



ABN 41 009 117 293

FIRST AUSTRALIAN RESOURCES LIMITED

Incorporated in Western Australia

20 December 2007

ASX ANNOUNCEMENT AND MEDIA RELEASE

SCHWING #2 - DRILLING UPDATE

Schwing #2 Well, South Grosse Tete, Iberville Parish, South Louisiana **Well deepened to 9,265 feet – FAR (0-14,500 feet 5%)(>14,500 feet 17.7%)**

We have been advised that since our last report on 13 December 2007, the Schwing #2 well has been deepened from 8,244 feet to 9,265 feet. Current operations at the well comprise running in the hole with a new bottom-hole assembly prior to drilling ahead.

The Schwing #2 well is a deviated 14,500 foot Nodosaria test in which FAR has a 5% working interest (for depths between surface and 14,500 feet).

The Schwing #2 well has been engineered in a manner to enable deepening to test the Wilcox formation if the shallower objectives fail to yield a commercial result. The well is targeting gas and is expected to take 52 days at an estimated completed cost of US\$6 million. FAR has retained its full 17.7 percent rights below 14,500 feet and will determine its level of participation in any deepening if and when a firm proposal is made.

A potential bail out zone has been mapped at Bolmex horizon at approximately 11,800 feet. This zone is considered lower risk and may assist in defraying well costs.

The project is being operated by Spartan Operating Company, Inc. FAR's interest is subject to a back-in of 25% after cost recovery is achieved on a full project basis. Other participants include ASX listed Amadeus Energy Limited (AMU).

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