

A world class oil story

Senegal project update
08 March 2017



About FAR

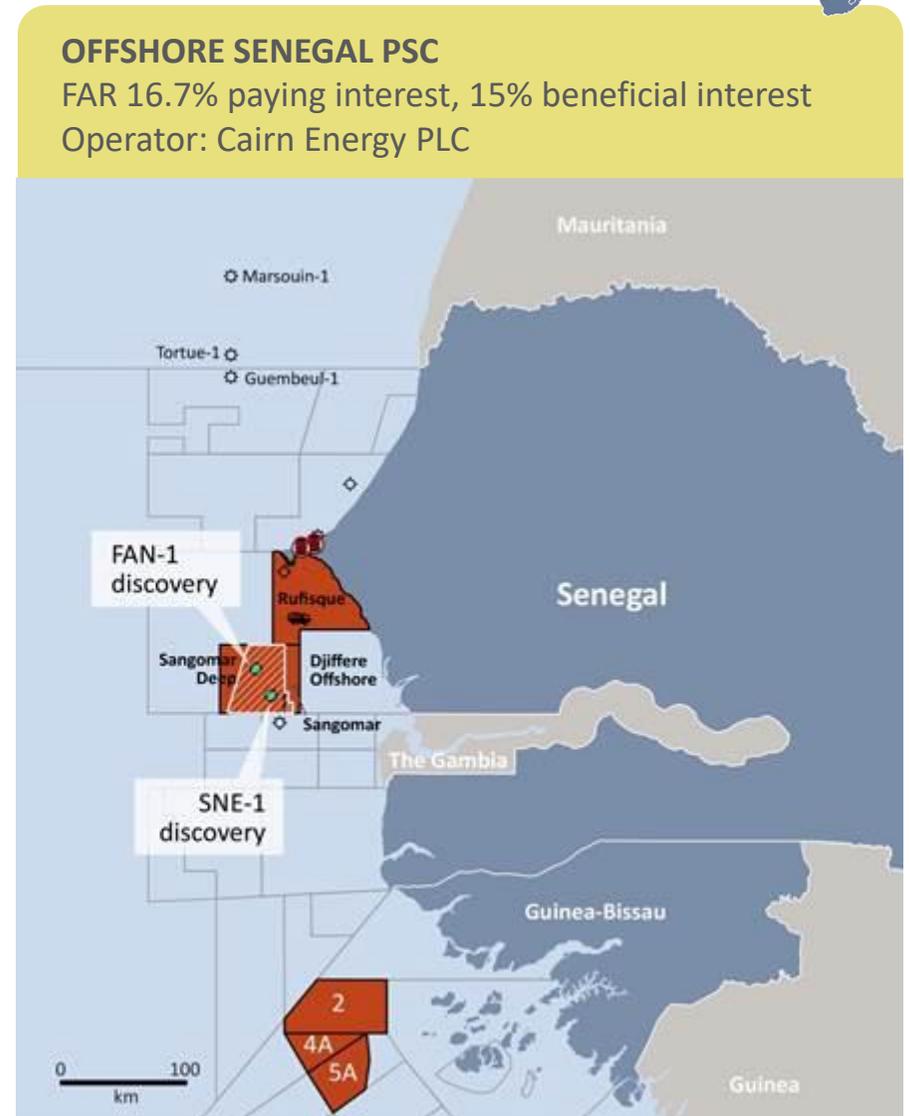
- **NW Africa focussed** oil exploration company
- **Sixth largest E&P** company listed on the ASX: Market cap \$360M*
- SNE Field offshore Senegal **World's largest oil discovery** for 2014
- SNE field 2C contingent recoverable **oil resource 641 mmbbls (96 mmbbls net to FAR)***
- 21 months from SNE discovery to **statement on commerciality**
- **Currently in third drilling campaign and final appraisal of the SNE field before commencement of FEED**
- Drilled 7 successful wells offshore Senegal to date
- Funded for **2017 approved work program (cash A\$47M end 2016)**
- Planning for SNE development in **very low cost environment**



FAR in Senegal



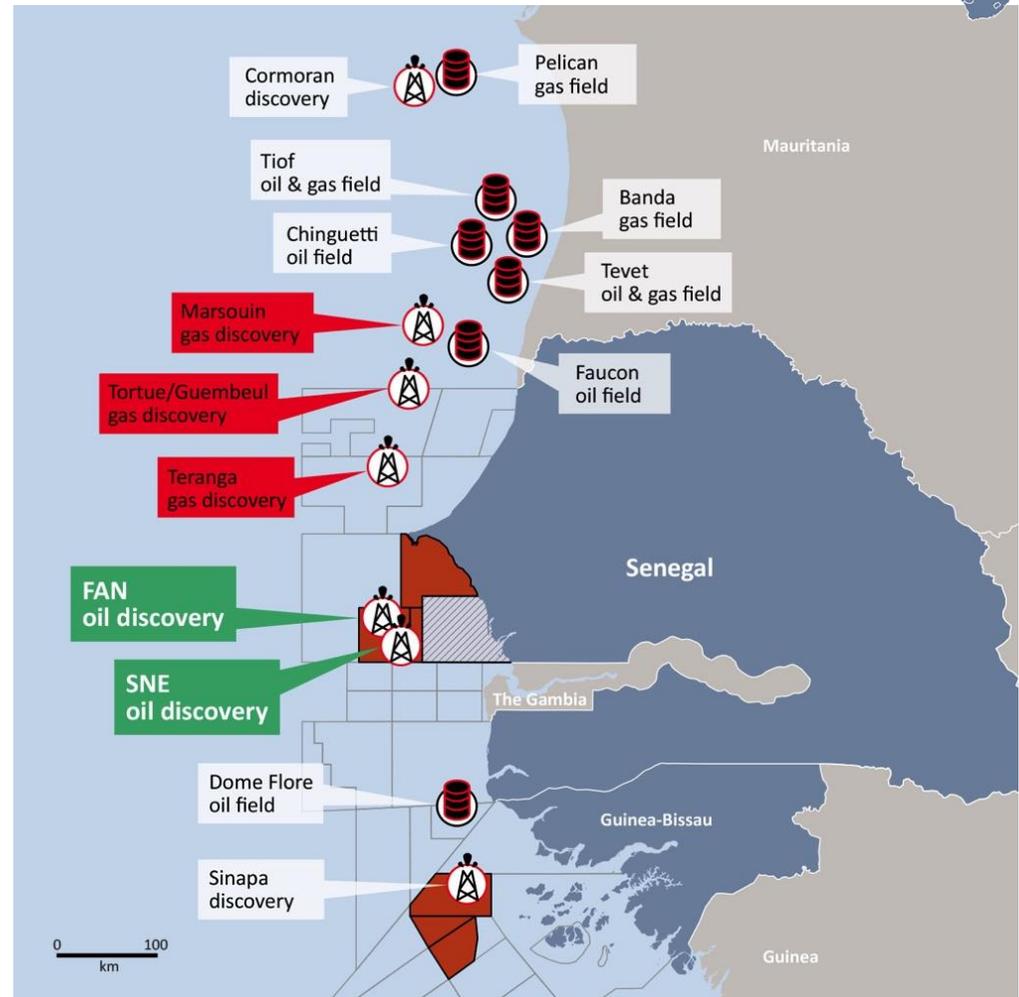
- FAR has been in Senegal since 2016
- Senegal is a peaceful democracy with a stable outlook (S&P sovereign credit rating B+/B) and projected growth rate of 6% this year
- Strong in country relationships
- Farmed down to Cairn Energy and ConocoPhillips for US\$196M carry + cash in 2013
- Basin opening FAN-1 and SNE-1 oil discoveries 2014
- SNE ranked as worlds largest oil discovery in 2014
- 7 successful wells drilled to date
- President is a petroleum geologist!



FAN-1 and SNE-1 opened up Senegal



- **Basin opening** FAN-1 and SNE-1 oil discoveries 2014
- **5 successful SNE appraisal wells** drilled to date
- **100% drilling success to date**
- Cairn Energy (operator) NPV of **US\$12.5/bbl** at project FID (2018/19) and US\$70/bbl oil price*
- **Major gas discoveries** made in 2015/16 offshore Northern Senegal / Southern Mauritania
- **BP farm-in** to Kosmos acreage introduces a large IOC to the basin
- Global hot spot for exploration



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

SNE Field geological setting and discovery well



WEST

FAN-1

SNE-1

EAST

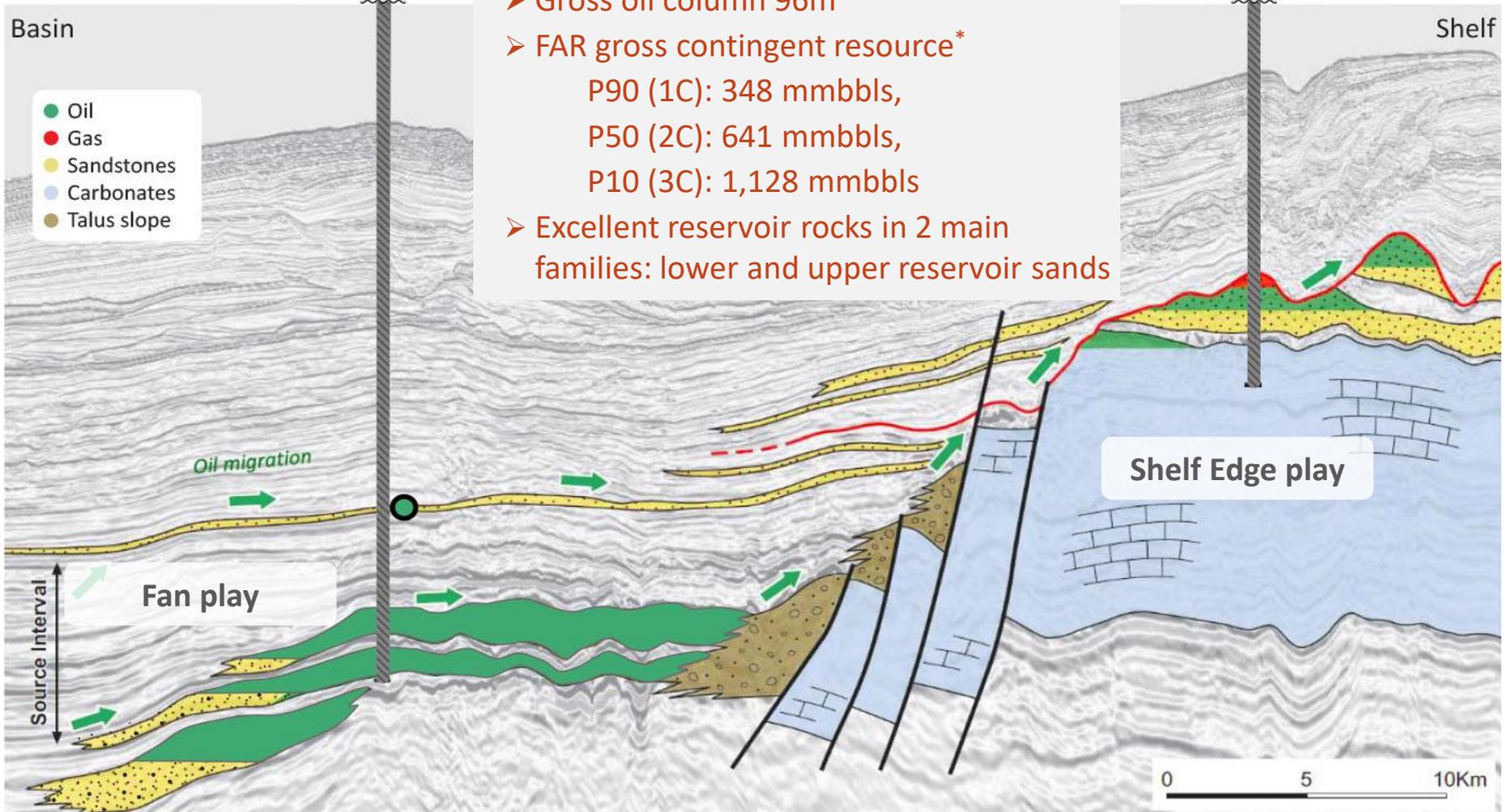
Basin

Shelf

- Oil
- Gas
- Sandstones
- Carbonates
- Talus slope

SNE-1 oil discovery (Nov 2014)

- Oil gravity 32 degrees API
- Gross oil column 96m
- FAR gross contingent resource*
 - P90 (1C): 348 mmbbbls,
 - P50 (2C): 641 mmbbbls,
 - P10 (3C): 1,128 mmbbbls
- Excellent reservoir rocks in 2 main families: lower and upper reservoir sands

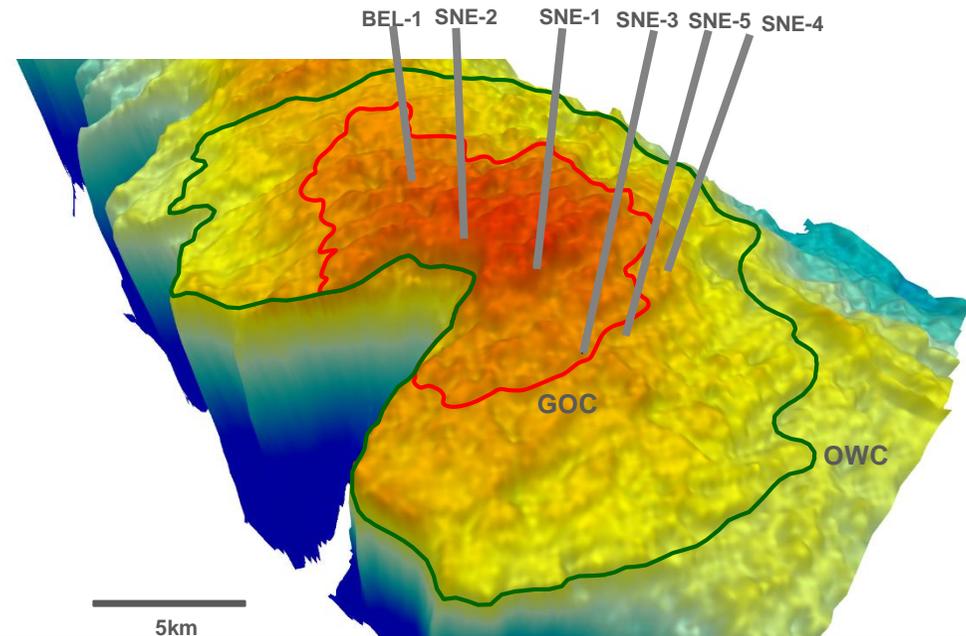


*Reference FAR ASX releases dated 13 Apr 2015 and 23 August 2016, best estimate, gross resources, 100% basis, oil only

SNE Field appraisal program



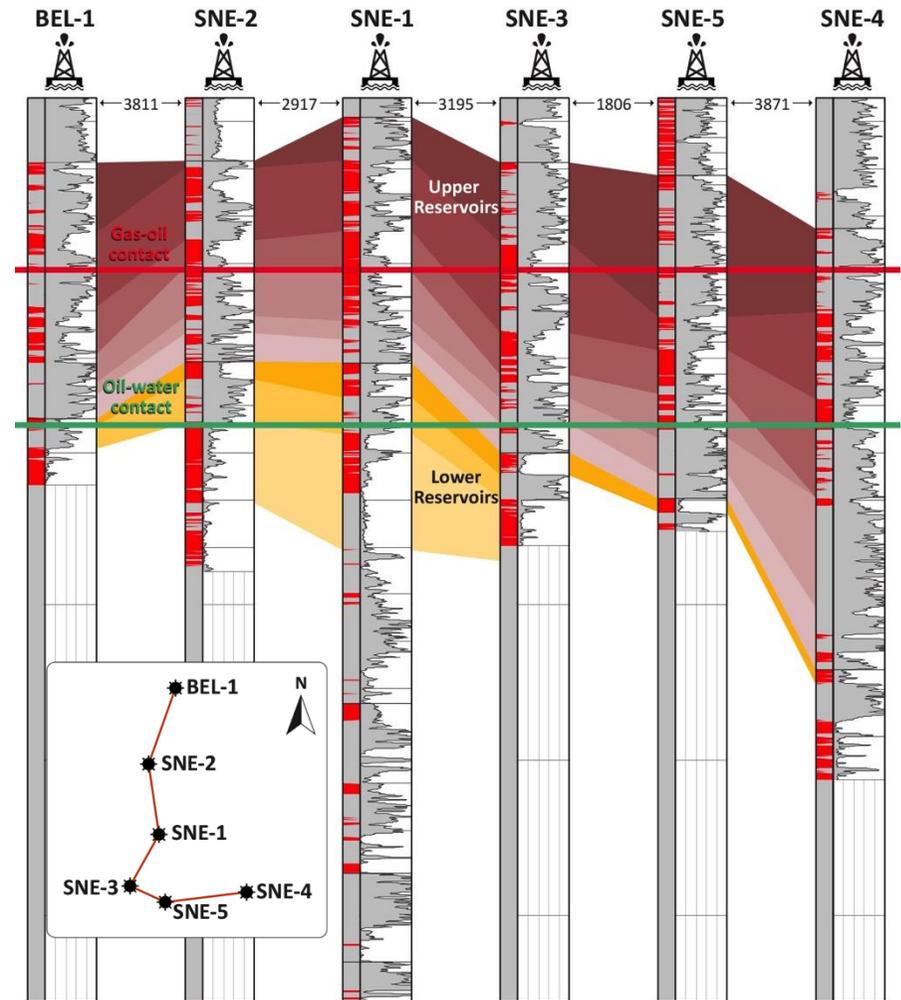
- Four appraisal wells drilled in the 2015/16 campaign (SNE-2, SNE-3, BEL-1, SNE-4)
- Three wells planned for 2017 campaign (SNE-5, VR-1, SNE-6)
- Currently mobilizing rig to VR-1 location
- **Objectives of the appraisal program**
 - **Size** of oil pool
 - Test reservoir properties and **deliverability** from logging, coring and testing
 - Measure field **connectivity**
 - Confirm static and dynamic geological models for field



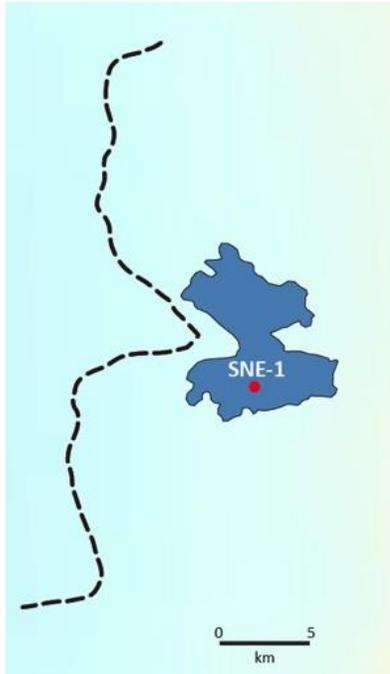
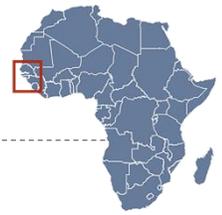
Appraisal results to date



- Drilling programs have been completed safely, efficiently and under budget
- Summary of appraisal accomplishments:
 - ~100m gross oil column across field
 - High quality 32° API oil
 - Correlation of reservoir units
 - Static geological model confirmed
 - Minimum economic field size, MEFS established >200mmbbls
 - Footprint of SNE field > 350km²
 - DST's conducted on SNE-2, SNE-3, SNE-5 prove deliverability of reservoirs
 - 2017 well results expected to lead to increase in resource estimates

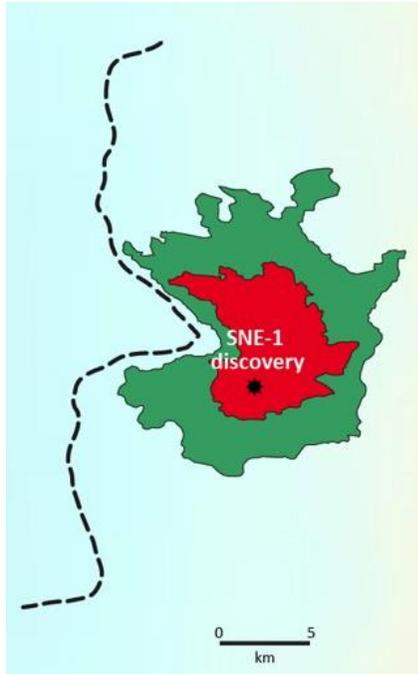


Size of the SNE oil pool



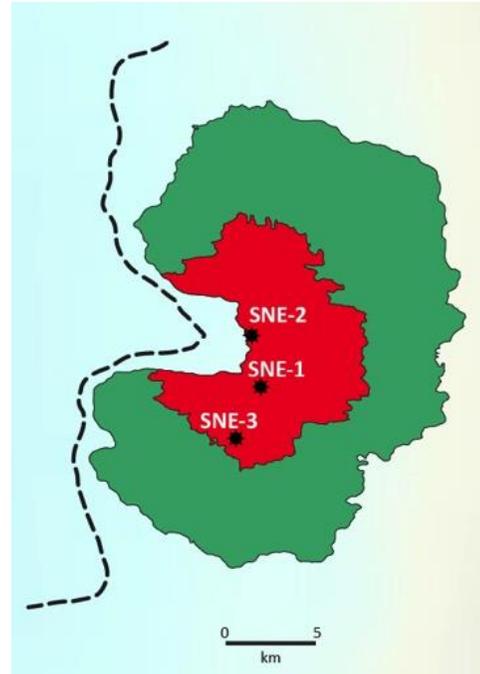
Pre-Drill
(Oct 2014)

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



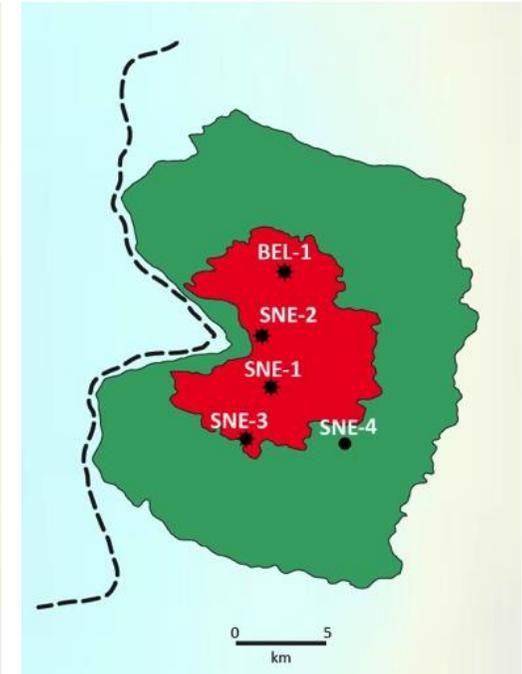
Post discovery
(Nov 2014)

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



Main reservoirs flowed at commercially viable rates

SNE-2 lower and upper reservoir units

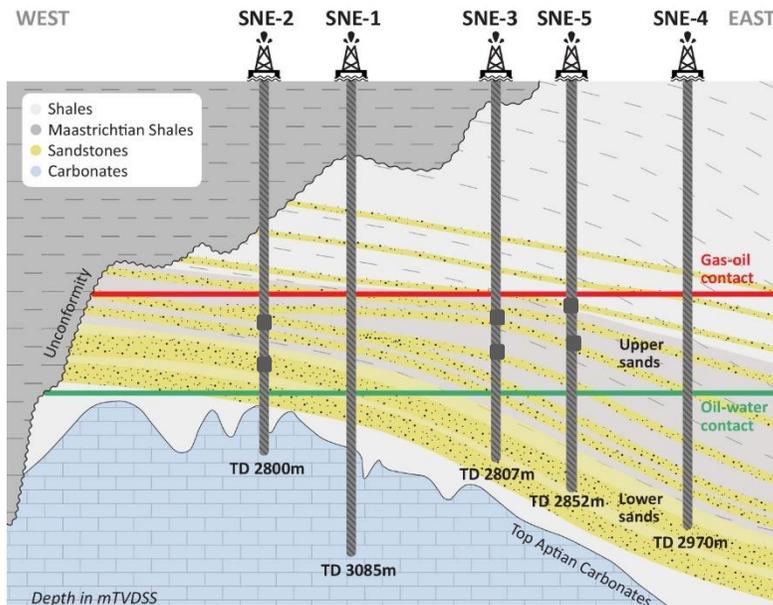
- Gross 12m lower sands: 8,000 bopd through 3/4" choke (stabilised constrained flow)
- Gross 15m upper sands: 1,000 bopd through 3/8" choke (unstabilised)

SNE-3 tested upper reservoir units

- Gross 15m: 5,400 bopd max flow / 4,000 bopd through a 7/8" choke (stabilised)
- Gross 20.5m (2 zones): 4,500 bopd co-mingled through a 7/8" choke (stabilised)

SNE-5 tested upper reservoir units

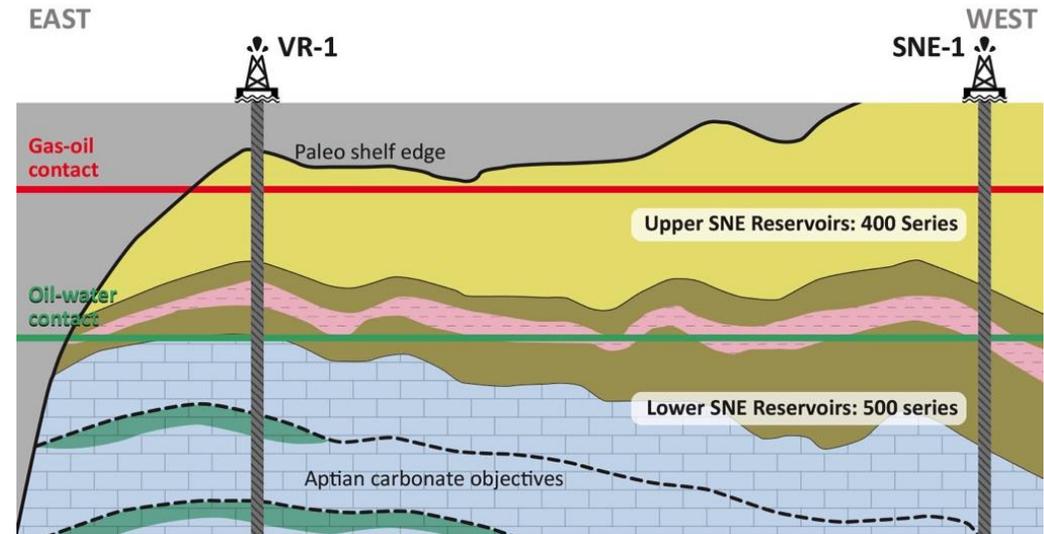
- Gross 18m (S480): Maximum rate 4,500 bopd, stabilized rate 2,500 bopd on 40/64" choke, and 3,000 bopd on 56/64" choke – 24hr each test
- Additional 8m perforated (S460): Maximum rate 4,200 bopd, average stabilised rate 3,900 bopd on 64/64" choke



VR-1 well



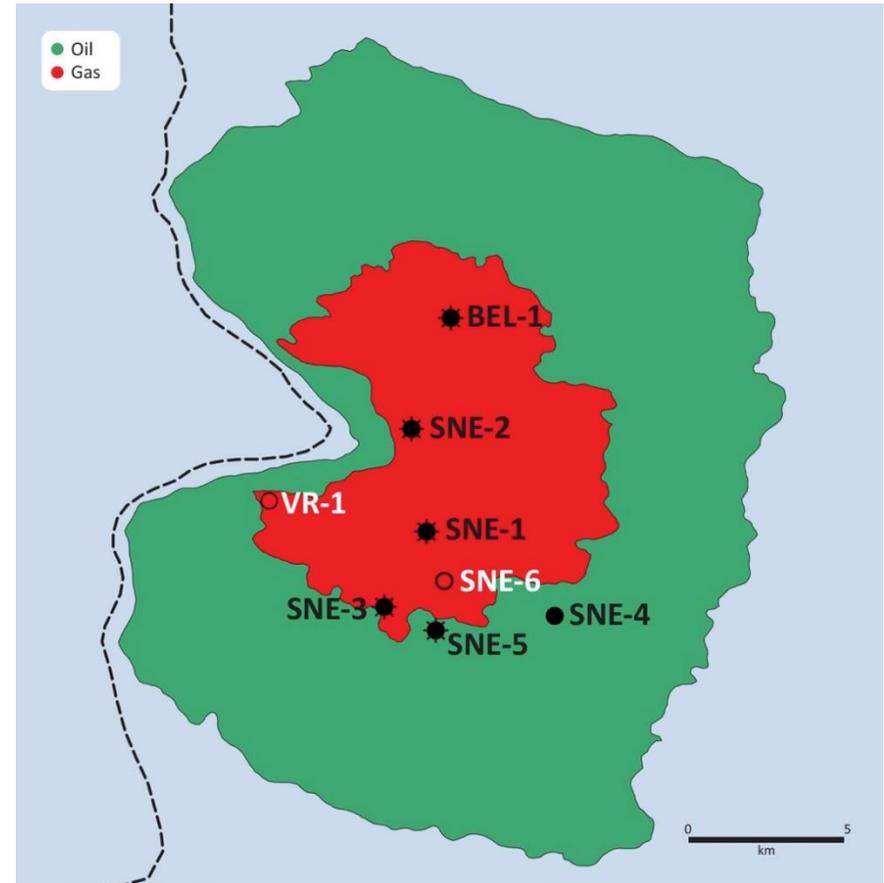
- Drilling to commence on completion of operations at SNE-5
- VR-1 to be logged but no DST
- VR-1 well has two objectives:
 - **Appraise the upper and lower sands in the west of the field**
 - Seismic reprocessing indicates potential for increased thickness of oil-bearing lower sandstones at this location
 - Potential to add material barrels to phase 1 development (1C estimate)
 - **Secondary objective is to deepen into the undrilled Aptian play** – high risk but inexpensive to deepen well and potentially large volume



SNE-6 well



- Plan to drill following VR-1 well
- SNE-6 to be flow tested and used as a pulse well for the interference test across the field (SNE-3 and SNE-5 to be used as listening wells)
- Final location for SNE-6 to be decided after full results of SNE-5 are understood
- Objectives of the wells:
 - Confirm **connectivity** of the upper reservoirs
 - Confirm deliverability of the upper reservoirs
 - Confirm dynamic geological model for the field
 - Collect data required to optimise the field development plan



Efficient drilling, costs coming down



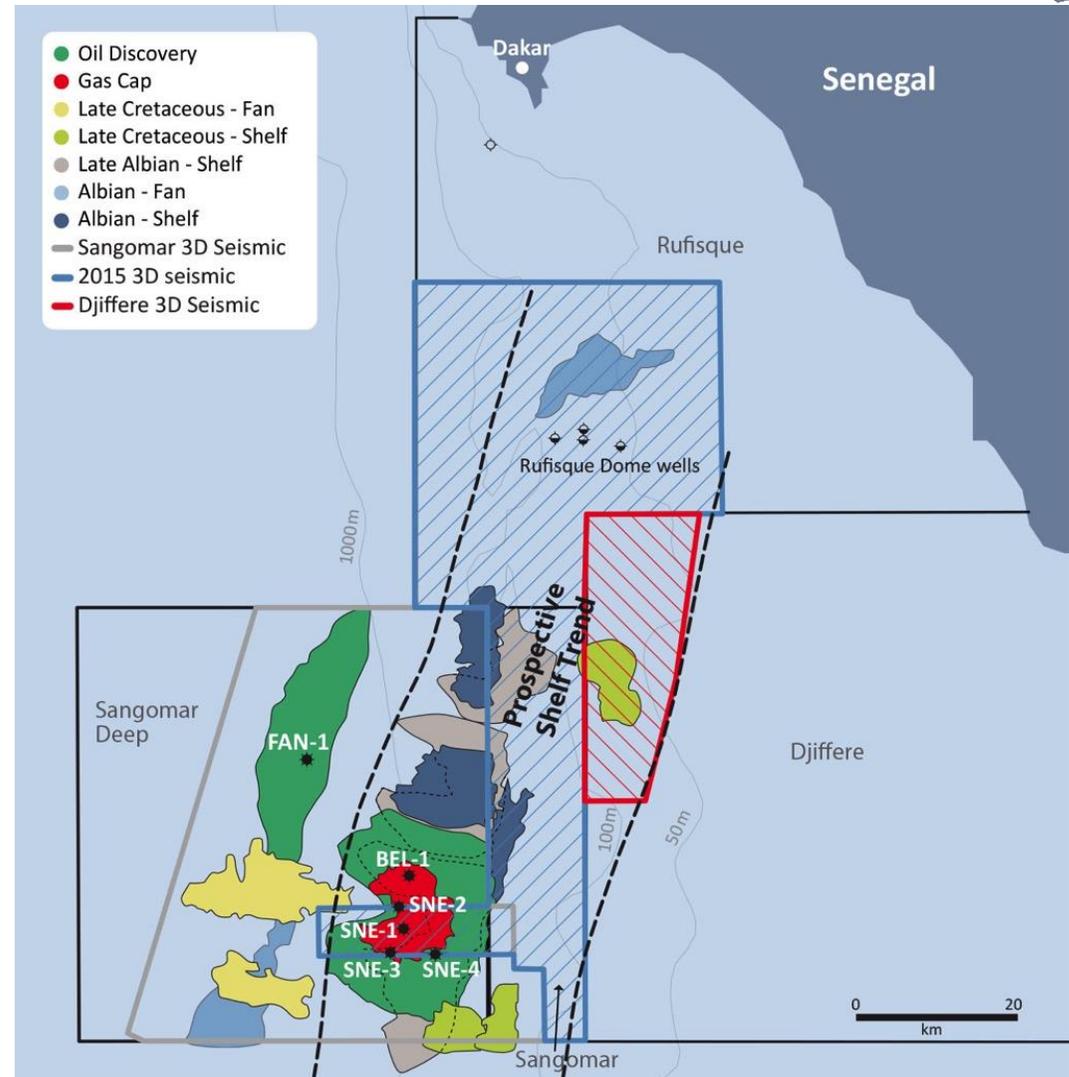
- Currently using the Stena DrillMAX – a 6th generation, dual mast, dual BOP drill ship
- SNE-5 well drilled **21 days ahead of plan**
- Expect similar performance on VR-1 and SNE-6 wells
- Incremental cost to FAR of adding VR-1 well to the program is A\$2-3M
- Daily rig rates reduced by 70% since first drilling campaign in 2014



Large potential upside in the RSSD acreage



- **500m** of oil intersected in the FAN-1 well – **prolific, oil source rock**
- New **2015 3D seismic shot** along shelf edge trend from SNE
- **Extensive portfolio of exploration prospects** with >1bn bbls potential* updated Feb 2017

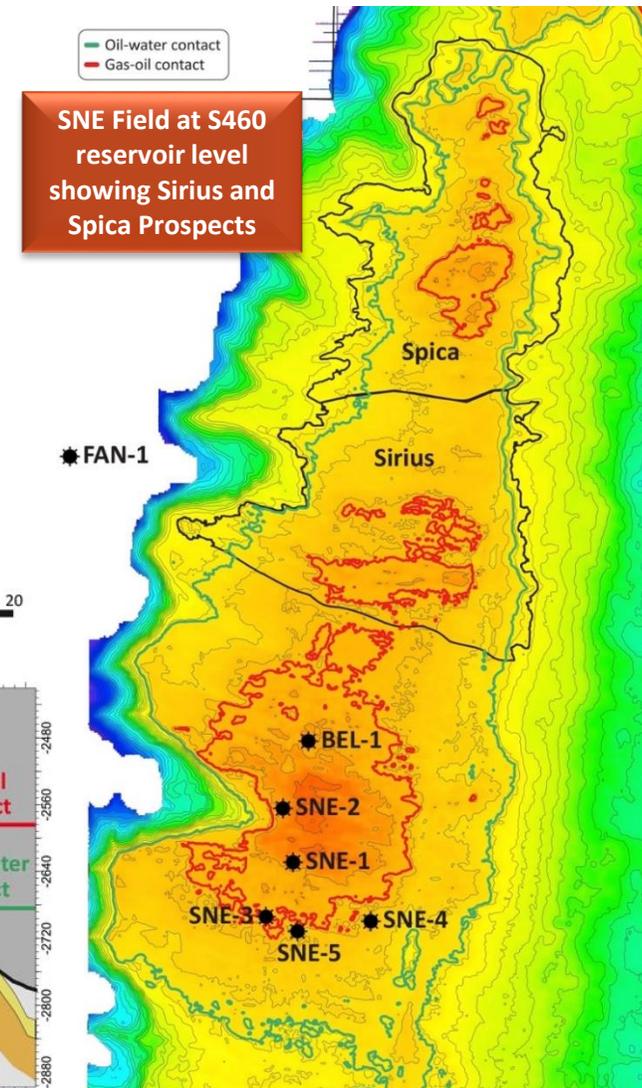
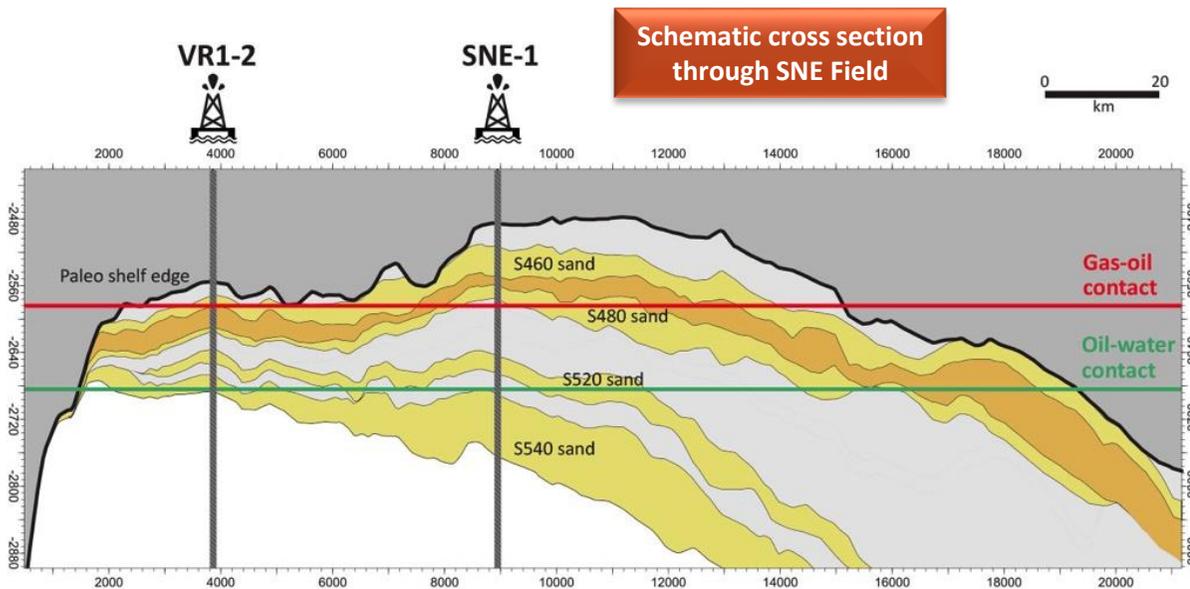


*Reference FAR ASX release dated 7 February 2017, : gross, unrisked, recoverable, best estimate of prospective resources, oil only

Upper sands important for undrilled prospects



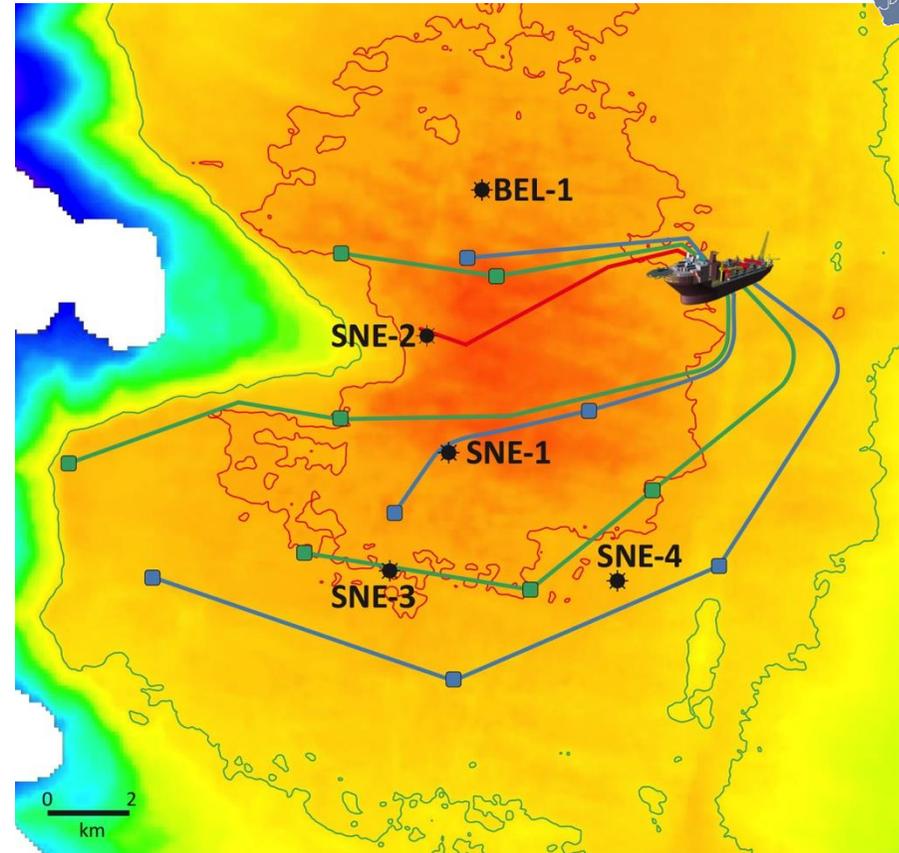
- SNE-5 well tested 2 upper sands units (S480 and S460 reservoirs)
- S460 was previously an untested upper sand unit and showed good reservoir properties and deliverability in SNE-5
- Map at this level shows confidence in Sirius and Spica prospects has increased due to successful test in S460



SNE development and tie back concept



- **Standalone FPSO:** planned expansion capability for 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:** rate expected to be ~140,000 bopd
- **FAR Phase 1 development:** 349 mmbbls
- FAR phase 1 development has:
 - 22 producing wells
 - 18 water injection wells
 - 1 gas injection well plus re-entry into SNE-2
- 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

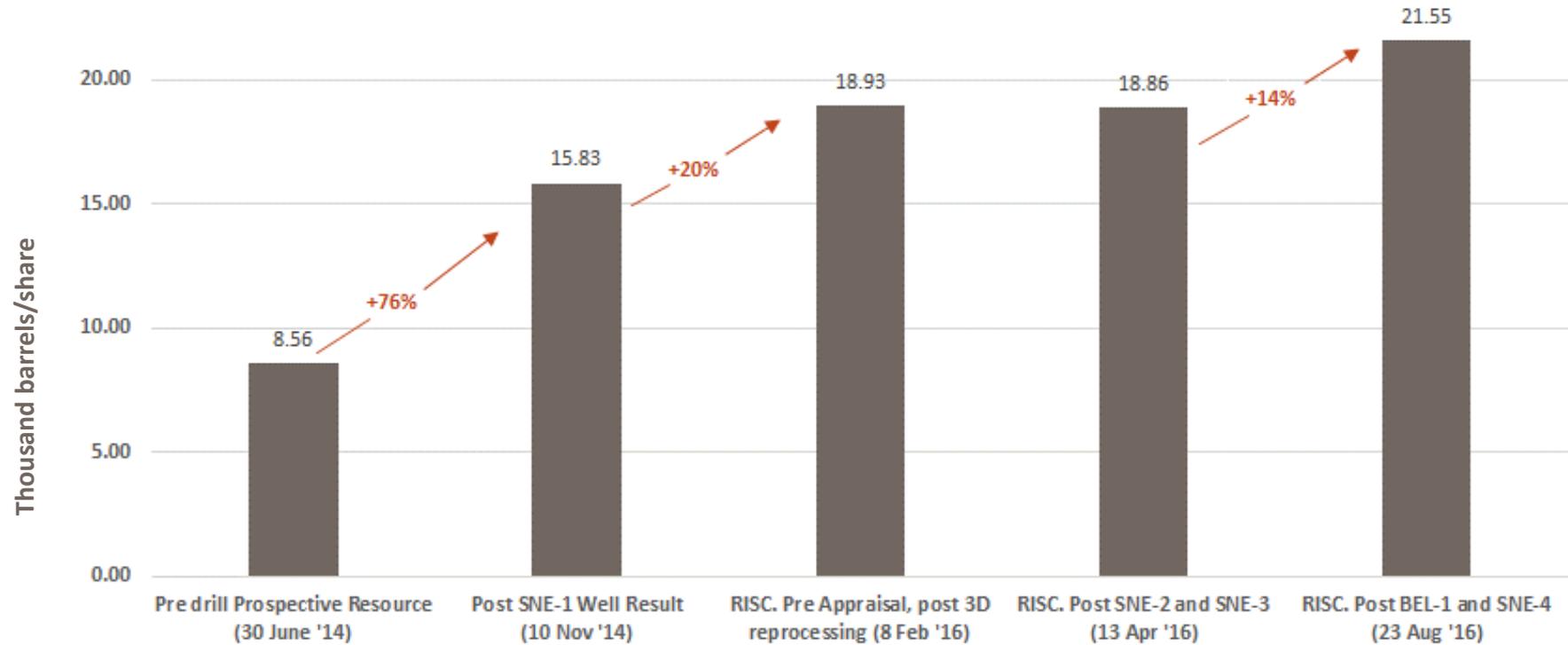
Flow lines and manifolds

- Oil
- Gas
- Water

FAR resource value creation



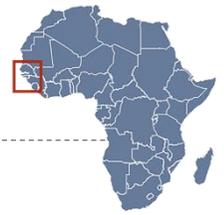
Number of barrels of oil attributable to FAR per share has grown



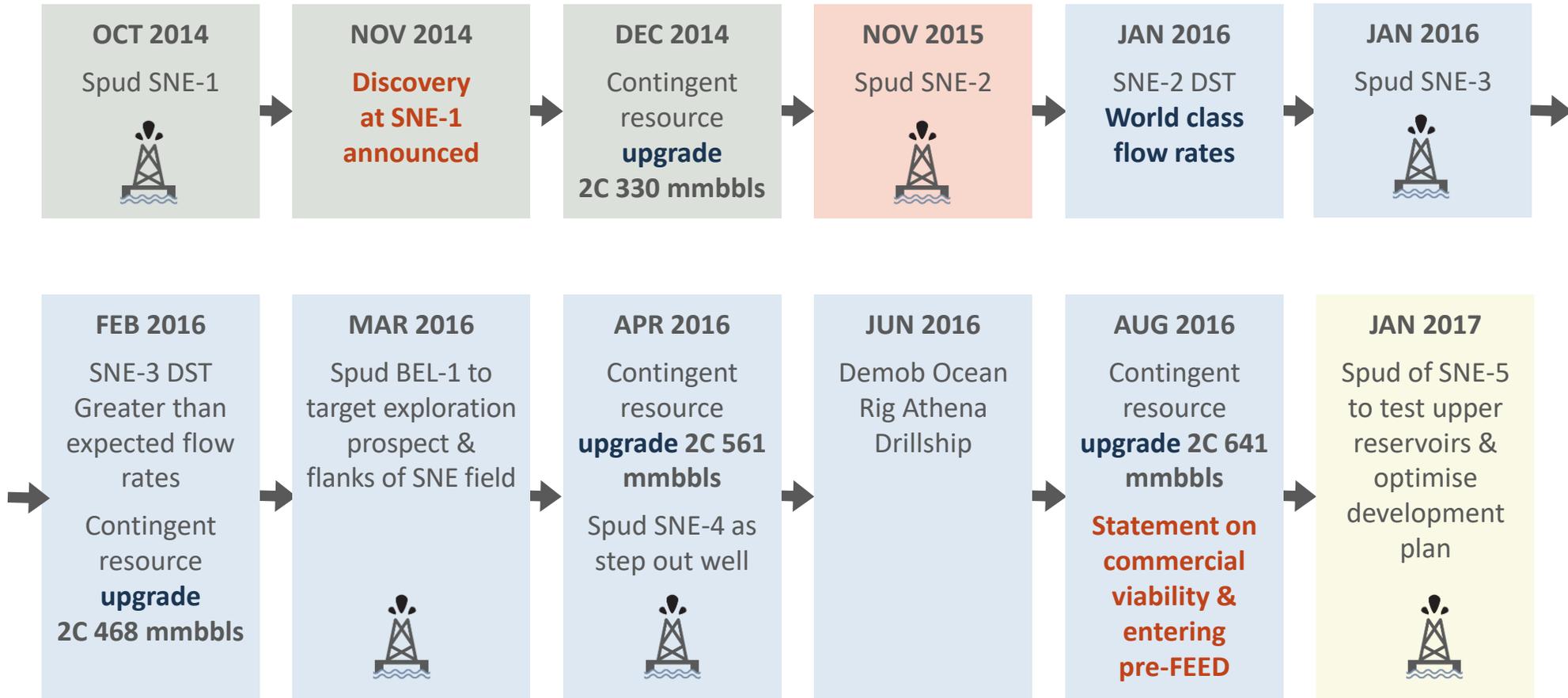
FAR has grown its SNE net 2C contingent resource per share by 2.5x from its pre-drill P50 prospective resource estimate adjusted for capital expansion over the period since discovery

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SNE story so FAR



21 months from discovery to statement of commerciality



Next 12 months in Senegal

- Finalise results from **SNE-5**
- Drilling **VR-1** appraisal and exploration well
- Conduct interference test by pulsing from **SNE-6**
- Drilling VR-1 followed by SNE-6 expected to be **completed by mid year**
- JV to agree possible **exploration well** to drill in current campaign
- **Upgrade in contingent resource** estimate for SNE
- Finalise **Phase 1 development** concept
- **Certification of reserves** for SNE
- **Submission of development plan** for approval
- **Active new ventures program** – focus on the NW African margin



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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.