

# SNE - a world class oil field offshore Senegal

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Citi's 8th Annual Investment Conference  
18 October 2016



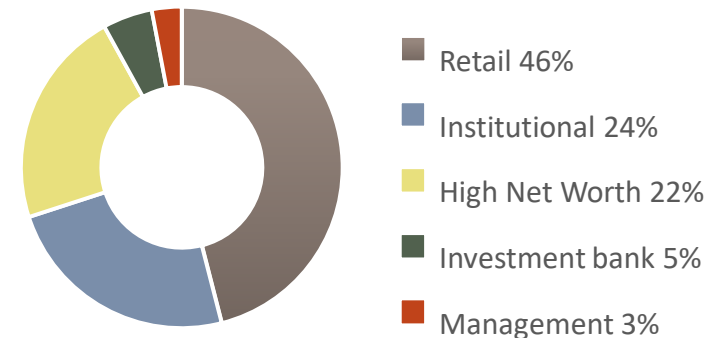
# About FAR

- Africa focussed oil company with high potential exploration and appraisal assets
- Fifth largest independent E&P company listed on the ASX
- Basin opening FAN-1 and SNE-1 oil discoveries offshore Senegal
- SNE ranked as world's largest oil discovery in 2014 by IHS
- RISC audited SNE field 2C contingent recoverable resource 641 mmbbls\* with further upside
- 21 months from discovery to FAR statement on commerciality
- Planning for development in a very low cost environment
- Funded through 16/17 firm work program
- Experienced board and management team with strong relationships in Africa
- 2016 'Breakthrough Company of the Year' by the Oil and Gas Council, Africa

|                        |          |
|------------------------|----------|
| ASX Ticker             | FAR      |
| Share price*           | A\$0.08  |
| Cash*                  | A\$66.3m |
| Issued shares          | 4.46bn   |
| Market capitalisation* | A\$357M  |

\*Share price and market capitalisation as at 13 October 2016. Cash balance as at 30 June 2016

## Share Register



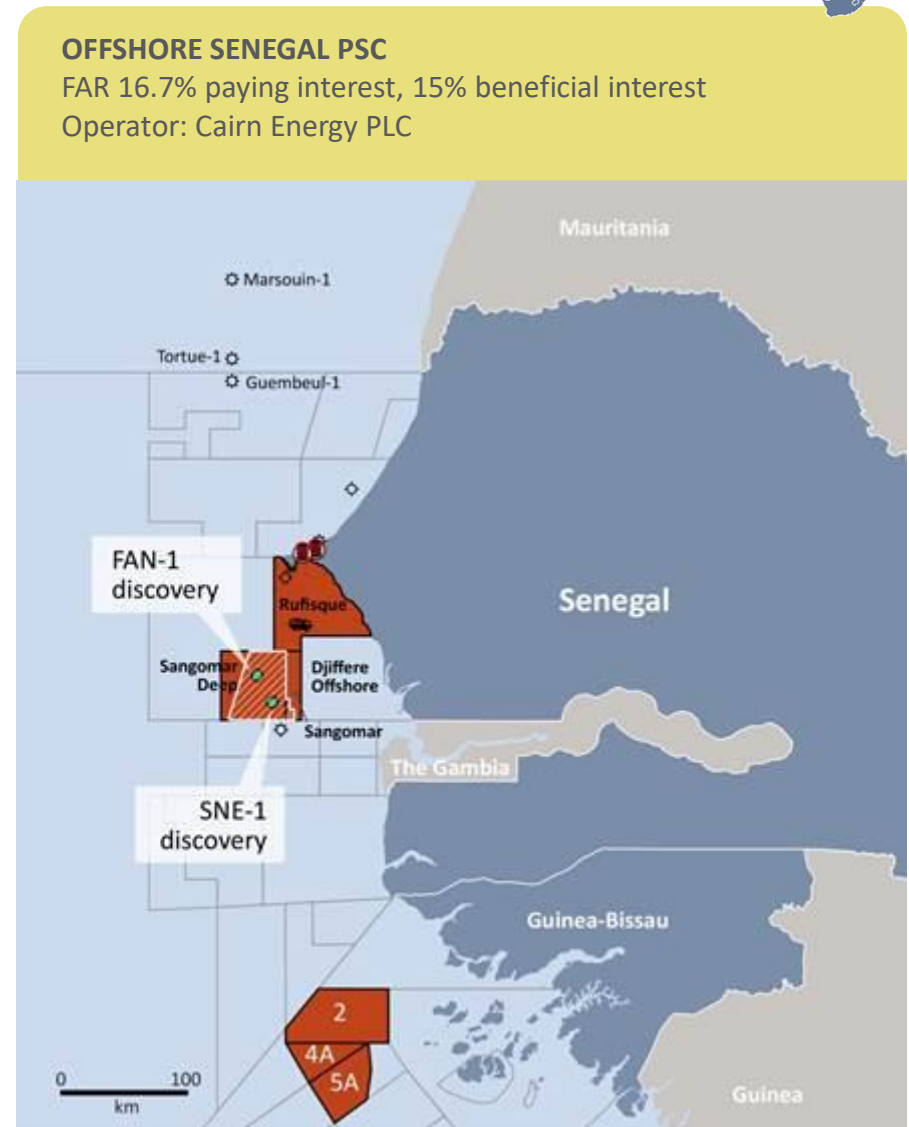
As at July 2016

# FAR in Senegal



- FAR has been in Senegal since 2006
- Senegal is a peaceful democracy with a stable outlook (S&P sovereign credit rating B+/B) and projected growth rate of 6% next year
- Farmed down to Cairn Energy and ConocoPhillips in 2013 for US\$196m in forward carry plus cash
- Drilled FAN-1 and SNE-1 in 2014
- 6 successful exploration and appraisal wells now drilled
- Progressing towards development of SNE with first production targeted from 2022
- Operator NPV of US\$12.5/bbl and unlevered IRR of 38% at project FID and assuming US\$70/bbl oil price\*
- PSC partners: Cairn Energy (Operator) 40%, ConocoPhillips 35%, FAR 15%, Petrosen 10%

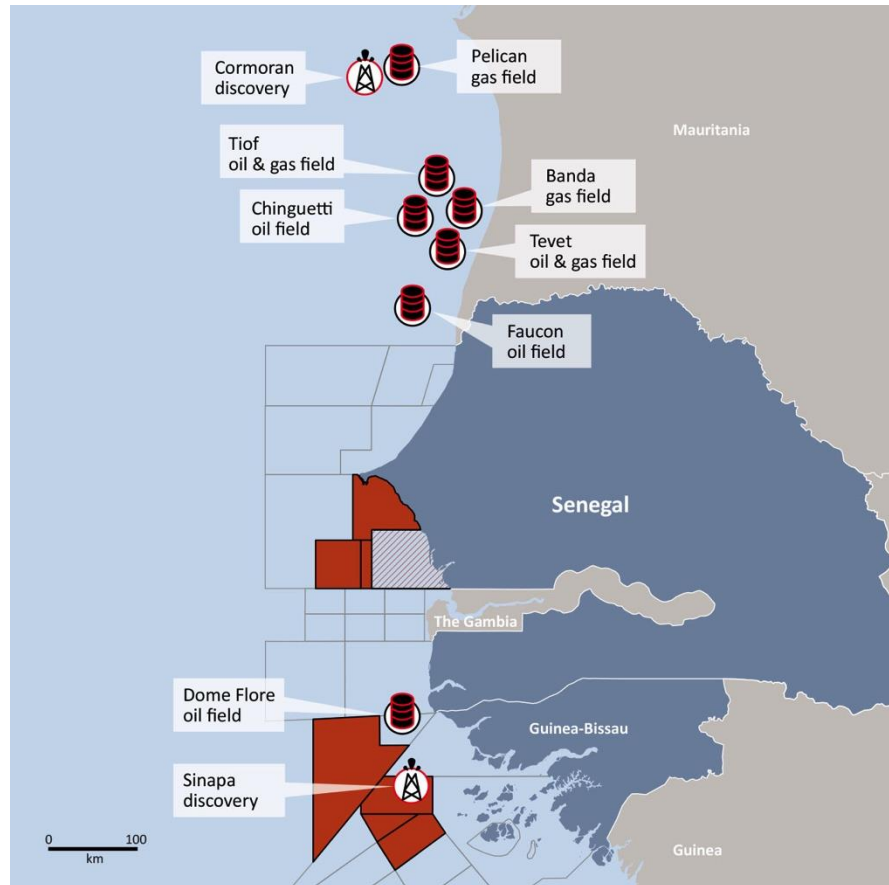
\*Source: Cairn Energy Half Yearly Result 16/08/2016



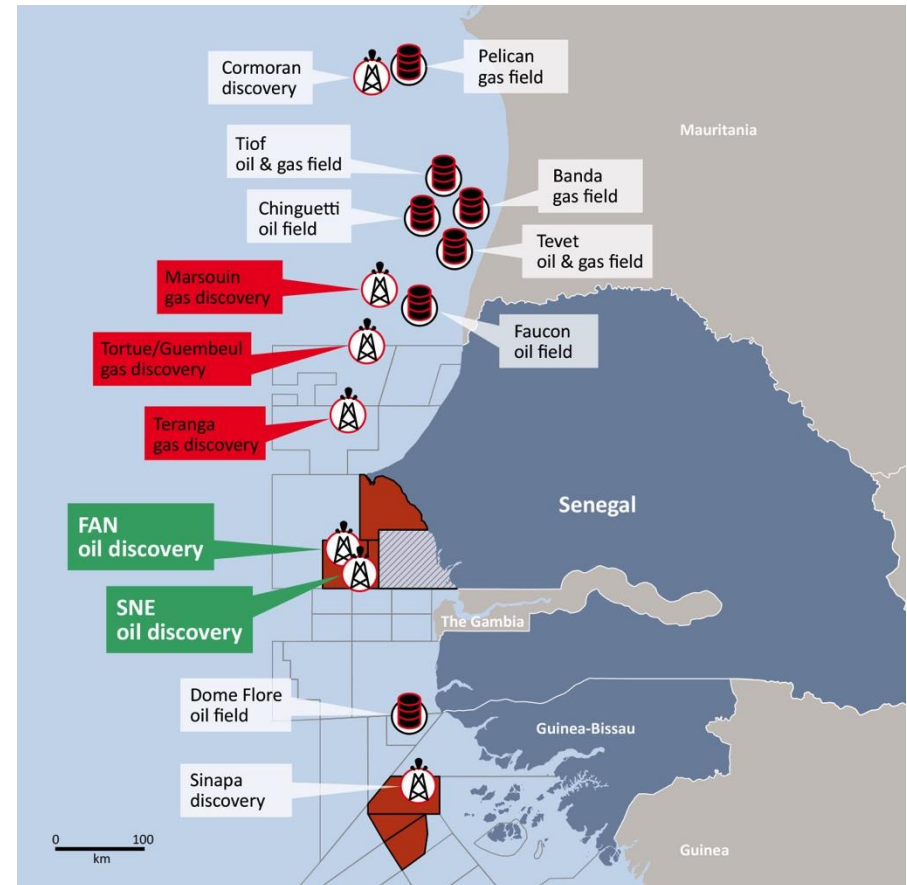
# World hot spot for oil and gas discoveries



2013 – No deep water drilling offshore Senegal

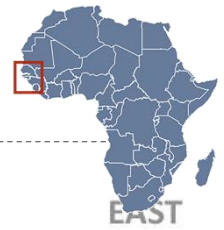


2016 – Offshore oil and gas discoveries



The basin opening FAN-1 and SNE-1 oil discoveries have made Senegal one of the world's most attractive locations for exploration. Major gas discoveries have also recently been made north of FAR in Senegal and Mauritanian waters

# Senegal geology and FAR discoveries



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 and de-risked future shelf drilling

### SNE-1 oil discovery (Nov 2014)

- Oil gravity 32 degrees API
- Gross oil column 96m
- FAR gross contingent recoverable resource\*  
P90 (1C): 348 mmbbls,  
P50 (2C): 641 mmbbls,  
P10 (3C): 1128 mmbbls
- Excellent reservoir

Shelf Edge play

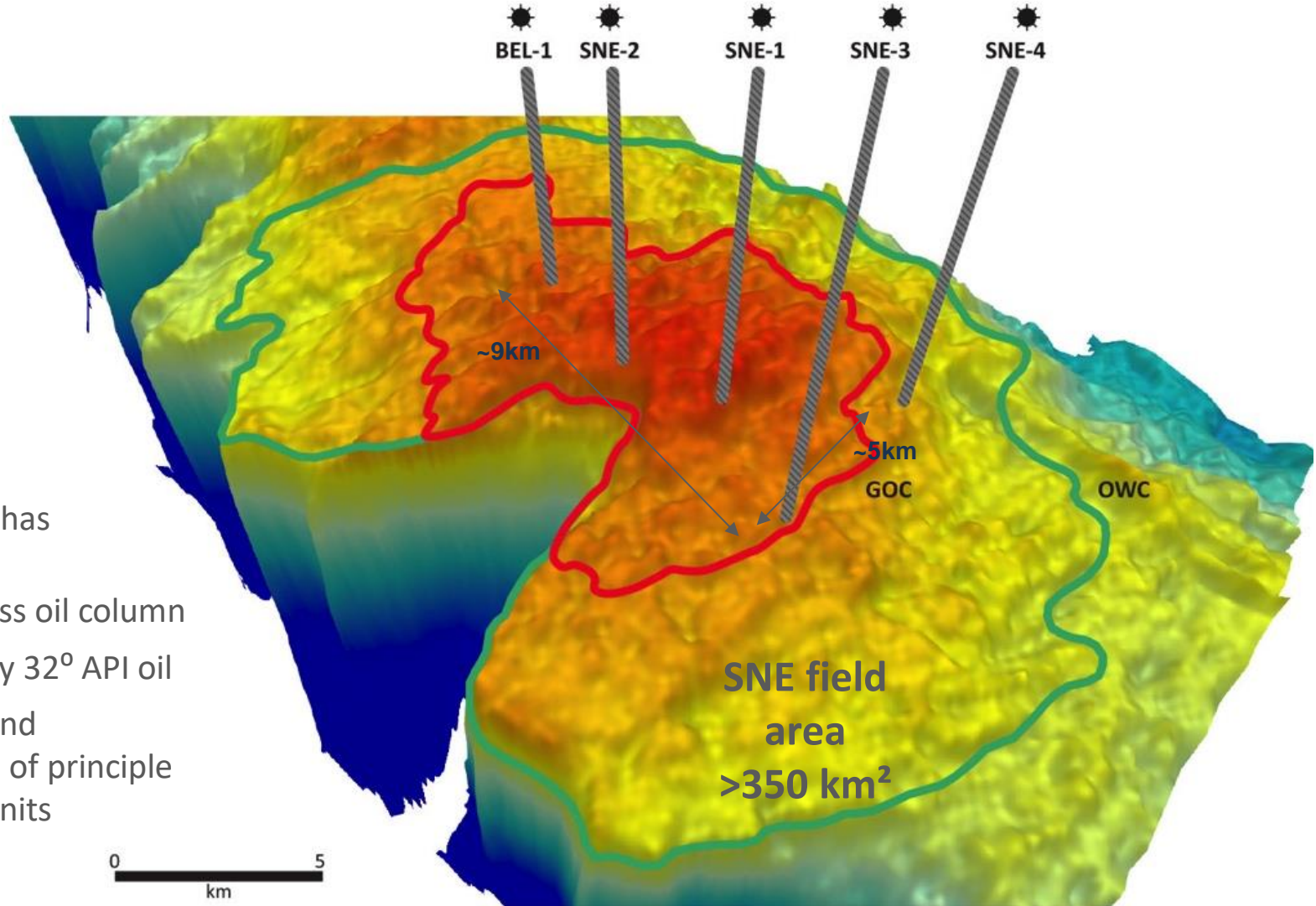
Fan play

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 field outline and well locations



Each SNE well has confirmed:

- ~100m gross oil column
- High quality 32° API oil
- Presence and correlation of principle reservoir units

# SNE appraisal program



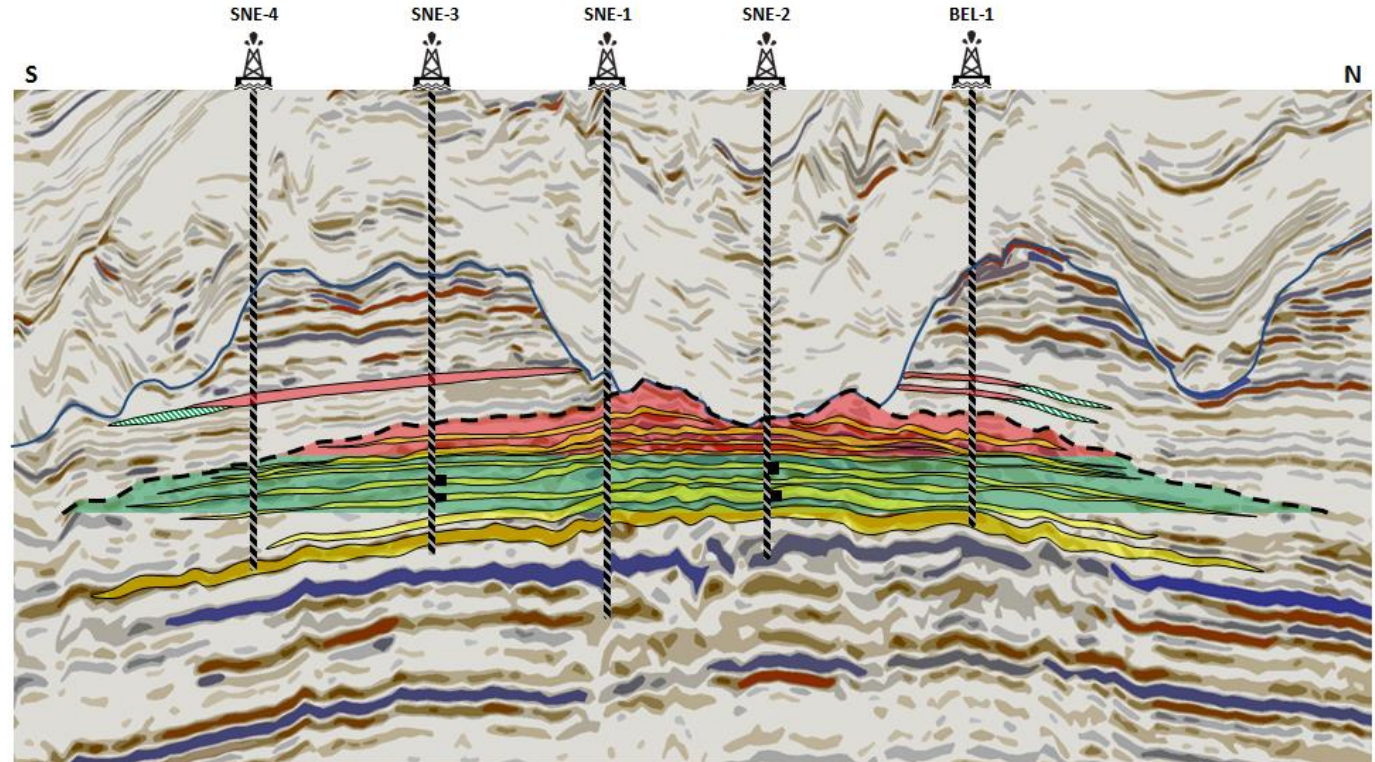
## Appraisal drilling to date

- Size of oil pool ✓
- Test reservoir properties and **deliverability** from logging, coring and testing ✓
- Program completed safely, efficiently and under budget

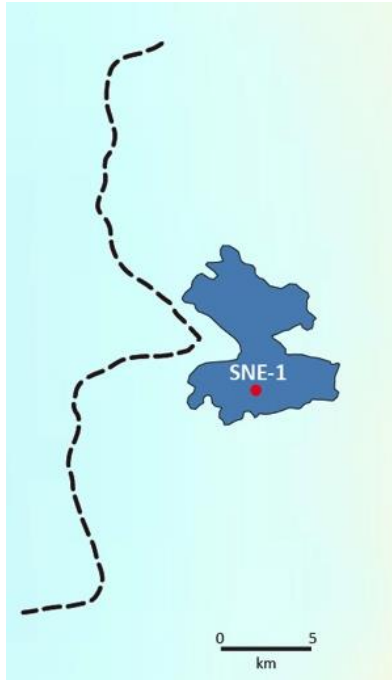
## Future activity

- 2 firm appraisal wells
- Measure field **connectivity** and deliverability in upper units

## Costs coming down!

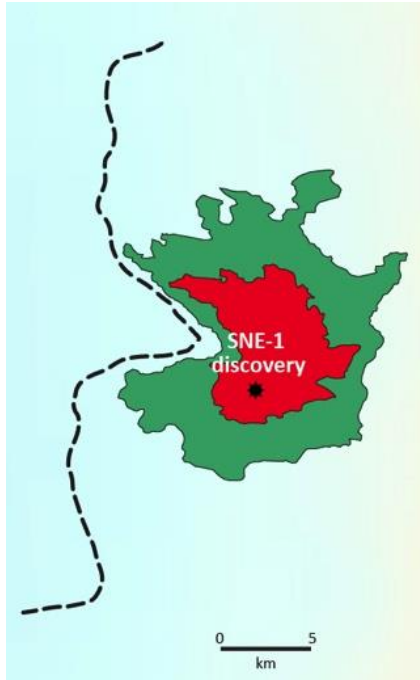


# Size of the SNE oil field



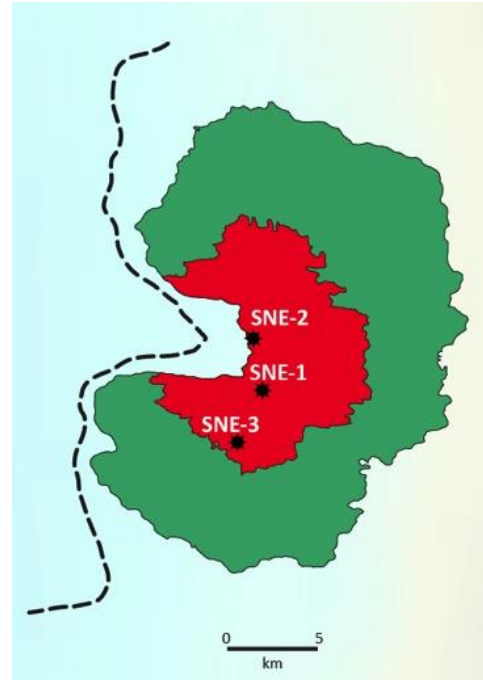
**Pre-Drill**  
(Oct 2014)

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



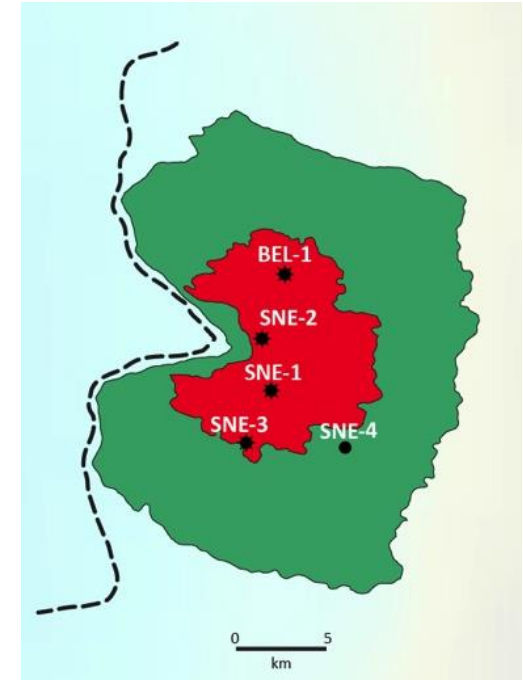
**Post discovery**  
(Nov 2014)

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 releases dated 23 August 2016, 13 April 2016, 20 Nov 2014: unrisks 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



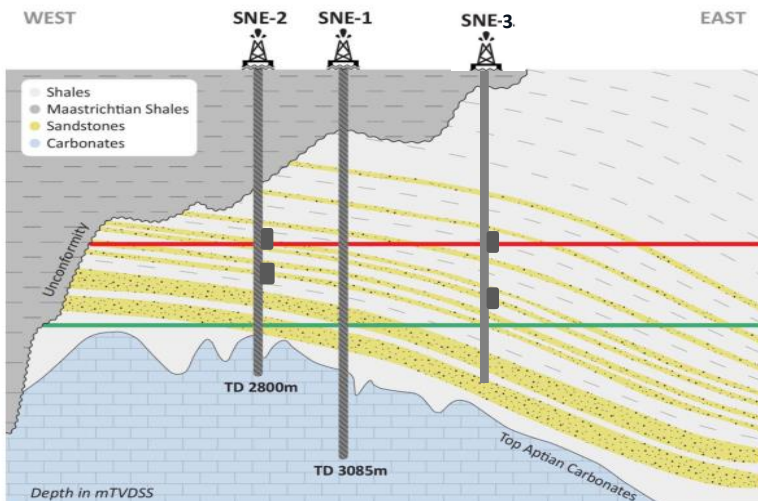
**Confirmed reservoir quality and ability to flow at commercial rates**

## SNE-2 lower and upper reservoirs 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



# Future drilling program



## New Senegal drilling program to commence late 2016

- New drilling program to consist of two firm appraisal wells over SNE field
- Multiple optional drilling slots
- FAR is fully funded through the proposed firm well program

## Drilling program objectives:

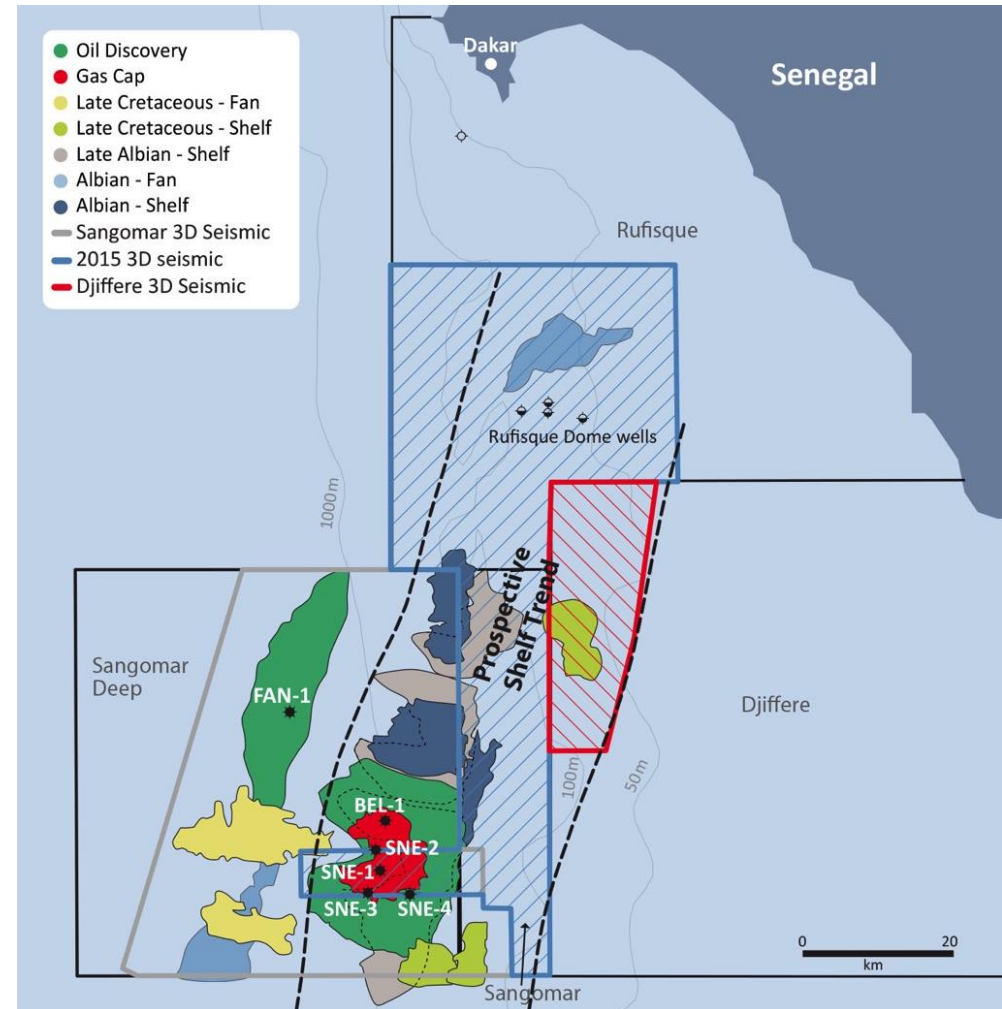
- Better define SNE development project
- Confirm volumes, connectivity and productivity:
  - Interference program between wells
  - Flow test upper reservoirs



# Scratching the surface of the prospectivity



- Undrilled exploration prospects with >1bn bbls (unrisked) potential\*
- New joint venture 2015 3D seismic shot along trend from SNE
- New FAR Djiffere 3D seismic earned FAR option over 75% W.I.
- Preliminary processed seismic products now at hand and final products arriving from Q3



\*Reference FAR ASX release dated 24 September 2015 and 4 January 2016

# Status of SNE anchor project



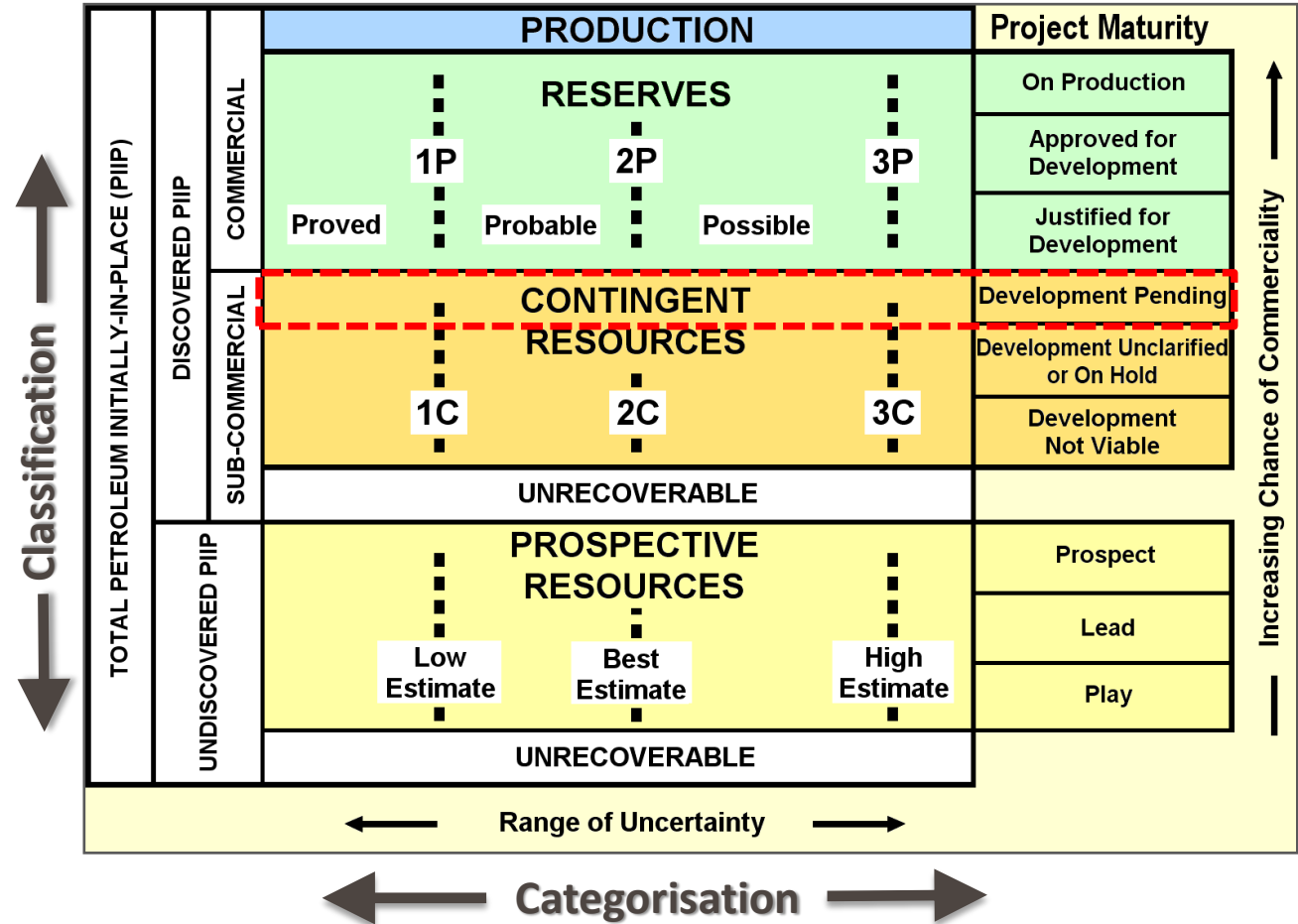
SNE project classified by FAR as Development Pending

Planning is now underway to determine the optimum SNE development scenario

Currently in pre-FEED stage (concept select)\*

Low cost environment

Project to deliver cost reductions (25% lower development well costs from prior operator estimates)\*



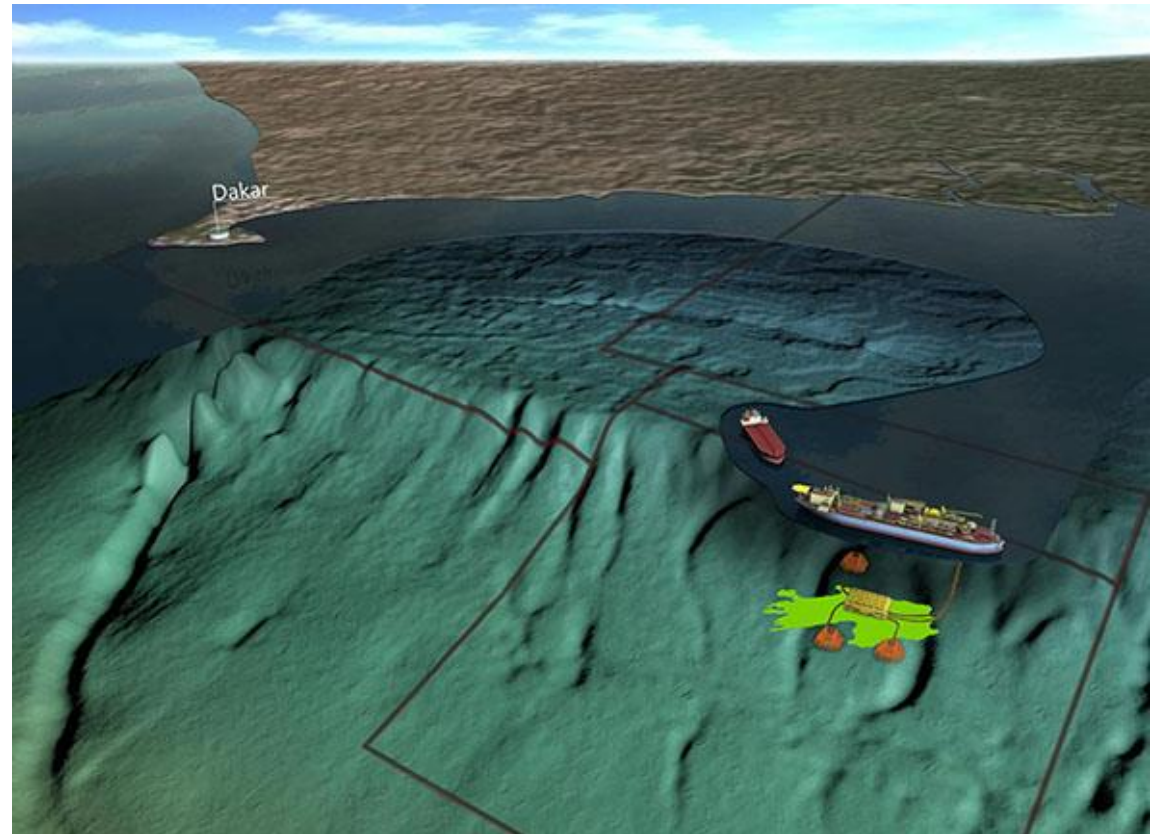
Source: Society of Petroleum Engineers, Petroleum Resource Management System

\*Cairn Energy Half Yearly Result 16/08/2016

# SNE development and tie back 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)
- **SNE development project to benefit from:**
  - Cost deflation
  - Project optimisation
  - Standardisation

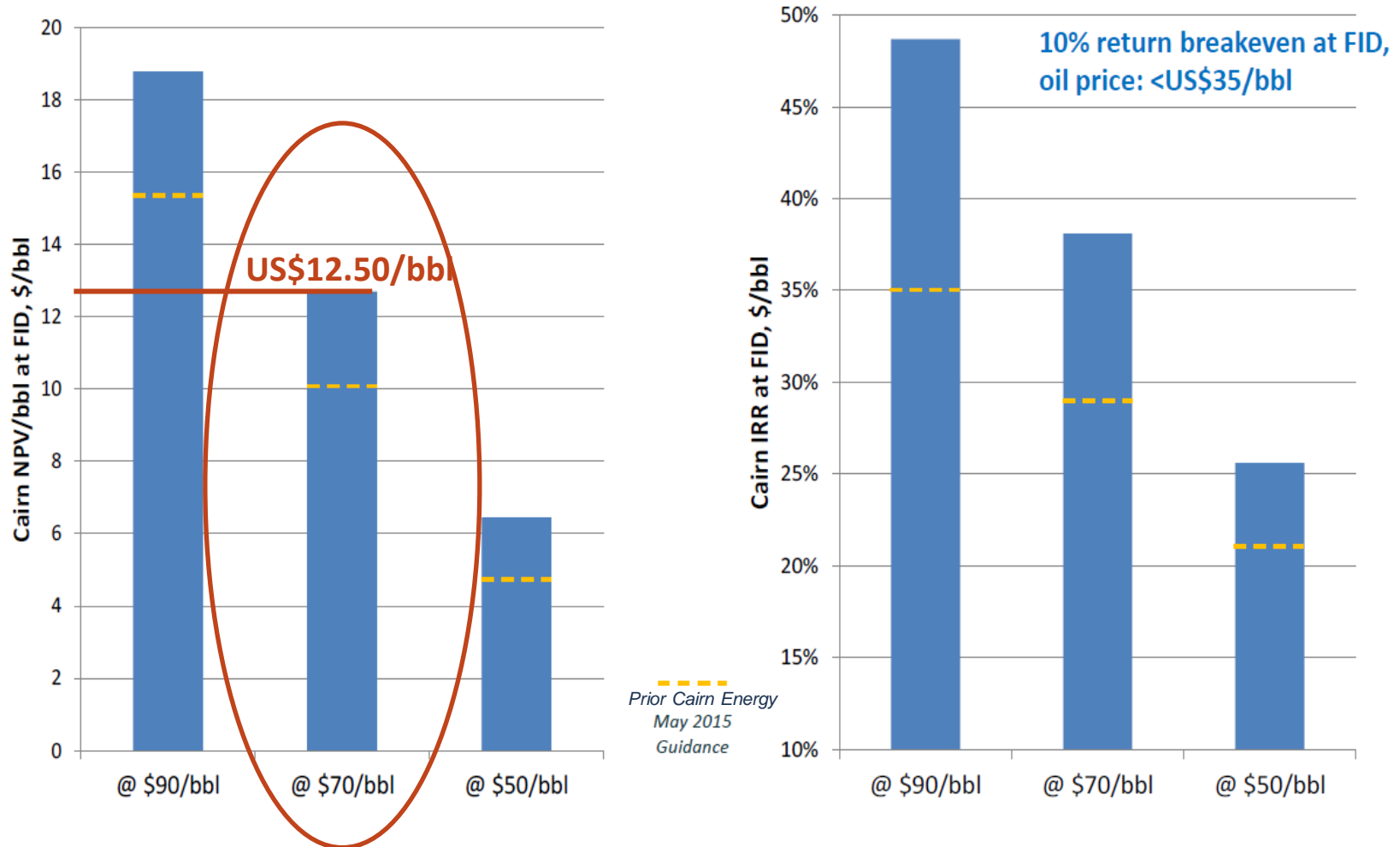


\*Reference FAR ASX release dated 1 September 2016

# Operator economic development scenario



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

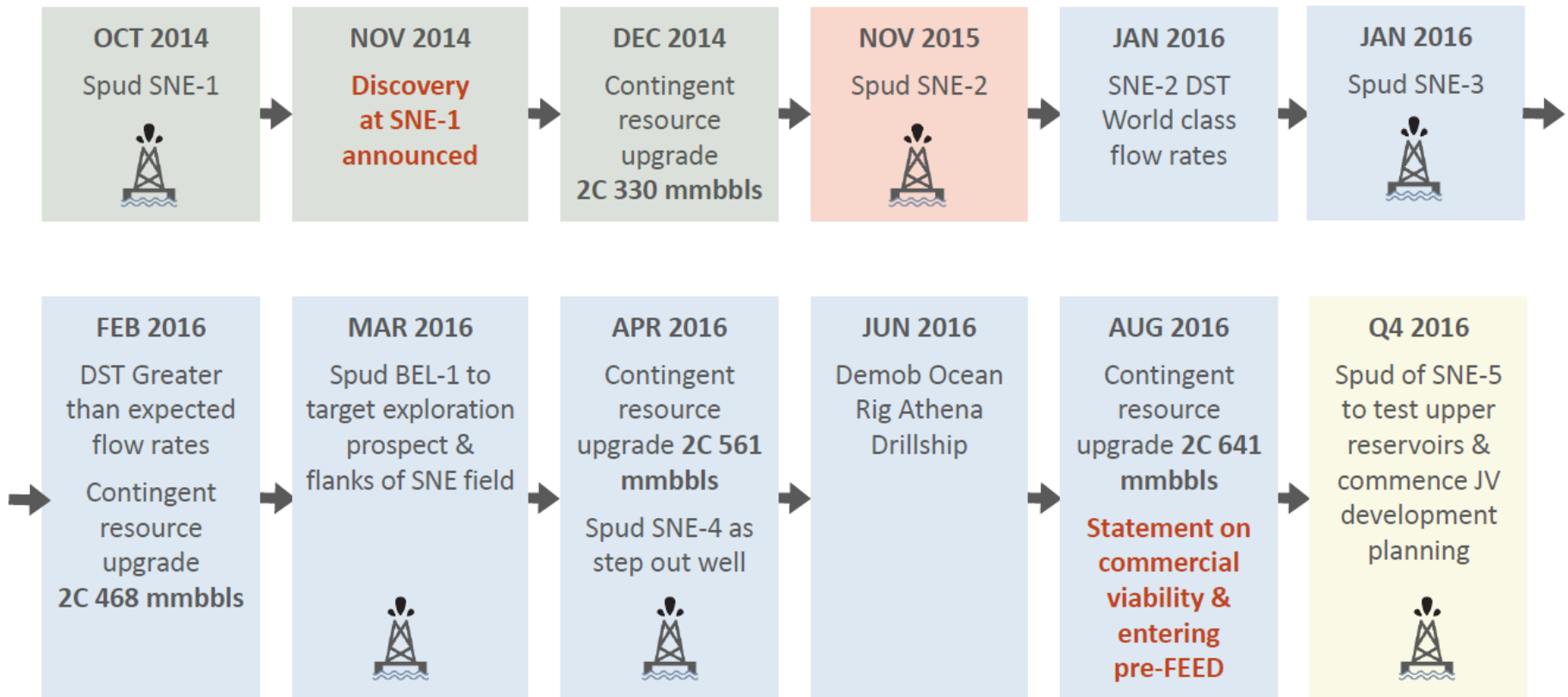


Source: Cairn Energy estimates (refer Cairn Energy Half Yearly Result 16/08/2016 and Cairn Energy Capital Markets Day presentation 11/05/2015)

# SNE story so FAR



## 21 months from discovery to FAR statement of commerciality



# FAR value adding activity

- Joint Venture pre-FEED studies underway for an SNE anchor development project with scope for phasing
- Optimizing SNE development plan and preparing for submission to Government
- Drilling to resume offshore Senegal late 2016
- Update FAR's prospective exploration resources offshore Senegal
- Decision to progress FAR's Djiffere option
- First SNE oil production expected from 2022





# Contact us

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Level 17, 530 Collins Street  
Melbourne VIC 3000 Australia

T: +61 3 9618 2550

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

[far.com.au](http://far.com.au)

Connect with FAR Limited:



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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.