

21 February 2022

# ASX Announcement & Media Release

## Gambia project update

FAR Limited (ASX: FAR) has completed a review of the prospectivity of the A2 and A5 blocks offshore The Gambia, following the Bambo drilling campaign in late 2021.

The drilling and logging data obtained on the main well (Bambo-1) and the side-track well (Bambo-ST1) confirmed both the presence of a prolific oil source in the area and that oil shows encountered whilst drilling were persistent over several hundred metres, confirming key reservoirs had access to this oil-generative kitchen.

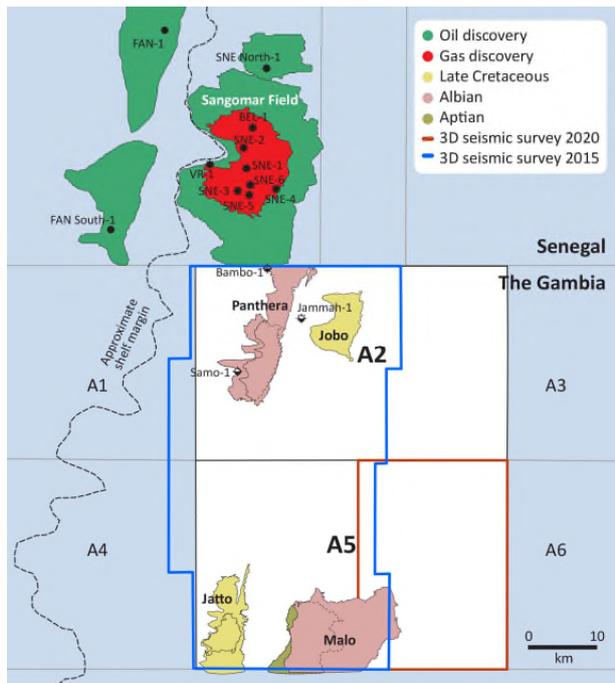


Figure 1. Updated Block A2 and A5 prospects map

The Soloo prospect S440 and S410 objectives in the Bambo drilling campaign were found to have indications of hydrocarbons, but no significant oil volumes have been interpreted in the southern extension of the Sangomar Field in the A2 Block.

However, oil shows in the Bambo prospect S390 and S400 reservoirs, encountered in the Bambo-1 and Bambo-ST1 wells have highlighted up dip potential at both those levels in the A2 Block. These prospective target intervals form the new Panthera prospect.

Further mapping of the potential oil-bearing reservoirs has opened additional, material exploration opportunities and FAR has high-graded three of the four mapped prospects for potential drilling: Panthera, Jatto and Malo. These three high-graded prospects each house multiple potential oil-bearing reservoir targets. The location and size of these prospects are shown in Figure 1.

Prospect	Low estimate P90 (mmbbl)	Best estimate P50 (mmbbl)	High estimate P10 (mmbbl)	CoS%
Panthera	209	459	864	29
Jatto	249	464	811	26
Malo	128	389	885	22
Jobo	135	282	505	29
<b>TOTAL PROSPECTS</b>	<b>721</b>	<b>1594</b>	<b>3065</b>	

Table 1. Gambia Block A2 and A5 Prospective Resource volumes (unrisked, recoverable resources, 100% equity basis)\*

\* The total volume for each prospect has been calculated as the arithmetic sum of the volumes for each target level. These volumes have been derived by FAR and have not yet been reviewed by the Joint Venture. The CoS (geological Chance of Success) for each prospect are a pro-rated average of each internal target CoS for that prospect. Refer to Disclaimers on P 3.

Evaluation of samples taken from the drilling program remain under laboratory analysis and further work on mapping the deeper oil-bearing reservoirs is ongoing.

FAR will now commence a farm-down of its interest in blocks A2 and A5 and in doing so, seek a carry on the cost of a well for drilling in late 2023 and a contribution to FAR's past costs.

#### **Future work program and budget for The Gambia project**

Following the drilling of the Bambo wells, FAR, as Operator of the Joint Venture, is revising the work to be undertaken in 2022 and accordingly, the budget for the works. The current, Joint Venture approved 2022 budget is US\$9.56 million (50% to the account of FAR and 50% to co-venturer, Petronas) and FAR expects to reduce this by approximately 40% to US\$5.7 million for the 2022 year. This will require review and voting for the amended work program and budget by the Joint Venture which is scheduled for March. Petronas are supportive of reducing the 2022 budgeted expenditure.

#### **FAR in The Gambia**

In 2017, FAR acquired a working interest and operatorship in two highly prospective offshore blocks, A2 and A5, offshore The Gambia, located on trend with and adjacent to the giant Sangomar Oil Field offshore Senegal. Blocks A2 and A5 have been assessed to contain substantial prospective resources. FAR is Operator and holds a 50% paying and beneficial interest in blocks A2 and A5, with co-venturer, Petronas.

During the quarter ending 31 December 2021, FAR concluded the drilling and formation evaluation operations for the Bambo-1 well and Bambo-1ST1 sidetrack well in Block A2, offshore The Gambia (*refer FAR ASX announcement 23 Dec 2021*).

Bambo-1 was initially drilled to a depth of 3216m MDBRT (measured depth below rotary table) and wireline logging data was obtained. The Bambo-1 well was then plugged and the Bambo-1ST1 (side-track) well drilled to a depth of 3317m MDBRT after which wireline logging was conducted.

The side-track well was planned to be drilled to the final total depth through all target reservoirs and also to intersect zones of interest from the main well in a different location which will provide additional data and to sample potential oil. Interpretation of the cuttings and wireline logging information indicates that these zones have been charged with oil in rather poor-quality reservoirs and in traps that might have been breached, leaving behind some residual oils in the reservoirs.

The side-track well also intersected oil shows in the Soloo Deep units not previously encountered by the original well or other wells in the area. The oil shows encountered were persistent over several hundred metres of section.

The drilling operations of the Bambo-1 well and Bambo-1ST1 side-track well were conducted safely and within the amended budget. The well and side-track have subsequently been plugged and abandoned consistent with the planned well abandonment program.

The well fulfils the minimum work obligation of drilling one exploration well for the Initial Exploration Periods for both the A2 and A5 Licences and hence FAR and its co-venturer have the right to enter the next period (First Exploration Period) for each of the licenses on expiry on 30 September 2022.

## Disclaimers

*The resources estimate presented in this report have been prepared by the Company in accordance with the definitions and guidelines set forth in the Petroleum Resources Management System June 2018, approved by the Society of Petroleum Engineers and have been prepared using probabilistic and deterministic methods.*

**Prospective Resources** - Prospective Resources relate to undiscovered accumulations. The estimated resources represent those volumes which may potentially be recovered by the application of a future development project(s). 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. The Best Estimates in each case represent that, in the case of a successful discovery, there is a 50% probability that the resource volume will be in excess of the amounts reported. The resource estimates are unrisks and have not been adjusted for the chance of discovery or chance of development. The 100% basis and net to FAR Prospective Resource estimates include Government share of production applicable under the Production Sharing Contract or License.

**Competent Person Statement Information** - The hydrocarbon resource estimates in this report have been compiled by Peter Nicholls, the FAR Limited exploration manager. Mr Nicholls has over 40 years of experience in petroleum geophysics and geology and is a member of the American Association of Petroleum Geology, the Society of Petroleum Engineers, 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.

**Forward looking statements** - This document may include forward looking statements. Forward looking statements include, are not necessarily limited to, statements concerning FAR's planned operation program and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward looking statements. Although FAR Ltd believes its expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements. The entity confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning this announcement continue to apply and have not materially changed.

*This announcement has been approved for release by the FAR Limited Board of Directors.*

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