



ABN 41 009 117 293

FIRST AUSTRALIAN RESOURCES LIMITED

Incorporated in Western Australia

11 July 2008

ASX ANNOUNCEMENT AND MEDIA RELEASE

PLACEMENT AND SPP TO FUND EXPLORATION PROGRAMME

The Directors of First Australian Resources Limited ("FAR" "the Company") are pleased to advise that the Company has resolved to raise up to \$4 million through the placement of up to 50 million shares at an issue price of 8 cents per share ("Placement"). Hartleys Limited is corporate advisor to FAR and is the Lead Manager to the Offer.

The Placement of new shares will be undertaken within the Company's ASX Listing Rule 7.1 15% placement capacity.

In addition, and to allow all eligible shareholders to acquire up to \$5,000 of FAR shares at the Placement price of 8 cents per share, the Company has resolved to undertake a Shareholder Purchase Plan ("SPP").

The record date for the SPP is 5pm (WST) Friday 11 July 2008. More information will be provided in the SPP offer letter which will be mailed to eligible shareholders in the week commencing Monday 14 July 2008.

The monies raised pursuant to the Placement and SPP will be applied to FAR's exciting work programme over the coming months, including:

- Testing of the Stokes Bay-1 well which has potential reserves in excess of 200 BCF gas or 10million BBL oil;
- Exploration drilling at NE Waller, Texas, where several prospects have been identified by FAR, targeting potential reserves in excess of 50BCFE;
- The drilling of an exploration well at Lake Long, South Louisiana with potential reserves in excess of 150,000 BBL oil and 1BCF gas;
- Farm-out marketing of the +1billion BBL oil potential Senegal project; and
- Progression of development planning in the Beibu Gulf, Offshore China.

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

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

NOTE: In accordance with Chapter 5 of the Listing Rules, the geological information in this release has been reviewed by Dr Igor Effimoff, a geologist with 35 years experience. He is a member of American Association of Petroleum Geology, the Society of Petroleum Engineers, the Society of Exploration Geophysicists and the Geological Society of America. Dr Effimoff has given his consent to the information in the form and context in which it appears.