First Australian Resources Ltd

"West African Positives – post Shell"

Good Oil Conference

September 2009

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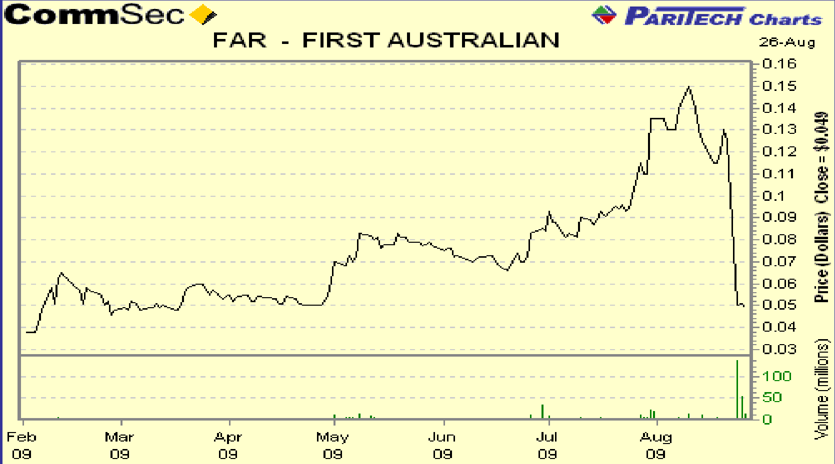
Overview of FAR

- Strong balance sheet and Shareholder base > 5,500
- Opens the door to new opportunities and underpins world class offshore Senegal Project (3D defined prospects exceed 1 billion mean potential barrels oil in place)
- While waiting on Shell funded CSEM study results, FAR has moved to seek an extension on Licences and re-commence new farmout discussions

Capital Structure (Sept 2009)

Shares on issue	658,232,784
Share price	$0.050
Market capitalisation	$32,911,639
Cash on hand*	$13,150,000
Convertible Notes (6.6m, 15%, 31 Jan 2012, convert at $0.45 per share)	$2,971,165
Enterprise value	$22,732,804
Unlisted options on issue (exp 2010-12; ex $0.05 to $0.30)	27,300,000

Share Price Performance Since 1 Feb 2009



*includes Shell 's option payment of US$3.5m due 3rd Qtr but excludes further staged payments from sales of China asset (est. $A8.5m)

West Africa

Senegal 3D Proves-up Massive Prospects

- Acquired 2050 km^2 3D seismic at a cost of US$14 million in 2007
- 3D interpretation and Slope fan attribute work completed Q1 2008
- FAR moves to 90% and becomes Operator December 2008
- Shell funded CSEM program acquisition May 2009
- Shell withdraws August 2009. Farmout marketing commences Sept 2009
- Multiple Santonian age fan systems with stacked amplitude anomalies
- Large Albian shelf edge closure (up to 178 km^2) > 1 billion barrels mean potential
- Adjacent Turonian source rock kitchen in oil window

SANTONIAN AGE FAN – SINGLE FAN/SINGLE RESERVOIR POTENTIAL

	OOIP	AREA	NET PAY	Φ	K
	MMBO	ACRES	FT	%	mD
P90	5	400	15	8	50
Mean	**183**	**3855**	**102**	**17**	**200**
P10	516	10,000	225	25	1000

Water Depth:	1650 m	(5400')
Depth to target:	3700 m	(12,140')
Well TVD:	4100 m	(13,450')

Analogue:
Cantarell Field: Offshore Campeche. Mexico
Reservoir Rock: Carbonate Breccia
Depositional Environment: Carbonate Platform/ Slope
Trapping Mechanism: Combination- Structural & stratigraphic
Age of Reservoir: Early Cretaceous
Gross reservoir thickness: 290m
Porosity & type: 3-5 % Vugs, intercrystalline spaces & fractures
Produced: 7.861 Billion bbls oil

SHELF EDGE CLOSURE – POTENTIAL

	OOIP	AREA	NET PAY	Φ	K
	MMBO	ACRES	FT	%	mD
P90	40	4,000	16	3.6	50
Mean	**1128**	**22,925**	**172**	**7**	**1000**
P10	3082	54,550	452	10	10000

Water Depth:	1300 m	(4250')
Depth to target:	2800 m	(9180')
Well TVD:	4000 m	(13,100')

Analogue:
Amposta Field: Spain
Basin: Western Mediterranean
Basin Type: Back Arc
Reservoir Rock: Karstic Limestones
Depositional Environment: Carbonate Platform
Trapping Mechanism: Tilted Horst
Age of Reservoir: Early Cretaceous
Net reservoir thickness: 194m (636ft)
Porosity & type: Karstic fractures and vugs
Proved Acres: 903hc
Ultimate recoverable: 55.96 mm bbl oil

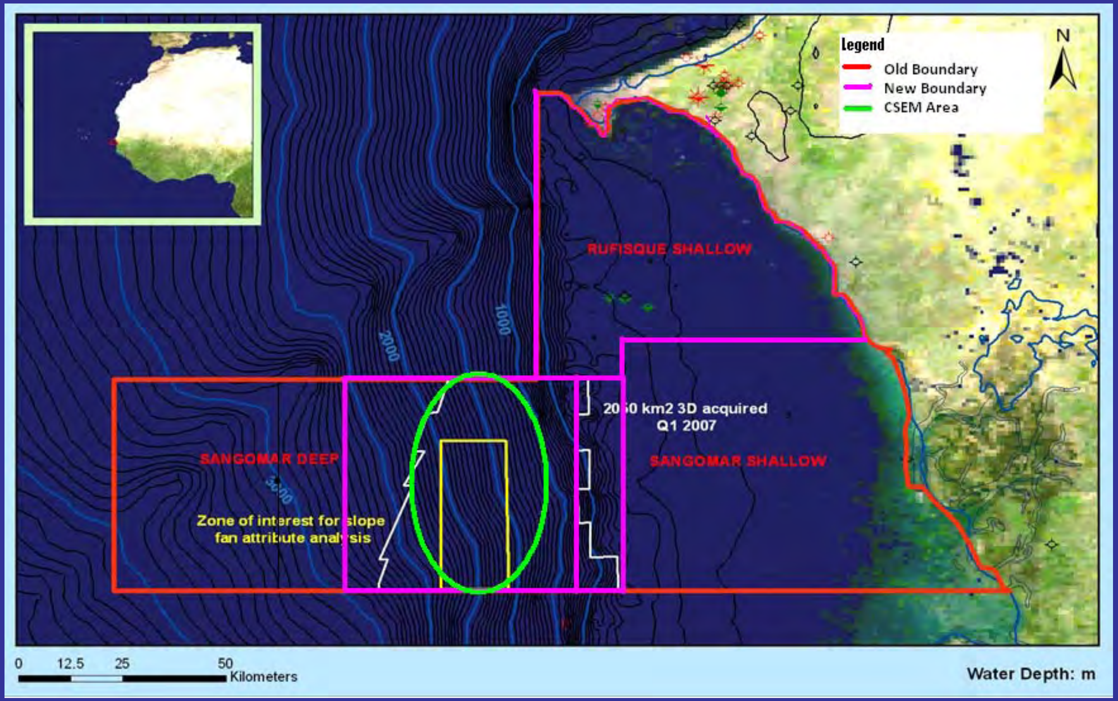
WEST AFRICAN POSITIVES

- Large equity (90%) / acreage (7,490 sq km) / operatorship available
- Over US$21m spent on 3D seismic and CSEM
- Contract Extension has NOC support
- Drill ready prospects / different play types / other offers remain to follow up
- Big neighbours in Edison and Petrobras
- FAR has been in this position before (Hunt 2008)
- Oil double price of previous negotiations ($72v$36)
- Acreage has attracted World's largest company
- CSEM results pending – independent review planned
- Shell history of leaving something on the table

Offshore Senegal, West Africa

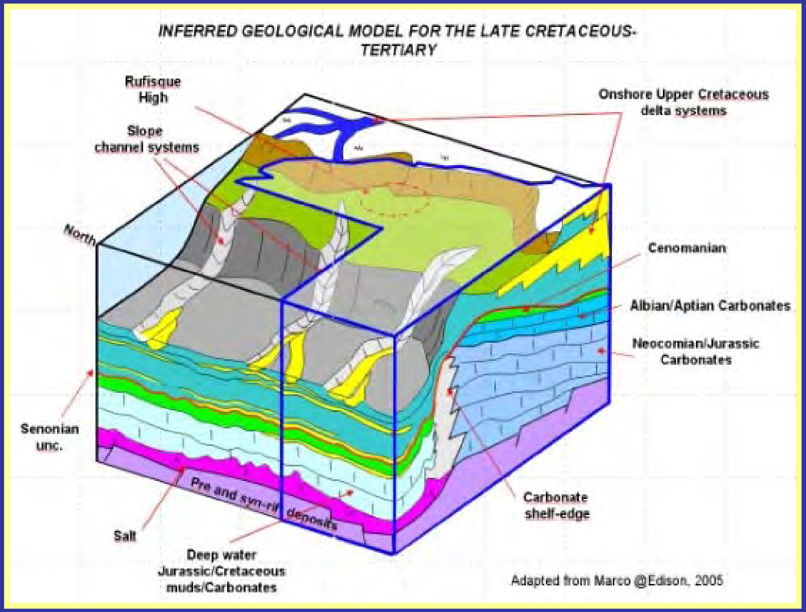
- FAR (90%) Operator - only ASX entry in this world class play - Petrosen (NOC) (10%)
- Currently in 2nd phase of license to 22 November 2009 with extension pending
- The Sangomar-Rufisque offshore licence (3 concessions) covers an area of 7,490 sq km over the shelf, slope, and basin floor
- Prospects derived from 3D seismic include:

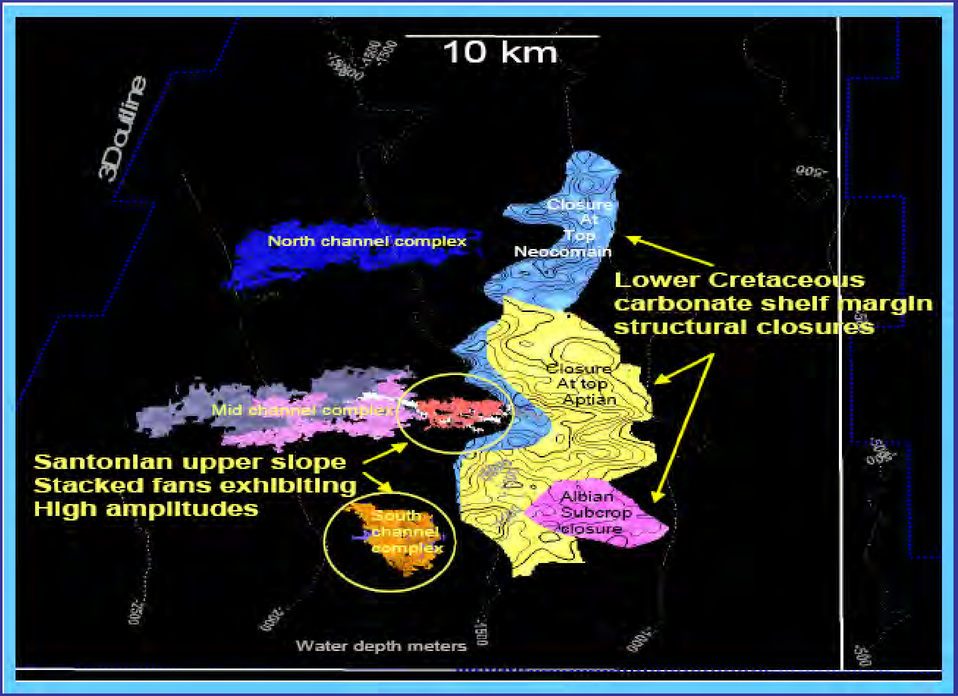
  Aptian shelf edge prospect with mean potential exceeding **1 billion** barrels of oil in place
  Santonian age fan prospects with mean potential exceeding **180 million** barrels of oil in place from a single fan complex

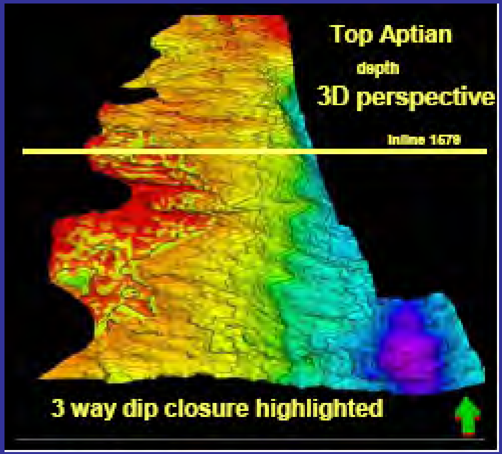


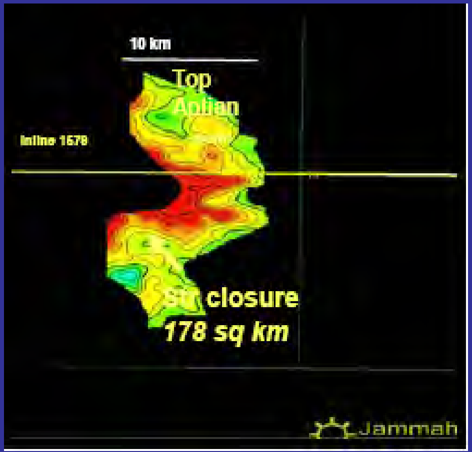
Location of FAR Blocks

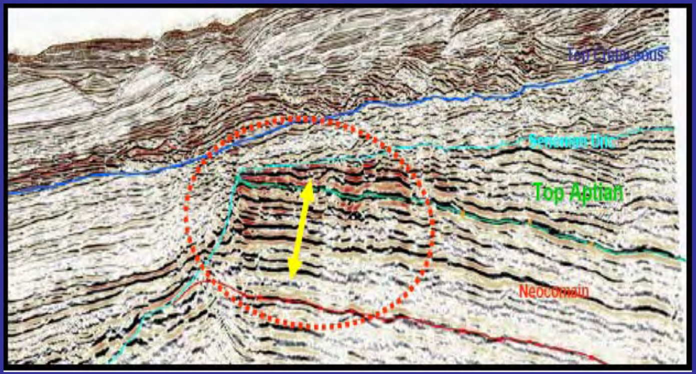
Senegal Targets











China

Offshore China Block 22/12 Sold

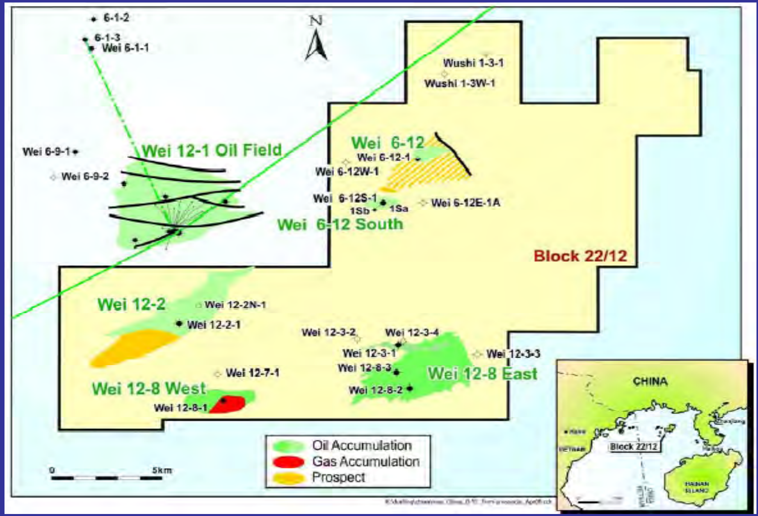
FAR 5%* sold to Korean Group in April 2009 for US$ 8million payable:

•US$2 million received

•US$3 million upon approval of an Oilfield Development Program (“ODP”) or if commercial development of the project proceeds

•US$3 million once the project has produced 1 million barrels of oil (gross).

“Another milestone for FAR enabling focus on other opportunities that generate greater leverage for Shareholders”



* (CNOOC has option to ‘back in’ to any discovery at an equity level up to 51%.)

Summary

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- FAR has a 90% interest in 3 concessions offshore Senegal:
  - 2,050 sq km of 3D processed data
  - mapped multiple prospects including:
    - 3D defined Aptian shelf edge prospect, mean potential exceeding **1 billion** barrels of oil in place; and
    - Fan systems such as 3D mapped Santonian age fan prospects with mean potential exceeding **180 million** barrels of oil in place from a single fan complex
- SHELL funded CSEM acquisition commenced May 2009 final report due mid Sept 2009.
- Ground floor opportunities in North America, meaningful targets to be drilled
- Strong balance sheet with no significant expenditure commitments
- With a market capitalisation of circa A$32 million and $13 million in cash and a further US6m in receivables, FAR provides unique leverage to a world class interests offshore West Africa
- FAR is open to other global opportunities.