

23 October 2015

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Dear Shareholders

Entitlement Offer – Information for Shareholders

FAR Limited (FAR) today announced that it intends to raise approximately \$40 million (before costs) through an equity raising comprising:

- a placement of fully paid ordinary shares to certain institutional and sophisticated investors to raise approximately \$25 million; and
- 1 for 17 underwritten pro-rata non-renounceable entitlement offer of fully paid ordinary shares to existing eligible shareholders to raise approximately \$15 million (**Entitlement Offer**).

Under the Entitlement Offer, eligible shareholders will have the opportunity to subscribe for new fully paid ordinary shares in FAR (**New Shares**) on the basis of 1 New Share for every 17 shares held at an issue price of \$0.08 (8 cents) per New Share.

The Entitlement Offer will be made pursuant to an Entitlement Offer booklet (**Offer Document**) and if you are eligible and wish to participate in the Entitlement Offer, you will need to complete your personalised Entitlement and Acceptance Form that will accompany that Offer Document.

Shareholders will also be invited to apply for additional New Shares (**Additional Shares**) in excess of their entitlement (**Top-Up Facility**) if there is a shortfall between applications received from Eligible Shareholders and the number of New Shares proposed to be issued under the Entitlement Offer. Additional Shares will be issued at an issue price of \$0.08 (8 cents) per New Share.

The Entitlement Offer is jointly led and managed by Royal Bank of Canada (trading as RBC Capital Markets) and Bell Potter Securities Limited (**Joint Lead Managers**). The Joint Lead Managers have also agreed to underwrite the Entitlement Offer.

A copy of the Offer Document is expected to be lodged with ASX and sent to eligible shareholders on or about Monday, 26 October 2015. The Offer Document will be despatched to shareholders with registered addresses in Australia and New Zealand and who hold Shares as at the record date of 7.00 pm (Melbourne time) on Thursday, 29 October 2015 (**Record Date**).

Pursuant to the ASX Listing Rules, FAR is required to provide you with certain information before proceeding with the Entitlement Offer. This letter contains all the information required by Appendix 3B of the Listing Rules.

1. A maximum of 187,841,672 New Shares will be issued pursuant to the Entitlement Offer (subject to the rounding of fractional entitlements to New Shares).
2. The New Shares will rank equally in all respects from the date of allotment with the existing class of quoted Shares.

3. The issue price of the New Shares will be \$0.08 (8 cents) each.
4. FAR will apply for quotation of the New Shares issued pursuant to the Entitlement Offer on the official list of the ASX.
5. The funds raised from the Entitlement Offer (after costs) together with other funds the Company has access to will be used to primarily fund FAR's capital expenditure on its large Senegalese oil discovery including 2 appraisal wells on its SNE discovery in Senegal and a shelf exploration well in Senegal (Bellatrix).
6. It is anticipated that the New Shares subscribed for will be entered into uncertificated holdings on or before Wednesday, 25 November 2015.
7. The total number and class of all securities quoted on ASX (including the maximum number of Shares to be issued under the Entitlement Offer) is as follows:

Shares	Number
Shares on issue at the Announcement Date	3,193,308,427
Shares offered under the Placement	312,500,000
Shares offered under the Entitlement Offer	187,841,672*
Total Shares on issue on completion of the Placement and Entitlement Offer	3,693,650,099*

*The number of New Shares to be issued under the Entitlement Offer is subject to the rounding of fractional entitlements to New Shares.

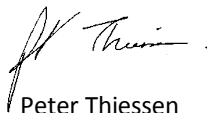
8. FAR has 130,000,000 options on issue, all unquoted.
9. All New Shares issued pursuant to the Entitlement Offer will have the same dividend entitlements as existing FAR shares on issue.
10. No shareholder approval for the Entitlement Offer is required.
11. The Entitlement Offer is non-renounceable. This means that eligible shareholders who do not take up their entitlements to participate in the Entitlement Offer will not be able to transfer or receive any value for those entitlements and their equity interest in FAR will be diluted.
12. The New Shares in the Entitlement Offer will be offered on the basis of 1 new share for every 17 shares held by the shareholder as at the Record Date. Fractional entitlements will be rounded up.
13. The offer under the Entitlement Offer relates to fully paid ordinary shares in the capital of FAR.
14. The record date to determine entitlements is 7.00pm (Melbourne time) on Thursday, 29 October 2015.
15. Shareholders will be invited to apply for additional New Shares in excess of their entitlement. If there are excess applications for additional New Shares, an appropriate allocation policy will be applied as set out in the Offer Document. The Entitlement and Acceptance Form will contain instructions on how to apply for additional shares.

16. Only shareholders with registered addresses in Australia and New Zealand will be sent the Offer Document. In compliance with Listing Rule 7.7.1, FAR has decided that it is unreasonable to make the Entitlement Offer to shareholders with registered addresses outside of a limited number of jurisdictions (non-eligible shareholders) having regard to each of the following:
- the number of those security holders registered;
 - the number and value of the securities that would have been offered to those security holders; and
 - the cost of complying with the legal requirements and requirements of regulatory authorities in some overseas jurisdictions.
17. The closing date for receipt of acceptances is 5.00pm (Melbourne time) on Wednesday, 18 November 2015.
18. There is no broker to the Entitlement Offer.
19. The Offer Document for the Entitlement Offer and the Entitlement and Acceptance Form are expected to be despatched to eligible shareholders on or about Wednesday, 4 November 2015.
20. The latest date for despatch of certificates or entry of the New Shares subscribed for into your security holdings is Wednesday, 25 November 2015.

The above information was provided to the ASX on Friday, 23 October 2015.

If you have any queries regarding your entitlement or participation in the upcoming Entitlement Offer, please contact Advances Share Registry Ltd as Share Registry on (08) 9389 8033.

Yours faithfully



Peter Thiessen
Company Secretary
FAR Limited