

# The world's largest oil discovery 2014

Melbourne Mining Club  
Cutting Edge Series  
15 March 2016



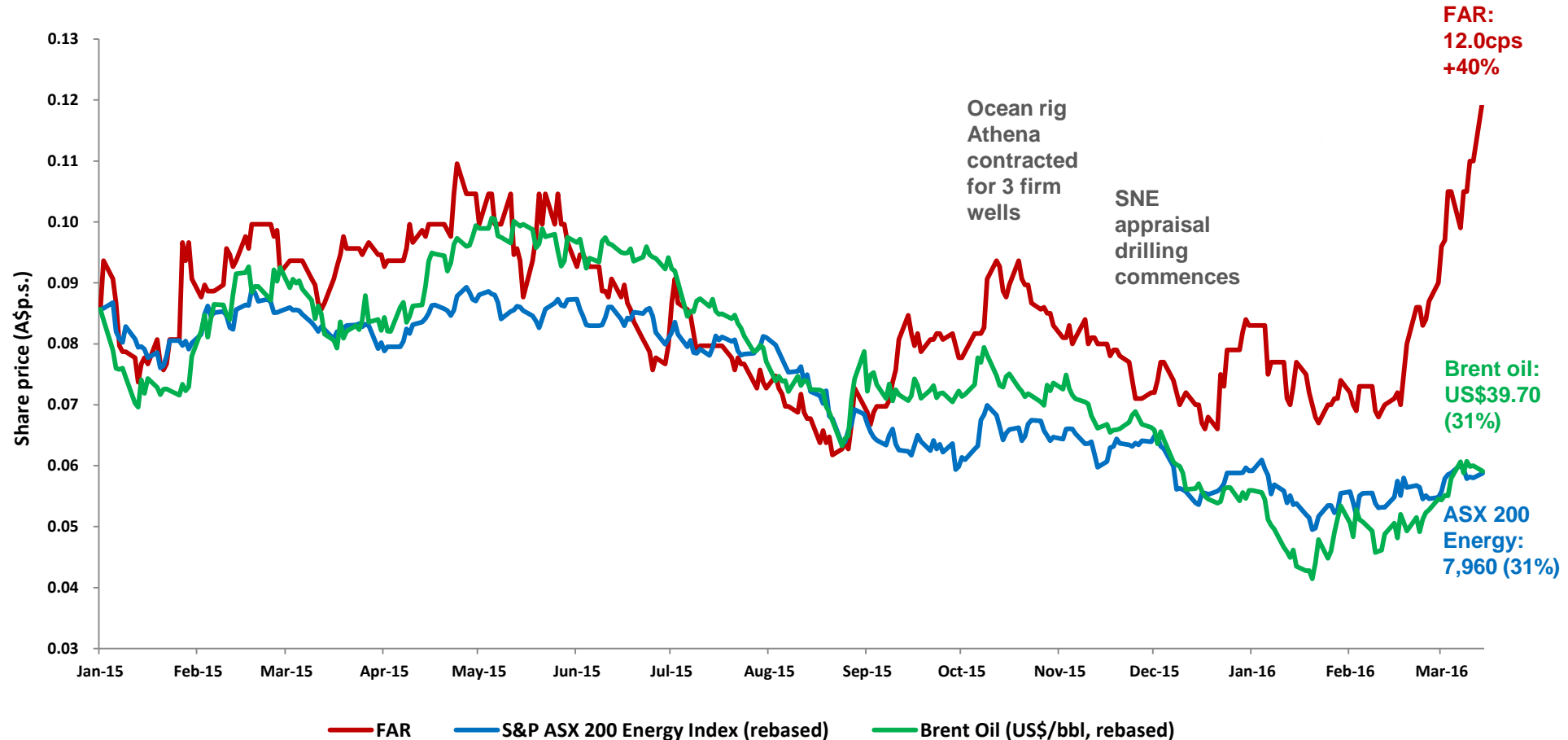
# FAR snapshot

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- Two major basin opening oil discoveries in Senegal in 2014
- SNE Field largest global oil find since discovery in 2014
- SNE Appraisal drilling commenced 2015
- Quality partners in Senegal discoveries: ConocoPhillips, Cairn Energy, Petrosen
- Fifth largest pure E&P on ASX (at 14 Mar 2016)
- Market capitalization A\$440M (at 14 Mar 2016)
- Cash balance: A\$60.7M (31 Dec 2015)
- Experienced team and board



# FAR relative performance

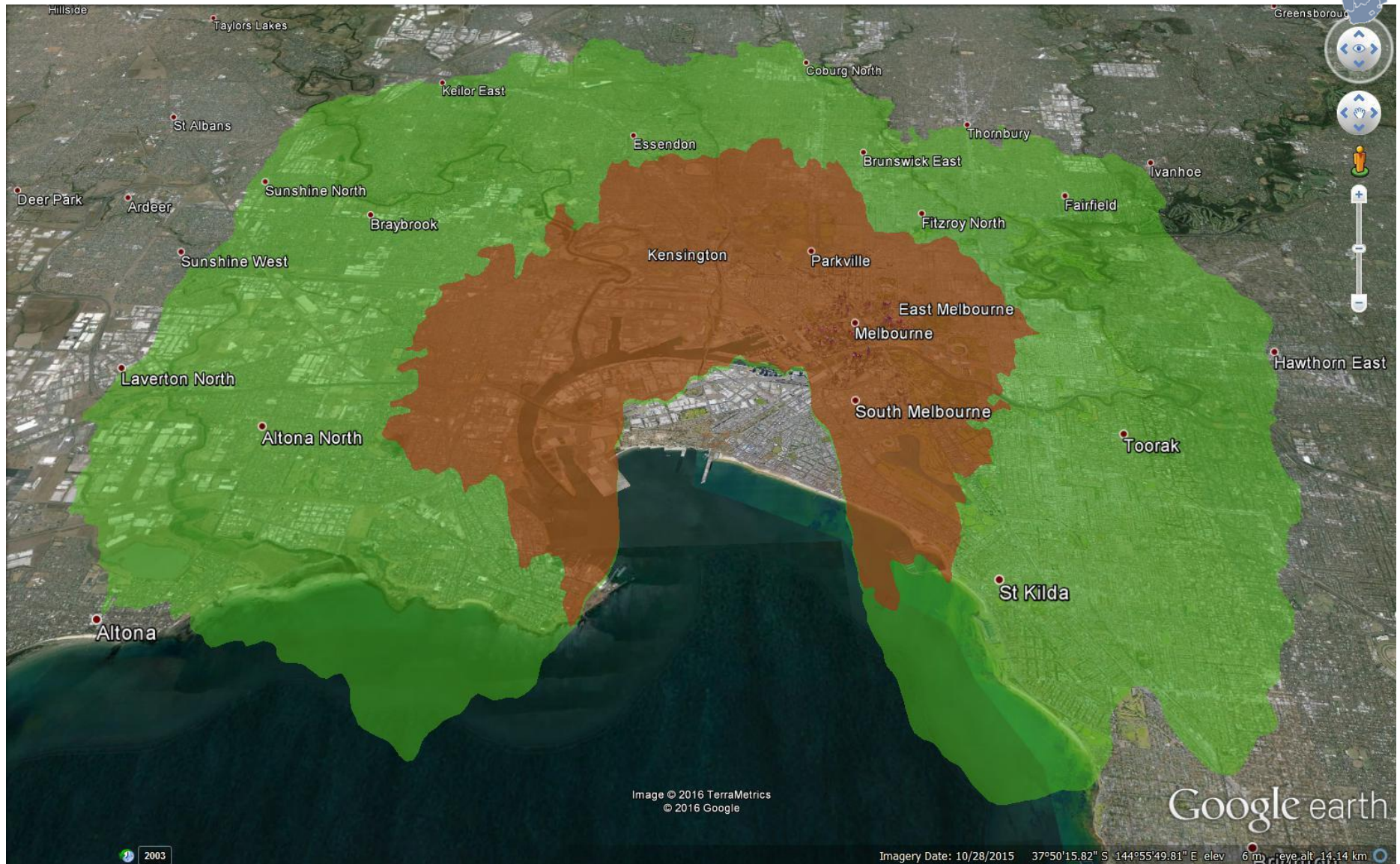


Source: Source: IRESS, trading data as at 14-March 2016

FAR has outperformed its peer group, the S&P ASX 200 Energy Index, and the Brent oil price (1 Jan 15 – 14 Mar 16)



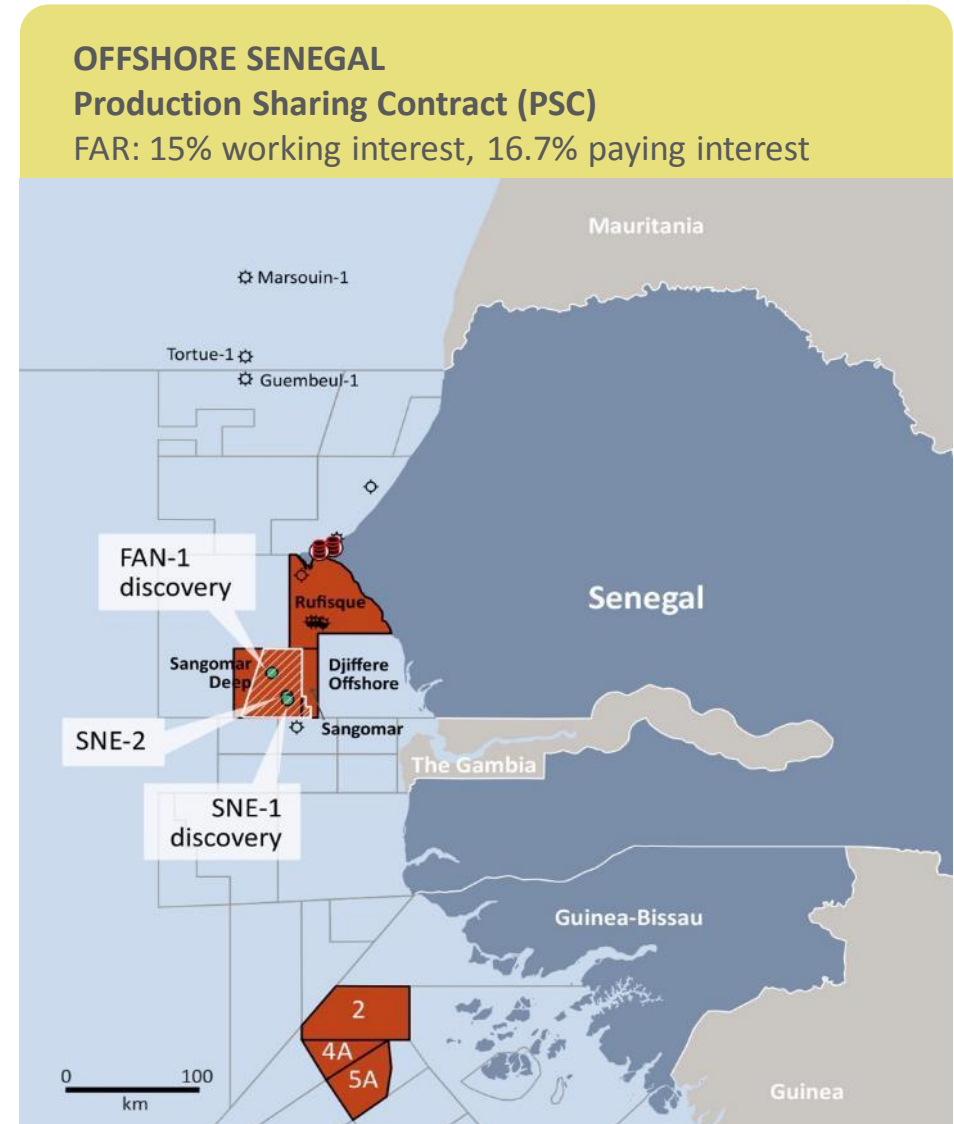
# SNE Oil field footprint > 300 km<sup>2</sup>



# Senegal



- Strong in-country relationships
- Peaceful democracy
- Solid growth: 4.7% GDP in 2014
- S&P sovereign credit rating 'B+/B'
- First offshore exploration wells for 40 years and first in deep water
- FAR farm-out in 2013 for US\$196M carry
- Joint venture partners: FAR 15%, Cairn Energy (Operator 40%), ConocoPhillips (35%) and Petrosen (10%)

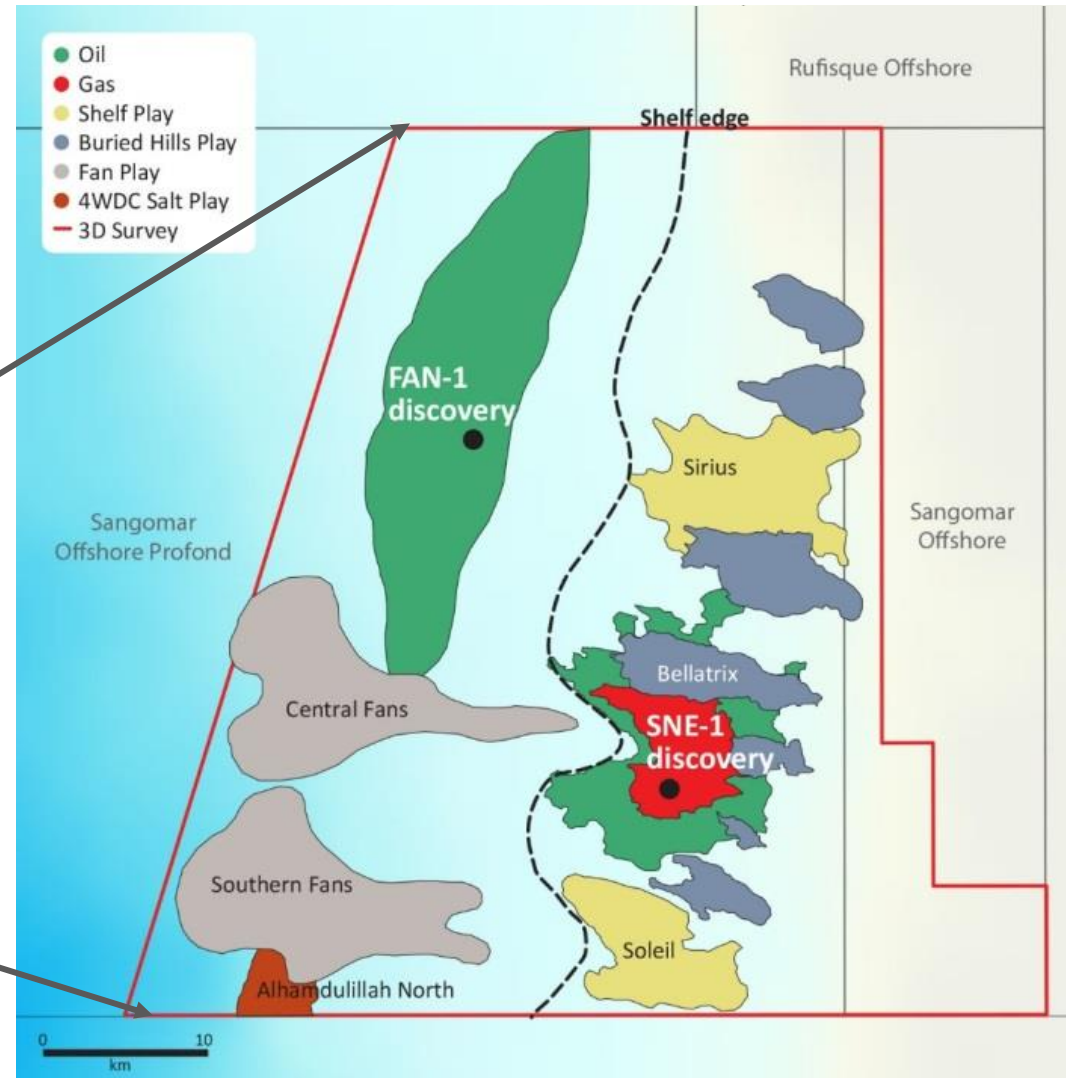
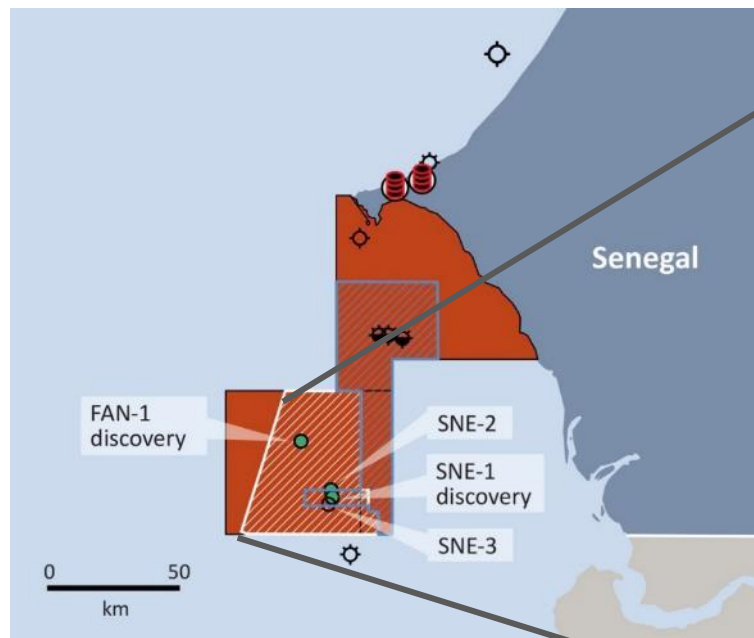




# Senegal prospects and leads



- Contract area 7,490 km<sup>2</sup>
- Over 1 billion barrels of P50 prospective resources yet to be drilled\*



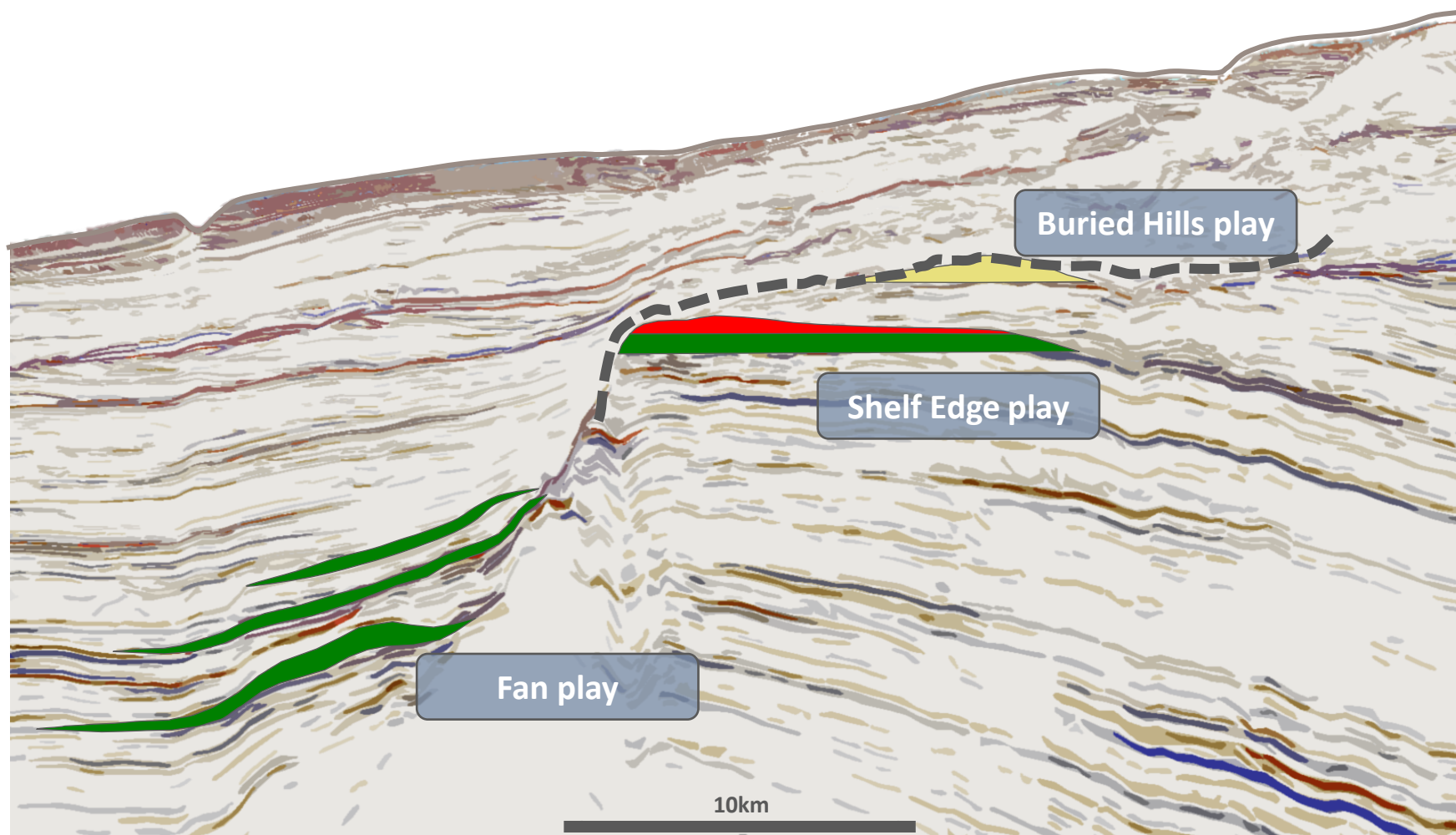
\*Reference FAR ASX releases dated 13 Apr 2015 best estimate, gross, unrisks prospective resources, 100% basis, oil only

# Geological setting



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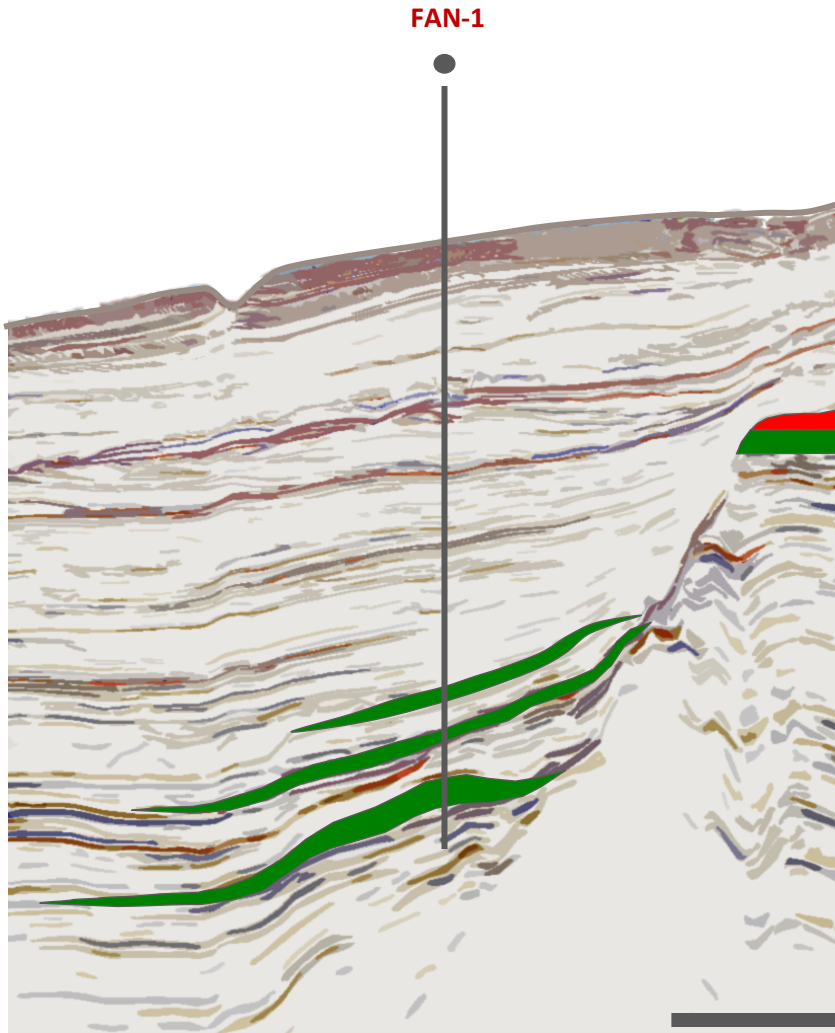
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# FAN-1 Discovery



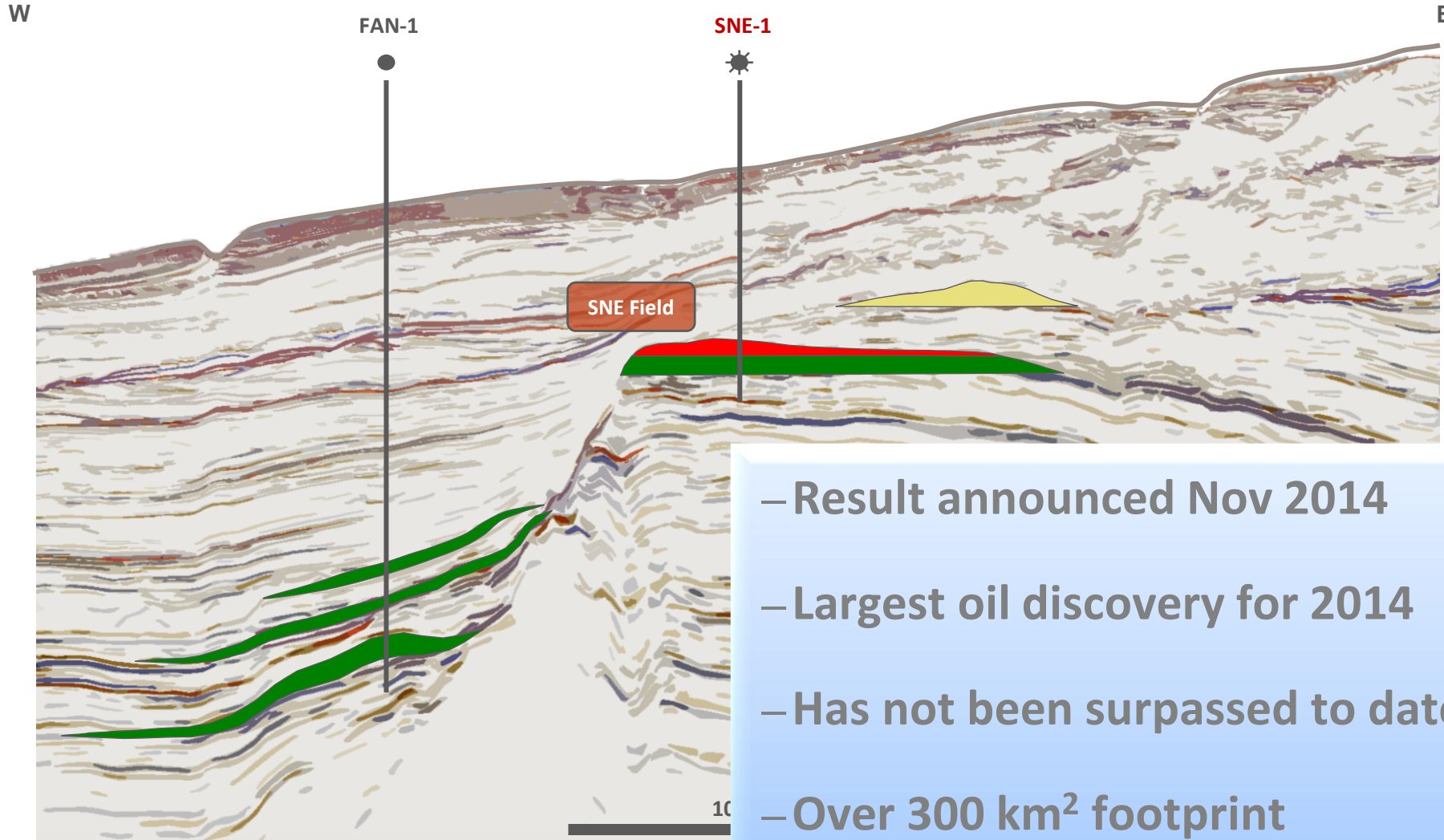
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- FAN-1 well drilled first
- Results announced Oct 2014
- Oil gravity 28-41 degrees API
- Gross oil bearing interval >500m
- Operator gross oil (STOIIP) in place
  - P90: 250 mmbbls
  - P50: 950 mmbbls
  - P10: 2,500 mmbbls
- De-risked future shelf drilling



# SNE-1 Discovery

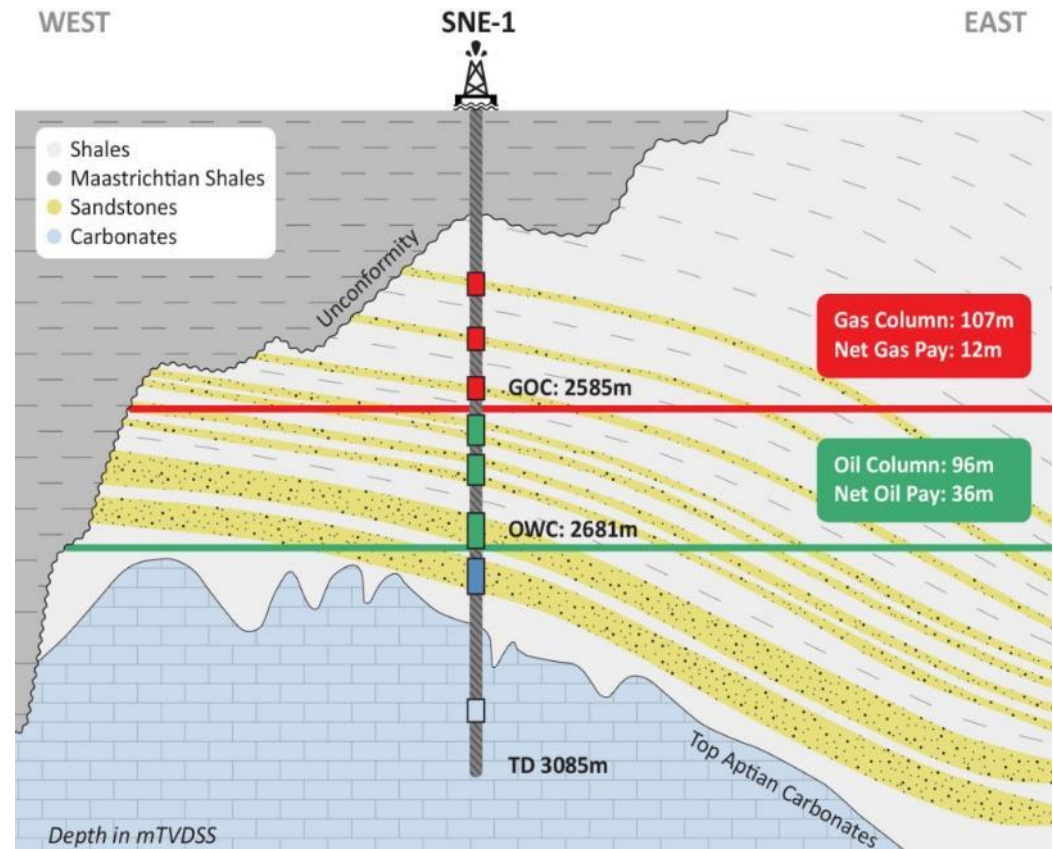


- Result announced Nov 2014
- Largest oil discovery for 2014
- Has not been surpassed to date
- Over 300 km<sup>2</sup> footprint

# SNE-1 oil discovery



- Results announced Nov 2014
- Excellent reservoir
- Oil gravity 32 degrees API
- Gross oil column of 96m (36m net)
- Contingent recoverable resource\*
  - P90 (1C): 150 mmbbls
  - P50 (2C): 330 mmbbls
  - P10 (3C): 670 mmbbls



# SNE Field: Contingent resources updated

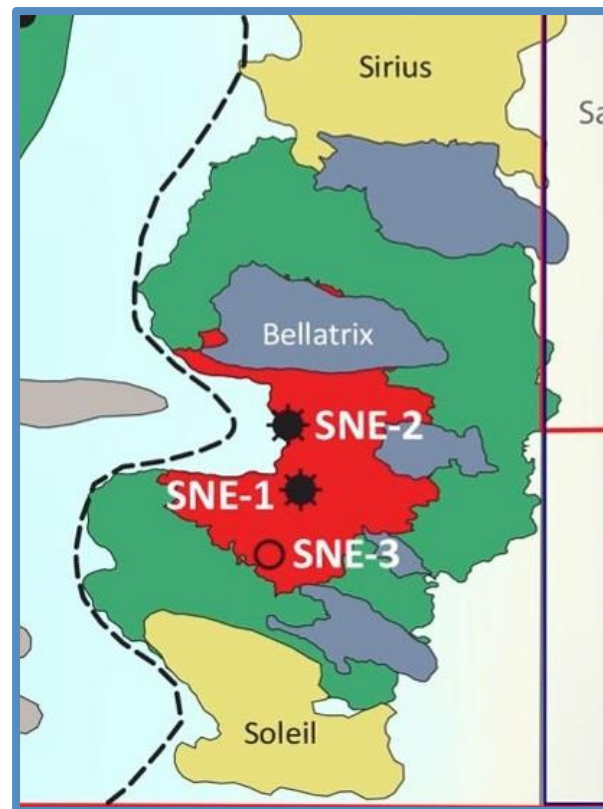


Nov 2014

P90 (1C): 150 mmbbls

P50 (2C): 330 mmbbls

P10 (3C): 670 mmbbls



Feb 2016

**P90 (1C): 240 mmbbls (+60%)**

**P50 (2C): 468 mmbbls (+40%)**

**P10 (3C): 940 mmbbls (+40%)**

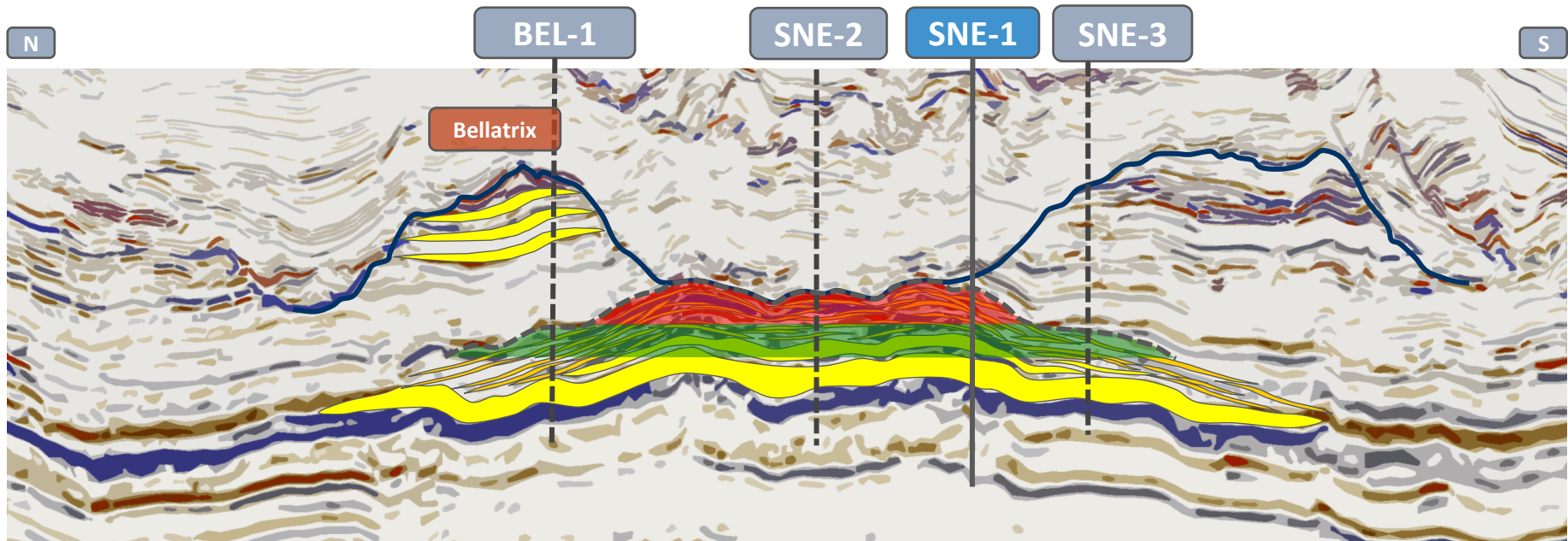
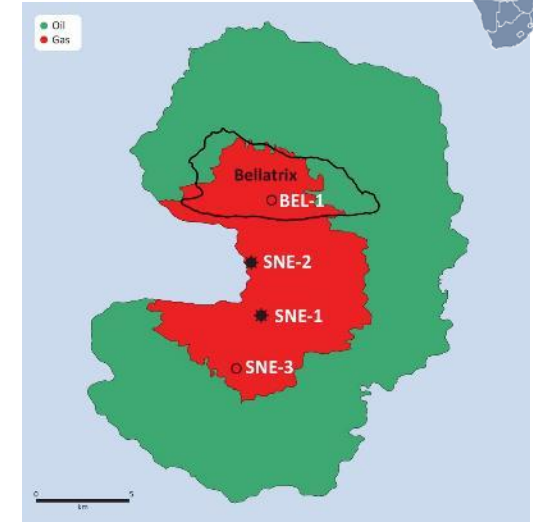


# SNE appraisal well locations



## Objective of wells:

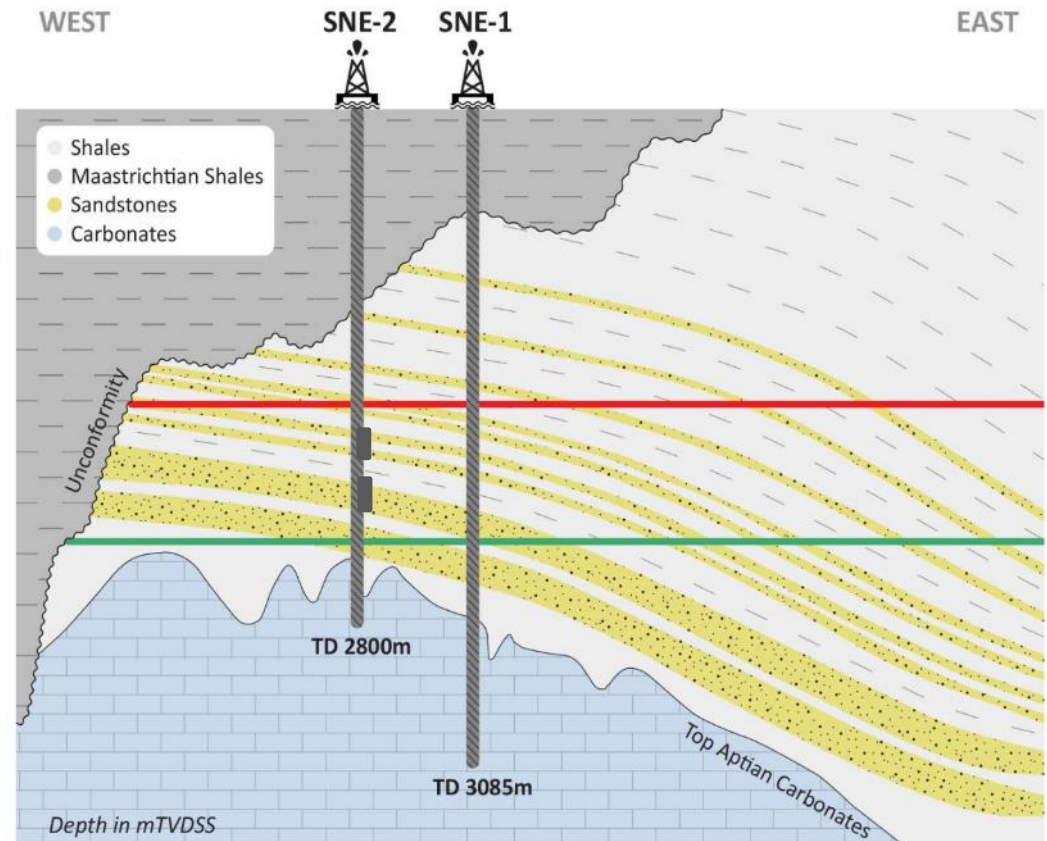
- Size of oil pool
- Test reservoir properties and **deliverability** from logging, coring and testing
- Plan for measuring field **connectivity**



# SNE-2 Appraisal well



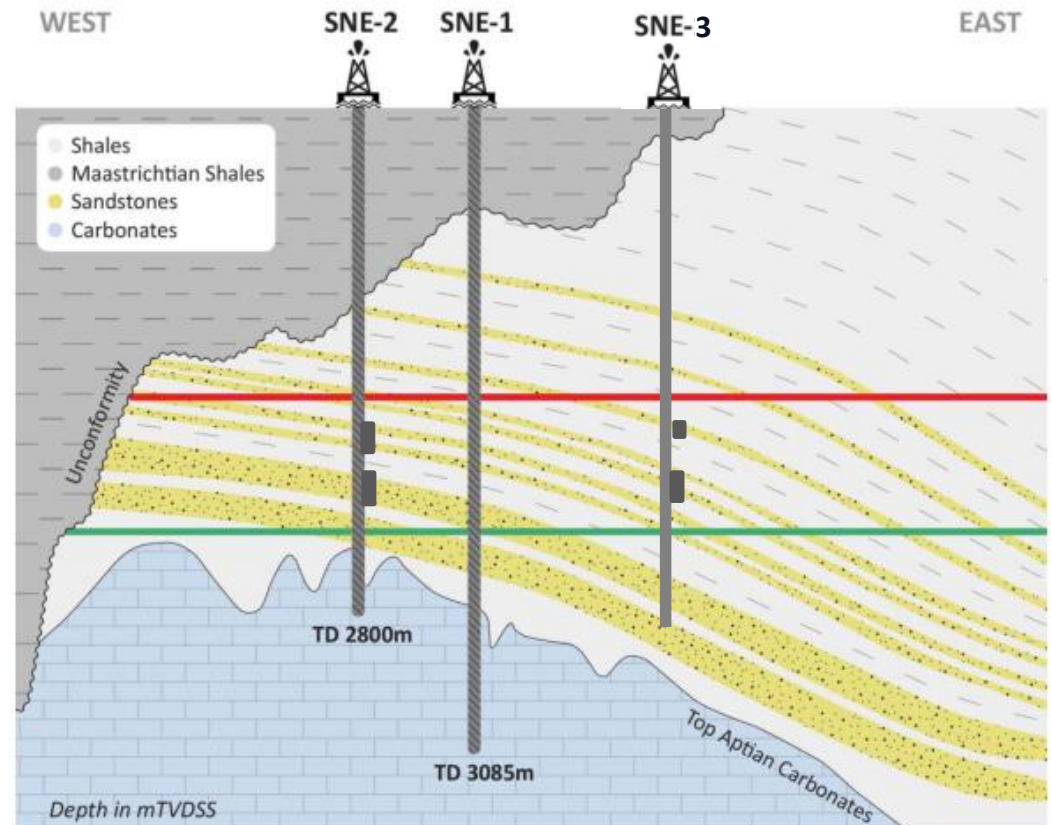
- **Excellent flow from two independent drill stem tests (DST)**
  - Gross 12m zone: 8,000 bopd stabilised and constrained, interpreted flow > 10,000 bopd
  - Gross 15m zone: 1,000 bopd unstabilised
- **Flow considerably greater than prognosis**
- **Confirmed commercially viable flow rates**
- **32 degrees API**
- **Gross oil column of 103m**



# SNE-3 Appraisal well



- Excellent flow from two drill stem tests (DST)
  - Gross 15m zone: 5,400 bopd max and 4,000 bopd stabilised
  - Increased to gross 20.5m zone: 4,500 bopd stabilised
- Flow greater than prognosis
- Confirmed commercially viable flow rates
- 32 degrees API
- Gross oil column of 101m
- Units shallower to prognosis: field larger to the south

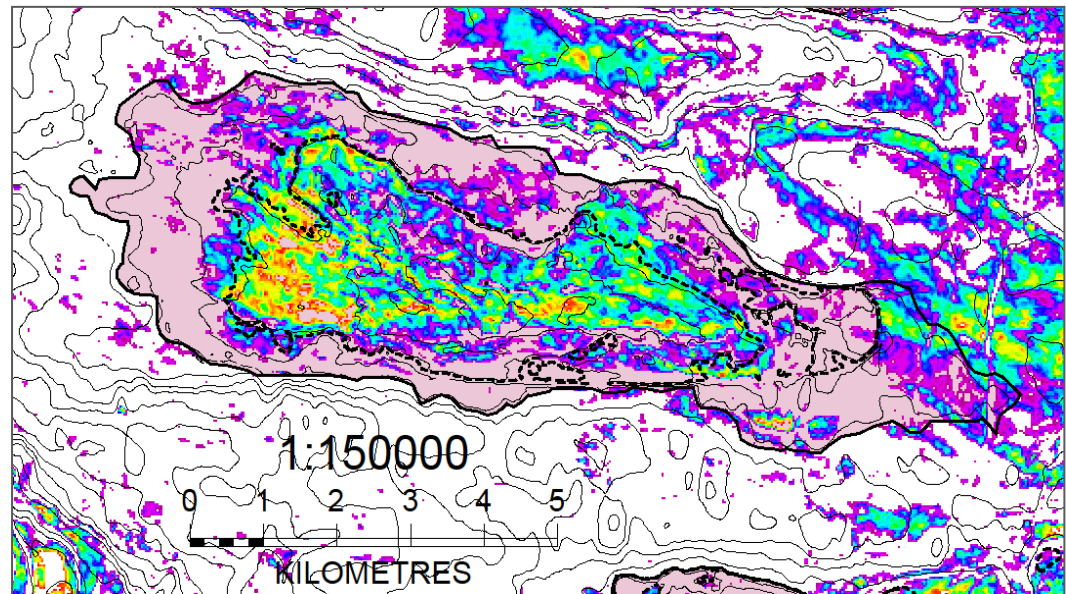
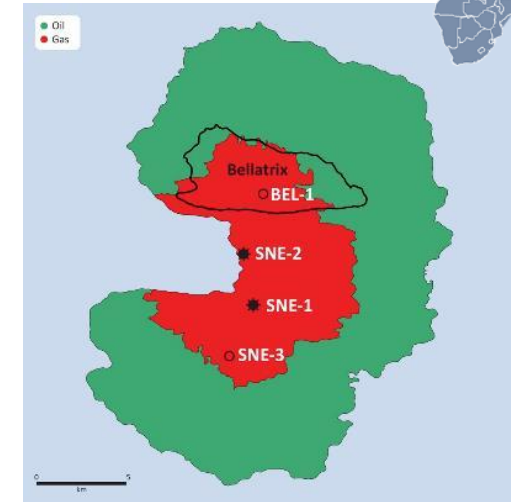




# Bellatrix exploration prospect

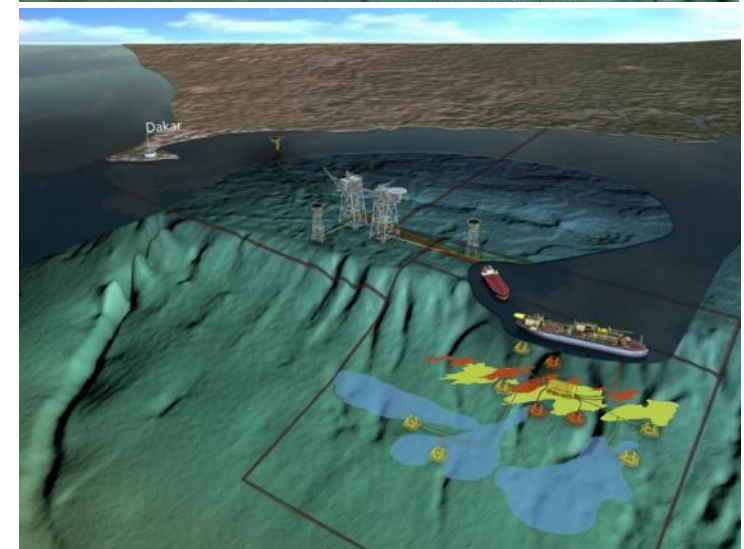
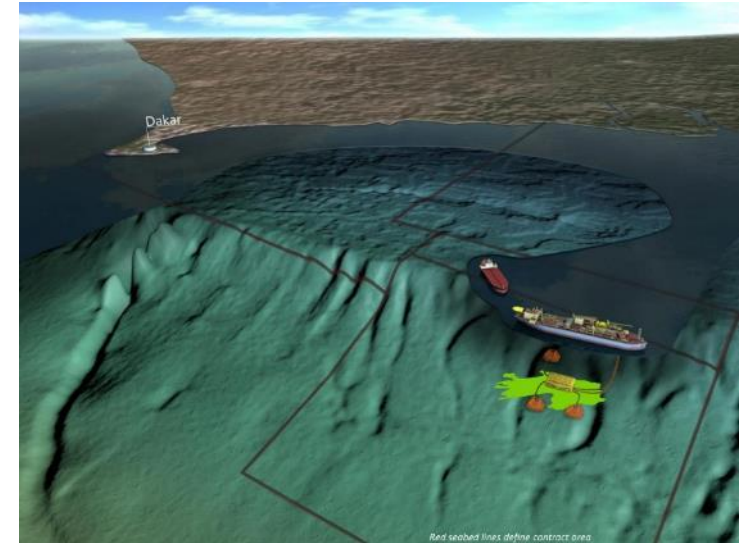
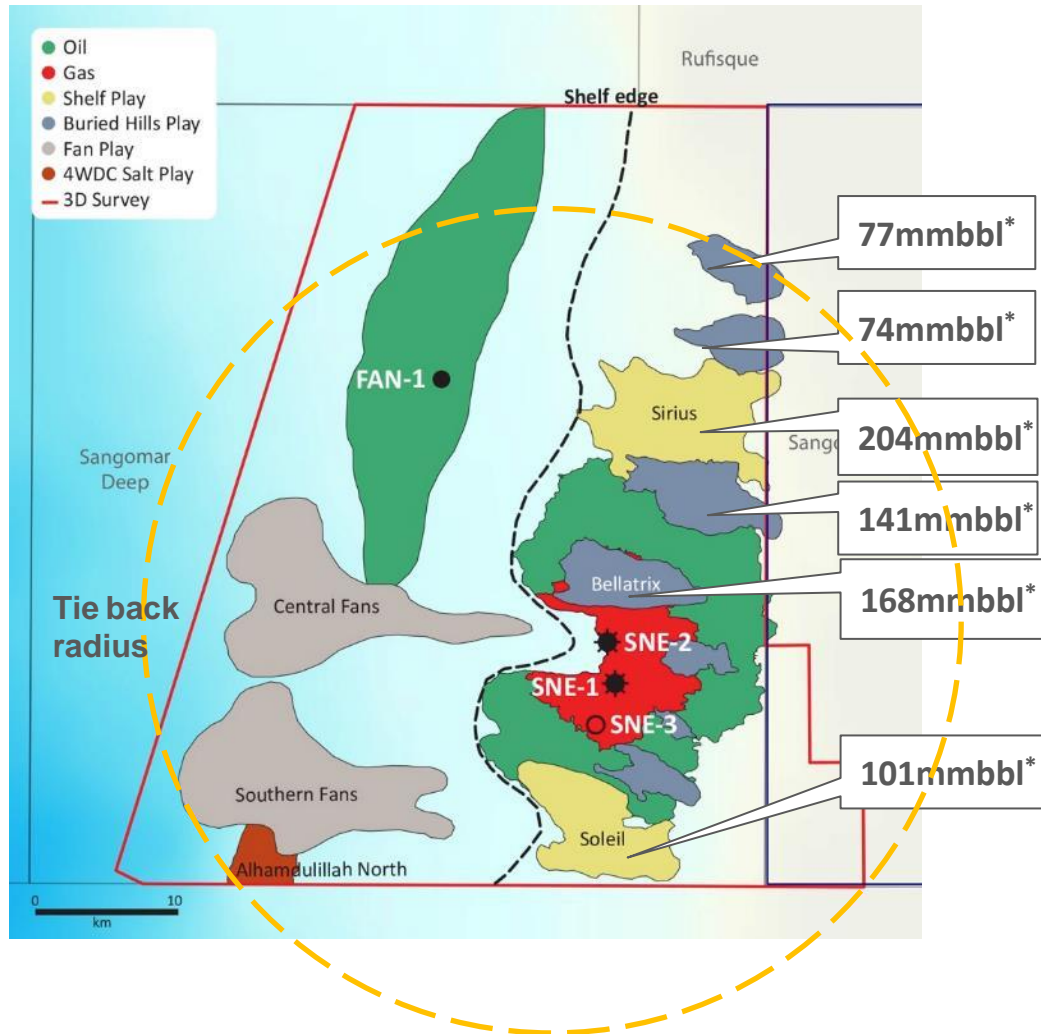


- Strong seismic amplitude response
- Overlies SNE Field
- Chance of discovery 49%
- Follow up potential from several look-a-likes
- Prospective resource\*
  - Low estimate : 69 mmbbls
  - Best estimate: 168 mmbbls
  - High estimate: 356 mmbbls



**Bellatrix seismic amplitude response**

# Development and tie back concept



\*Reference FAR ASX releases dated 13 Apr 2015 best estimate, gross, unrisks prospective resources, 100% basis, oil only

# Senegal economics



- Excellent PSC terms
- Minimum Economic Field Size (MEFS) approx 200mmbbls
- CAPEX coming down
- NPV/bbl of US\$10 at US\$50/bbl oil price and reduced CAPEX\*
- Estimated first oil 2021

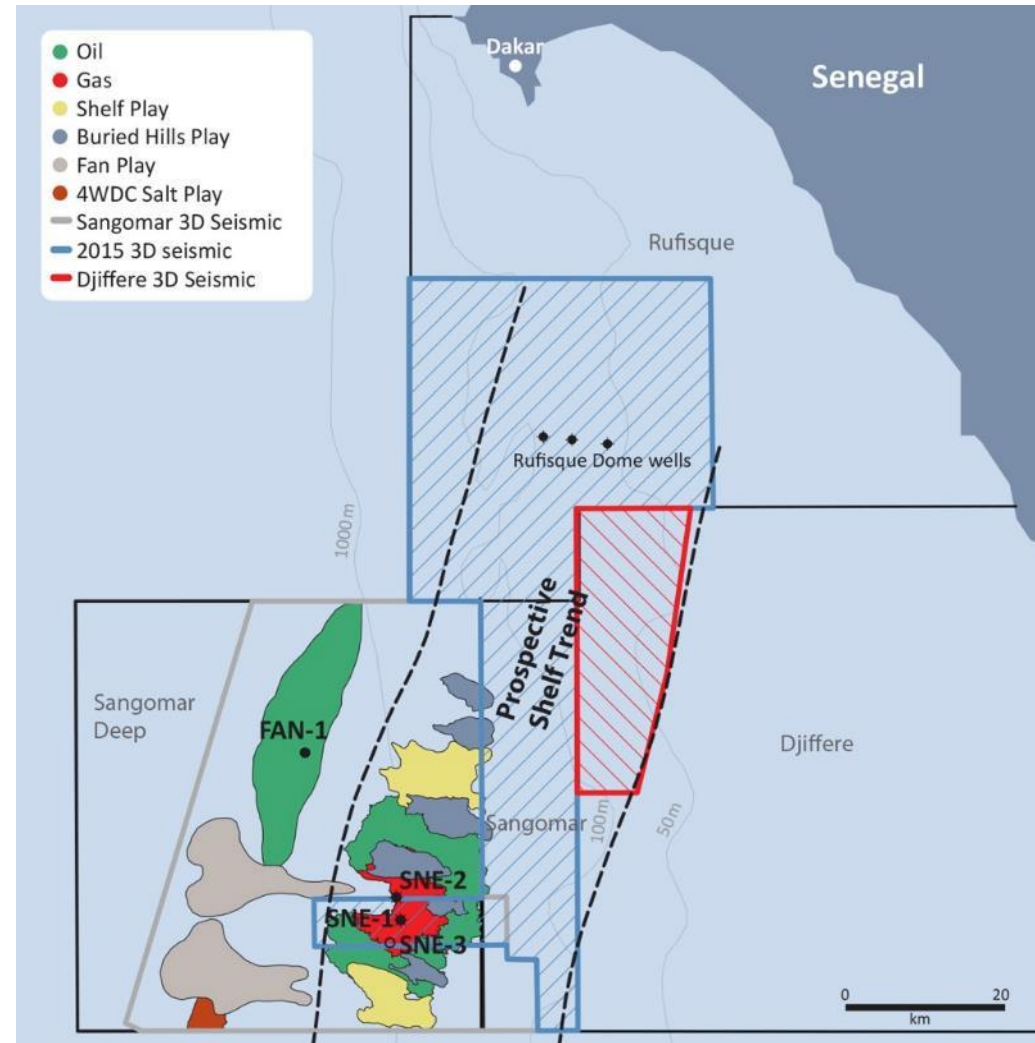




# Capturing more shelf edge exposure



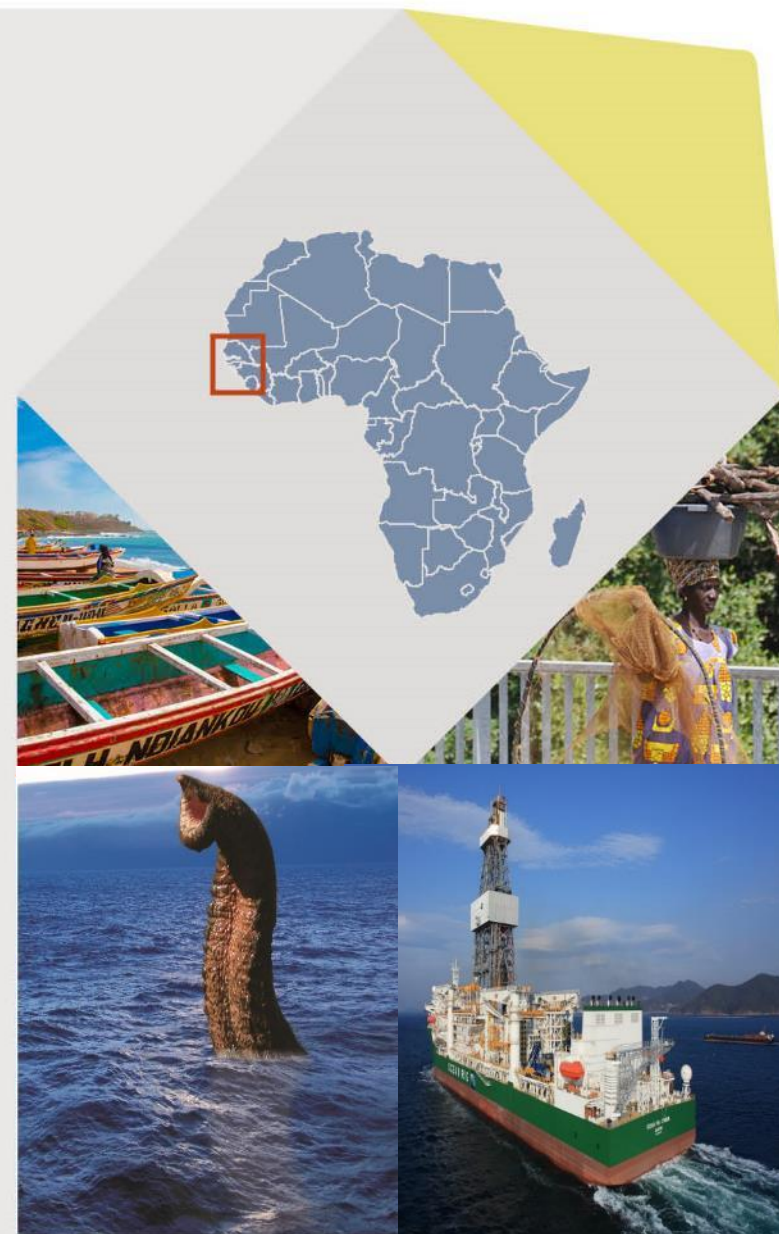
- New 3D seismic acquired 2015
- FAR bought option over neighbouring Djiffere permit



# 2016 revealing the prize

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- 2013: Year of farmout
- 2014: Year of discovery
- 2015/2016: Evaluating the SNE Field
- 100% success rate offshore Senegal
- Undrilled exploration prospects with >1bn bbls potential
- Possible lookalikes of SNE in FAR's Guinea Bissau acreage
- FAR committed to finding more elephants lurking under Senegalese waters!



# Contact us

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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.