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FIRST AUSTRALIAN RESOURCES LIMITED

Incorporated in Western Australia

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ASX ANNOUNCEMENT AND MEDIA RELEASE

NORTH AMERICAN ACTIVITY UPDATE

USA Gulf Coast

Kicker Prospect, Vermillion Parish, South Louisiana (FAR 5%)

Marceaux #1 at 10,820 feet

The Marceaux #1 well spudded on 28 February using Great Wall Drilling Rig 172 and is currently at 10,820 feet after running 13 and 3/8 inch casing to 4,015 feet.

The well will evaluate the Kicker Prospect located on a 1,017 acre lease block in Vermillion Parish, South Louisiana. The prospect is supported by a combination of subsurface well control and 3D seismic and is located on the northwest flank of the Kaplan field that has produced 300 BCF gas.

The Kicker Prospect is a three-way dip fault closure that will be evaluated by a dry land straight hole test to a planned total depth of 13,200 feet. The well has a planned drilling duration of approximately 42 days.

The test well is prognosed to be approximately 200 feet structurally high to a well that encountered excellent oil and gas shows. There are two objective sands, the Alliance 2 and 3 Sands which are estimated by the operator to have potential in the order of 22.8 BCF gas and 2.2 million barrels of condensate if both sands are successful. The objective sands are productive in several adjacent fault blocks.

Existing infrastructure lies nearby providing for quick sales turnaround in the event of a successful well.

The Operator is Sandalwood Exploration LP of Houston, Texas. In the event of a successful well, FAR's working interest reduces to 3.75% after payout. All other participants are North American entities.

Wild River Project

Alberta Canada

3D Seismic Program commences

FAR, in partnership with a major Canadian company, has completed shot hole drilling in preparation for the recording of a 3D seismic survey in the Alberta Deep Basin, located in Western Canada.

The survey is expected to take two days and will be acquired over several existing leads defined by earlier 2D seismic supported by subsurface well control. Processing will be undertaken by Sensor Geophysical in Calgary.

The objective is to evaluate the surface to basement potential of these leads including the Wabamun formation that is gas productive in the near vicinity. It is anticipated that at least one or more drillable locations will be finalised after receipt of the processed 3D seismic data, which is expected by mid April 2007.

Together with its Canadian partner, FAR now controls key acreage in the area and upon completion of the 3D program will seek industry partners to drill the prospects identified.

FAR's interest in the venture is determined on an expenditure equalisation formula that on present estimates will see FAR controlling a working interest of around 36%.

Commenting on the announcement, FAR's executive Chairman Michael Evans said:

"The commencement of this 3D seismic program in Canada compliments seismic programs underway offshore Senegal and planned at NE Waller. These are designed to generate a drilling inventory capable of delivering excellent leverage as prospects reach drill status.

FAR has gained entry to these ventures early in the exploration cycle on advantageous terms. Given equity levels (30% and above) FAR is advantageously placed to farm out risk (should we elect to do so) on favourable terms in future wells drilled on our properties."

For information on FAR's drilling activities visit our website at www.far.com.au