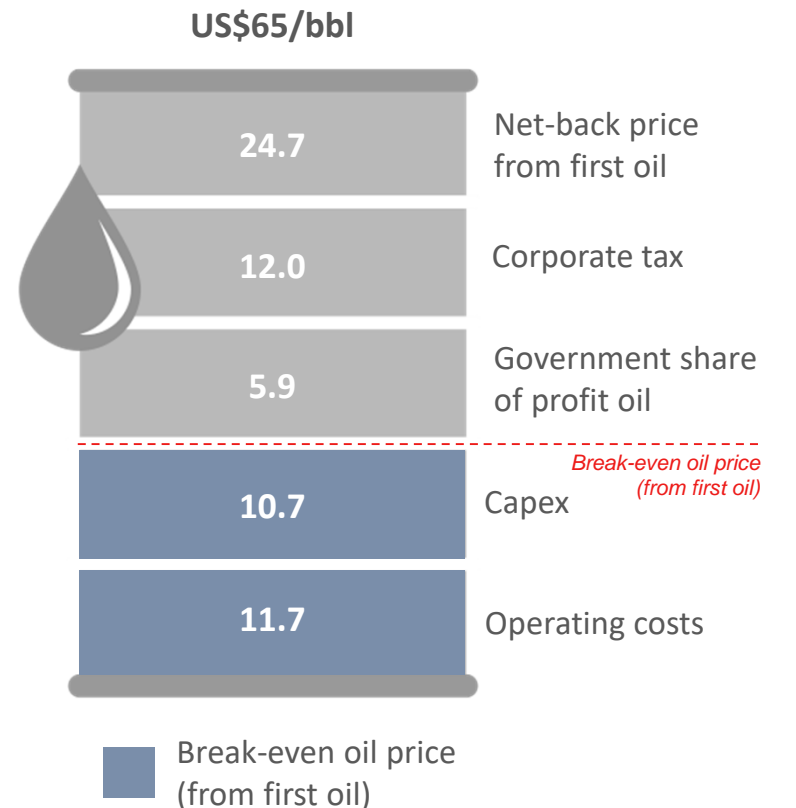
1. Capex estimates per Operator forecasts in US\$ nominal including the estimated cost to purchase the FPSO  
 2. Project financials and timelines are currently under review by the Operator and may be subject to change

# Sangomar – robust economics at low oil prices

The Sangomar Oil Field will have a Brent oil price break-even of ~US\$30/bbl (life of field) and ~US\$22/bbl (from first oil)



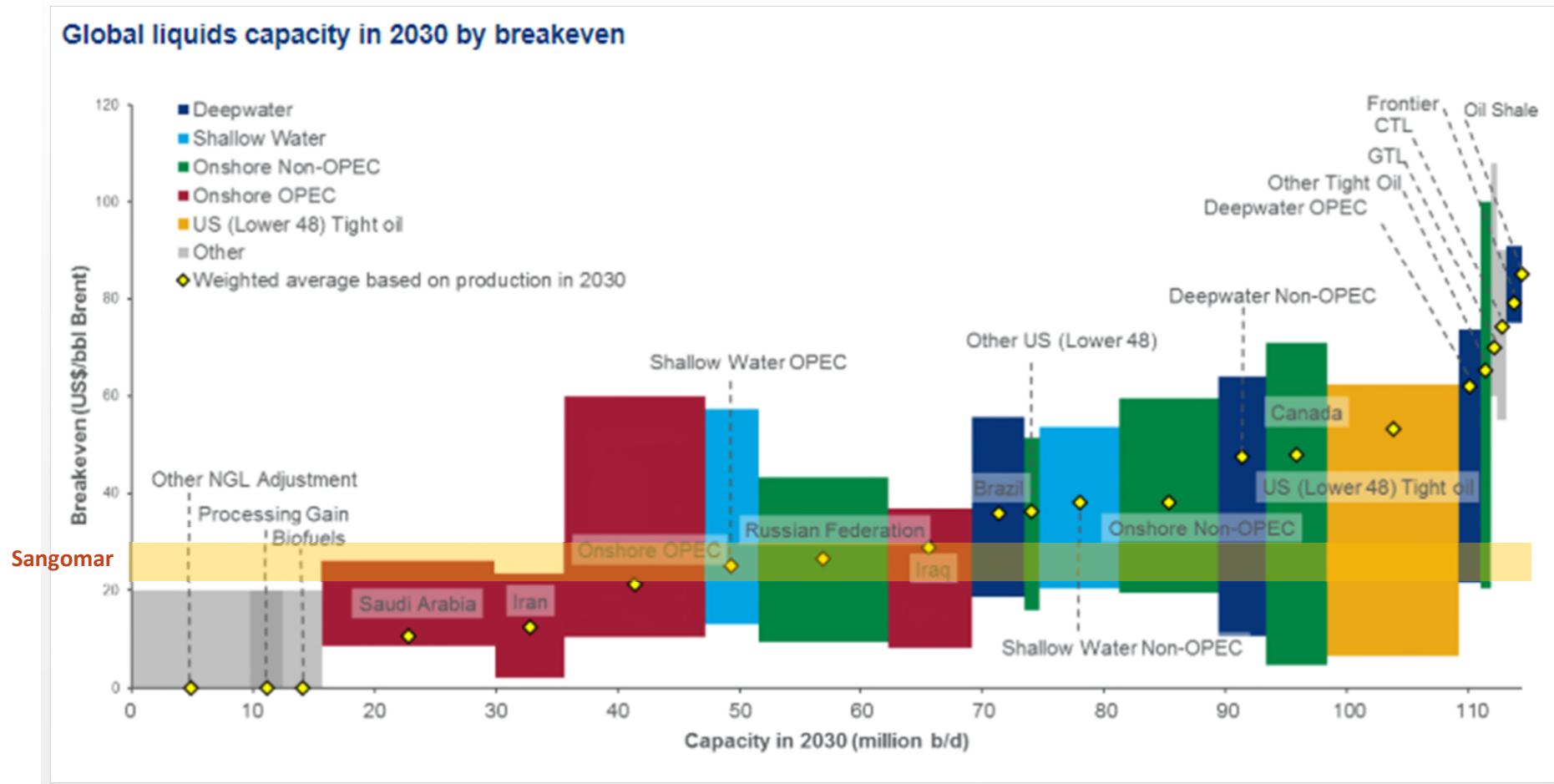
Indicative net-back price from first oil US\$/bbl <sup>(3)</sup>



All estimates on this slide are based on the project's Phases 1 & 2 with key assumptions including P50 production of 485 mmbbl and associated capital costs per Operator estimates 19 November 2019, US\$65/bbl oil price flat real. Source: FAR financial model. Subject to the disclaimer on Slide 21. Project financials and timelines are currently under review by the Operator and may be subject to change.

1. Average estimated cash flow after tax and after capital costs for initial three years of production (net to FAR), updated to revised timetable from Operator (subject to change) and assumes a junior debt facility with margin over Libor of 12.5%. Unlevered NPV equals the estimated NPV of phases 1 & 2 of the project at a 10% nominal discount immediately following first oil after deducting all outstanding debt amounts.
2. Gas monetisation subject to JV decisions.
3. Indicative net-back economics are pre-financing costs and without inflation.

# Sangomar break even price comparison



Source Woodmac 2019

# The Gambia

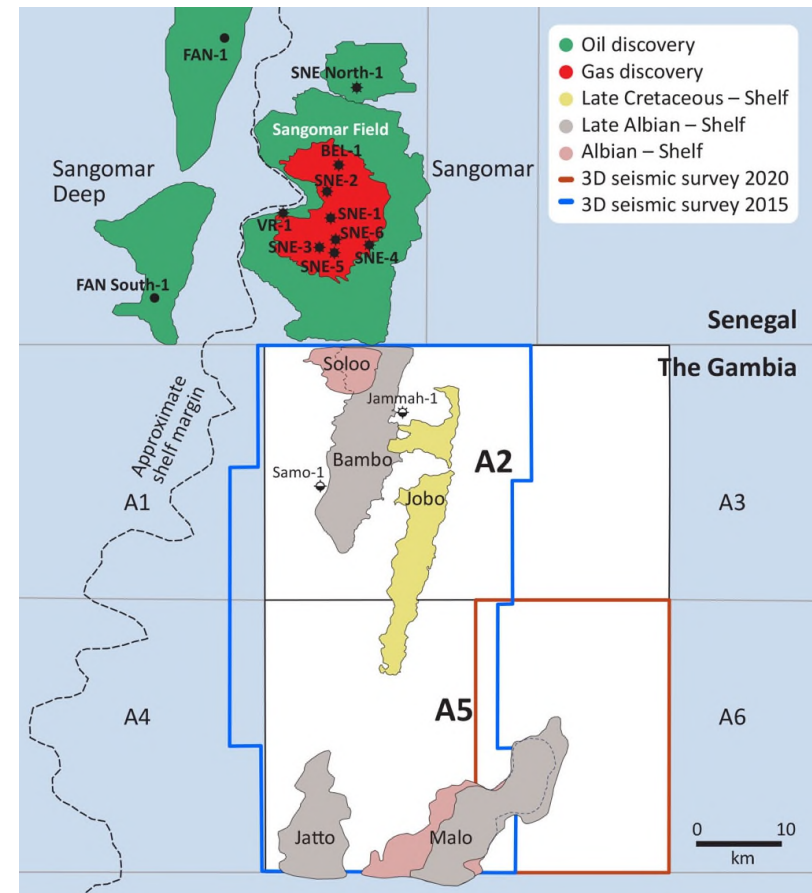
## Block A2 & A5

50% working interest & operator



# The Gambia

- Increase in FAR working interest from 40% to 50%
- FAR remains operator (partner PETRONAS)
- The Soloo prospect, the extension of the Sangomar Field into The Gambia, has resource potential of 152 mmbbls <sup>(1)</sup>
- The Bambo prospect has resource potential of 454 mmbbls <sup>(1)</sup> and is directly updip (and on a migration pathway) from the Samo-1 well which showed evidence of oil migration
- One well can be located to drill both the Soloo and Bambo prospects concurrently
- Operations currently suspended due to COVID-19
- Farm out activities ongoing



1. Volumes quoted are recoverable prospective resources, best estimate, unrisked, 100% WI basis. These volumes have been determined according to the SPE-PRMS guidelines by FAR Gambia Limited as operator of A2 & A5. Estimated quantities of petroleum that may be potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

# Guinea-Bissau

Block 2 (Sinapa), Block 4A & 5A (Esperanca)

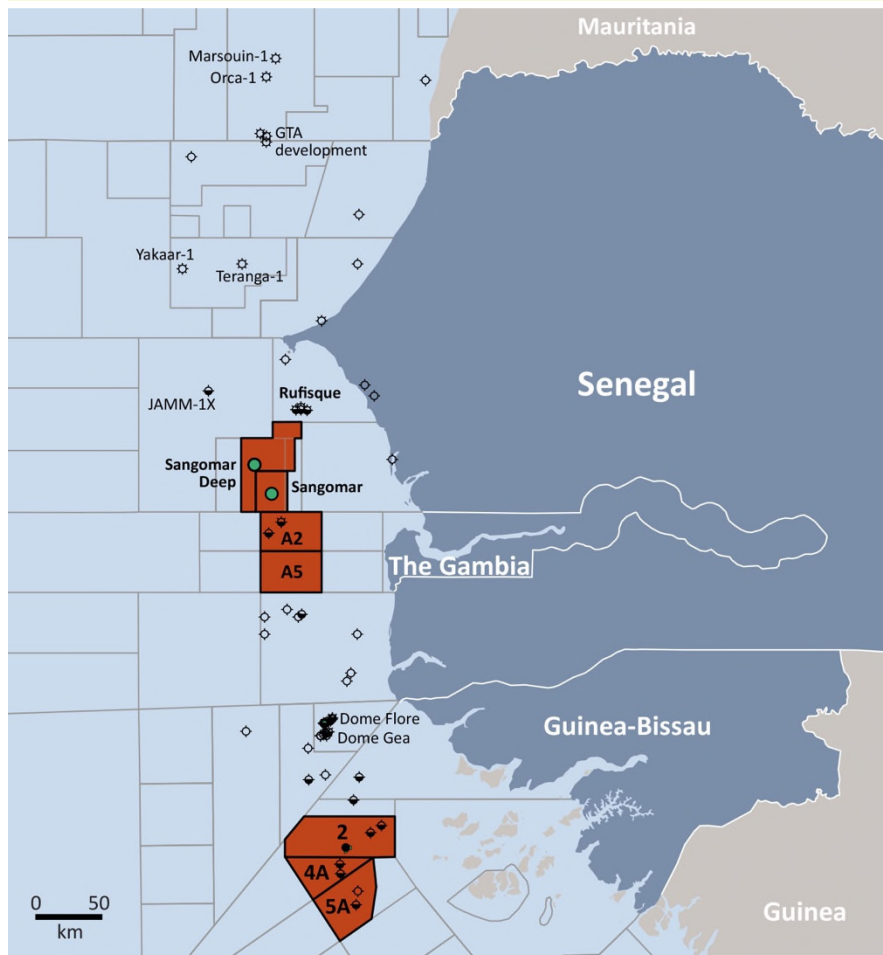
21.4% working interest



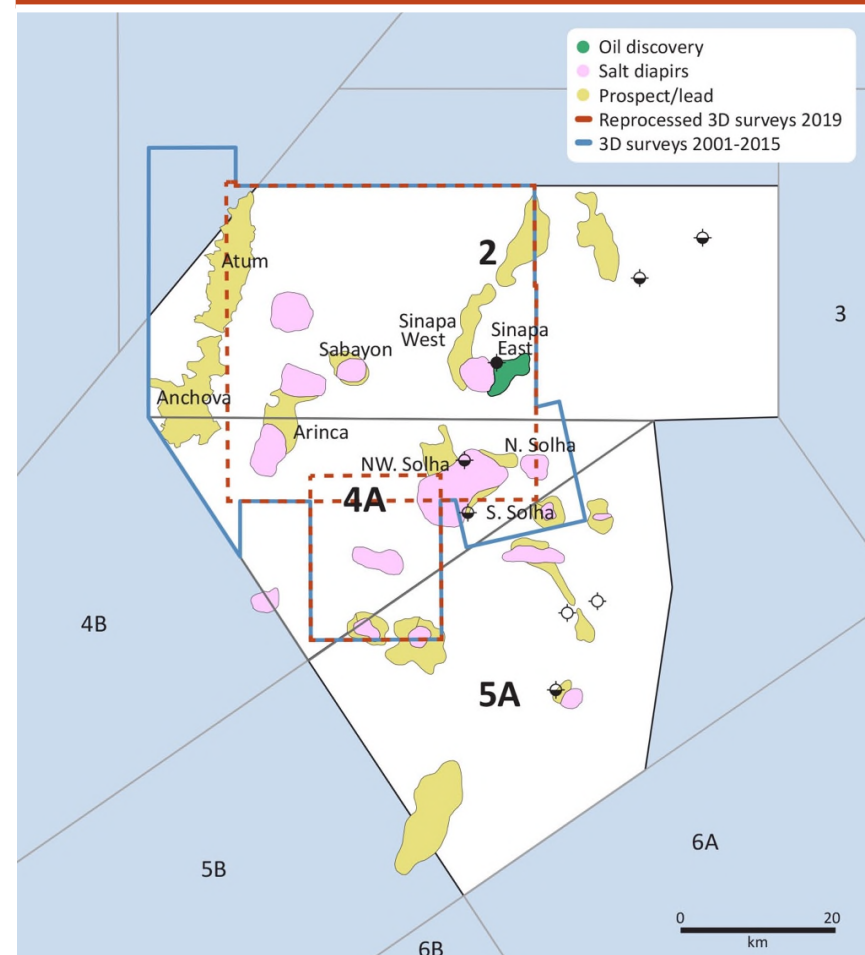
# Guinea-Bissau exploration project



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



## SINAPA (BLOCK 2) & ESPERANÇA (BLOCKS 4A & 5A) 21.4% paying interest, 21.4% beneficial interest Operator: Svenska Petroleum Exploration AB



# Other assets

## **Australia: Petroleum Exploration Permit WA-458-P**

100% working interest & operator

## **Kenya: Exploration licence L6**

60% working interest and operator





# 2020 Impact of COVID-19 and oil price rout

- FAR debt financing not completed as planned
- Reworking debt options for financing the Sangomar development
- Data room open to support option to sell all or part of FAR's RSSD interest
- Preserving cash
  - Overheads and costs of operated assets cut
  - In process of surrendering Kenya L6 permit
  - Gambian work program suspended
  - People and capital expenditure cuts (with plans for second and third phases)
- FAR working with Senegal JV on rescoping, rephasing and repricing options for Sangomar development to cut and defer CAPEX



# Social contribution



**GBVA VOLLEYBALL SPONSORSHIP**



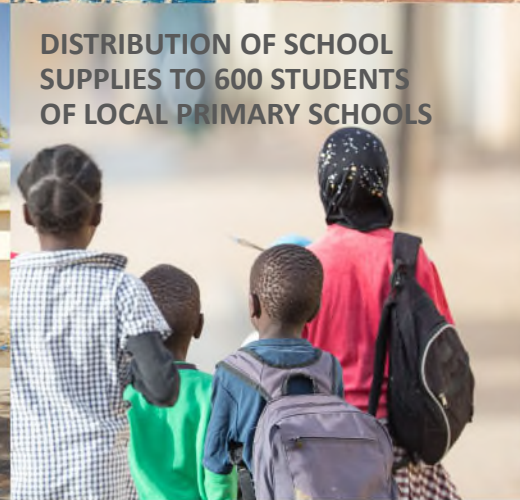
**ELECTRIFICATION & RENOVATION OF SERAKUNDA LOWER BASIC SCHOOL**



**FOOTBALL & BASKETBALL GEAR TO LOCAL FOOTBALL CLUBS**



**CLEANING TOOLS TO LOCAL COMMUNITIES**



**DISTRIBUTION OF SCHOOL SUPPLIES TO 600 STUDENTS OF LOCAL PRIMARY SCHOOLS**



**ANTI-MALARIA KITS TO THIADIAYE'S HEALTH CENTER**

THE GAMBIA

SENEGAL

# Governance & Sustainability

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FAR is committed to managing its environmental, social and governance ('ESG') responsibilities and to embedding ESG into FAR's philosophy, practices and business processes.

PEARL is embedded throughout our organisation, from the most detailed Health, Safety and Environment plan on a rig, to our risk management process, to the social investments we make in our host countries.

- P** eople
- E** nvironment
- A** ssets
- R** eputation
- L** egal



# Climate change

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FAR acknowledges the Paris Agreement and is working towards implementing the recommendations of the TCFD. FAR recognises its responsibility to support greenhouse gas emissions reduction initiatives where it can.

## CURRENTLY:



Using energy-efficient products

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Encouraging video conference calls/reduce travel

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Seeking independent expert input into our Climate Change Policy

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Regularly reviewing opportunities to improve energy efficiency

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## ACTIVELY CONSIDERING:



Encouraging climate change considerations in supply chains

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Embedding climate change adoption into executive KPIs

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Seeking alternatives to flaring and venting hydrocarbons

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Promoting transparency by publishing a sustainability report

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# Contact us

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Level 17, 530 Collins Street  
Melbourne VIC 3000 Australia  
T: +61 3 9618 2550  
info@far.com.au  
far.com.au

Connect with FAR Limited:



# Disclaimer

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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.