



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 **Successful test of SL 328 # 9 Deep Well (FAR 10.1875%)**

A successful test has been conducted in the Middle Hollywood Sand interval of the SL 328 #9 well at Lake Long Field.

Restricted testing averaged 2.36 million cubic feet of gas and 55 barrels of condensate per day with no water at 4,584 psi flowing pressure on 10/64" choke.

The Operator has advised the well will be placed on line at approximately 4 million cubic feet of gas and 100 barrels of condensate per day once a small production platform is built around the well head, and well equipment and flow lines to the Operator's nearby gas processing plant have been installed. This activity is scheduled for completion during August 2007.

The Upper Hollywood Sands (where 13 feet of additional net pay has been logged) will be produced at a later date.

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

Lindsey 109A # 1R, Dawson County, Texas (FAR 4.64%) **Drilling ahead at 6,815 feet.**

The Lindsey 109A #1R well is drilling ahead at 6,815 feet after running 8 5/8" casing to 4,755 feet. The well is targeting the Siluro-Devonian formation using Basic Energy Rig 32. The well has a planned total depth of 12,300 feet at an estimated cost of US\$1.5 million completed.

The well is effectively a re-drill of the original discovery well in which FAR was a participant. The discovery well was drilled in 1997 and came on line at 186 barrels of oil per day before ceasing prematurely due to down hole mechanical issues. The operator is estimating 270,000 barrels of oil in total recoverable reserves for this location.

The operator is RIM Operating, Inc. of Englewood, Colorado.