

ABN 41 009 117 293

FIRST AUSTRALIAN RESOURCES LIMITED

Incorporated in Western Australia

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ASX ANNOUNCEMENT AND MEDIA RELEASE

DRILLING UPDATE

Lake Long Project, Lafourche Parish, South Louisiana

Electric Logs confirm gas pay in Upper and Middle Hollywood (SL 328 # 9 Deep Well) Pressure test, then drill ahead toward Lower Hollywood target (FAR 10.1875%)

Since the last report of Tuesday 19 June 2007, the SL328 # 9 well on the Hollywood Prospect, Lake Long, Louisiana, has reached third casing point at 12,489 feet measured depth (12,427 feet true vertical depth) where electric logs and side wall cores were taken over the Upper and Middle Hollywood Sands objectives to confirm reported hydrocarbons from mud log and LWD gamma/resistivity log observations.

Following logging, 7 5/8" casing was run and set. Current activity is completion of pressure testing of casing in order to drill ahead in vertical 6 1/2" hole to final Lower Hollywood Sands objective and thence to total well measured depth of 13,567 feet measured depth.

Results of Electric Logging

Electric logs have confirmed the presence of previously reported hydrocarbons in the Upper and Middle Hollywood Sands objectives. From the analysis of electric logs;

13 feet of net log pay has been calculated for the Upper Hollywood Sands objective and;
29 feet of net log pay has been calculated for the Middle Hollywood Sands objective.

These pay intervals are now behind pipe allowing for future production.

Background

The well targets multi-pay Hollywood Sands objectives, lying between 11,800 feet measured depth (11,700 feet true vertical depth) and the total well measured depth of 13,567 feet, which have a cumulative target potential of 21.7 billion cubic feet of gas and 760,000 barrels of condensate. The prospect is considered to be relatively low risk as there is good 3D seismic amplitude support of the multi-pay targets which are interpreted as indicating gas and the well is updip on structure to the nearby producing (Hollywood Sands) Palace (SL 328) #1 well.

Interests in the well are also held by the Operator, Kriti Exploration Inc and ASX listed entities Amadeus Energy Limited and Sun Resources NL.

EP 104 AND RETENTION LEASE R1 - CANNING BASIN - 8% INTEREST
WEST KORA APPLICATION – CANNING BASIN – 12% INTEREST
ARC Energy provides details of July 2007 Drilling Program (FAR 8%).

Arc Energy, Operator of the EP 104/R1 Joint Venture has provided the following information to ASX in presentation material pertaining to the drilling of Stokes Bay and Valentine Prospects scheduled to commence in approximately 30 days utilising Century Rig 18.

Core area – Canning Basin

Canning Basin - Potential

- ARC holds a dominant acreage position in the Canning Basin
- The Canning Basin has the potential to deliver very high growth for ARC through both oil and gas discoveries
 - The Canning Basin is the least explored Paleozoic basin in the world
 - Exploration activity has been sporadic and driven by oil price with the 1980's drilling program being the only sustained exploration effort
 - Several small commercial oil fields have already been found (currently ~ 50 bopd owned by ARC)
 - No systematic gas exploration
- ARC is about to start the largest frontier/immature basin exploration program undertaken in WA in the last 30 years
 - 26 wells over three years
- ARC has the track record to get oil and gas discoveries on stream quickly and cheaply
 - Mobile Early Production System technology for rapid oil production for trucking to Kwinana (up to 4,000 bopd)
 - Gas commercialisation very profitable in the current WA gas market

Dominant acreage position in Frontier Basin with large prospects for both oil and gas. Operated areas and high equities gives tremendous leverage

ARC
Auriferous Energy

Core area – Canning Basin

Canning Basin – exploration targets

- ARC has a team of geoscientists reviewing the very extensive high quality data base.
- Over 20 prospects have been identified so far.
- These are being high graded for the drilling program.
- Four of the indicative prospects and the approved Valentine well are as follows:

Prospect	Mean - P10	ARC%
Valentine	380-1000bcf +19mmbbls	33%
Yulleroo	332-900bcf +17mmbbls	100%
Ungani	260-700bcf +13mmbbls	100%
Valhalla	14-33mmbbls	100%
Utopia	9-21mmbbls	100%

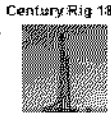
High value exploration program starting shortly

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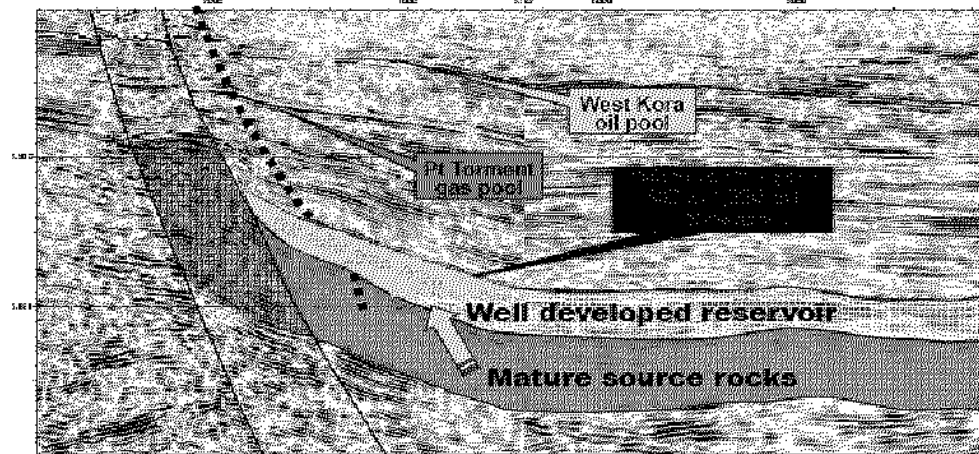
Core Areas – Canning Basin

Canning Basin - drilling to commence shortly

Stokes Bay/
Valentine 1
Well



- First well Stokes Bay /Valentine 1 - ARC ~40% and operator
- Initial test of extent of Point Torment wet gas discovery
- Deeper Valentine prospect with high upside for oil and gas



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Based on present schedules the drilling of Stokes Bay and Valentine around late July is likely to be the next significant drilling activity in FAR's 2007 drilling program.

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

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