Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

FIRST AUSTRALIAN RESOURCES LIMITED

ABN	Quarter ended ("current quarter")
41 009 117 293	30 June 2009

Consolidated statement of cash flows

	Cash flows related to operating activities		Current quarter $A'000	Year to date (6 months) $A'000
1.1	Receipts from product sales and related debtors		326	871
1.2	Payments for	(c) production	(159)	(411)
		(d) administration	(617)	(1,061)
1.3	Dividends received			
1.4	Interest and other items of a similar nature received		25	103
1.5	Interest and other costs of finance paid		(67)	(128)
1.6	Income taxes paid			
1.7	Other		2	4
	Net Operating Cash Flows		(490)	(622)
	Cash flows related to investing activities			
1.8	Payment for purchases of:	(a)prospect leases	(22)	(22)
		(b)equity investments		
		(c) other fixed assets		
		(d) exploration & evaluation	(171)	(1,052)
		(e) development	(9)	(36)
1.9	Proceeds from sale of:	(a)prospects	2,872	2,872
		(b)equity investments		
		(c)other fixed assets		
1.10	Loans to other entities			
1.11	Loans repaid by other entities			
1.12	Other			
	Net investing cash flows		2,670	1,762
1.13	Total operating and investing cash flows (carried forward)		2,180	1,140

1.13	Total operating and investing cash flows (brought forward)	2,180	1,140
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	3,500	4,250
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		2,987
1.17	Repayment of borrowings	(362)	(5,903)
1.18	Dividends paid		
1.19	(a) Other (Share Issue Expenses)	(229)	(344)
1.19	(b) Other (Debt Issue Expenses)	(8)	(236)
	Net financing cash flows	2,901	754
	Net increase (decrease) in cash held	5,081	1,894
1.20	Cash at beginning of quarter/year to date	3,575	6,761
1.21	Exchange rate adjustments to item 1.20	(297)	(296)
1.22	Cash at end of quarter	8,359	8,359

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	109
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

During the quarter, Shell completed the Data Acquisition phase of the CSEM Data Acquisition and Geophysical Evaluation Programme over part of FAR’s Licence Area comprising Sangomar Offshore, Rufisque Offshore and Sangomar deep Offshore Blocks in Senegal, West Africa. This programme has been funded solely by Shell.

The objective of the programme is designed to enable Shell to determine whether or not to exercise an option (“the Option”) to acquire a 70 percent interest in the Licence Area and enter the second renewal period that includes a well commitment. Shell has 90 days from the completion of the Data Acquisition phase to decide whether to exercise the Option.

Refer to ASX release of 1 June 2009 for further details.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	25
4.2	Development	-
	Total	25

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	2,236	76
5.2	Deposits at call	160	361
5.3	Commercial Bills	5,963	3,138
5.4	Other		
	Total: cash at end of quarter (item 1.22)	8,359	3,575

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference +securities *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	646,232,784	646,088,344	N/A	N/A
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	70,000,000 144,440* -	70,000,000 210,000** -	5.0 cents 4.5 cents	5.0 cents 4.5 cents
7.5	+Convertible debt securities: 15% Unsec.Redeem. Convertible Note*)*	6,602,589	6,617,033	45 cents	*Maturity Date* 31 January 2012
7.6	Changes during quarter (a) Increases through issues (b) Decreases through: - converted	- (14,444)*	- (21,000)**	45 cents 45 cents	*Maturity Date* 31 January 2012 31 January 2012
7.7	Options Consultant Incentive Consultant Consultant Incentive	 2,000,000 9,500,000 6,000,000 14,000,000 7,800,000	 - - - - -	*Exercise price* 30 cents 15 cents 14 cents 5 cents 7 cents	*Expiry date* 30 June 2010 31 July 2010 1 March 2011 30 June 2012 30 June 2012
7.8	Issued during quarter	7,800,000	-	*Exercise Price* 7 cents	*Expiry Date* 30 June 2012
7.9	Exercised during quarter			*Exercise Price*	*Expiry Date*
7.10	Expired during quarter:	1,500,000	-	*Exercise Price* 23 cents	*Expiry Date* 30 June 2009
7.11	Debentures *(totals only)*				
7.12	Unsecured notes *(totals only)*				

* On 30 June 2009, 14,444 Convertible Notes were converted into 10 ordinary shares each at an effective issue price of 4.5 cents per share. Official quotation of the securities was granted on 3 July 2009.

** On 31 March 2009, 21,000 Convertible Notes were converted into 10 ordinary shares each at an effective issue price of 4.5 cents per share. Official quotation of the securities was granted on 3 April 2009.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Date: 24 July 2009
Print name: COLIN HARPER (COMPANY SECRETARY)

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 Issued and quoted securities The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 Accounting Standards ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.