

**FIRST AUSTRALIAN RESOURCES LIMITED***Incorporated in Western Australia***ANNOUNCEMENT AND MEDIA RELEASE****FAR TO RAISE \$8.68 MILLION FOR WORLD CLASS EXPLORATION**

The Directors of First Australian Resources Limited ("FAR" or "the Company") advise that the Company has resolved to raise \$8.68 million through the issue of 62 million ordinary shares at an issue price of \$0.14 per share. The new shares will be issued predominantly to Australian, United Kingdom and North American institutional investors and sophisticated investor clients of Hartleys Limited.

The additional funding will further strengthen the Company and provide for an aggressive exploration program over its world class portfolio the highlights of which include:

- Interpretation of data acquired from a 2,089 sq km 3D seismic survey over Deep Water Offshore Senegal blocks to further refine prospects and leads (including large turbidite fans) identified on earlier 2D seismic by JV partner Senegal Hunt Oil Company, a number of which are capable of hosting several hundreds of millions of barrels of oil;
- Progressing development plans on the Wei 6-12 South Discovery Offshore China (which tested 5,750 barrels of oil per day) and a 4-6 well drilling program of 3D defined targets commencing in November 2007;
- A two well back to back wildcat program in Australia's onshore Canning Basin commencing late July 2007 to be operated by Arc Energy Limited evaluating Stokes Bay (80BCF potential) and Valentine (up to 200 million barrel potential);
- Multiple wells planned in the Gulf of Mexico (including Lake Long Deep now drilling) where FAR is enjoying a 100 percent completion rate in its 2007 program; and
- A planned 50 sq mile (80sq km) 3D seismic acquisition program at NE Waller in the Gulf Coast on depositional strike with several nearby fields which have produced over a quarter trillion cubic feet of gas and over thirty million barrels of liquids.

The Directors would like to extend a welcome to new shareholders of the company and thank Hartleys Limited for their continuing support. The company is delighted with the participation in the capital raising of some significant institutional oil and gas investors that will underpin our growth plans.

The shares will be allotted on or about 20 June 2007. The placement of new shares will be undertaken pursuant to ASX Listing Rule 7.1. An appendix 3B in relation to the placement will be lodged separately.

Commenting on the proposed placement, Executive Chairman Michael Evans said:

*“FAR continues to attract a class of shareholder that can match the Company's growth ambitions. We are delighted by the overwhelming support received for this capital raising which recognises our operational philosophy. Funds raised will allow FAR to continue to aggressively pursue its world class exploration portfolio.*

*An exciting program over the next few months includes seismic interpretation to define the first drill targets in Deep Water West Africa where FAR is rubbing shoulder with industry heavyweights; FAR's first ground floor 3D seismic initiatives in North America, and drilling offshore China, Australia and North America.”*

**This announcement will lift the present trading halt in FAR securities.**

Further information on FAR's drilling program and prospects is available in regular updates provided to the ASX and at FAR's website on [www.far.com.au](http://www.far.com.au)