

# Investor presentation

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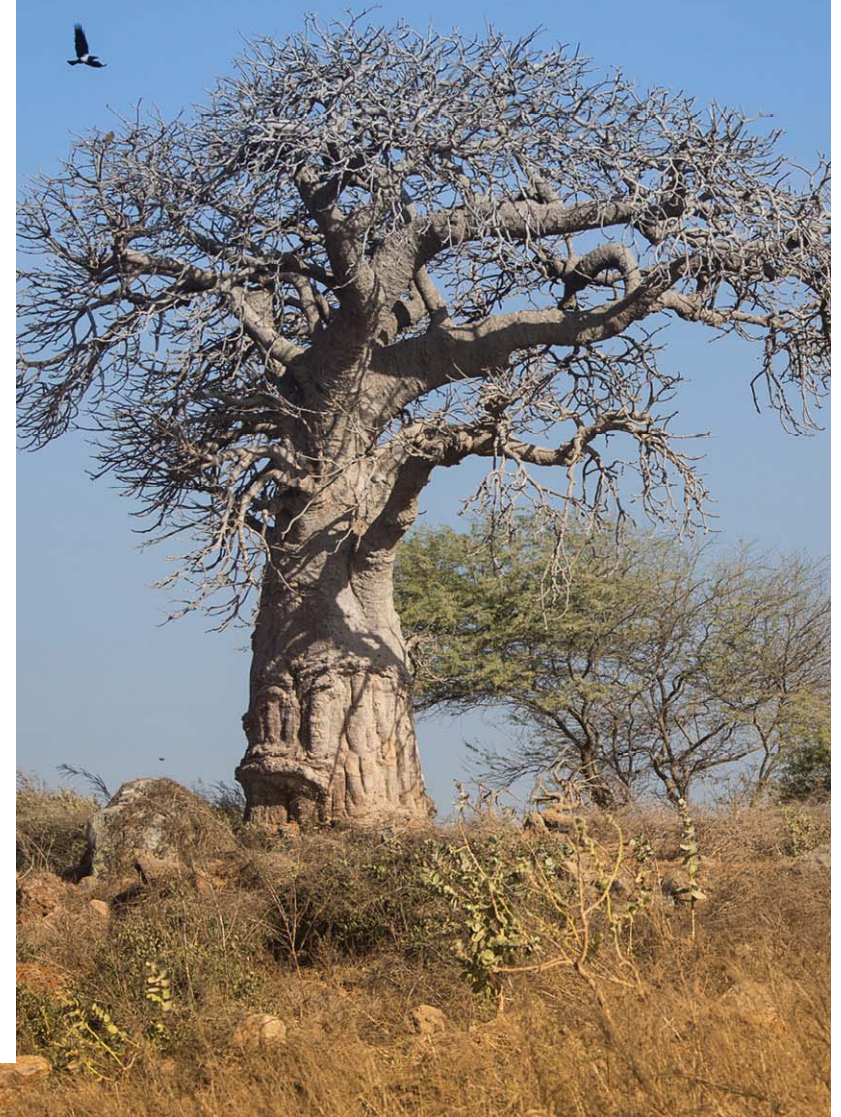
Citi Conference Sydney

October 2017



# Our Company

- **Fifth largest E&P** on the ASX: Market cap A\$377M<sup>1</sup>
- **Strategic focus** Mauritania-Senegal-Guinea-Bissau (MSGB) Basin, NW Africa
- 8 exploration permits in MSGB Basin
- Basin opening discoveries in **Senegal** in 2014
- Progressing towards **first oil from SNE** Field 2021-23
- **Strong balance sheet:** cash Q2 A\$91.3M, no debt
- Funded to SNE field development FID
- Strong commitment to **supporting social and educational programs**
- Strategic **partnership with CNOOC UK**
- Awarded African “Breakthrough Company of the Year 2016” and “African Explorer of the Year 2017”



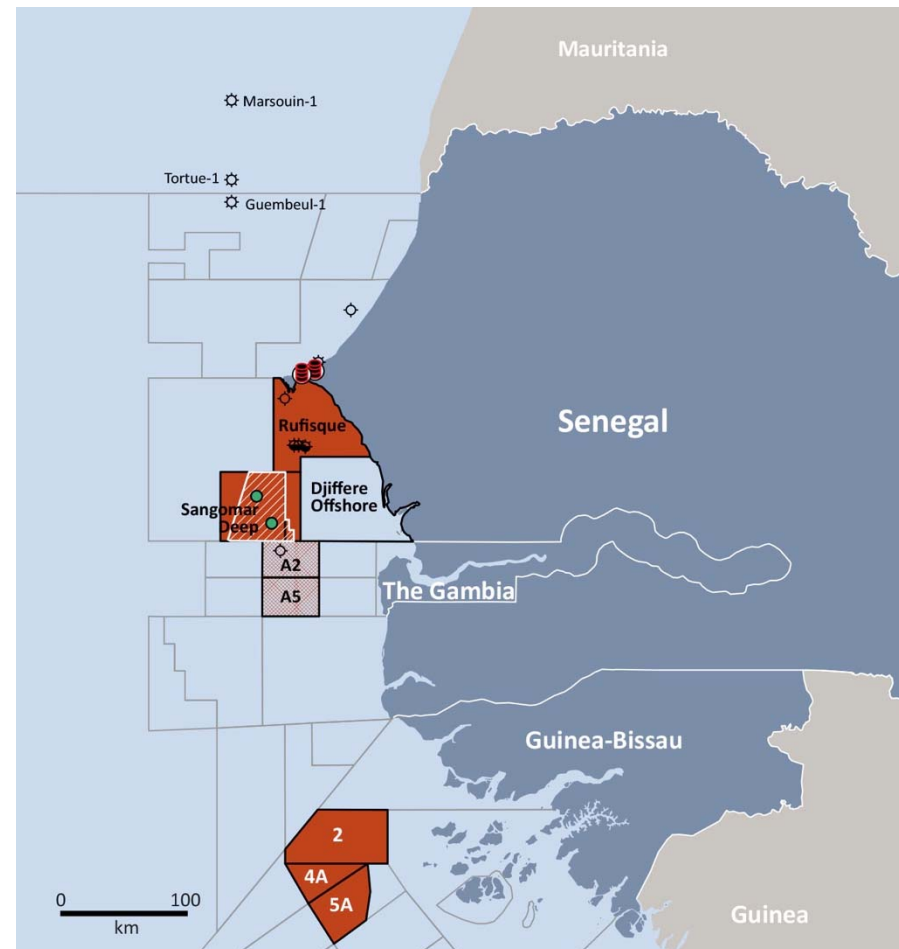
1: Market capitalization at 13 October 2017

# FAR in Senegal



- FAR in Senegal since 2006
- Basin opening FAN-1 and SNE-1 oil discoveries, 2014
- SNE ranked as worlds largest oil discovery in 2014
- JV invested ~ **US\$950M in three years**
- 11 deep water exploration/appraisal wells with a **100% success rate**
- SNE field grown to **641mmbbls 2C** resource
- SNE Field appraisal completed May 2017
- Currently in pre-FEED, phased development planned
- First oil planned for 2021-2023
- Cairn Energy (Operator) 40%, FAR 15%, ConocoPhillips 35%\*, Petrosen 10%
- FAR has pre-emptive rights over COP sale to WPL
- Strong commitment to sustainable social development and capacity building in country

## FAR LICENCES OFFSHORE SENEGAL, THE GAMBIA & GUINEA-BISSAU



\* COP transaction to sell 35% to WPL announced July 2016

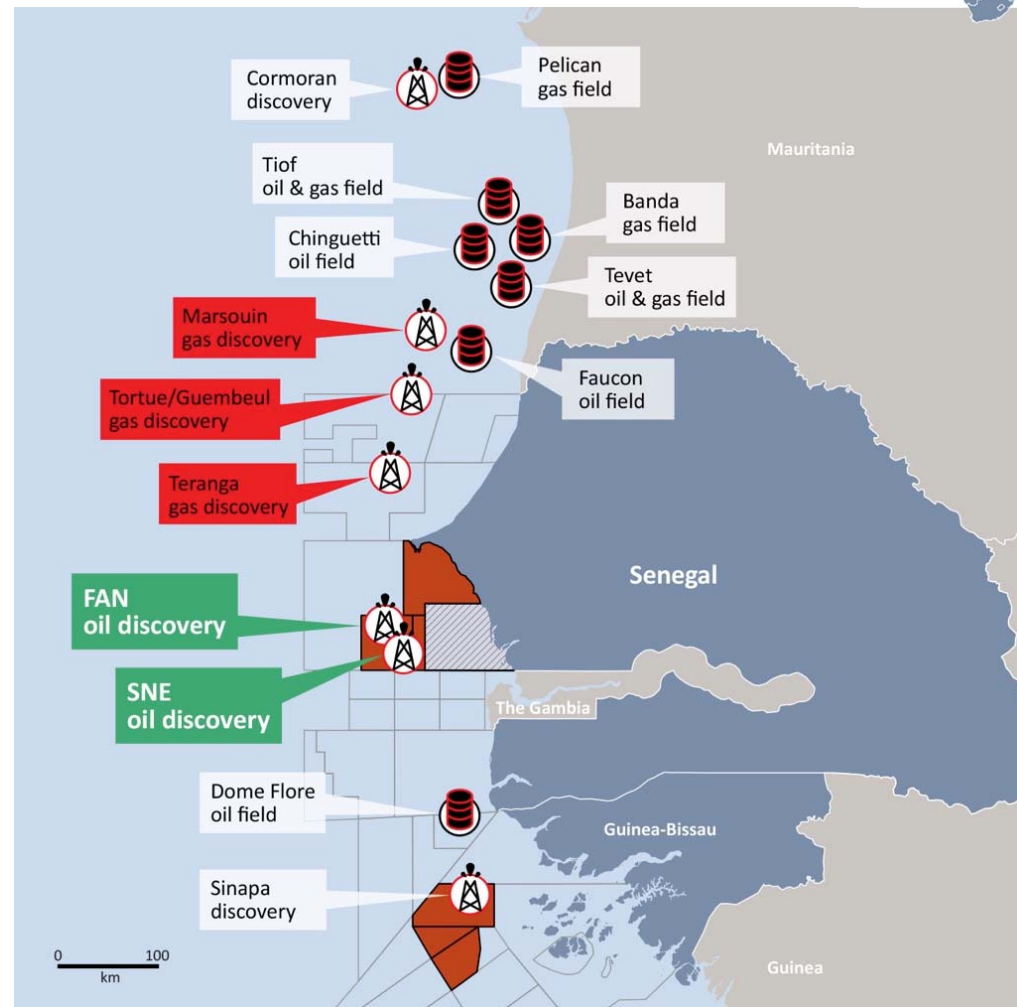
# FAN-1 and SNE-1 opened up Senegal



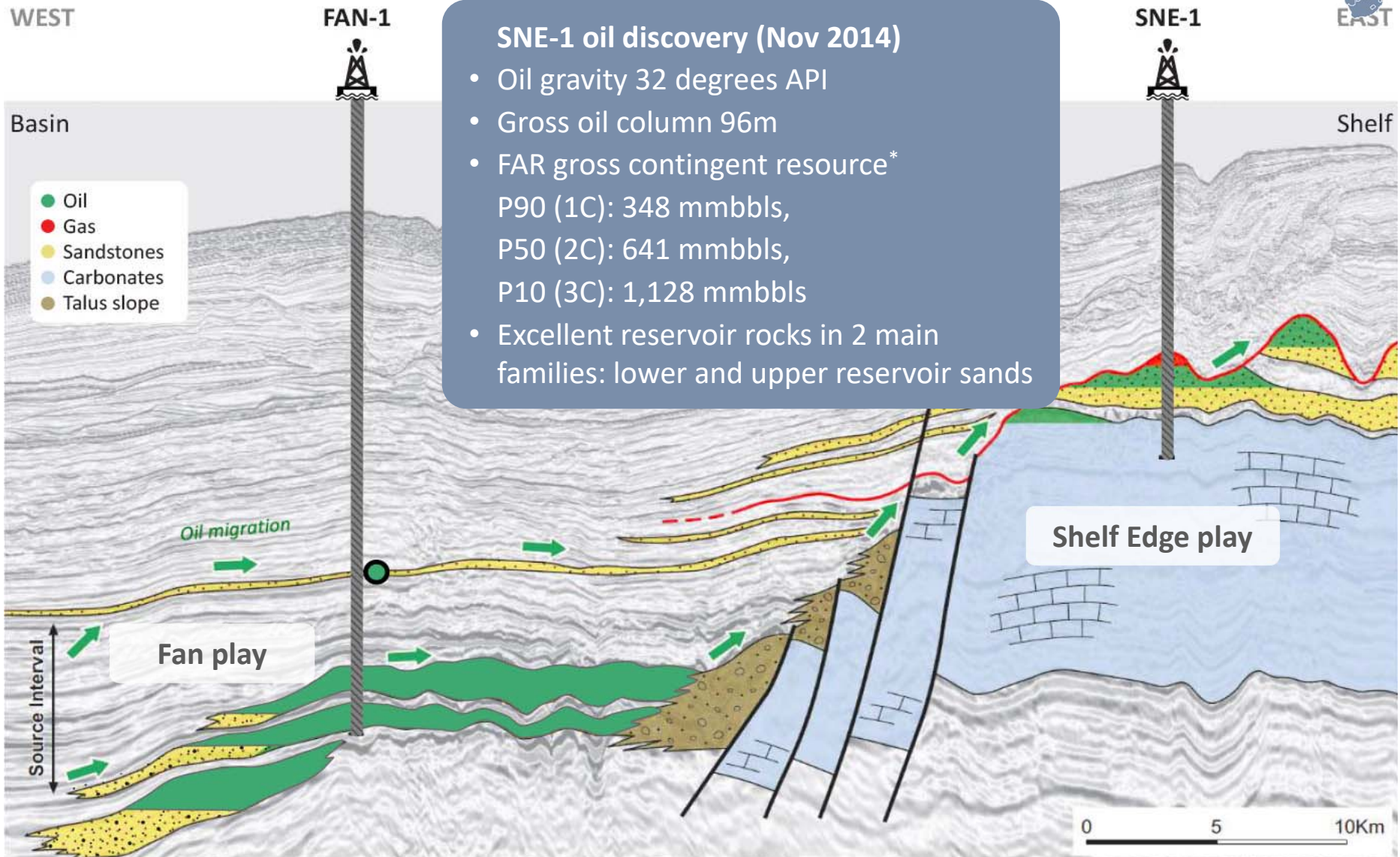
## Industry hotspot - increased investment and activity

- FAR discoveries 2014
- **7 successful SNE appraisal wells drilled over 2015/16/17**
- **100% drilling success to date**
- **Major gas discoveries** made in 2015, 2016, 2017
- **BP farm-in** to Kosmos acreage introduces a large IOC to the basin
- **CNOOC farm-in** to Impact acreage in AGC March 2017
- **Total** awarded ROP block May 2017

Stellar Energy Advisers stated “The SNE discovery saved African exploration”



# SNE Field geological setting and discovery well



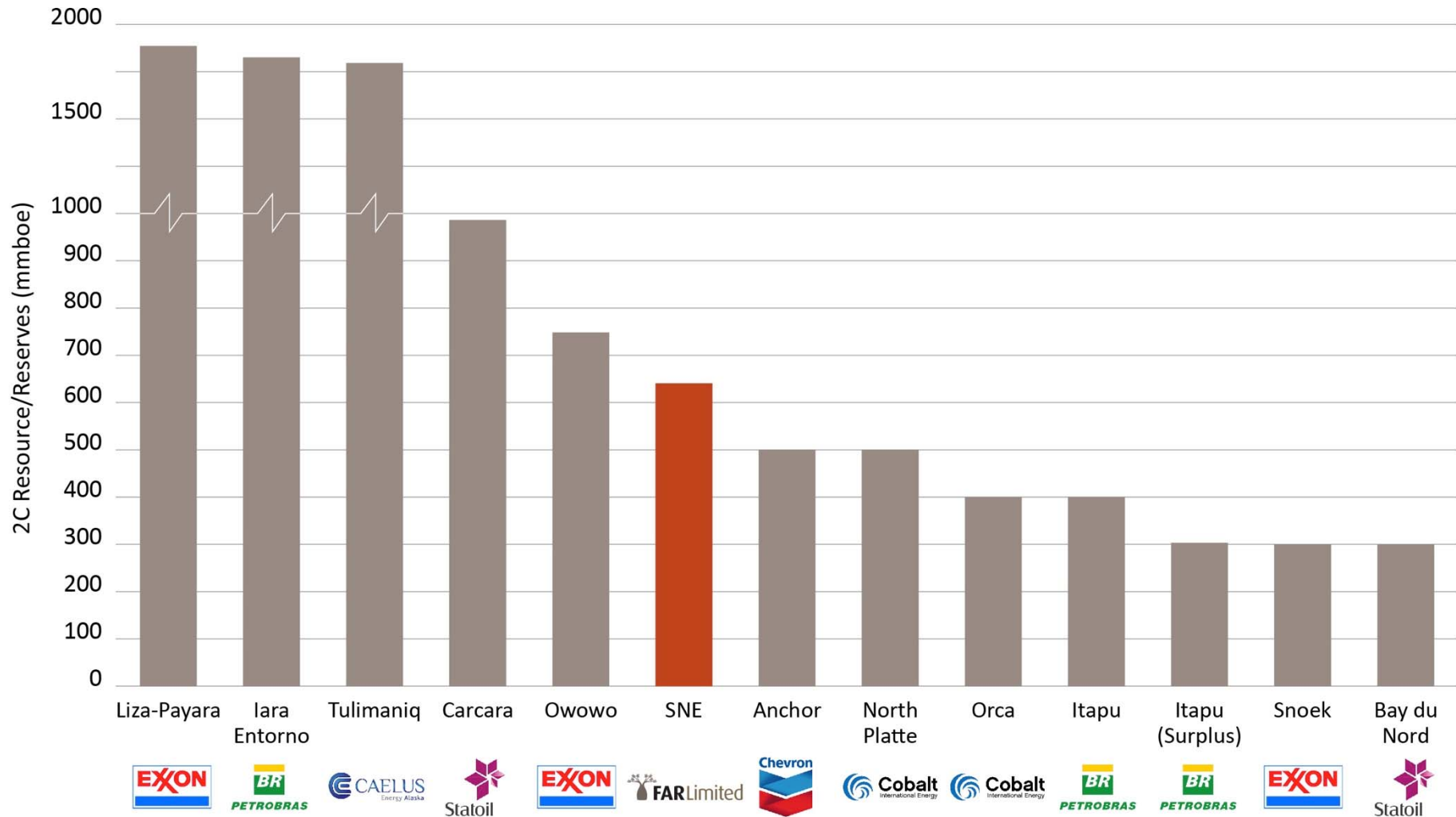
\*Reference FAR ASX releases dated 13 Apr 2015 and 23 August 2016, best estimate, gross, recoverable resources, 100% basis, oil only

# Top 10 largest offshore oil discoveries



## Offshore oil discoveries > 300 mmboe since 2012

(Data courtesy of WoodMac)



# SNE Field evaluation program

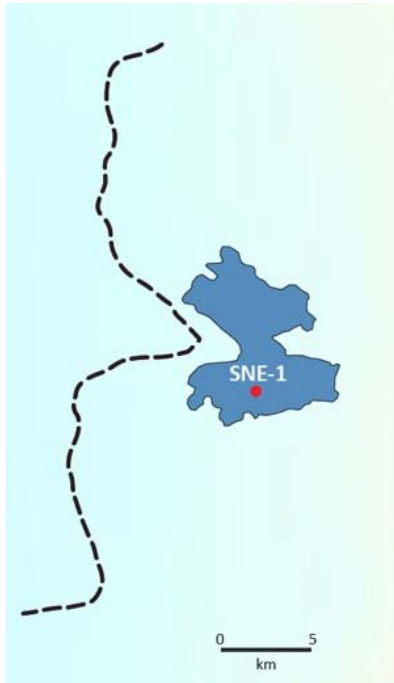


- Commenced appraisal drilling in Nov 2015
- Seven successful appraisal wells now drilled
- Pre-development appraisal completed
- Objectives of the appraisal program:
  - **Size** of oil pool – 641mmbbls 2C recoverable oil\*. Exceeded minimum economic field size (MEFS) of 200mmbbls
  - Measure **deliverability** – world class flow rates encountered
  - Measure field **connectivity** of upper reservoirs – completed with latest appraisal well



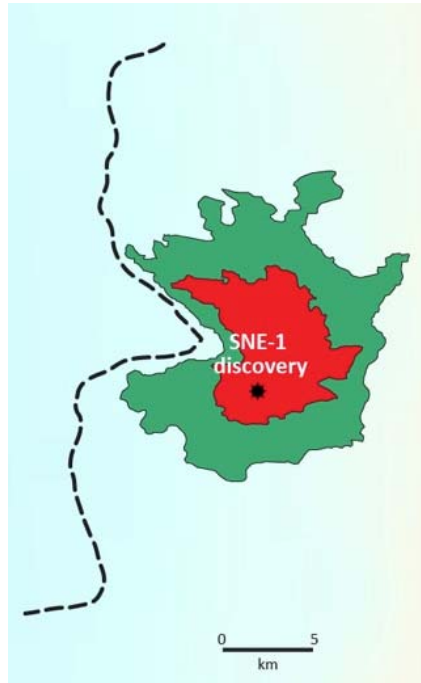
\*Reference FAR ASX release dated 23 August 2016, 13 April 2016 unrisked contingent resources, 100% basis, oil only

# Size of the SNE oil field



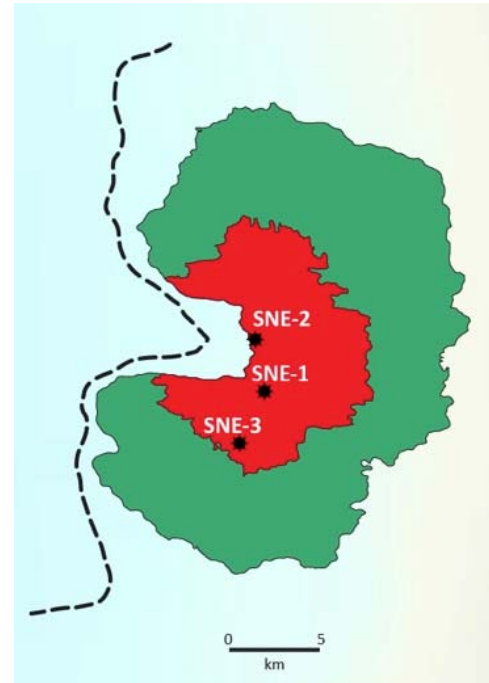
**Pre-Drill**  
(Oct 2014)

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



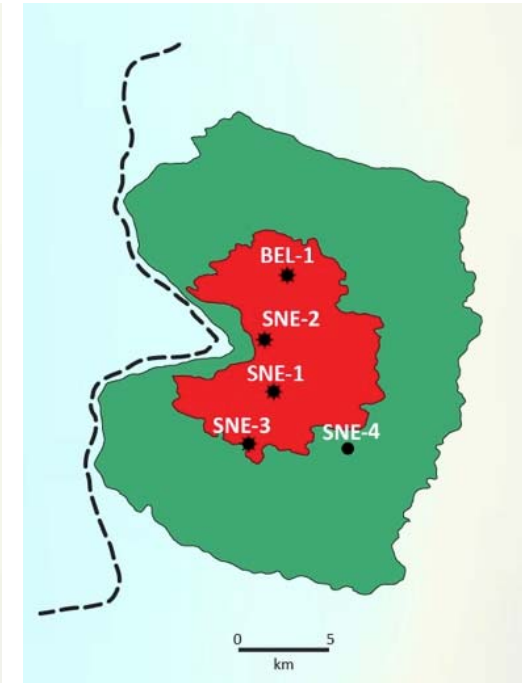
**Post discovery**  
(Nov 2014)

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)

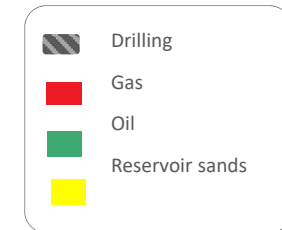
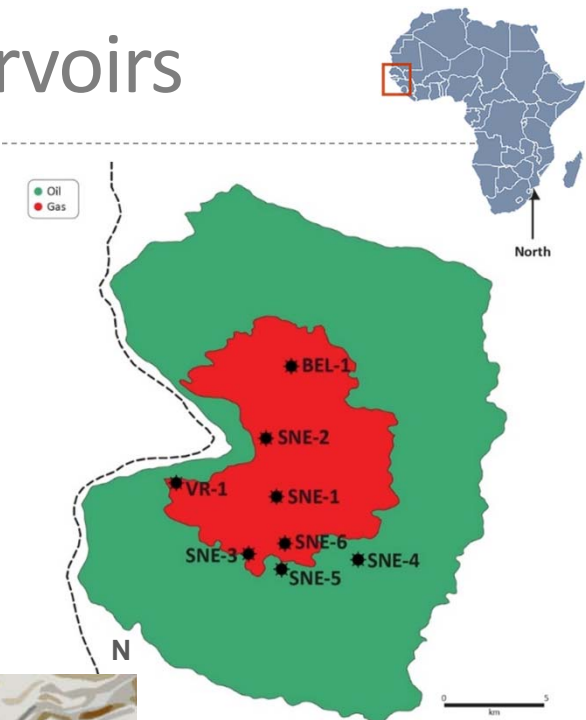
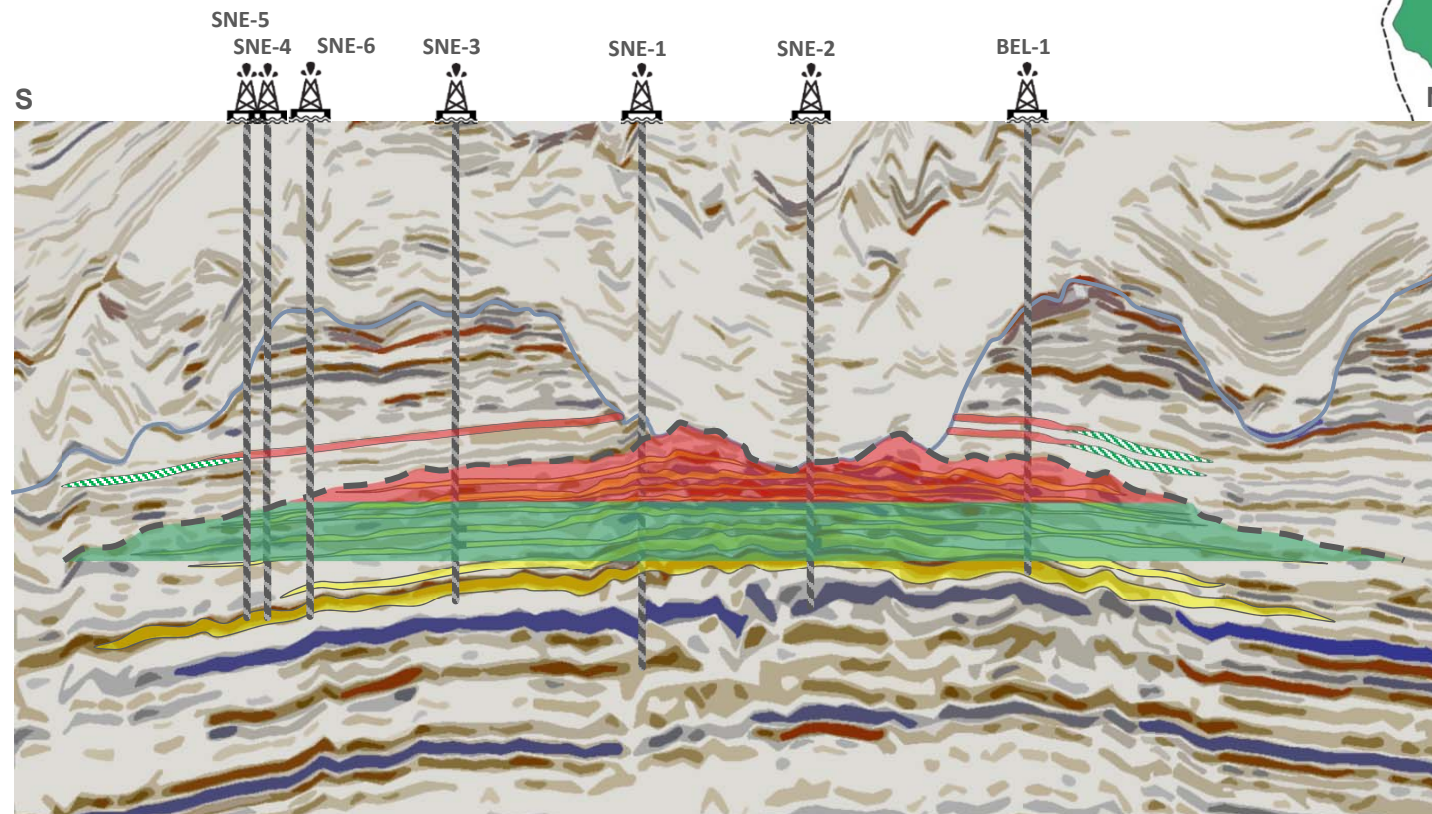
1C: 348 mmbbls  
**2C: 641 mmbbls**  
 3C: 1128 mmbbls

\*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



# Deliverability and connectivity of reservoirs

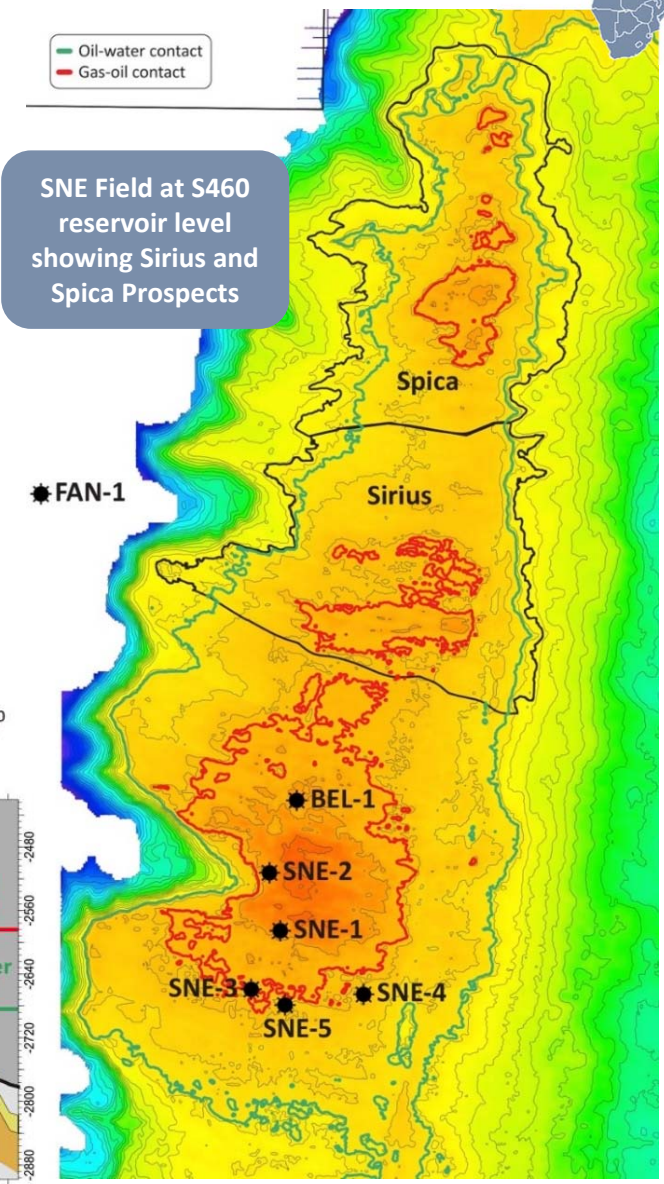
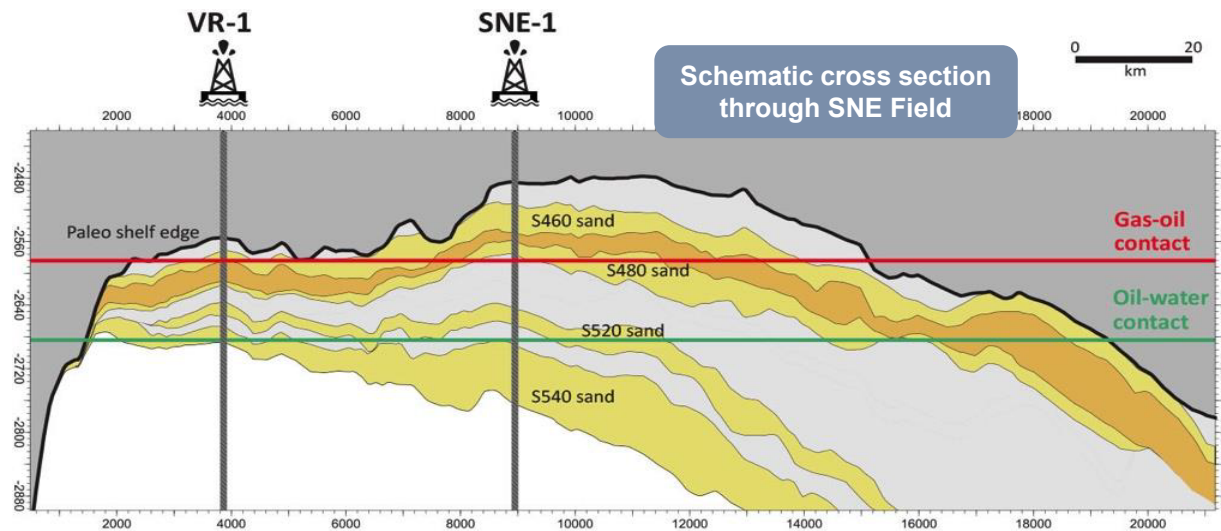
- DST's conducted on SNE-2, SNE-3, SNE-5, SNE-6
- Pressure gauges installed in SNE-3 and SNE-5
- Lower reservoirs flowed at world class rates (SNE-2)
- Deliverability and connectivity testing of upper reservoirs completed in May 2017



# SNE Appraisal results and impact on exploration



- All appraisal wells proved 97m gross oil column
- MEFS passed: 2C resource 641 mmbbls
- **Size, deliverability** and **connectivity** now understood and pre-development appraisal drilling completed
- SNE-5 well tested 2 upper sands units (S480 and S460 reservoirs)
- S460 was previously 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
- Lower reservoir units to the west have better reservoir properties



# Efficient drilling, lower costs

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- Stena DrillMAX – a 6<sup>th</sup> generation, dual mast, dual BOP drill ship
- 2017 drilling program significantly ahead of planned AFE
- Drilling completed successfully and safely
- Daily rig rates reduced by 70% since first drilling campaign in 2014
- **Great time to be drilling appraisal/development wells!**
- **Horizontal development well costs US\$40-60M**



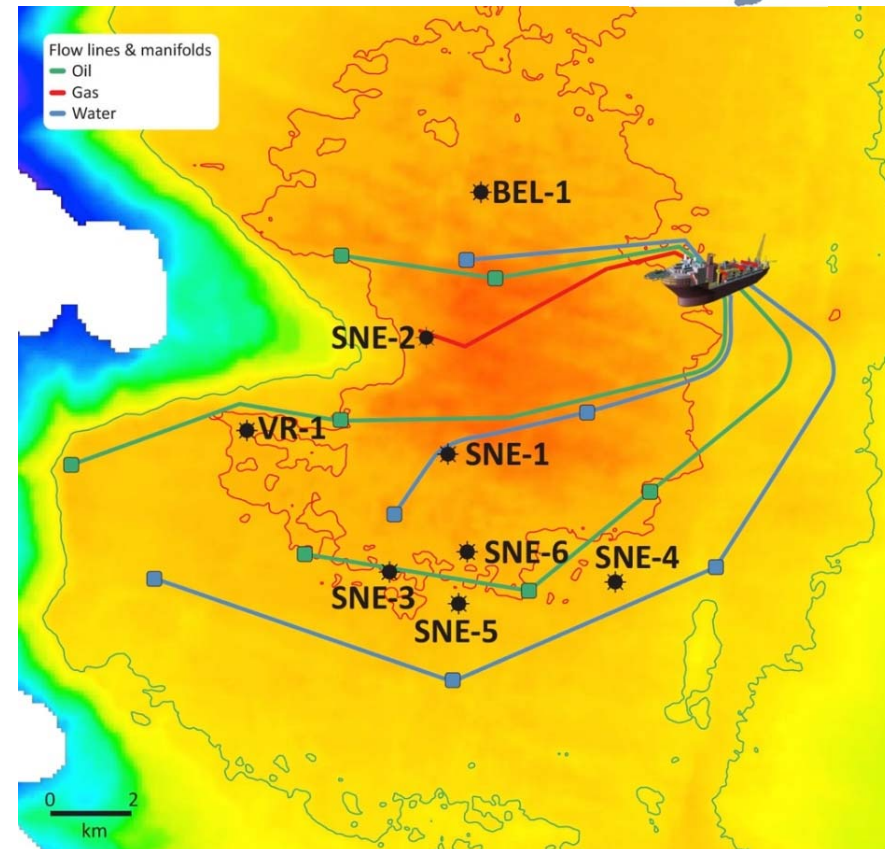
# Looking forward to development of SNE



- SNE is expected to be a staged development using a standalone FPSO, with expansion capability for satellite tie-backs
- Operator proposed firm budget for 2018 = US\$84M (US\$15M net to FAR)

## Operator Numbers

- FID end 2018
- 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

\*Cairn Energy Half Yearly Result 22/08/2017

# 2017 Exploration Drilling



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

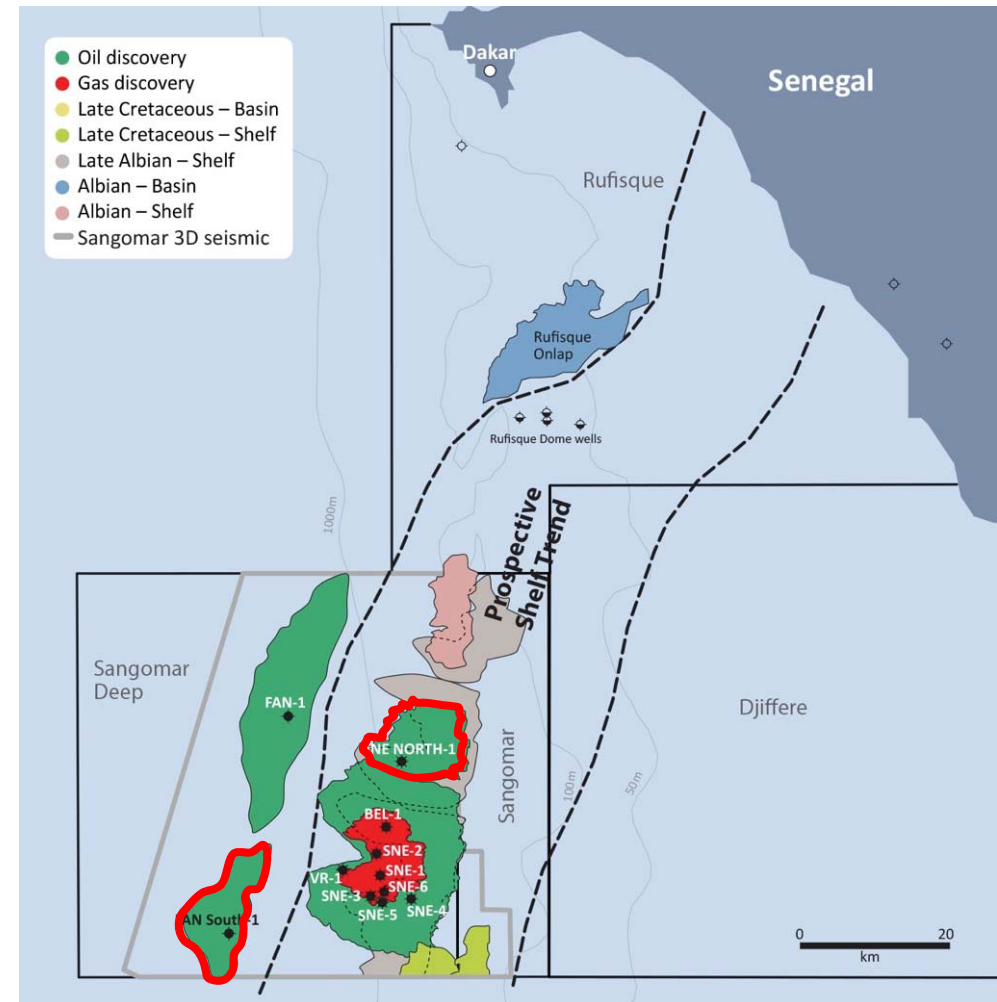
- Oil shows but reservoir poorly developed

**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



# SNE North-1 well results and undrilled Spica prospect

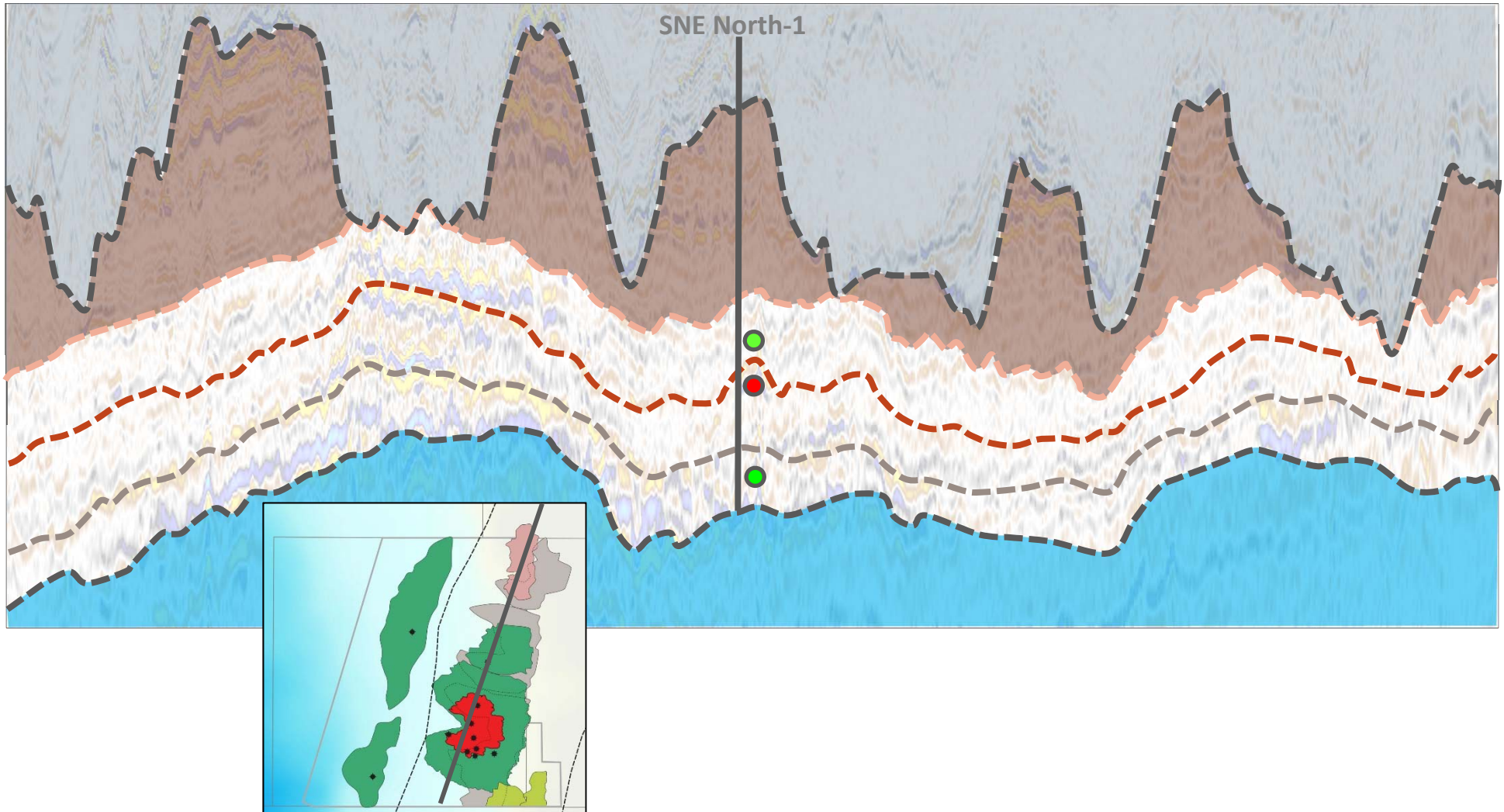
Single continuous oil and gas column

Multiple oil and gas columns

SNE

SNE North

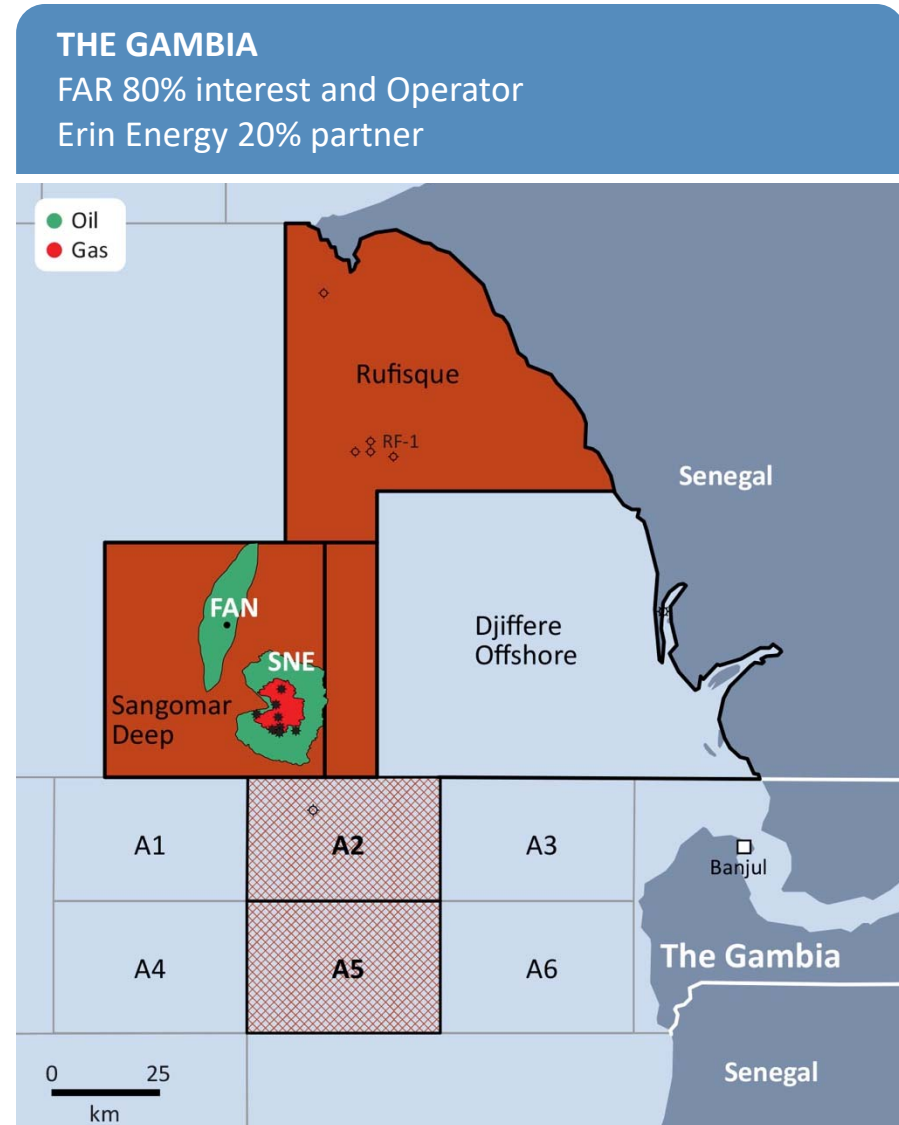
Spica Prospect



# Growing FAR's portfolio: The Gambia

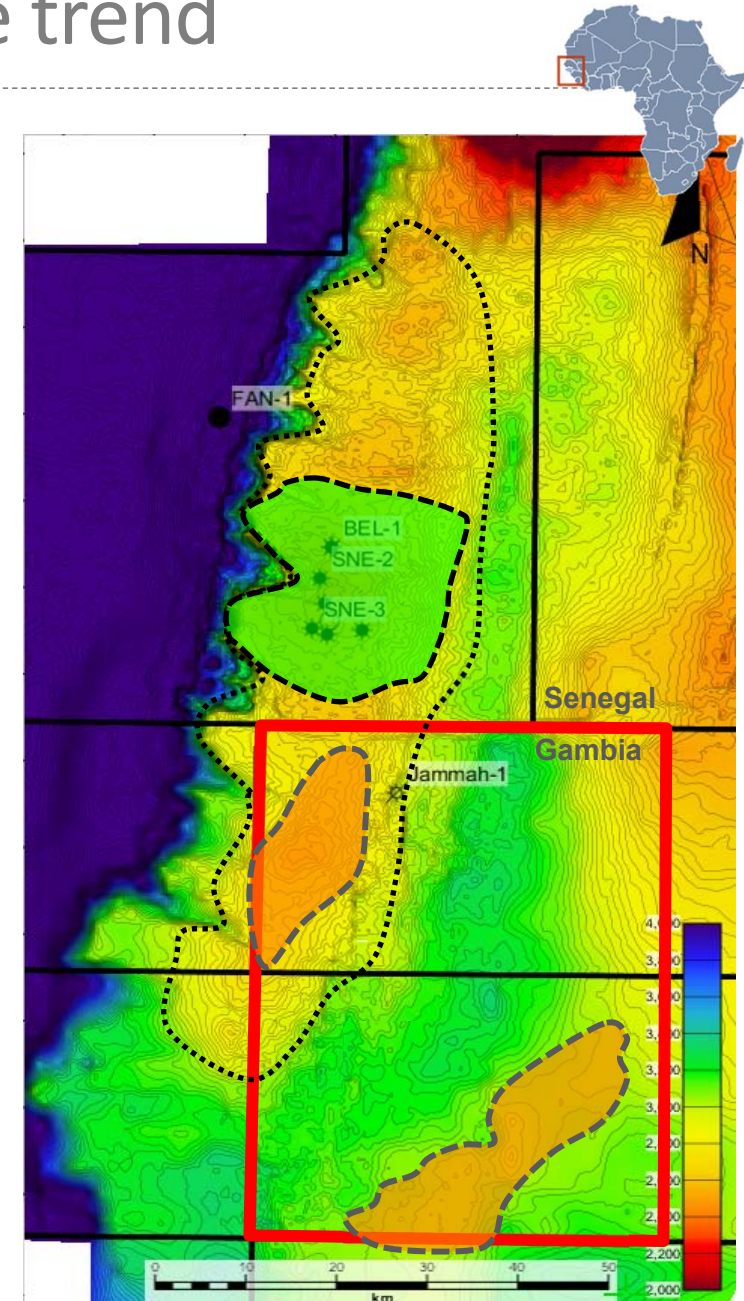
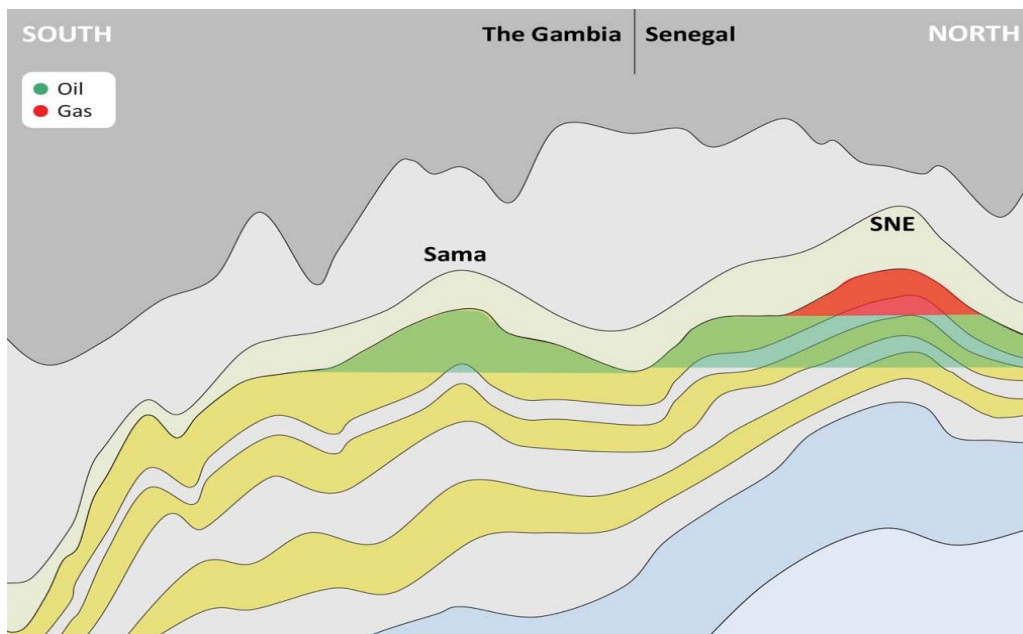


- Area identified by FAR as part of regional studies in 2013 & 2014
- Extended negotiations continued through 2016
- Purchased Polarcus 3D in October 2016  
Confirmed the Sama prospect
- FAR Farmed in to A2/A5 in March 2017
- 80% equity and operator
- In line with FAR's strategy to focus on NW African shelf following Senegal success
- Well at end 2018
- Large equity position gives FAR options to farm down
- 1+ billion barrels of oil prospectivity mapped to date



# Extension of the SNE shelf edge trend

- On trend and adjacent to SNE field – same play type
- Sama prospect defined on 3D seismic: >500 MB potential
  - 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
- Drilling 2018

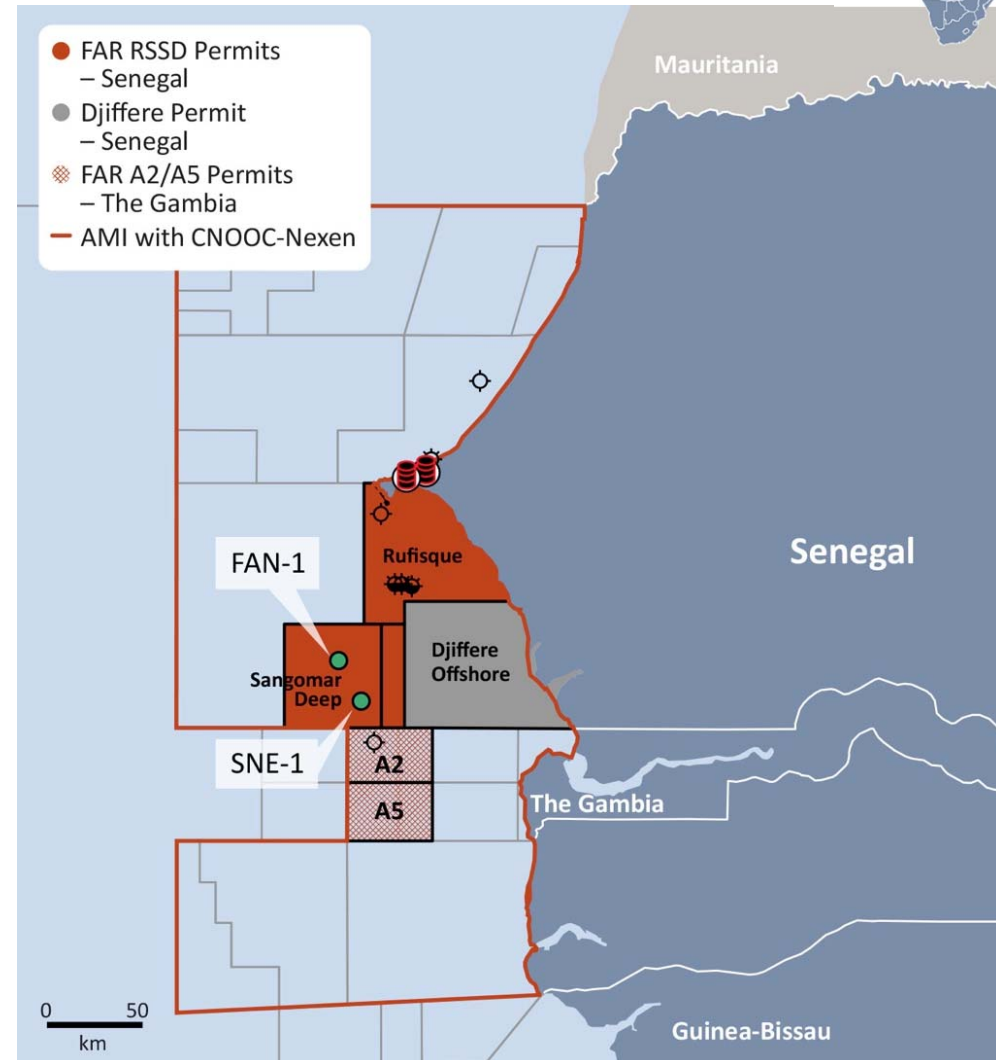




# CNOOC Strategic Alliance



- Area of Mutual interest agreement with CNOOC UK
- 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

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- **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**



# Contact us

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- By its very nature exploration and development of oil and gas is high risk and is not suitable for certain investors. FAR shares are a speculative investment. There are a number of risks, both specific to FAR and of a general nature which may affect the future operating and financial performance of FAR and the value of an investment in FAR including and not limited to economic conditions, stock market fluctuations, oil and gas demand and price movements, regional infrastructure constraints, securing drilling rigs, timing of approvals from relevant authorities, regulatory risks, operational risks, reliance on key personnel, foreign currency fluctuations, and regional geopolitical risks.
- This presentation does not purport to be all inclusive or to contain all information which you may require in order to make an informed assessment of the Company's prospects. You should conduct your own investigation, perform your own analysis, and seek your own advice from your professional adviser before making any investment decision.
- 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.

# Additional slides

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# Board and management



**Experienced Board and management with strong relationships in Africa**

# Board with significant experience

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	<p><b>Nicholas Limb</b> Non-Executive Chairman Appointed 2012</p>	<p><b>Geophysicist and investment banker</b> 15 years as MD/Chairman of an ASX listed, international mining company, Australia. 10 years in Financial services with May and Mellor and HSBC. 38 years industry experience in the resources industry.</p>
	<p><b>Catherine Norman</b> Managing Director Appointed Nov 2011</p>	<p><b>Geophysicist</b> 28 years experience in the resources industry. 6 years as MD of Flow Energy Limited. 10 years as Managing Director of international oil services company in the UK developing projects in Europe, Africa and the Middle East region.</p>
	<p><b>Ben Clube</b> Executive Director Appointed 2013</p>	<p><b>Chartered Accountant</b> 27 years of experience in the resource sector. Senior Finance Executive BHP Petroleum. Finance Director and Company Secretary of Oilex Ltd prior to joining FAR.</p>
	<p><b>Reg Nelson</b> Non-Executive Director Appointed 2015</p>	<p><b>Exploration Geophysicist</b> 45 years of experience in the petroleum and minerals industries. 13 years as Managing Director of Beach Energy plus 10 years as CEO and Executive Director. Recipient of APPEA's Reg Sprigg Gold Medal in 2009 for outstanding services to the Australian oil and gas industry.</p>
	<p><b>Tim Woodall</b> Non-Executive Director Appointed 2017</p>	<p><b>Economist</b> 25 years experience in International M&amp;A finance specialising in oil and gas sector. Managing Director of a boutique advisory firm, the CEO of a technical consulting firm and senior roles in New York and London with global investment banks.</p>



# Senior management

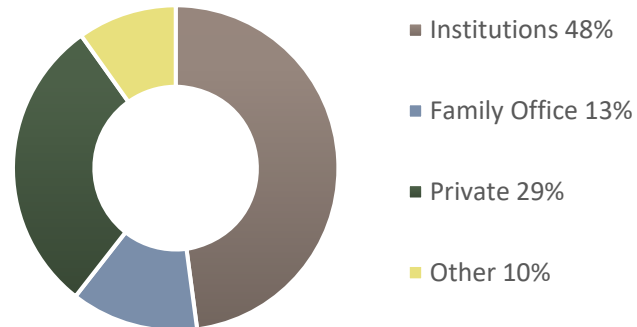
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	<p><b>Catherine Norman</b> Managing Director BSC (geophysics), AICD</p>	<p>Over 20 years experience in the mineral and oil &amp; gas exploration industry, having held executive positions both in Australia and in the UK. Cath has carried out operating assignments in Europe, Africa, the Middle East and Australia. Cath is a geophysicist who has been Managing Director of FAR since Nov 2011 and previously served as the Managing Director of Flow Energy for 6 years.</p>
	<p><b>Ben Clube</b> Chief Operating Officer, Executive Director BSC (geology), AICD, AIPN</p>	<p>Over 20 years experience as a finance executive in the upstream petroleum industry. He has spent the majority of his career at BHP Billiton Petroleum and held roles across the full life cycle of exploration, development and operations. Ben has extensive experience capturing and implementing international projects. Ben is an associate of the Institute of Chartered Accountants of England and Wales.</p>
	<p><b>Pete Thiessen</b> Chief Financial Officer BA (accounting), MICA</p>	<p>Over 15 years experience as a Chartered Accountant. Pete has previously contracted independently to the mining and exploration industry and more recently was the CFO and Company Secretary of Flow Energy Limited. Prior to that he was a Client Director with Deloitte global accounting and professional service firm. Pete is a member of the Institute of Chartered Accountants.</p>
	<p><b>Peter Nicholls</b> Exploration Manager BSC (geophysics)</p>	<p>Over 30 years experience in oil and gas exploration and development projects with BHP Billiton Petroleum, Nexus Energy, Antares, Oil Search and BP Australia. A professional geophysicist with experience in managing exploration teams operating offshore permits and wells. Proven track record of identifying prospective areas, working up prospects, and finding commercial fields.</p>
	<p><b>Jon Keall</b> Chief Geoscientist MSC (geology)</p>	<p>Over 20 years experience in oil and gas exploration internationally and within Australia. A professional geologist that has worked for BHP Petroleum on many of the petroliferous basins of Australia-Asia and involved in several significant oil and gas discoveries. Experience over the full exploration cycle from identification and capture of new acreage, prospect generation, drilling and discovery of hydrocarbons.</p>

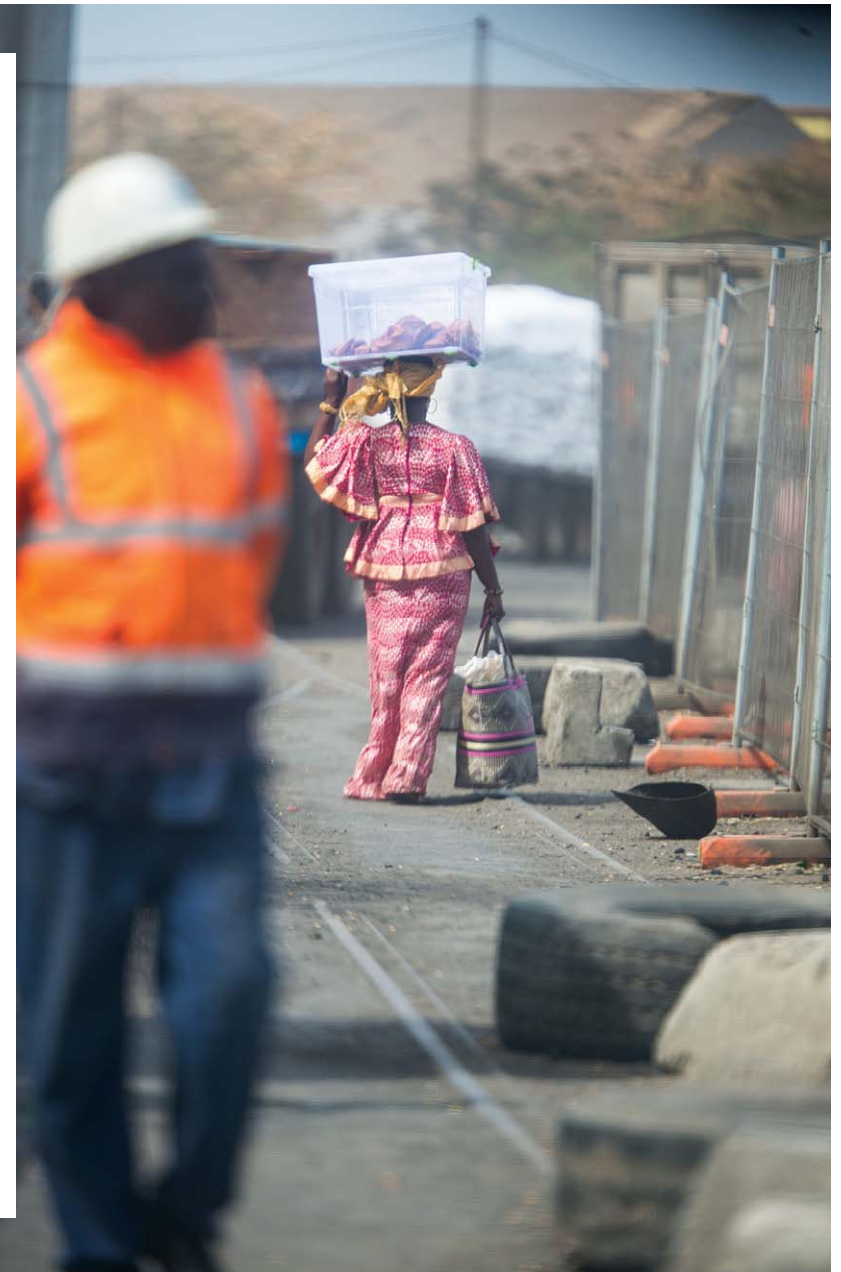
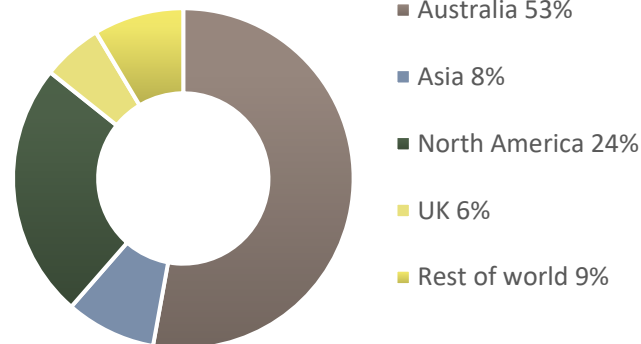
# FAR Shareholder summary

- Top 200 shareholders own 70% of FAR
- FAR's shareholders are predominantly located in Australia
- 3 substantial shareholders:
  - Meridian Asset Management
  - FARJOY
  - Capital Research and Management Company

**Top 200 shareholders by type**



**Top 200 shareholders by location**



\*Analysis of top 200 shareholders from FAR register as at 31 May 2017