

Notice of Annual General Meeting and Explanatory Statement

For the Annual General Meeting to be held at 10.00am on Monday, 29 May 2017
at Baker & McKenzie, Level 19, 181 William Street, Melbourne Victoria

This is an important document. Please read it carefully.

If you are unable to attend the Annual General Meeting, please vote online OR complete the Proxy Form enclosed and return it in accordance with the instructions set out on that form.

TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

The Annual General Meeting of the shareholders of the Company will be held at 10.00am on Monday, 29 May 2017 at Baker & McKenzie, Level 19, 181 William Street, Melbourne Victoria.

How to Vote

You may vote by attending the meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the meeting on the date and time and at the place set out above.

Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form enclosed and either:

- send the Proxy Form by post to Computershare, GPO Box 242, Melbourne, Victoria 3001; or
- send the Proxy Form by facsimile to Computershare on facsimile number outside Australia +61 (3) 9473 2555 or within Australia 1800 783 447

Or

- for online voting, visit www.investorvote.com.au
- for Intermediary Online subscribers only (custodians), visit www.intermediaryonline.com

so that it is received not later than 10.00am on Saturday, 27 May 2017.

Proxy Forms received later than this time will be invalid.

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NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of shareholders of FAR Limited ('Company') will be held at 10.00am on Monday, 29 May 2017 at Baker & McKenzie, Level 19, 181 William Street, Melbourne Victoria.

AGENDA

ADOPTION OF FINANCIAL STATEMENTS

To receive the Annual Financial Report, including Directors' declaration and accompanying reports of the Directors and auditors, for the financial year ending 31 December 2016.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report as set out in the Annual Report for the year ended 31 December 2016."

The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

RESOLUTION 2 – RE-ELECTION OF MR BEN CLUBE

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That Mr Ben Clube, who retires in accordance with the Company's Constitution, being eligible for re-election, be re-appointed as a director of the Company."

RESOLUTION 3 – AUTHORITY TO INCREASE NON-EXECUTIVE DIRECTORS FEES

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That for the purposes of ASX Listing Rule 10.17 and for all other purposes, the maximum annual aggregate amount of remuneration (within the meaning of the constitution) that Non-Executive Directors are entitled to be paid for their services as Directors out of the funds of the Company under rule 20.1 of the constitution be increased by \$250,000 and fixed at \$600,000 per annum."

RESOLUTION 4 – APPROVAL OF PREVIOUS FIRST TRANCHE PLACEMENT

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That for the purposes of ASX Listing Rule 7.4 and all other purposes, the shareholders of the Company hereby approve and ratify the allotment and issue of 669,229,868 fully paid ordinary shares in the capital of the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Dated this 24th day of April 2017



Peter Thiessen, Company Secretary

NOTES

1. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
 2. For the purposes of the Corporations Act, securities will be taken to be held by persons who are registered holders as at 7.00 pm on 27 May 2017.
 3. If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting on that resolution if they think fit.
 4. If a proxy is instructed to abstain from voting on an item of business, the proxy is directed not to vote on the shareholder's behalf on the poll and the shares that are subject of the proxy appointment will not be counted in calculating the required majority.
 5. Shareholders who return their proxy forms with a direction on how to vote but do not nominate the identity of their proxy will be taken to have appointed the chairman of the meeting as their proxy to vote on their behalf.
 6. If a proxy form is returned but the nominated proxy does not attend the meeting or does not vote on the resolution, the chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions.
 7. Proxy appointments in favour of the chairman that do not contain a direction on how to vote will be used where possible to support each of the resolutions proposed in this notice of meeting.
 8. The proxy form must be signed by the member or his/her attorney duly authorised in writing or if the shareholder is a corporation in a matter permitted by the Corporations Act or in accordance with the laws of that corporation's place of incorporation.
 9. Proxies need to be returned as instructed on the proxy form to be received no later than 48 hours before the commencement of the meeting.
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VOTING EXCLUSIONS

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Company's key management personnel ('KMP'), details of whose remuneration are included in the Remuneration Report; or a closely related party of a KMP whether the votes are cast as a shareholder, proxy or in any other capacity. Section 250R of the Corporations Act prohibits a vote being cast in any such circumstance.

However, the Company will not disregard a vote cast by a member of the KMP ('KMP member') or a closely related party of a KMP member if the vote is cast as a proxy; the proxy is appointed by writing that specifies how the proxy is to vote on Resolution 1; and the vote is not cast on behalf of a KMP member or a closely related party of a KMP member.

KMP members are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

If you are a KMP member or a closely related party of a KMP member (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as described above), you may commit an offence by breaching the voting restrictions that apply to you under the Corporations Act.

A closely related party of a KMP member means any of the following:

- a spouse or child of the KMP member;
- a child of the KMP member's spouse;
- a dependant of the KMP member or the KMP member's spouse;
- anyone else who is one of the KMP member's family and may be expected to influence the KMP member, or be influenced by the KMP member, in the KMP member's dealing with the Company;

- a company the KMP member controls; or
- a person prescribed by regulations (as at the date of this Notice of Annual General Meeting, no such regulations have been prescribed).

The proxy form accompanying this Notice of Annual General Meeting contains instructions regarding how to complete the proxy form if a Shareholder wishes to appoint the Chairman as his or her proxy and to direct the Chairman to vote on the resolution to adopt the Remuneration Report. You should read those instructions carefully.

2. RESOLUTION 3 - AUTHORITY TO INCREASE NON-EXECUTIVE DIRECTORS FEES

The Company will disregard any votes cast on Resolution 3 by a Director of the Company or any associate of a Director. However, the Company need not disregard a vote on Resolution 3 if it is cast by a Director or any associate of a Director as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

3. RESOLUTION 4 – APPROVAL OF PREVIOUS FIRST TRANCHE PLACEMENT

The Company will disregard any votes cast on this Resolution 4 by any person who participated in the first tranche placement and any associate of any such a person.

However, the Company need not disregard a vote if it is cast:

- by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

ENQUIRIES

Shareholders are invited to contact the Company Secretary, Peter Thiessen, on +61 (3) 9618 2550 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

GENERAL INFORMATION

This Explanatory Statement has been prepared for the shareholders of the Company in connection with the Annual General Meeting of the Company to be held on Monday, 29 May 2017.

The purpose of this Explanatory Statement is to provide shareholders with information that the Board believes to be material to shareholders in deciding whether or not to approve the above resolutions detailed in the Notice.

This Explanatory Statement is an important document and should be read carefully in full by all Shareholders. If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company, your stockbroker or other professional adviser.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

Section 250R(2) of the Corporations Act requires the Company to put to the vote at the Annual General Meeting a resolution that the Remuneration Report be adopted. The Company is also required to inform Shareholders in the Notice of Annual General Meeting that a resolution to this effect will be put at the Annual General Meeting. The Remuneration Report is contained within the Directors' Report in the Company's Annual Report for the year ended 31 December 2016. It sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the Managing Director, specified executives and the non-executive Directors.

Shareholders are advised that, pursuant to section 250R(3) of the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company. Accordingly, the Company will not be required to alter any arrangements detailed in the Remuneration Report, should the Remuneration Report not be adopted.

If 25% or more of the votes cast on Resolution 1 are against adoption of the Remuneration Report, then:

- (a) if comments are made on the Remuneration Report at the Annual General Meeting, the Company's remuneration report for the financial period ending 31 December 2017 will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for this; and
- (b) if, at the 2018 Annual General Meeting, 25% or more of the votes cast on the resolution for the adoption of the remuneration report for the financial year ending 31 December 2017 are against its adoption, the Company must put to its shareholders a resolution proposing that an extraordinary general meeting ('Spill Meeting') be held within 90 days. Where a Spill Resolution is carried (i.e. more than 50% of the votes cast on the Spill Resolution are in favour of the Spill Resolution), the Directors generally (other than the Managing Director) will cease to hold office immediately before the end of the Spill Meeting, unless they are re-elected at the Spill Meeting.

The Company recommends that members who submit proxies should consider giving 'how to vote' directions to their proxyholder on each resolution, including this Resolution 1. If you complete a proxy form that authorises the Chairman of the Annual General Meeting to vote on your behalf as a proxyholder, and you do not mark any of the boxes 'for' or 'against' or 'abstain' so as to give the Chairman directions about how your vote should be cast in relation to Resolution 1, your proxy appointment will automatically direct the Chairman to vote in favour of the resolution to adopt the Remuneration Report and the Chairman will vote accordingly.

The Chairman intends to vote in favour of Resolution 1 where the Chairman is directed to do so by instructions.

If you wish to appoint the Chairman as your proxyholder but you do not want to put the Chairman in the position to cast your votes in favour of Resolution 1, you should complete the appropriate box on the proxy form, directing the Chairman to vote against or abstain from voting on Resolution 1.

2. RESOLUTION 2 – RE-ELECTION OF MR BEN CLUBE

In accordance with the Company's Constitution and the ASX Listing Rules, Mr Ben Clube retires and being eligible for re-election, offers himself for re-election at the Meeting.

Details about Mr Ben Clube are set out in the Directors Report of the 2016 Annual Report.

3. RESOLUTION 3 – AUTHORITY TO INCREASE NON-EXECUTIVE DIRECTORS FEES

In accordance with the Listing Rules and the Constitution, the maximum annual aggregate amount of remuneration that may be provided to Non-Executive Directors is the amount determined by Shareholders.

Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 10.17 and for all other purposes, for the Company to be authorised to increase the maximum annual aggregate amount of remuneration that may be paid to Non-Executive Directors. In calculating the total amount of Non-Executive Directors' fees payable for the purpose of Listing Rule 10.17, superannuation contributions made by the Company for the benefit of Non-Executive Directors, and fees that a Non-Executive Director agrees to sacrifice on a pre-tax basis (if any), are included in the calculation.

Currently the maximum annual aggregate amount which may be provided as remuneration to all Non-Executive Directors of the Company for their services as directors out of the funds of the Company is \$350,000, as approved by Shareholders at the Annual General Meeting held on 27 May 2013.

Resolution 3 seeks Shareholder approval to increase the maximum annual aggregate remuneration of Non-Executive Directors of the Company by \$250,000, from \$350,000 to \$600,000 per annum.

For the purposes of Listing Rule 10.17 the Company advises the shareholders of the Company's ordinary securities approved the grant of 5 million options to Mr Reg Nelson at the Annual General Meeting held on 15 May 2015.

Listing Rule 10.17 provides that an entity must not increase the total amount of directors' fees payable by it or any of its controlled entities without the approval of holders of its ordinary securities. The rule does not apply to the salary of an executive director. This requirement is also reflected in the Company's Constitution.

It is not intended to use the maximum amount immediately. The proposed increase in fees will be utilised for future appointments of new Directors and/or future increases in Non-Executive Directors' remuneration.

The proposed increase in the maximum aggregate amount:

- (i) provides scope to appoint, if and when required, additional Non-Executive Directors to enhance the breadth of skills on the Board. Maintaining a fee 'buffer' will provide flexibility in planning the Board's structure in advance of specific needs arising. This may include the appointment of new Directors to the Board before Directors they are replacing retire to allow for orderly succession and for optimal training and handover arrangements. Further, the buffer will permit the Company, in the future, to increase the size of its Board as it takes on new functions and responsibilities and seeks to remain flexible and responsive to its dynamic operating environment;
- (ii) accommodates increases in fees payable to each Non-Executive Director based on a review of fees paid to non-executive directors in peer-group companies;
- (iii) ensures that the Company's remuneration structure remains competitive with peer-group companies; and
- (iv) reflects the increased complexity of the Company and demands on Non-Executive Directors and the increased time commitment expected from Non-Executive Directors.

Currently there are 3 non-executive directors, Mr N J Limb, Mr R G Nelson and Mr A E Brindal. As at the date of this report the non-executive director fees paid per annum are \$200,000, \$100,000 and \$50,000 respectively totaling \$350,000, which is equal to the current approved non-executive director fee amount.

4. RESOLUTION 4 – APPROVAL OF PREVIOUS FIRST TRANCHE PLACEMENT

The Company is seeking shareholder approval to approve and ratify the issue of 669,229,868 fully paid ordinary shares issued under ASX Listing Rule 7.1 to certain institutional and sophisticated investors on 12 April 2017 arranged by Credit Suisse and RBC Capital Markets as joint Lead Managers, as the first tranche of the Company's equity raising announced to ASX on 6 April 2017 to raise approximately \$80 million before expenses by issuing a total of 1,000,000,000 shares in two tranches. Issue of the second tranche is subject to shareholder approval at the EGM to be held on Monday, 15 May 2017 as announced to the ASX on 11 April 2017.

ASX Listing Rule 7.1 provides, in summary, that subject to certain exceptions a listed company may not issue equity securities in any 12 month period which, in total, would exceed 15% of the number of issued securities of the company at the beginning of the 12 month period, except with the prior approval of shareholders. Under ASX Listing Rule 7.1, the prior approval of shareholders was not required to issue the placement shares because those securities, when aggregated with securities issued by the Company during the previous 12 months (other than securities issued with shareholder approval or under another exception to listing rule 7.1), did not exceed 15% of the number of securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting approves a previous issue of securities (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Approval is now sought for the issue of the first tranche of the placement shares, pursuant to ASX Listing Rule 7.4 in order to reinstate the Company's capacity to issue securities within 15% of its issued capital limit without the need to first obtain shareholders' approval to enable the Company to consider additional funding opportunities over the next 12 months should they arise, consistent with the provisions of ASX Listing Rule 7.1 and the Corporations Act.


ASX Listing Rule 7.5 sets out a number of matters which must be included in a notice of meeting seeking an approval under ASX Listing Rule 7.4. For the purposes of ASX Listing Rule 7.5, the following information is provided in relation to the placement and this Resolution 1:

- (a) the total number of fully paid ordinary shares in the Company (Shares) that were issued is 669,229,868;
- (b) the Shares were issued at a price of 8.0 cents per Share;
- (c) the Shares allotted and issued rank equally with the existing shares on issue;
- (d) the Shares were allotted and issued to certain new and existing institutional and sophisticated investors who subscribed under the placement following a bookbuild process conducted by Credit Suisse and RBC Capital Markets Joint Lead Managers; and
- (e) the funds raised (after costs) together with other funds the Company has access to will be used to fund FAR's continued participation in the drilling, evaluation and pre-development program offshore Senegal, the anticipated acquisition and exploration of Blocks A2 and A5 in The Gambia, and general corporate purposes

The Directors unanimously recommend that shareholders vote in favour of this Resolution 4.

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Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

FAR

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Proxy Form

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Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

 **For your vote to be effective it must be received by 10:00am Saturday 27 May 2017**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of FAR Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of FAR Limited to be held at Baker & McKenzie, Level 19, 181 William Street, Melbourne Victoria on Monday, 29 May 2017 at 10:00am and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 3 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 3 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 3 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Ben Clube	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Authority to Increase Non-Executive Directors Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Previous First Tranche Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /