

ABN 41 009 117 293

FIRST AUSTRALIAN RESOURCES LIMITED

Incorporated in Western Australia

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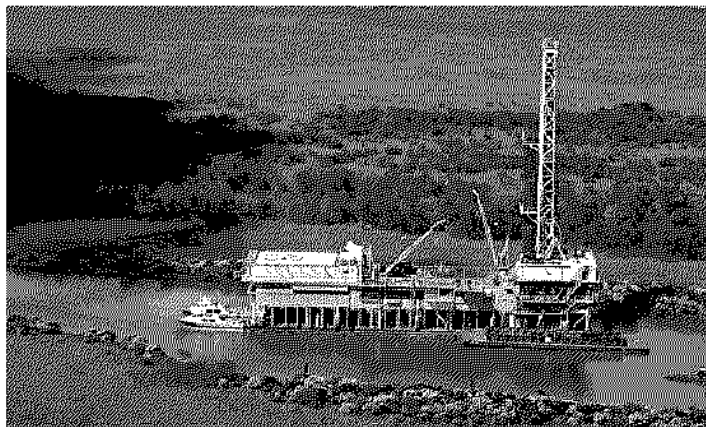
ASX ANNOUNCEMENT AND MEDIA RELEASE

Bay Courant confirmed as an oil discovery

Electric logs have confirmed the Bourg Sand Interval (first objective) to be oil productive in the SL 17316 #1 well at Bay Courant. The operator is presently running 5 and 1/2 inch production casing.

The Boug Sand logged approximately 12 feet of net pay. The Pelican Sand Interval between 12,075 and 12,092 feet and Duval Sand interval between 12,687 and 12,695 feet had hydrocarbon shows however these are non productive based on electric logs. Initial interpretation suggests these sands to be structurally low to prognosis and further evaluation of these intervals to determine an optimum structural location to site a future well will be undertaken.

A deeper Bay Courant structure, mapped on seismic, is also yet to be evaluated by a test well at a crestal location. Known as the "Pr Zone" this play provides significant upside in the deeper pressured sands similar in concept (although smaller) than FAR's recent Lake Long Deep test. Majors have expressed an interest in farming into the lease for a deep test.



(TODCO Barge Rig, South Louisiana, courtesy www.carlmaples.com)

The Bay Courant Project is located in the intracoastal State waters, Lafourche Parish, South Louisiana.

FAR's working interest at Bay Courant will reduce from 20 percent to 15 percent once payout has been achieved. FAR is the only listed entity participating in the project with other interests held by North American entities.