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FIRST AUSTRALIAN RESOURCES LIMITED

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ASX ANNOUNCEMENT AND MEDIA RELEASE

FAR TAKES BIGGER SLICE OF SOUTH GROSSE TETE VENTURE AND PREPARES FOR DRILLING

FAR is on track to commence drilling the South Grosse Tete Prospect in Louisiana. Energy Drilling Rig #7 is expected to be released to FAR on 20 December 2005 with the Eagle project to follow in California within 3 weeks.

South Grosse Tete Project, Iberville Parish, South Louisiana (FAR 18.3% participation) Rig handover set for 20 December 2005

Browning Oil Company has now advised they are on schedule to release Energy Drilling Rig #7 to the South Grosse Tete venture on 20 December 2005 to drill the Schwing A-1 well. Concurrent with this news FAR has opted to increase its participating interest in the well to 18.3% following a repositioning of interest holders.

Shallow Prospect

Permits have been issued and location building has been completed for the drilling of the Schwing A-1 well, a planned 11,650 foot test of the Upthrown Bolmex section of the South Grosse Tete Prospect, a three way faulted closure, lying to the east of the Bayou Choctaw Northwest field, with estimated potential in the range of 3 to 5 million barrels of oil. The well is expected to take approximately 22 days to drill on a trouble free basis.

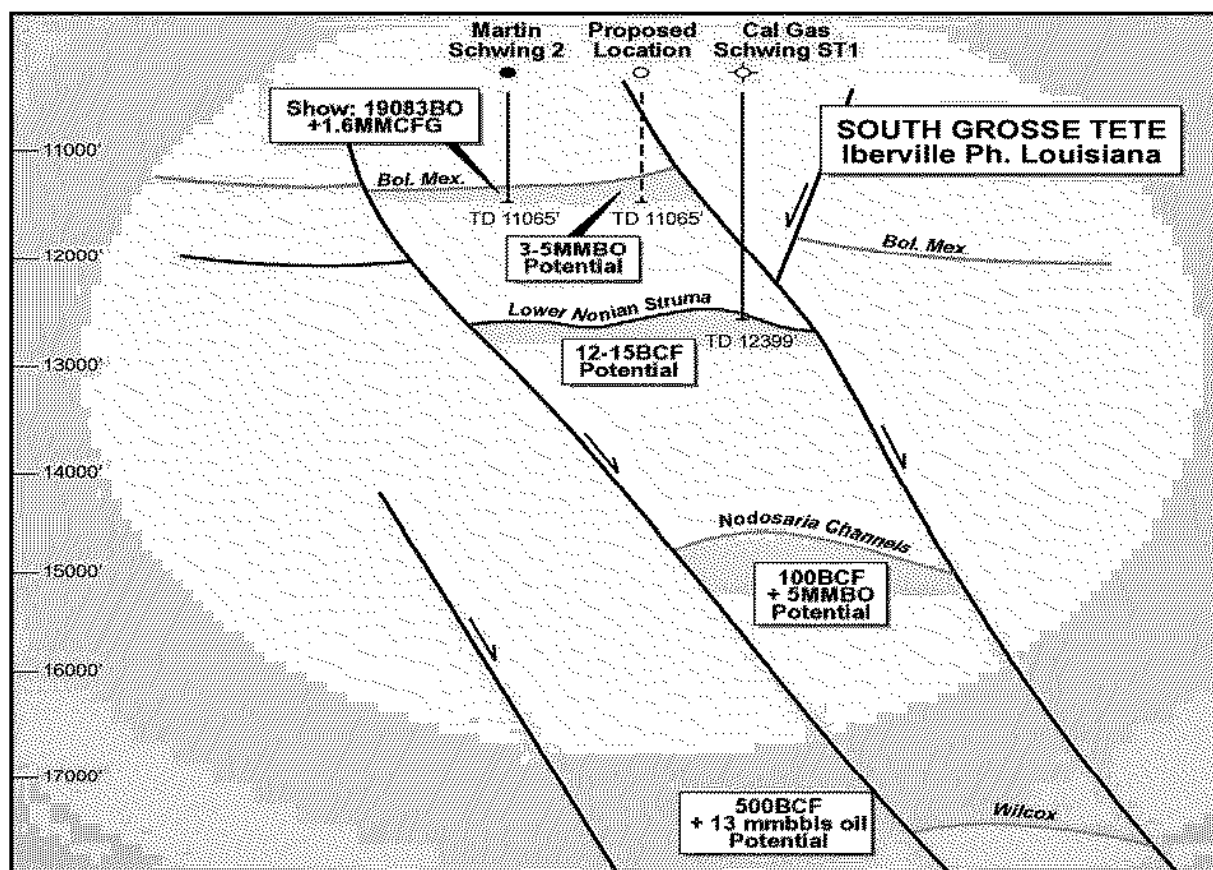
The Schwing prospect is supported by a combination of subsurface well control and 3D seismic acquired in 1996.

Deeper Prospects

The Schwing well will comprise the first phase of program designed to evaluate three primary concepts:

1. the normally pressured up-thrown Bolmex which will be tested in the Schwing A-1 well
2. the deep pressured Wilcox play to the east which will be tested by the Baist 29-1 well, and
3. the downthrown normally pressured Bolmex and Lower Marg Tex, up-thrown pressured Nonion Struma and Nodosaria to be tested by the Schwing 40-1 well.

The target sizes of the deeper seismically defined objectives are shown in the attached illustration.



Eagle Project, San Joaquin Basin, California (FAR 15%)

Revised schedule would see rig due on location early January 2006

Kenai Rig #6 is expected on location to drill Eagle North 1 early January 2006. Eagle North 1 lies approximately 400 metres northwest of the 2001 Eagle 1 surface location and is planned to be drilled to a total depth of 4,200 metres. After logging, provided the presence of oil in the target Gatchell sandstones is confirmed, the well will be cased and production tested for five days. Following a successful test the well will then be plugged back to drill a side track horizontal lateral within the reservoir for a distance of 300 metres which will then be completed for oil and gas production.

Economic completion of the well is likely to trigger an immediate 129 sq km 3D seismic survey for planning of up to nine, 900 metre long in-situ horizontal wells (with potential 4 to 6 fold flow rates for oil and gas over a conventional vertical well) in the reservoir to drain the field over a 15 year production period as well as instituting permitting of production facilities for Eagle North 1 and other wells as they come on stream.

Provided a successful development ensues, it is proposed to truck crude to receiving facilities at Coalinga some 20 kilometres to the west and link gas production to a 20" main gas pipeline that is northwest abutting the development.

The operator has estimated mean potential recoverable reserves for the Eagle project of 13.48 million barrels of oil and 25.18 Billion cubic feet of gas. On a trouble free basis the drilling duration of the vertical component of the Eagle North 1 well is expected to take less than 20 days.

FAR will contribute to the drilling cost on the basis of its current interest (15%) thereby leaving FAR highly leveraged to a successful drilling outcome.

Commenting on the forgoing FAR's executive Chairman Michael Evans said

"FAR is set to commence a period of extended drilling on several fronts. It is important to appreciate that these prospects have been assembled over a prolonged duration involving tenement acquisition, seismic acquisition and evaluation and sub surface well control studies.

In the USA we expect to see the drilling of South Grosse Tete followed immediately by Eagle, Rainosek and Lake long in that approximate order while our next China well is pencilled in for March 2006.

There are never any guarantees in the exploration business; however, we would like to think the extent of the near term program will improve the overall chance of success on a series of prospects that have the potential to make a meaningful impact on FAR."

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