

Senegal

The Emergence of a Major New
Hydrocarbon Province

RIU Good Oil Conference 2017



Back in 2012

Are there elephants lurking under
the deep waters of Senegal?

No Deepwater wells ever drilled

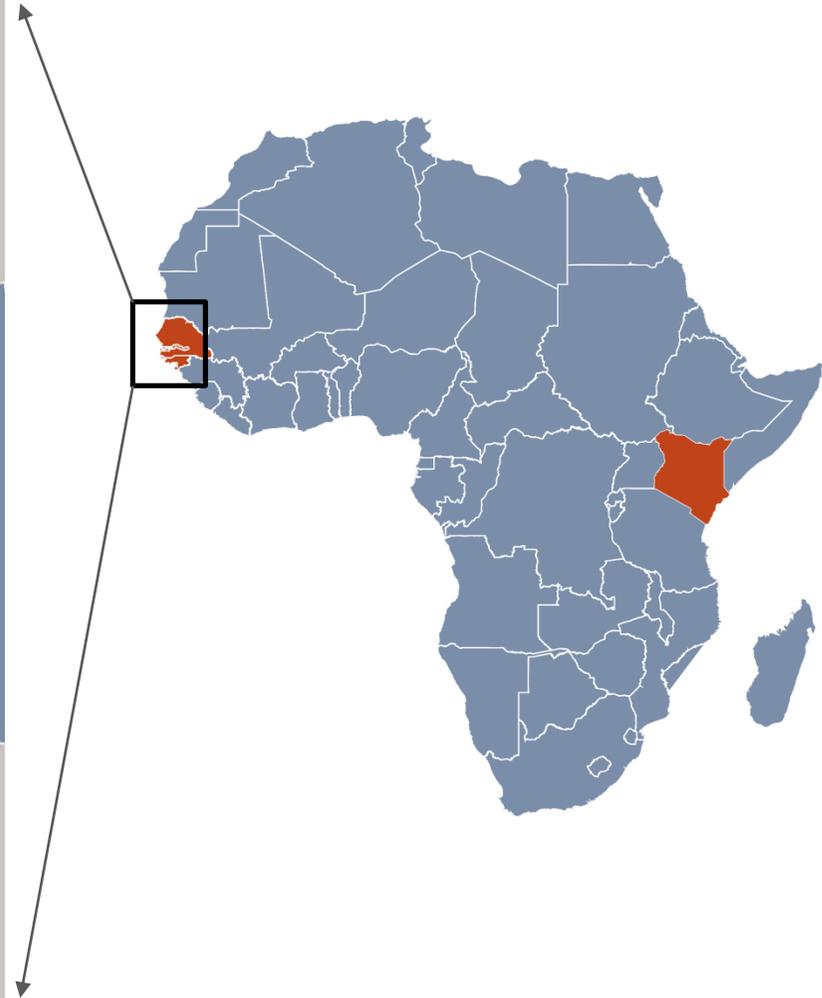
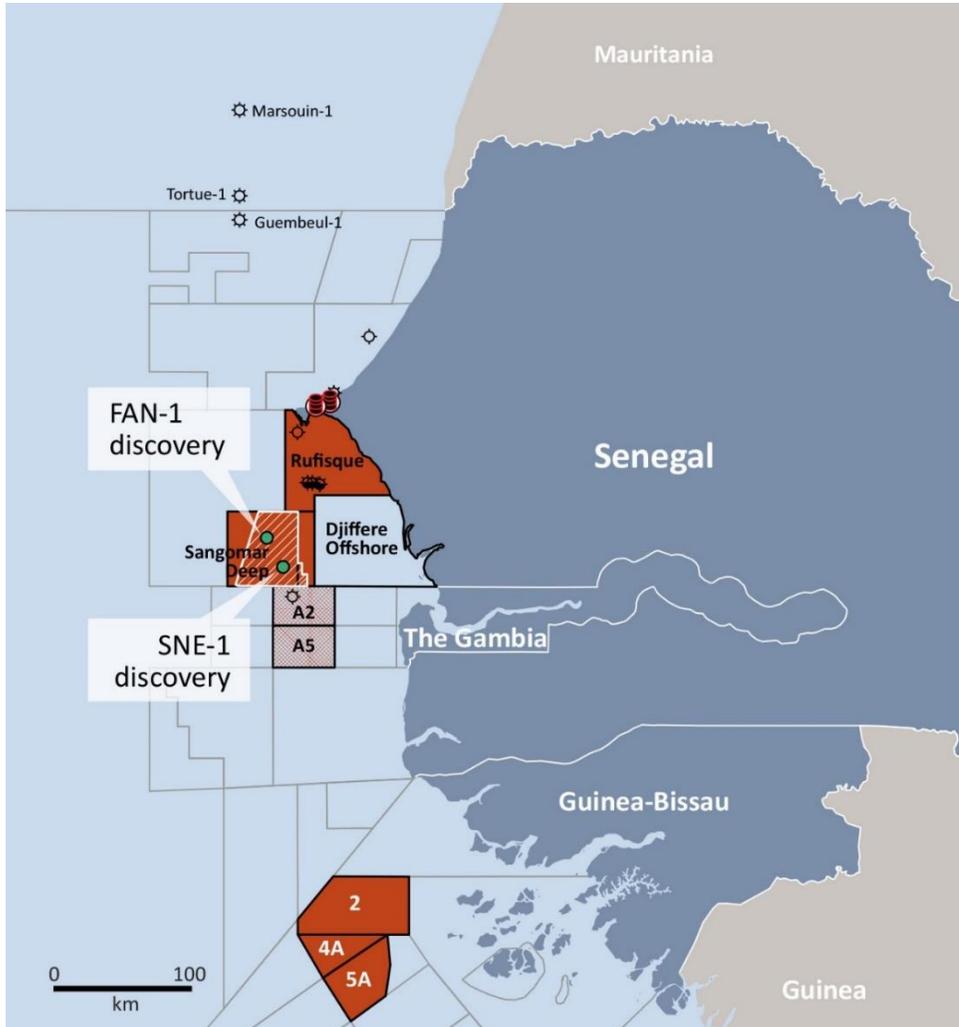


FAR snapshot

- Fifth largest E&P company listed on the ASX
- Basin opening FAN-1 and SNE-1 oil discoveries offshore Senegal in late 2014
- First deepwater wells to be drilled offshore Senegal
- SNE ranked as world's largest oil discovery in 2014 by IHS
- 21 months from discovery to statement on commerciality
- 2016 'Breakthrough Company of the Year' by the Oil and Gas Council, Africa
- 2017 'African Explorer of the Year', Oil and Gas Council

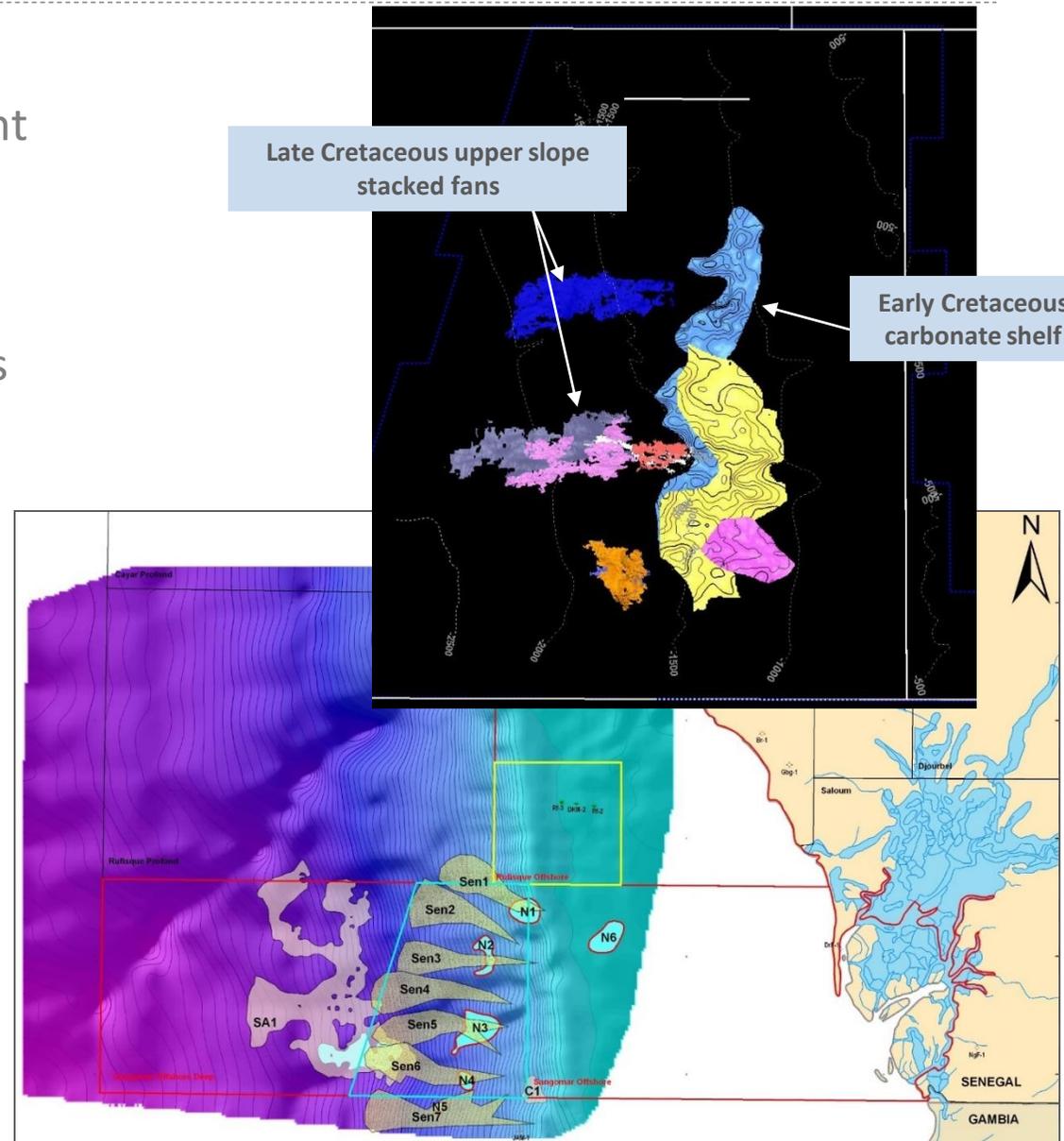


FAR – Australian based, Africa focused

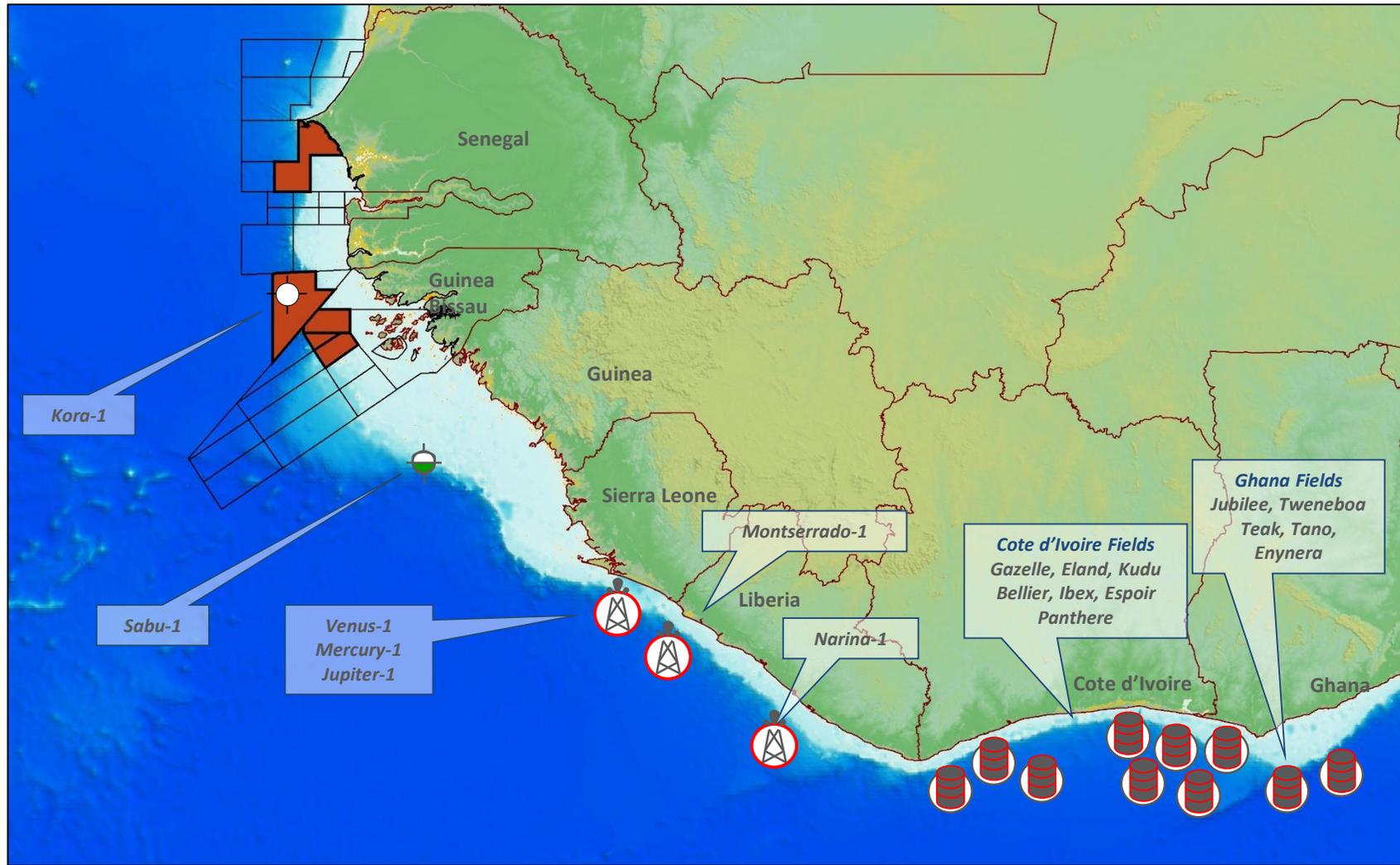


History of FAR in Senegal

- FAR farmed in for 30% equity in Hunt operated PSC in mid 2006
 - Area under licence ~15,000km²
 - Unproven, deepwater play concepts with large potential
 - 2000 sq km 3D seismic Dec 2006
 - Focus on the shelf and fan play
-
- **Hunt exits Africa leaving FAR with 90% equity**
 - **....and 100% liability**



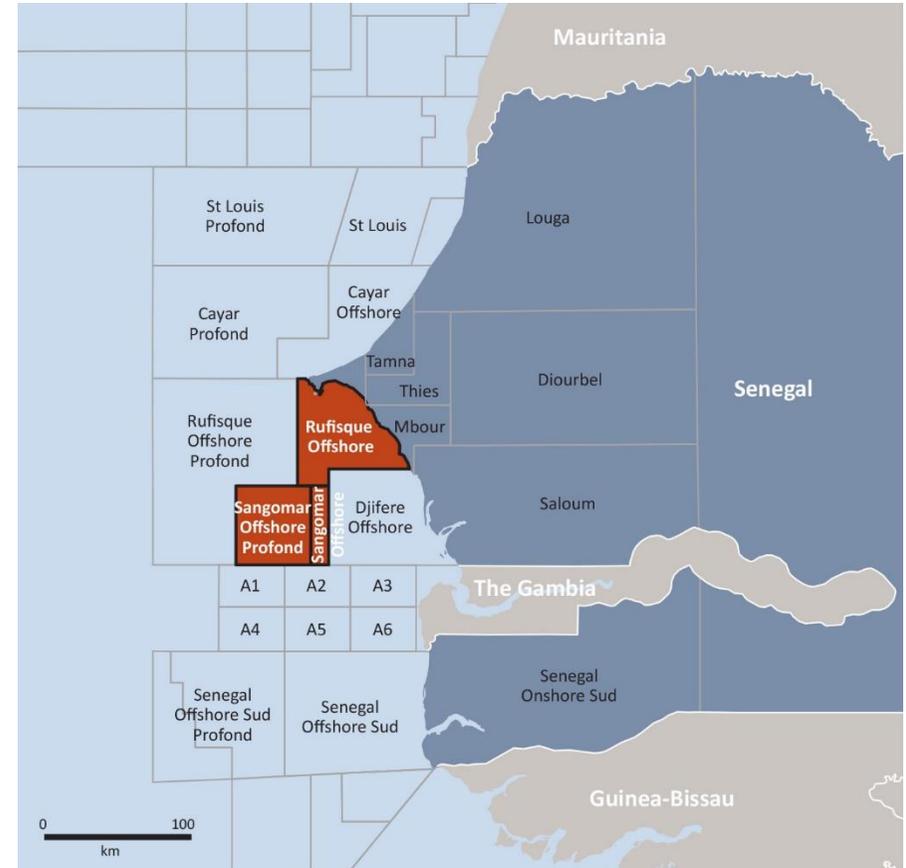
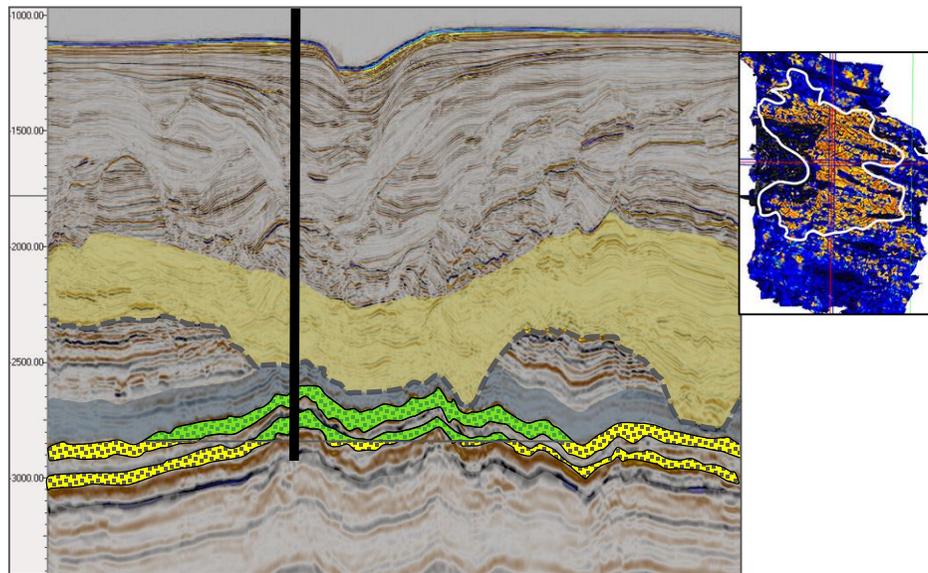
Drilling Activity: Regional Context 2012



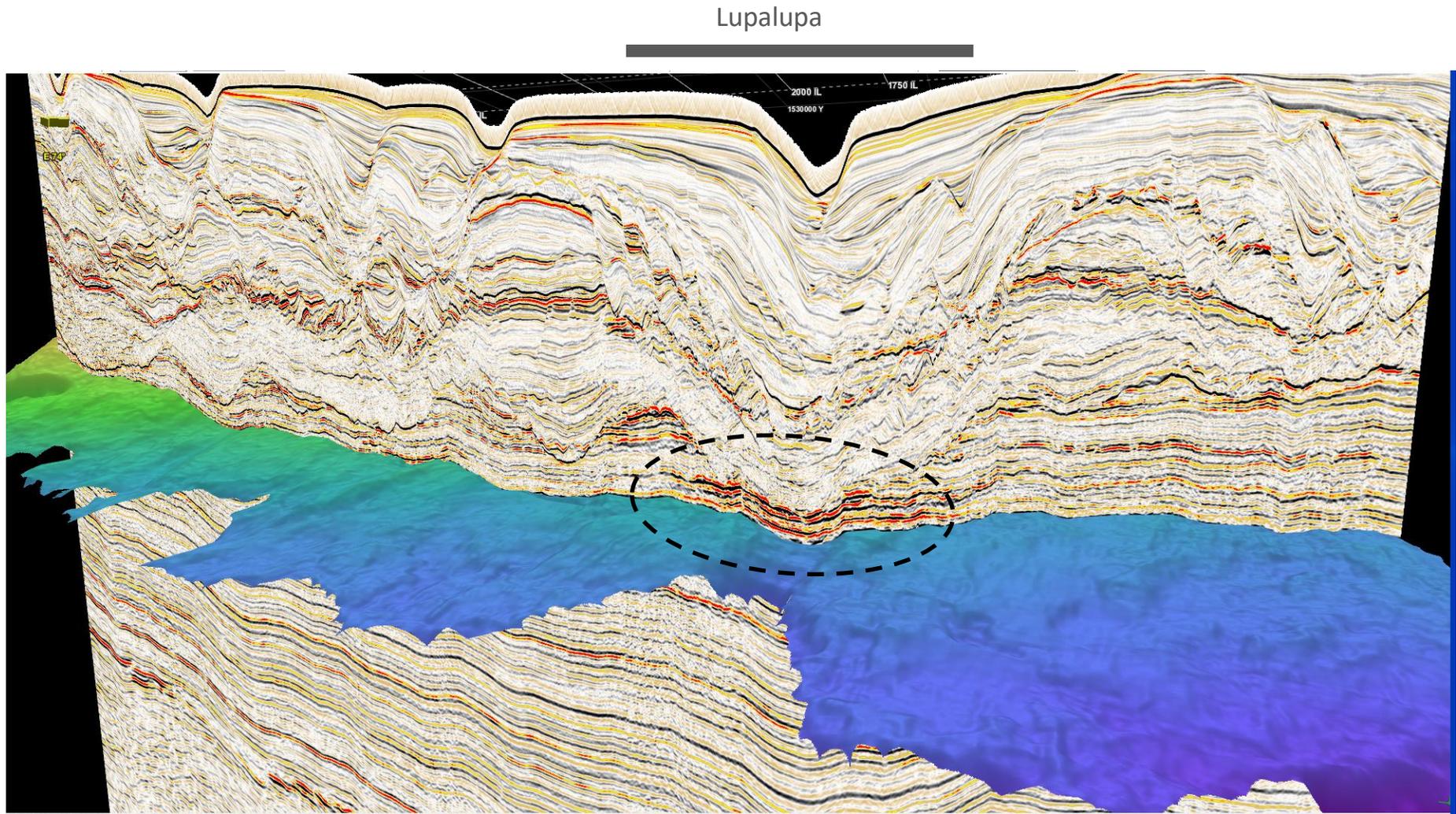
Exploration activity progressed to the west from Ghana and Cote d'Ivoire but success rates decreased and activity dried up after dry wells in Guinea and AGC.

History of FAR in Senegal

- Early 2012, FAR rebranded, acquires new management and technical team
- New ideas and play concepts developed including deeper basinal targets
- Lupalupa prospect developed in Albian above the Aptian carbonates



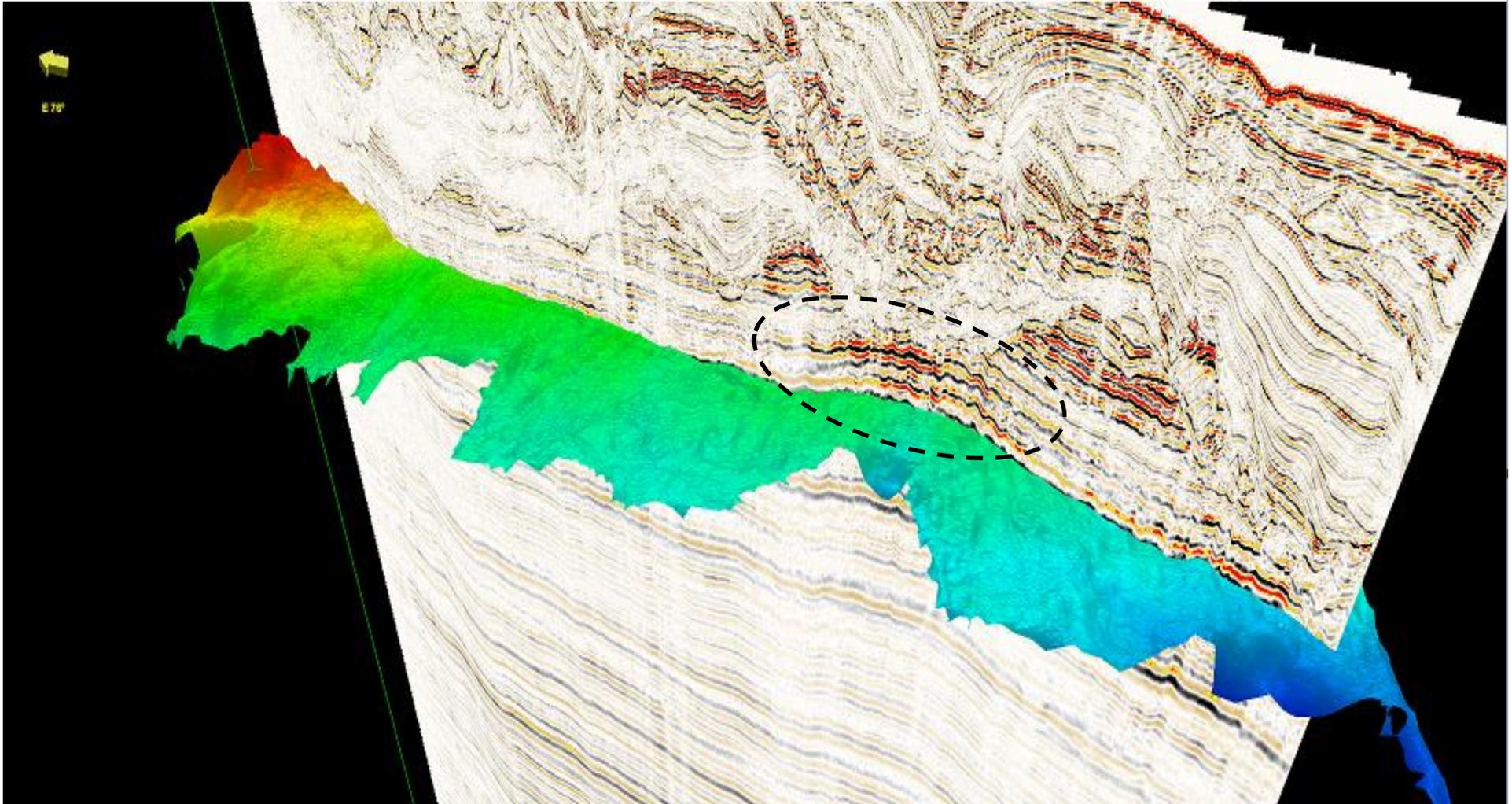
Lupalupa Prospect: TWT



Shallow channelling disguised the Lupalupa (SNE) structure in two way time

Lupalupa Prospect: PSDM

Lupalupa



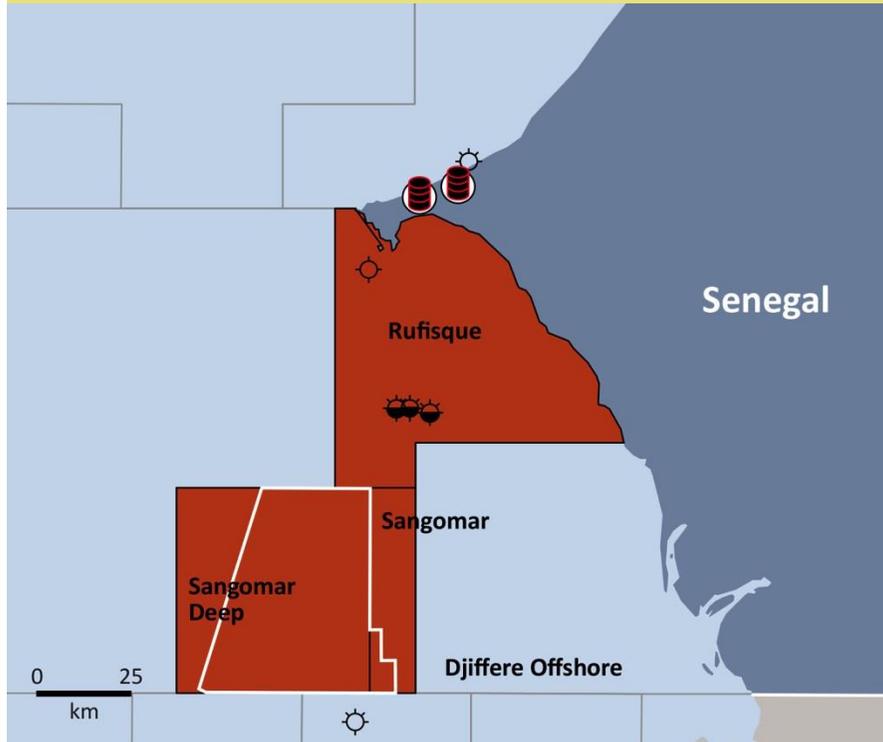
Structure is evident on later processing (prestack depth migration). Amplitude conformance to structure.

FAR in Senegal



OFFSHORE SENEGAL PSC

FAR 16.7% paying interest, 15% beneficial interest
Operator: Cairn Energy PLC



Farm-in 2006
3D seismic

Farm out to Cairn &
Conoco 2013

Drilling Q2/3 2014

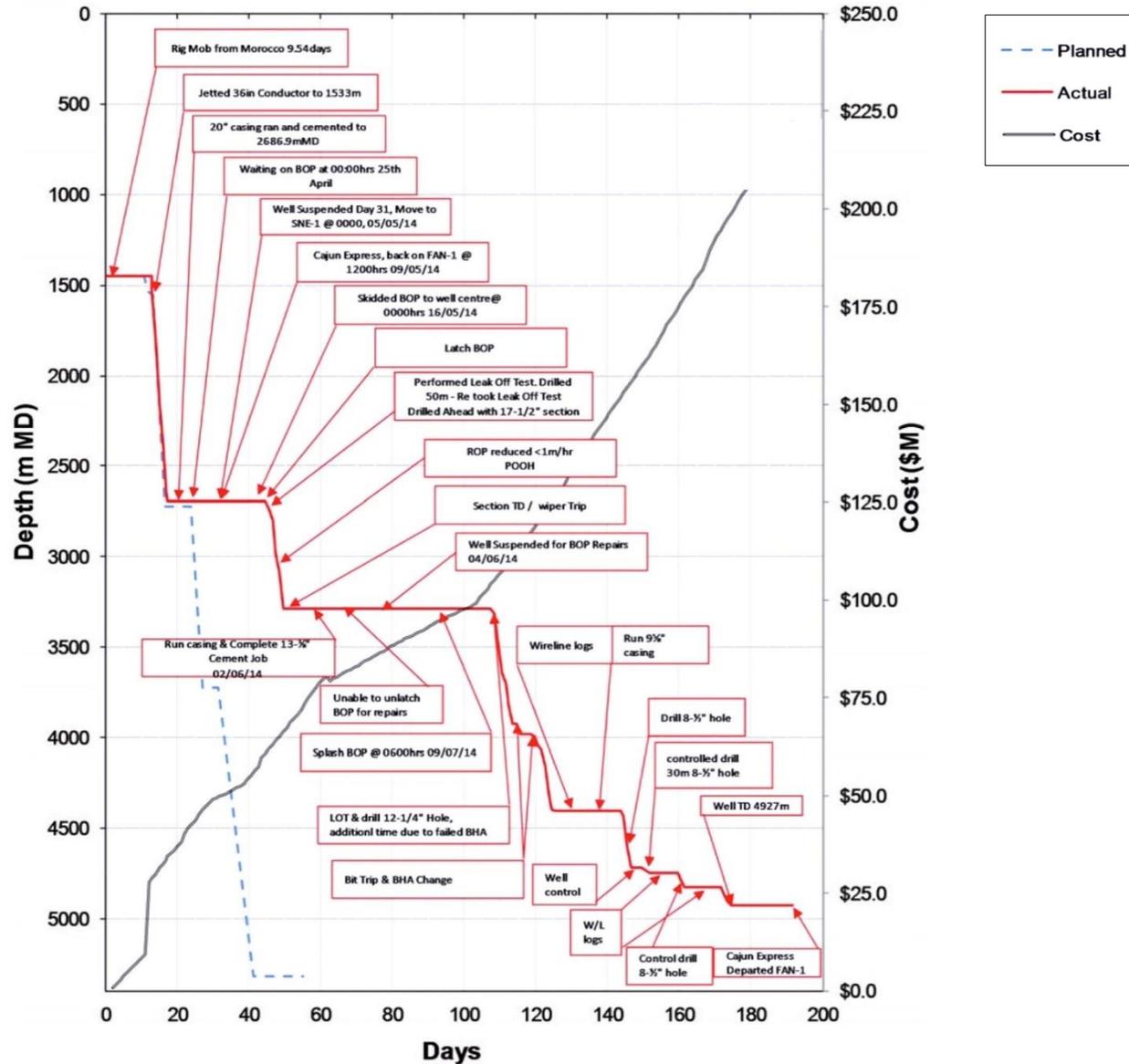
Hunt Oil
Operator

FAR
Operator

Cairn
Operator

FAN-1 Drilling 2014

FAN-1 Time v's Depth Curve



SNE North-1 Operations: 2017

- The difference a state of the art rig and local knowledge can make.
- Spudded 17th July 2017 in 877m water
- Reached 2837mDRT T.D. 26th July 2017
- 9 days from spud to TD
- Well completed in 26 days at USD \$21.0m including extra wireline logging to collect Geomechanical Data for SNE development



FAN-1 discovery well



WEST

FAN-1

SNE-1

EAST

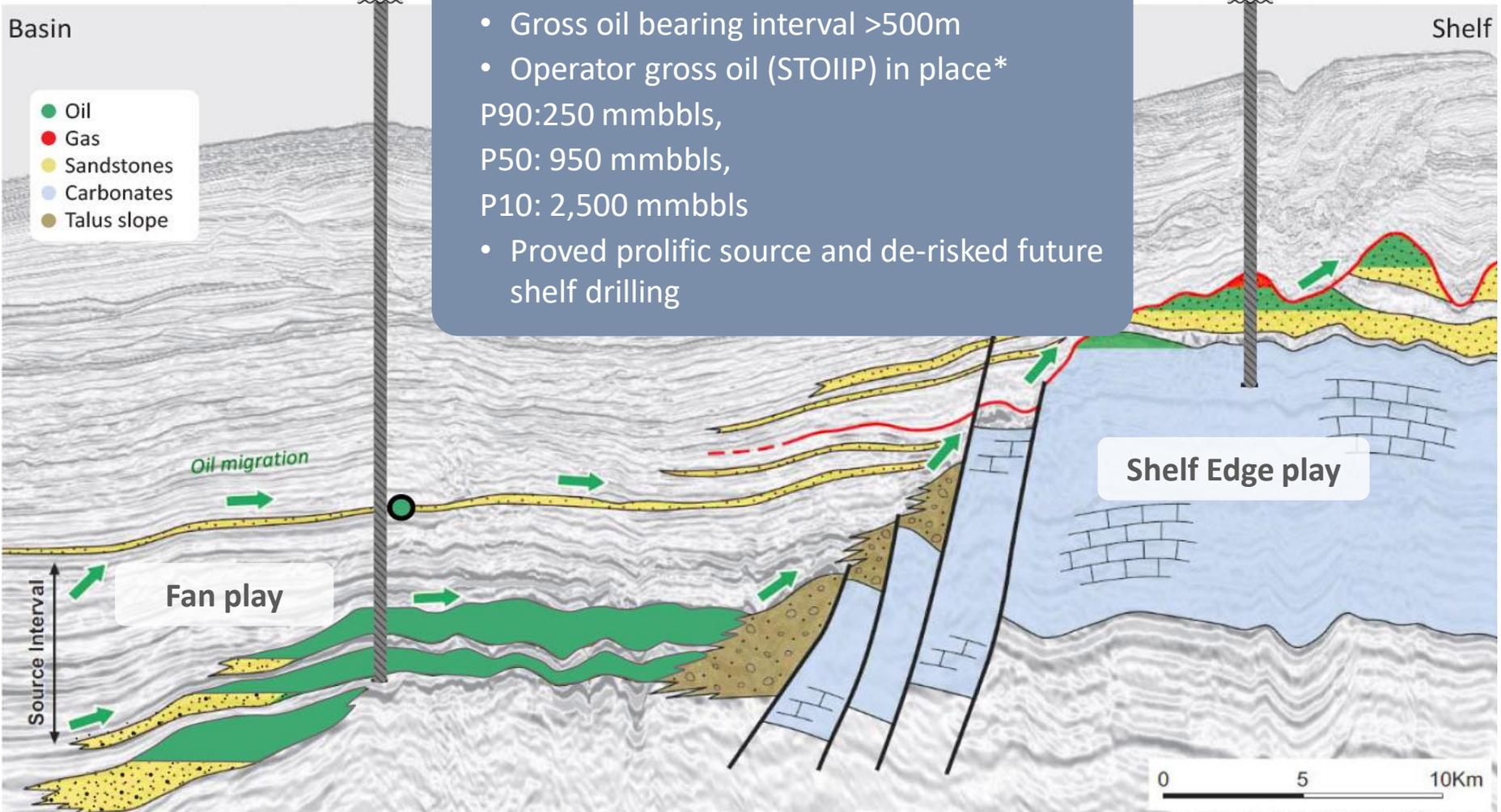
Basin

Shelf

- Oil
- Gas
- Sandstones
- Carbonates
- Talus slope

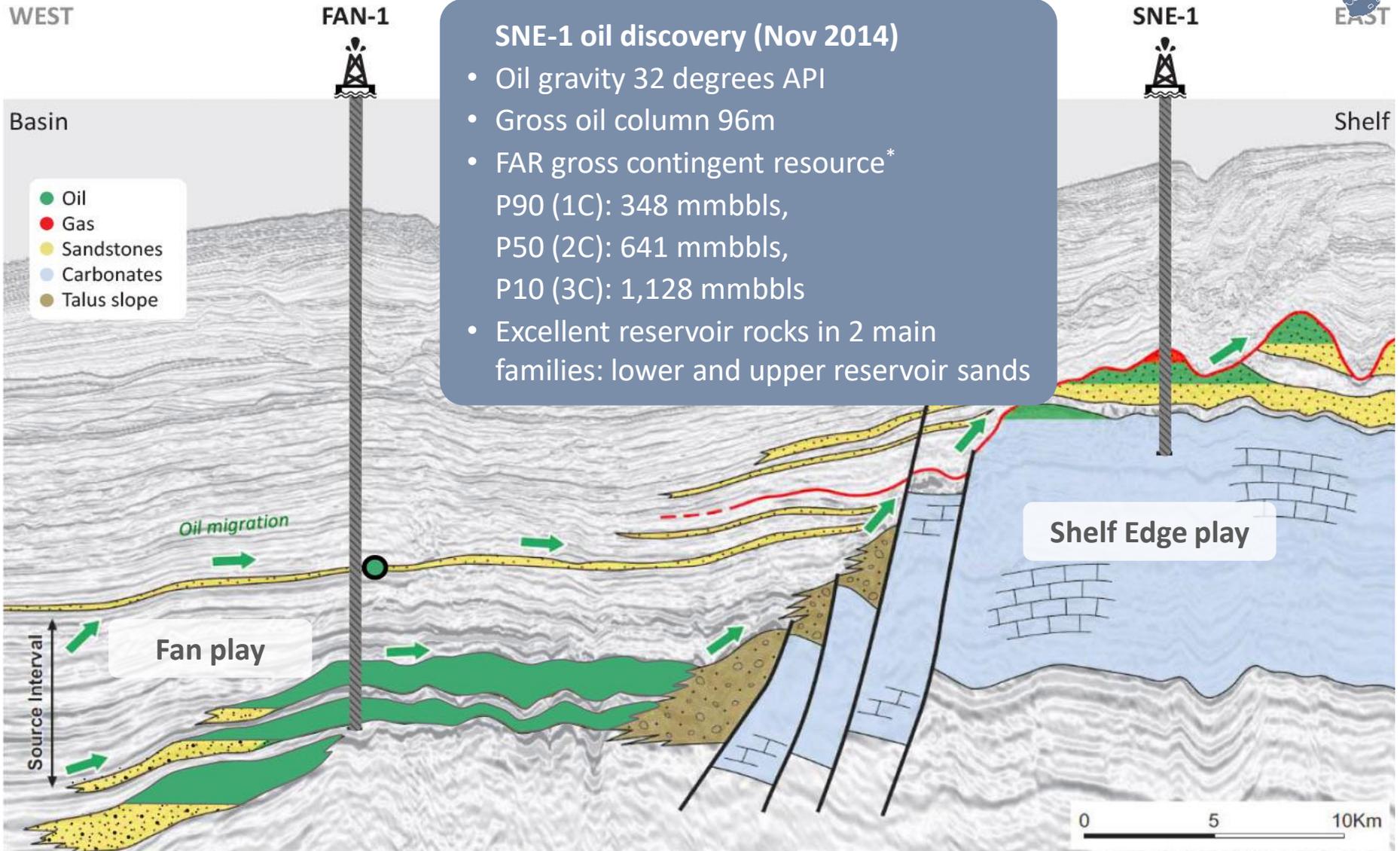
FAN-1 oil discovery (Oct 2014)

- 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



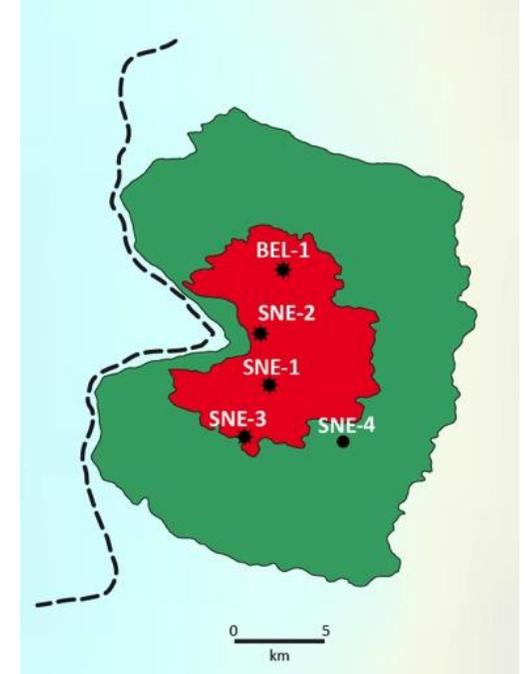
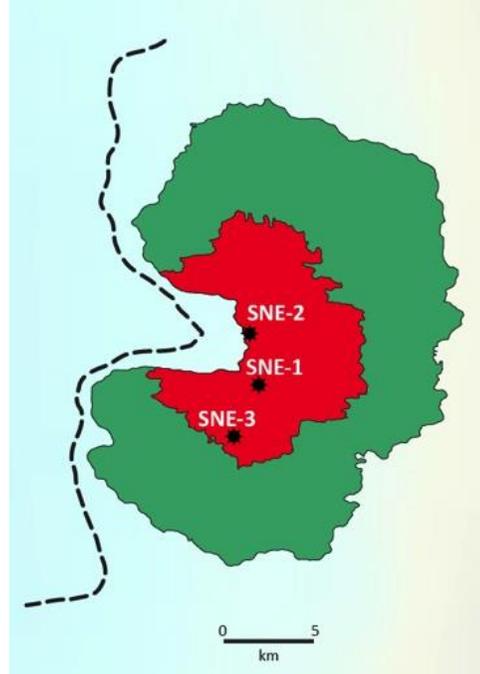
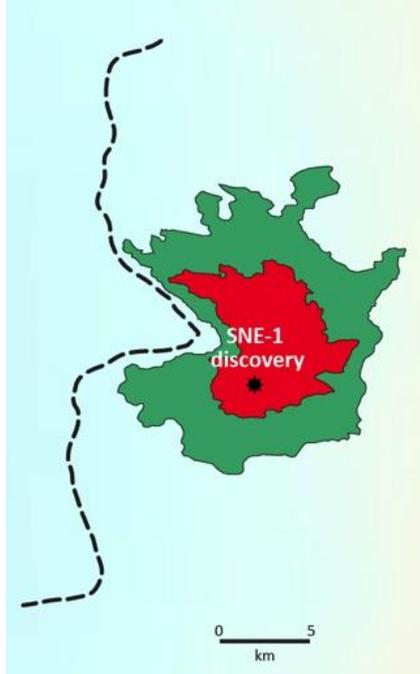
*Reference FAR ASX releases dated 13 Apr 2015 and 23 August 2016, best estimate, gross resources, 100% basis, oil only

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

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)

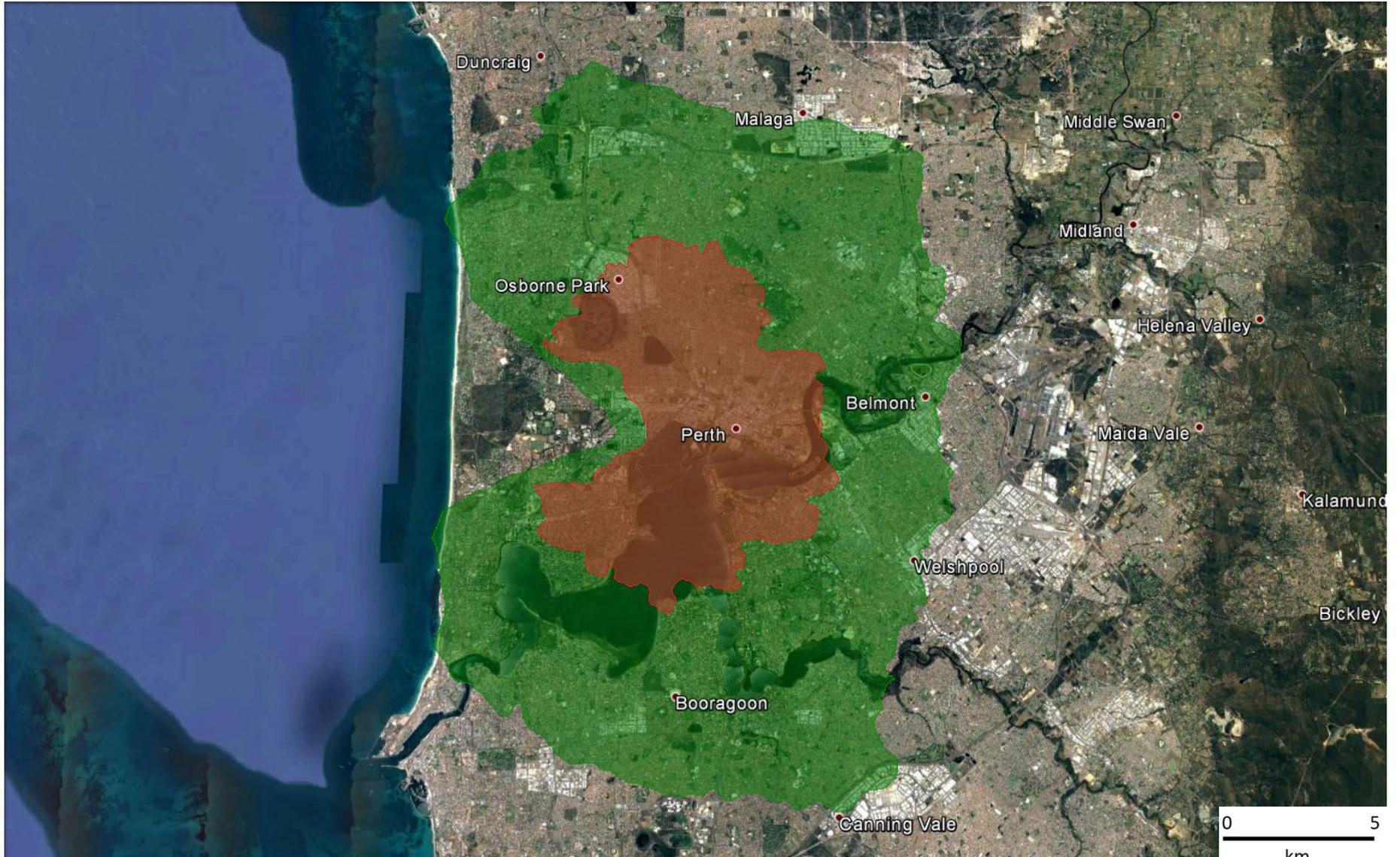
1C: 277 mmbbls
2C: 561 mmbbls
 3C: 1071 mmbbls

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

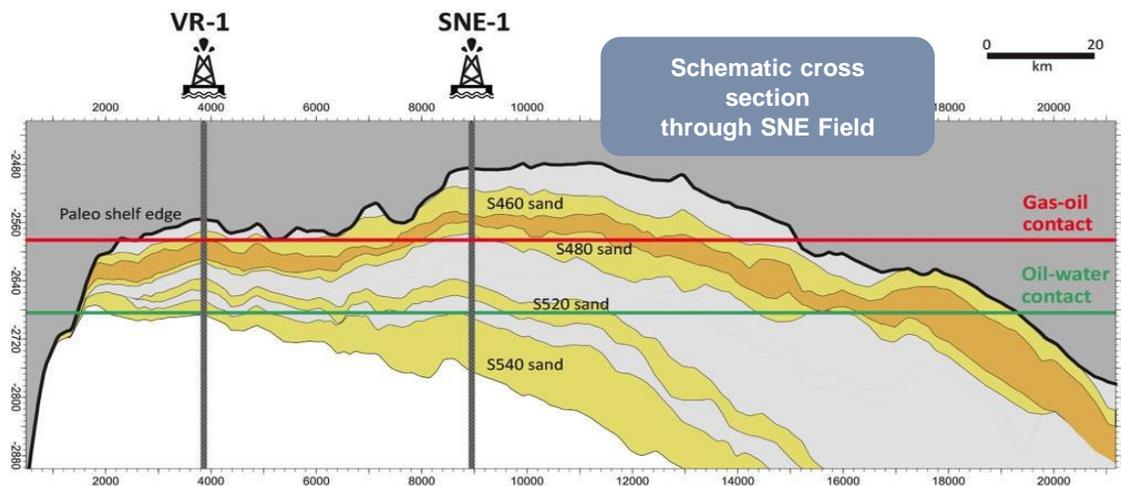
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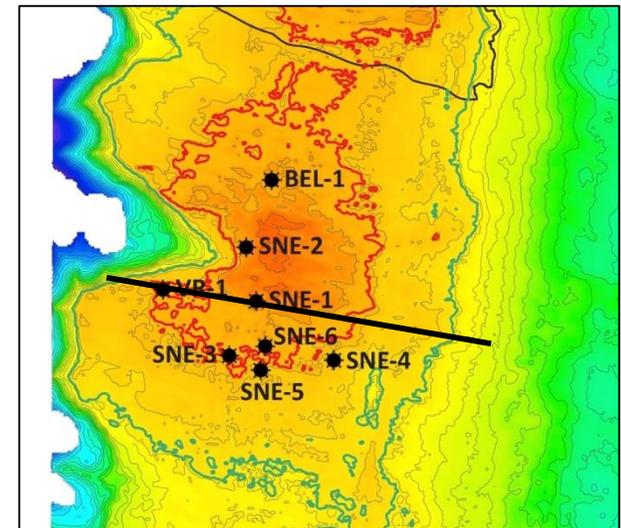
SNE Appraisal results



- All appraisal wells proved approximately 100m gross oil column
- MEFS passed: 2C resource 641 mmbbls
- Appraisal drilling completed
- SNE-5 & SNE-6 tested upper sands units (S480 and S460 reservoirs). Confirmed good reservoir properties.
- Lower reservoir units intersected in oil column in the west – excellent reservoir in VR-1

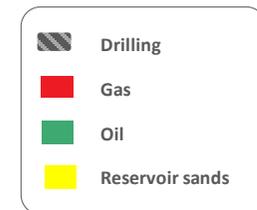
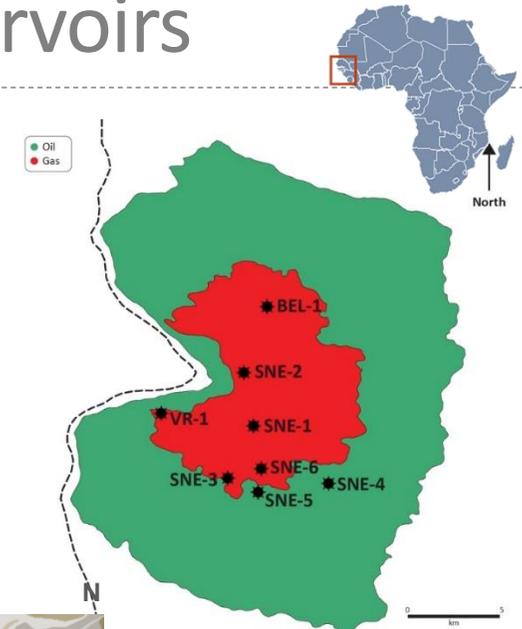
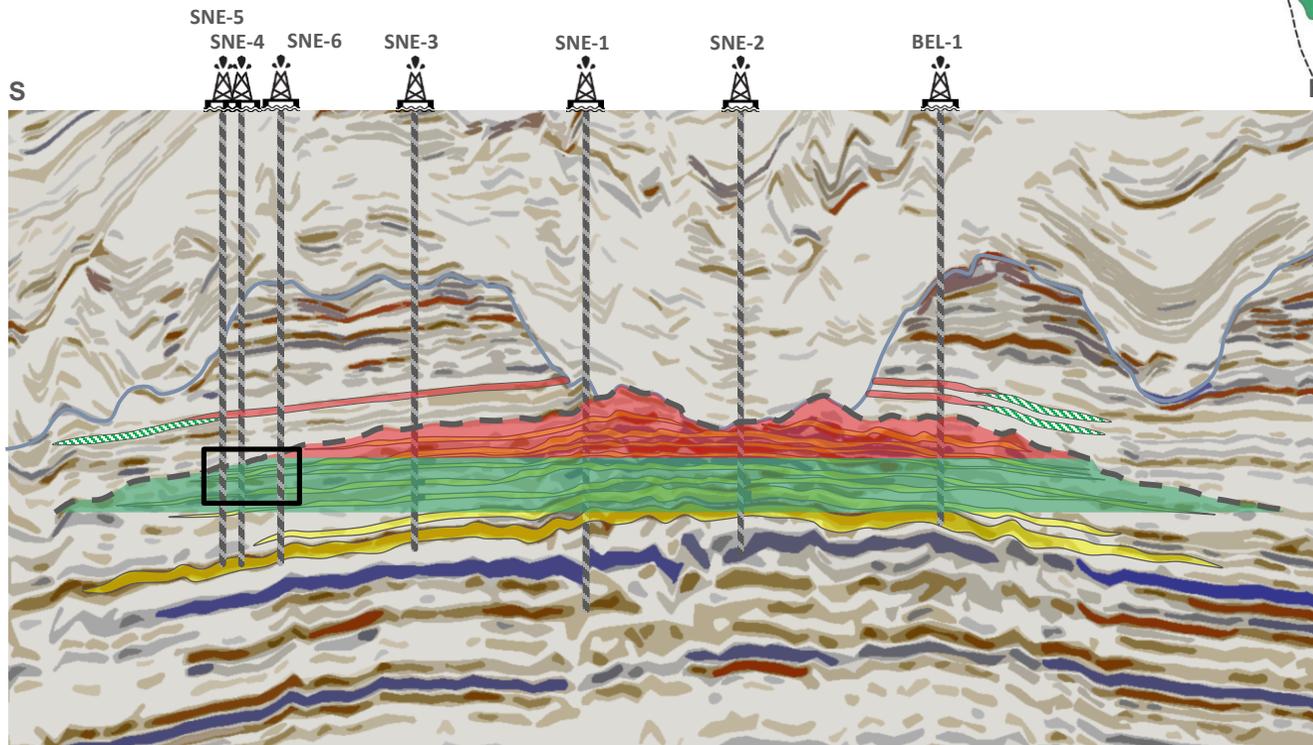


SNE Field at S460 reservoir level

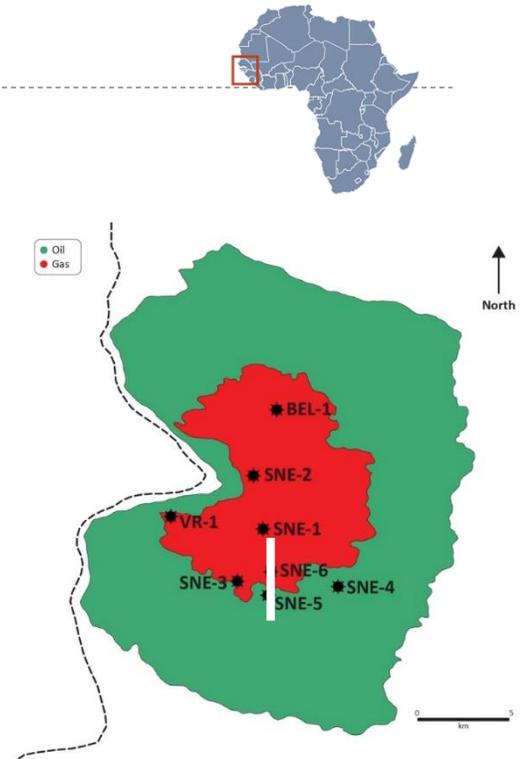
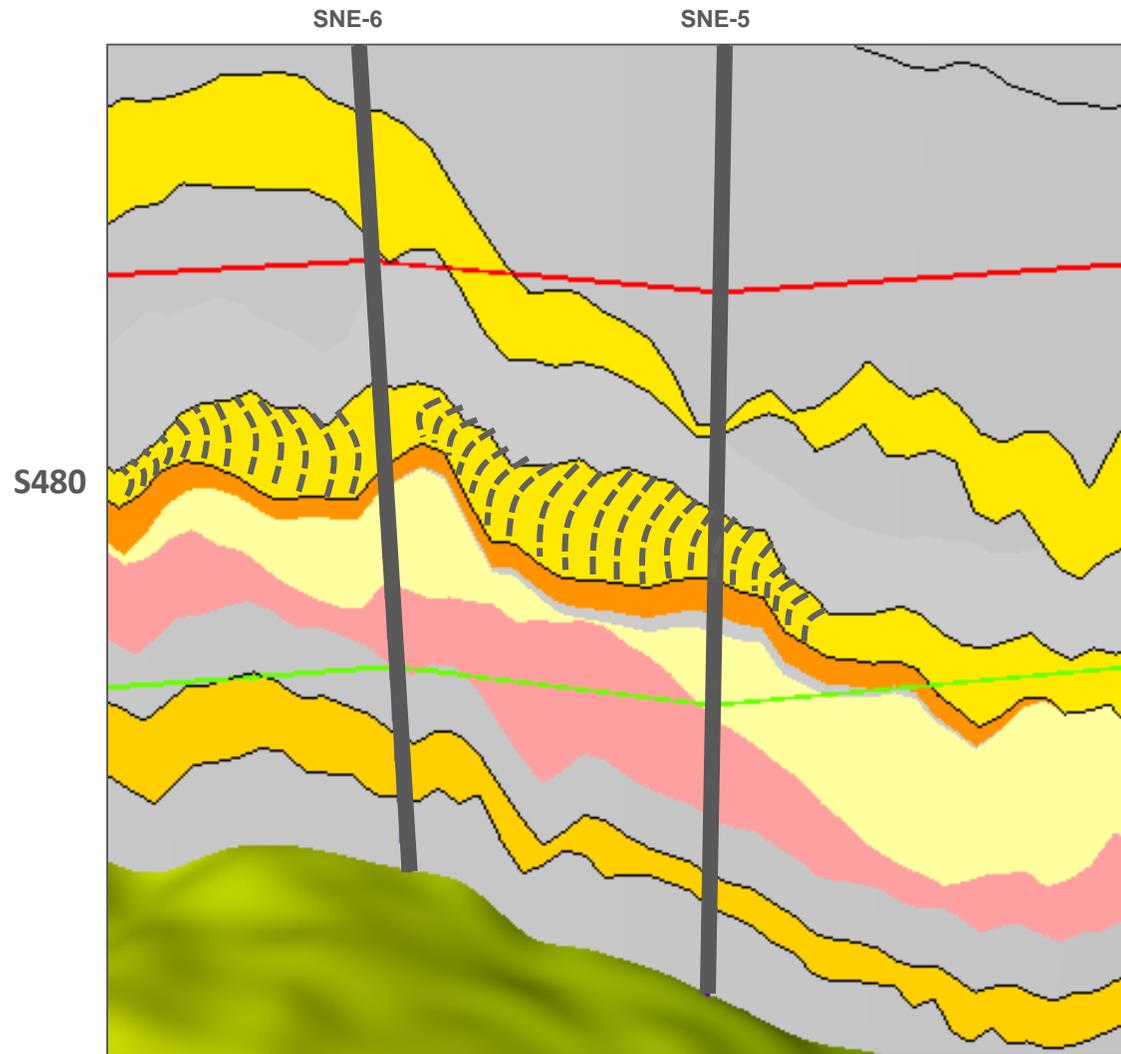


Deliverability and connectivity of reservoirs

- 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)
- Strong flow rates and successful interference test proves deliverability and connectivity of upper reservoirs



Interference Testing



- Successful interference test supports higher recovery factors for the field. This will be incorporated in future resource updates

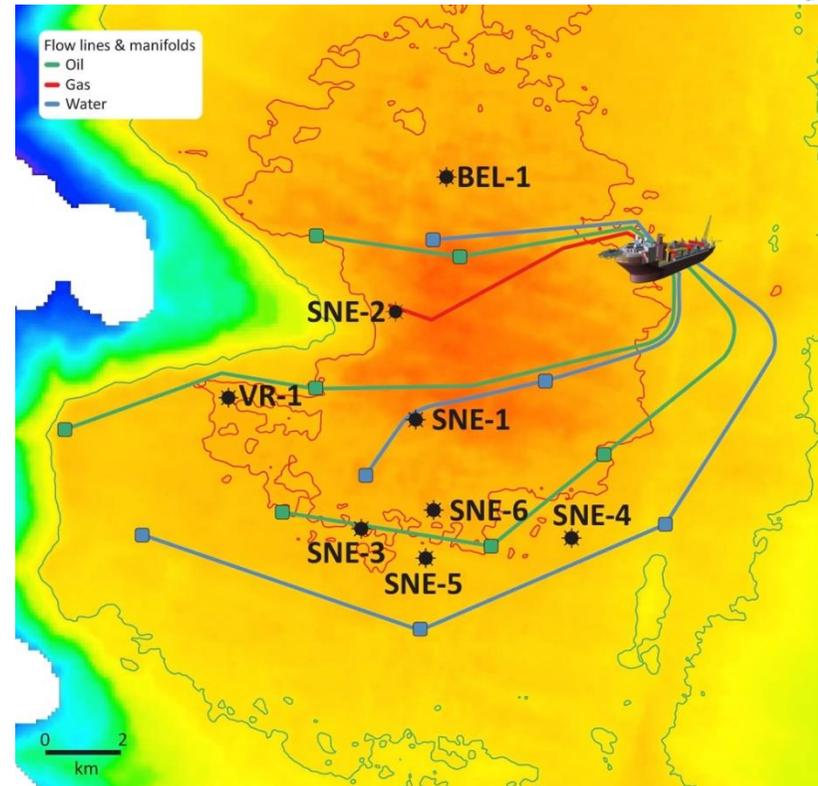
Looking forward to development of SNE



- SNE is expected to be a staged development using a standalone FPSO, with expansion capability for satellite tie-backs

Operator Numbers

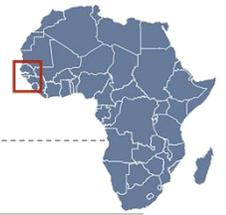
- First oil anticipated in 2021-2023, with plateau gross production of 75-125kbopd*
- Development expenditure: US\$13-US\$15/bbl
- Operating expenditure: US\$12-14/bbl (including FPSO lease costs)
- NPV/bbl : US\$10.00/bbl* (at FID, US\$70/bbl oil price, 2C 563mmbbls)
- Estimated breakeven oil price <US\$35/bbl*



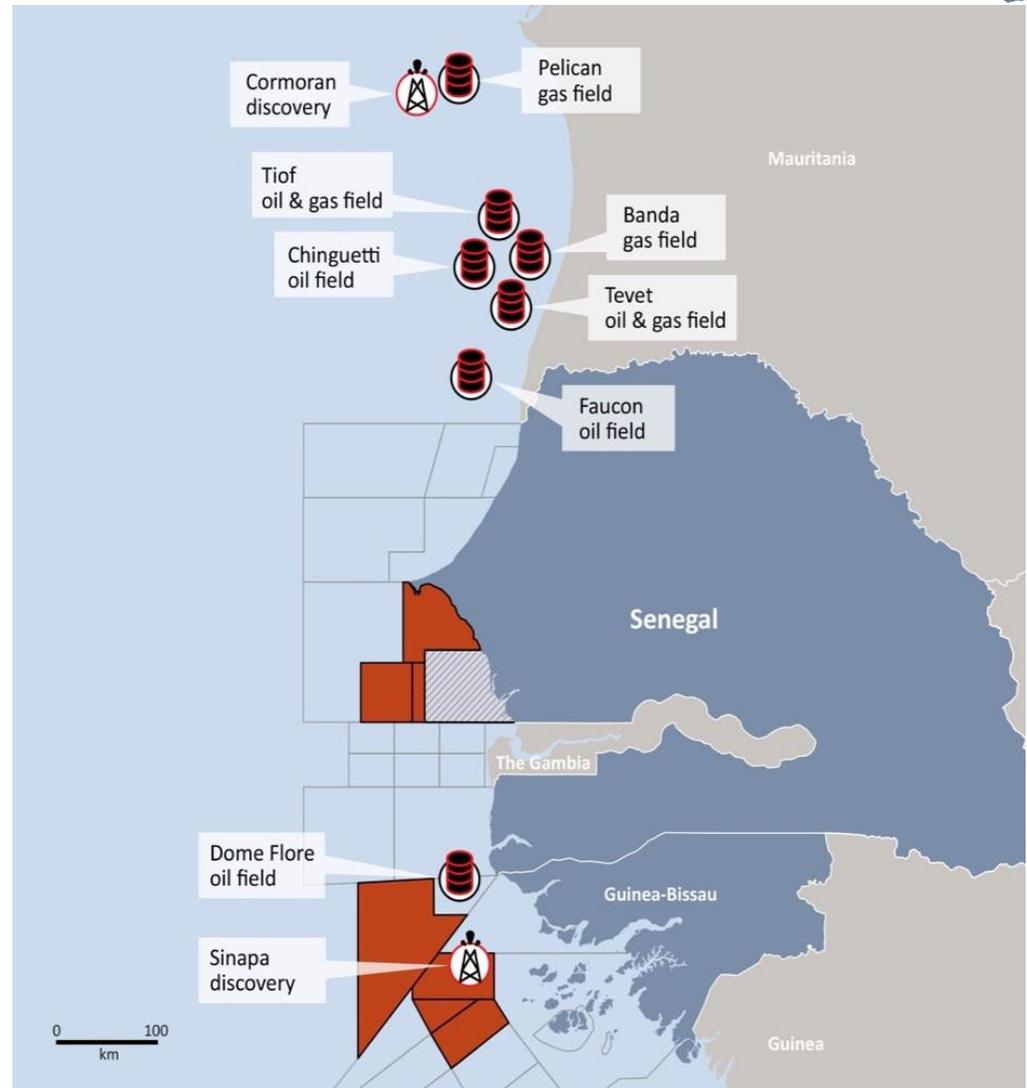
FAR Phase 1 development concept

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

Regional oil and gas discoveries (2013)



2013 – No deep water drilling offshore Senegal



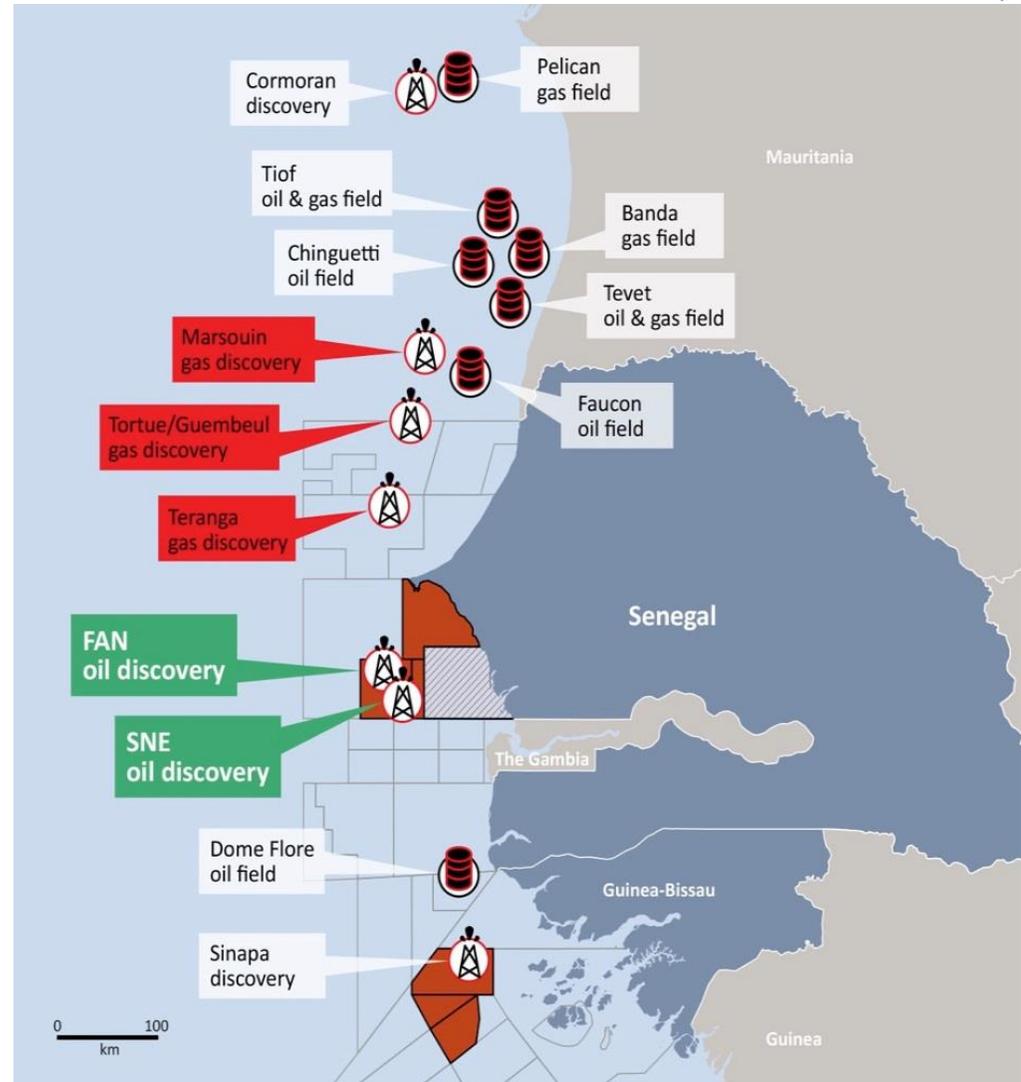
Regional oil and gas discoveries (2017)



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.

So far, no dry wells.



2017 Exploration Drilling



VR-1 drilled as appraisal well with a deeper exploration objective in Aptian carbonates.

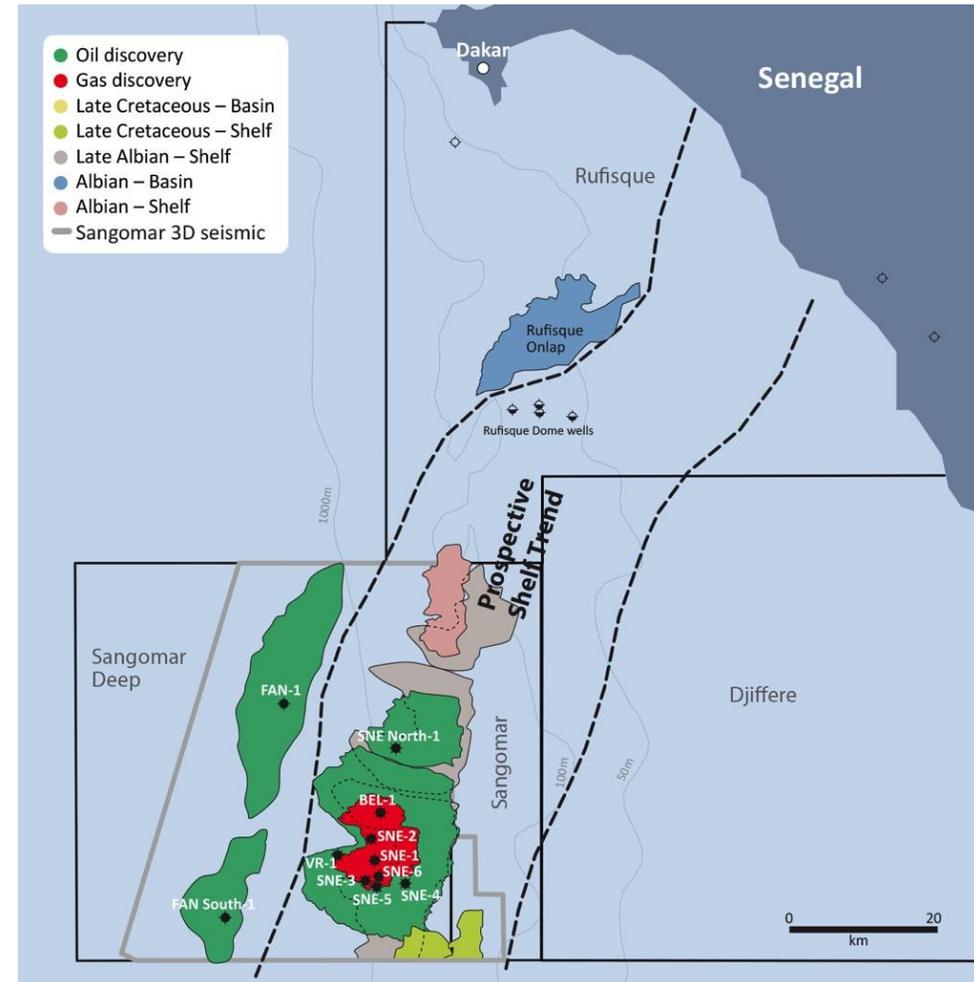
- Oil shows but reservoir poorly developed

FAN South-1 drilled as second exploration well in the basin.

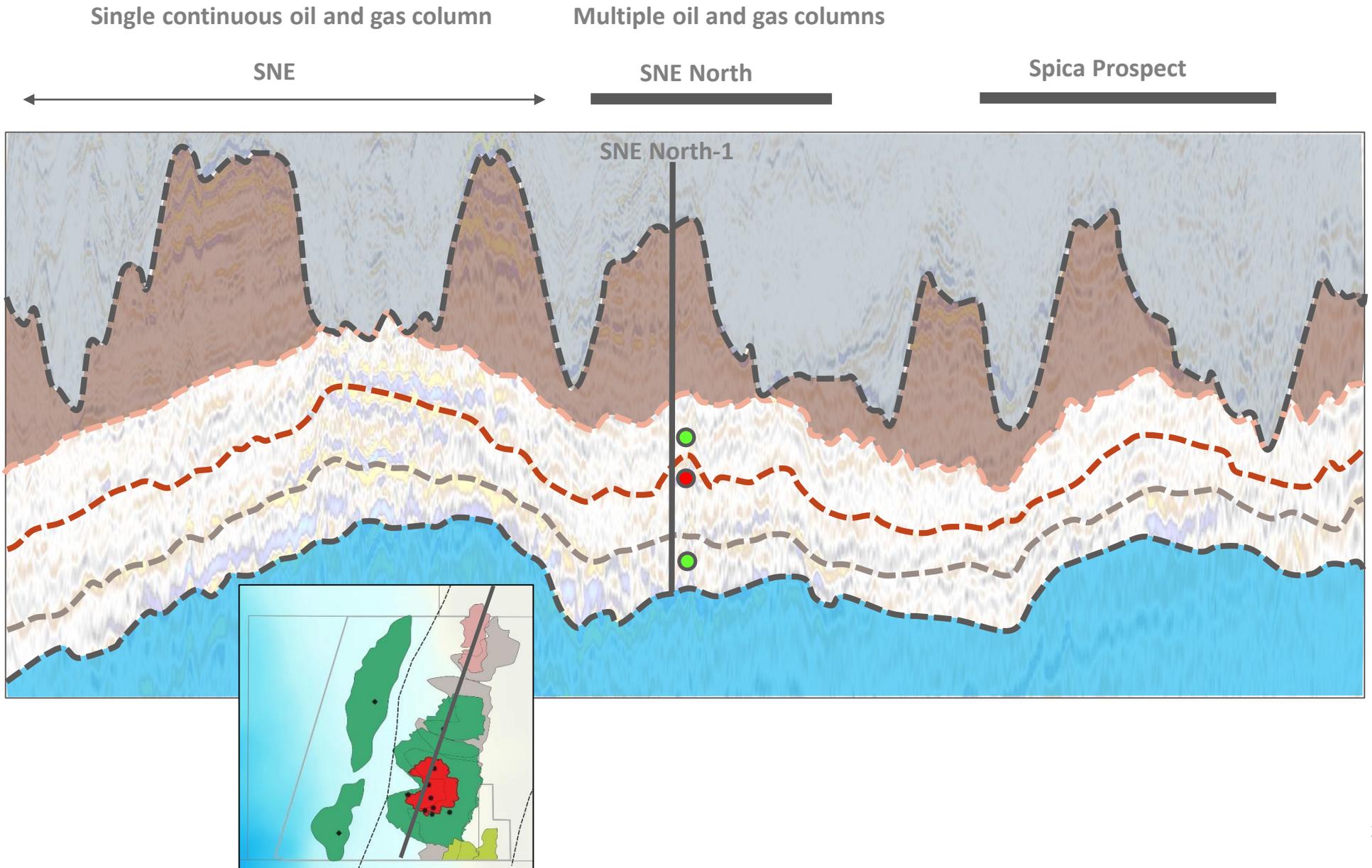
- Recovered 31 degree API oil from Early Cretaceous reservoir
- Integrating results with FAN-1 data

SNE North-1 drilled to the north of SNE Field

- Discovered multiple stacked hydrocarbon columns that are separate to SNE
- Oil and condensate in S400 reservoirs
- Oil in S500 reservoir below SNE OWC
- Opened up additional play levels for future exploration



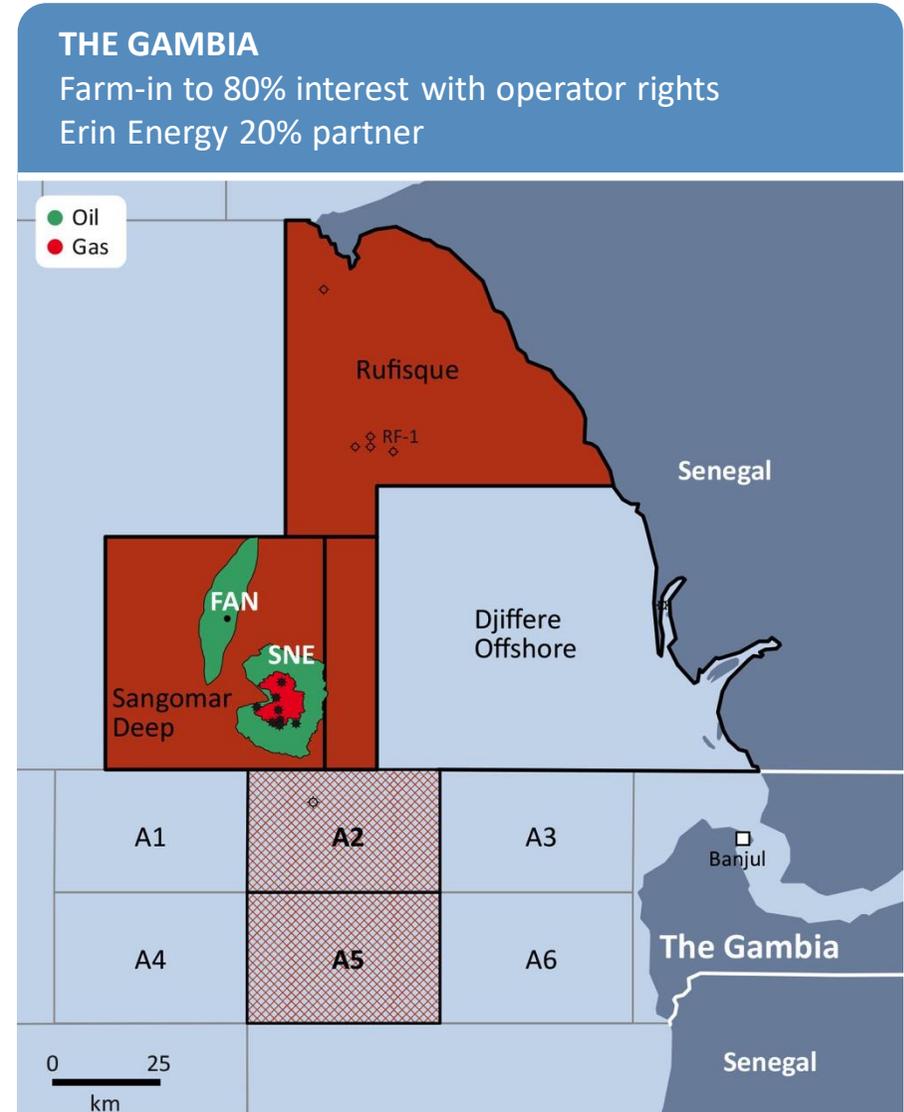
Sangomar Profond Block: Spica Prospect



Growing FAR's portfolio: The Gambia



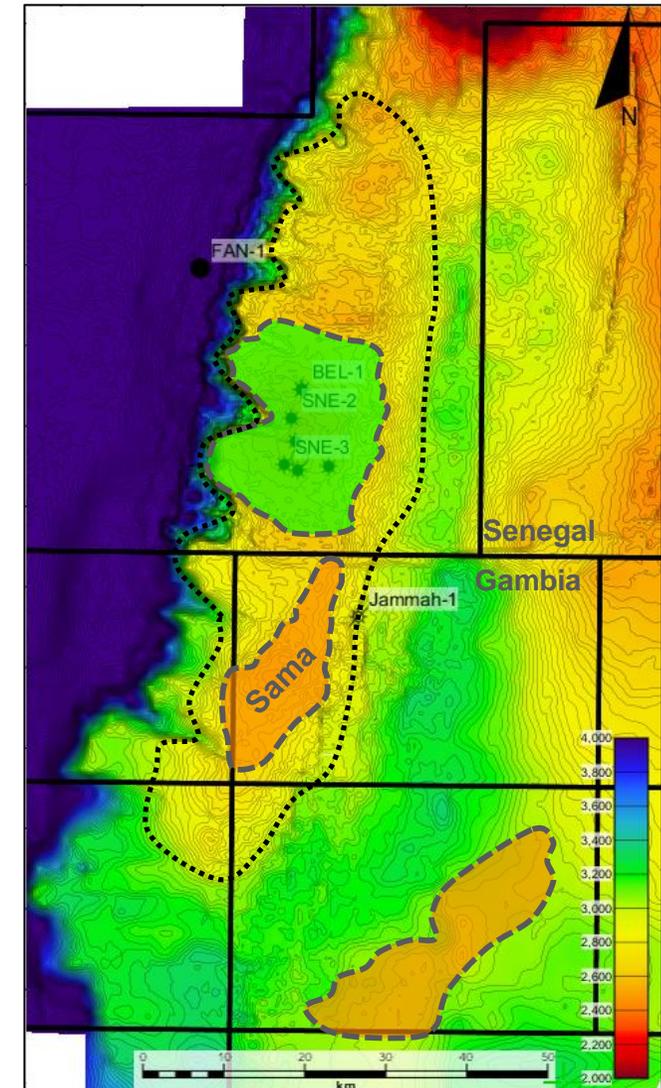
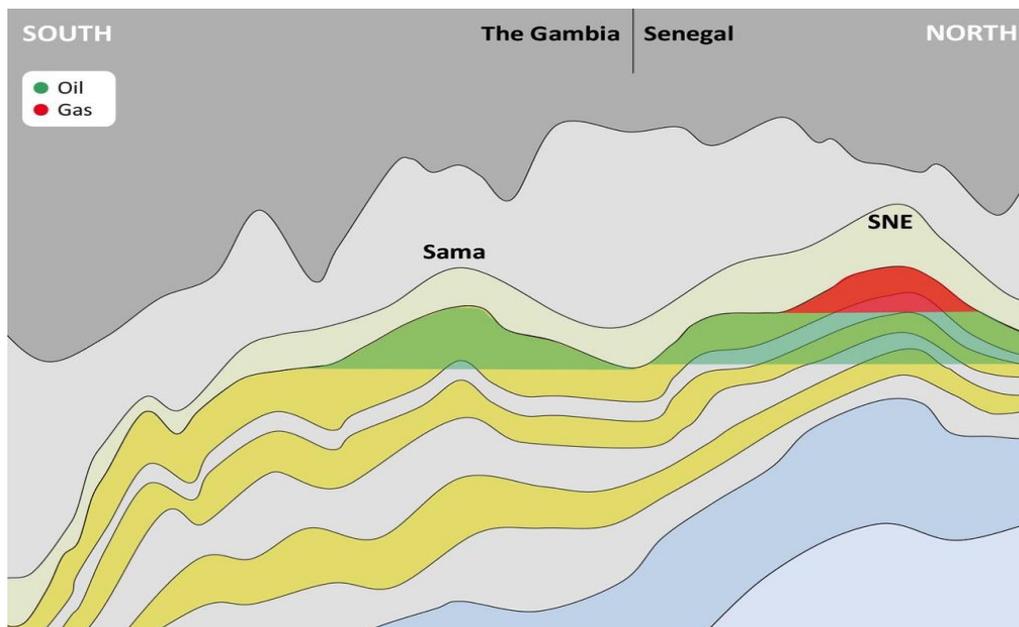
- Area identified by FAR as part of regional studies in 2013 & 2014
- Extended negotiations continued through 2016
- Purchased Polarcus 3D in October 2016. Confirmed the Sama prospect
- FAR Farmed in to A2 and A5 on 28 March 2017
- 80% equity and operator



Extension of the SNE shelf edge trend



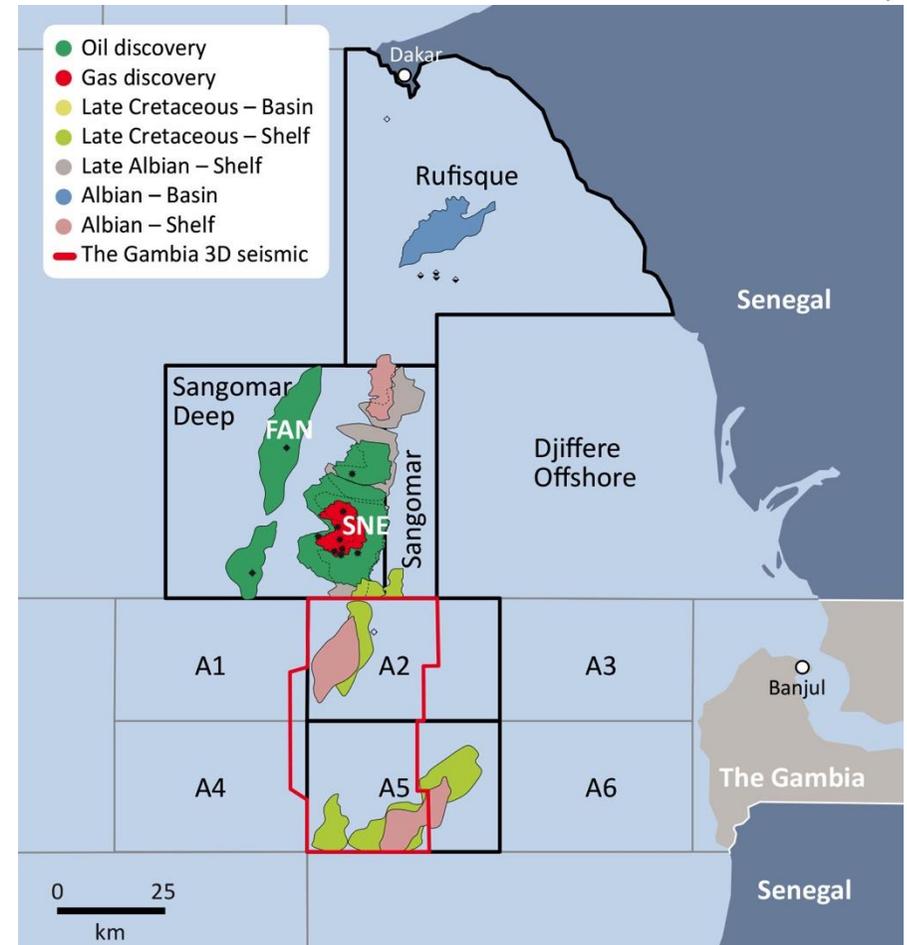
- On trend and adjacent to SNE field – same play type
- Sama prospect defined on 3D seismic:
 - Access to same, prolific source kitchen as SNE
 - Same upper/400 series reservoirs as SNE
 - Thickening of 400 series sands to the south
- Highly prospective, with a high chance of success
- Prospect reservoirs penetrated by 10 wells in RSSD drilling program



Blocks A2 and A5 prospectivity



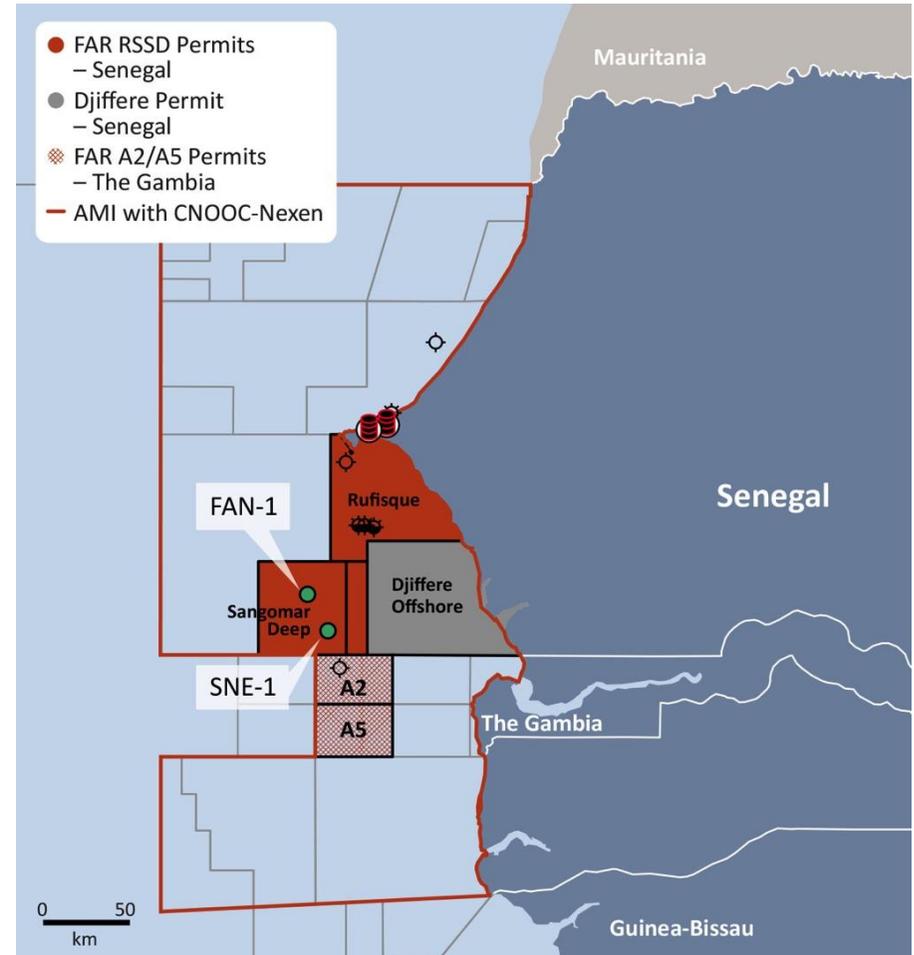
- Sama prospect defined on 3D seismic approximately 500mmbbls recoverable*
- 1,504km² 3D seismic data acquired in 2015
- Seismic reprocessing planned before drilling in 2018



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

Strategic Alliance

- 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



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



Moving forward in 2017

- **2013:** Year of farmout
- **2014:** Year of discovery
- **2015-2017:** Appraisal of the SNE Field
- **2017-2018:** Development planning and studies
- **2018-2021:** Engineering, financing & construction
- **2021-23:** First oil from Phase 1 SNE development
- **100% success rate** to date offshore Senegal
- Seeking drill partner for **The Gambia**
- Continuing exploration in **Guinea Bissau**



Conclusion

The elephant is emerging...



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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.