

ABN 41 009 117 293

FIRST AUSTRALIAN RESOURCES LIMITED

Incorporated in Western Australia

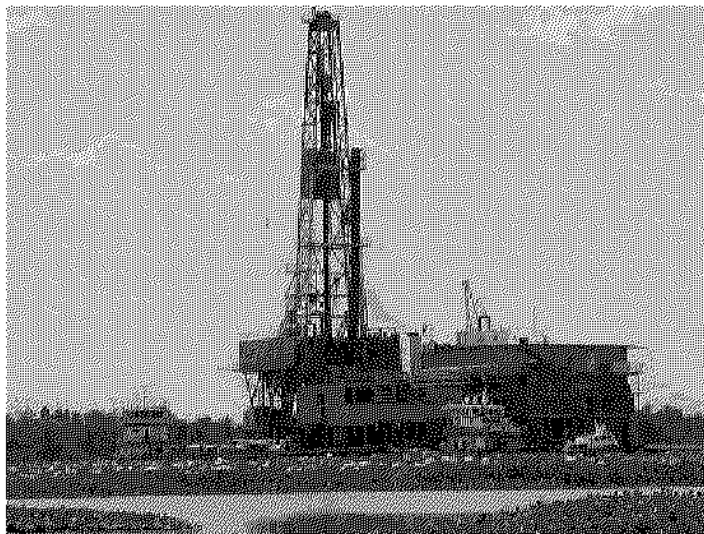
9 May 2007

ASX ANNOUNCEMENT AND MEDIA RELEASE

GULF COAST RIG MOBILISED

Lake Long Project, Lafourche Parish, South Louisiana
Rig mobilised for SL 328 #9
Deep Well (FAR 10.1875
percent)

Todco Rig 29 is being mobilised to Lake Long, South Louisiana. The barge rig is expected on location this week in preparation for drilling the SL 328 #9 well (formerly referred to as the Palace SL 328 #2), a proposed 13,555 foot Lower Hollywood test.



The operator, Kriti Exploration Inc, has reworked the interpretation of the prospect and estimates potential at 21.7 BCF of gas and 760,000 barrels of oil if all three objectives work including 10.7 BCF of gas in the Lower Hollywood zone.

The operator estimates additional potential in offset fault blocks within the field of 28.7 BCF of gas and 1,000,000 barrels of oil.

The prospect is supported by a combination of 3D seismic and subsurface well control tied into FAR's successful SL 328 #1 well. The control well was drilled in 2004 and came on line at the rate of 5.6 million cubic feet of gas and 301 barrels of oil per day and is still producing at a daily rate of 3.6 million cubic feet of gas and 60 barrels of oil.

FAR enjoys a 100 percent completion rate within the Lake Long field and hopes to replicate the success achieved in the initial Hollywood discovery. A completed well is expected to cost in the vicinity of US\$10 million.

BP has provided a lease to enable the well to progress. Participants in the well include recent farminees Sun Resources NL (ASX: SUR) and Amadeus Energy (ASX: AMU).

Farm out concluded on Thunder River Prospect

In other developments at Lake Long, FAR has concluded a farm out of the Thunder River Prospect with Mustang Energy (Operator) covering the east side of State Lease 17416 in which FAR holds a 31.375% working interest (pre-farm out).

FAR has agreed to farm out to Mustang on the basis of a 3% override convertible to a 25% Working Interest after payout (based on pro-rata acreage positions held in a pre-drilling unit in which Mustang holds approximately 94.5% of the unit). Under the agreement Mustang is required to drill an 11,000 foot test of the Bigerina Sand on or before 1 October 2007.

Other participants in the proposed Thunder River Prospect test well include Kriti Exploration Inc based in North America.

All working interests at Lake Long are subject to State and other minor royalties.

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

"The SL 328 #9 will be the 4th well in our 2007 North American program. The first three wells have all been completed for production and should progressively add to our revenue and reserve base.

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