This chapter investigates the scope of the doctrine of frustration which was developed to deal with cases where events occur after a contract is made which render the agreement illegal, or impossible to perform, or which fundamentally change the nature of the obligations undertaken by the parties. The doctrine operates within strict limits and its use is restricted in cases where, although the commercial purpose of the contract has been drastically affected by unforeseen events, the performance of the contract is still possible. The position under the Law Reform (Frustrated Contracts) Act 1943 and under the common law, including for example, the recent cases of Islamic Republic of Iran Shipping Lines v Steamship Mutual Underwriting Association (Bermuda) Ltd and Olympic Airlines SA (in Special Liquidation) v ACG Acquisition XX LLC, are examined, collectively demonstrating how the doctrine currently operates.