



FIRST AUSTRALIAN RESOURCES LIMITED

Incorporated in Western Australia

16 November 2009

Farlee Walker
Adviser, Issuers
Australian Securities Exchange
Level 8, Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Farlee

RESPONSE TO ASX QUERY - 12 NOVEMBER 2009 ANNOUNCEMENT

In response to your letter dated 16 November 2009, we provide the following information:

1. The notification of the grant of the extension from the Senegalese Minister for Energy and Biofuels was received after close of business on Wednesday 11 November 2009. The communication was in French. None of the Company's directors or employees are proficient in French so the communication was forwarded to our Senegal office for translation to English.

An immediate trading halt was requested on open of business in Perth on 12 November 2009, at which stage the English translation of the communication from the Minister had been received and the Directors became "aware" of its content. The appropriate ASX release was prepared and released by the Company at the earliest possible opportunity.

2. Yes. The extension to the licence term was considered material to the Company as it provided the Company with a more workable timetable within which to progress our ongoing potential farm-out opportunities.
3. N/a
4. The announcement was made as soon as practicable after communication of the extension was received and translated into English. Whilst not being able to confirm the grant due to it being dependent on written confirmation being received, previous releases made by the Company had informed the market that our application had been submitted with the full support of Petrosen, the National Oil Company, and had set out the reasons why we expected the extension to be granted. The Company was not in a position to make a more definitive announcement prior to the receipt and translation of the Minister's letter as ultimately the grant or refusal of the extension application was at the discretion of the Minister.

As mentioned above, the directors did not make an announcement or request a trading halt until such time as an English translation had been obtained and they were "aware" of the content of the communication. We receive a number of communications from the Minister, all of which are in French, and most of which relate to routine matters which do not warrant any announcement to the ASX. It would not be reasonable, and in fact would be disruptive to the market, if a trading halt were to be called each time correspondence is received from the Senegalese government pending translation.

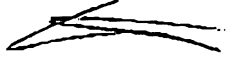
The Company believes it acted as promptly as is practicable given the practicalities of the situation.

5. The company is in compliance with the listing rules and, in particular, listing rule 3.1.

Yours sincerely

For and on behalf of

FIRST AUSTRALIAN RESOURCES LIMITED



COLIN HARPER
Company Secretary



16 November 2009

Mr. Albert Brindal
Company Secretary
First Australian Resources Limited
Unit B1 431 Roberts Road
SUBIACO WA 6008

By email

Dear Albert,

ASX Limited
ABN 98 008 624 691
Level 8
Exchange Plaza
2 The Esplanade
Perth WA 6000

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First Australian Resources Limited (the "Company")

ASX Limited ("ASX") refers to the announcement entitled, *"Minister Grants Extension on Senegal Blocks (FAR 90%)"*, released to the market at 12.49 pm EDST on 12 November 2009 (the "Announcement"). The Announcement advised that the Company had, on 12 November 2009, been granted a one year extension, commencing from the date of a formal Presidential Decree, to the First Renewal Period under the Contract for Exploration and Hydrocarbon Production Sharing covering the Rufisque and Sangomar and Sangomar Deep offshore blocks.

As you are aware, listing rule 3.1 requires an entity, once it becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, to immediately tell ASX that information. The exceptions to this requirement are set out in listing rule 3.1A.

I would like to draw your attention to the definition of "aware" in Chapter 19 of the listing rules. This definition states that:

"an entity becomes aware of information if a director or executive director (in the case of a trust, director or executive officer of the responsible entity or management company) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity."

Furthermore, paragraph 17 of Guidance Note 8 states:

"Once a director or executive officer becomes aware of information, he or she must immediately consider whether that information should be given to ASX. An entity cannot delay giving information to ASX pending formal sign-off or adoption by the board, for example."

Australian Securities Exchange

Australian Stock Exchange
Sydney Futures Exchange

Australian Clearing House
SFE Clearing Corporation

ASX Settlement and Transfer Corporation
Austraclear

Listing rule 3.1A sets out an exception from the requirement to make immediate disclosure, provided that each of the following are satisfied.

- 3.1A.1 A reasonable person would not expect the information to be disclosed.*
- 3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential.*
- 3.1A.3 One or more of the following applies.*
- It would be a breach of a law to disclose the information.*
 - The information concerns an incomplete proposal or negotiation.*
 - The information comprises matters of supposition or is insufficiently definite to warrant disclosure.*
 - The information is generated for the internal management purposes of the entity.*
 - The information is a trade secret."*

Finally, I would like to draw your attention to ASX's policy position on the concept of "confidentiality" which is detailed in paragraphs 33 to 39 of Guidance Note 8. In particular, paragraphs 34 and 35 of the Guidance Note state that:

"Confidential" in this context has the sense of 'secret'..." and "Loss of confidentiality may be indicated by otherwise unexplained changes to the price of the entity's securities, or by reference to the information in the media or analysts reports".

Having regard to the above definitions, listing rule 3.1 and Guidance Note 8 - Continuous Disclosure, ASX asks that you answer the following questions in a format suitable for release to the market, in accordance with listing rule 18.7A.

- 1. When did the Company become aware of the granting of the Extension of Licence?**
- 2. Does the Company consider the Extension of Licence to be material to the Company?**
- 3. If the answer to question 2 is "no", please provide a detailed explanation of the basis on which the Company does not consider the Extension of Licence to be material?**
- 4. If the answer to question 2 is "yes", and the Company became aware of the Extension of Licence to making the Announcement, please address each of the following.**
 - 4.1. Please identify any earlier announcement from the Company confirming the Extension of Licence, prior to the release of the Announcement.**
 - 4.2. If there was no earlier announcement, please advise why the Company did not make an announcement at an earlier time or request a trading halt prior to the release of the Announcement or upon receipt of the Extension of Licence.**

In addressing this question, comment specifically on the application of listing rule 3.1 and the exceptions to the rule in listing rule 3.1A.

- 5. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.**

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter. If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

If you are unable to respond by the time requested, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 - Trading Halts, we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell ASX each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we may ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the expiry of the trading halt at the commencement of trading on Wednesday, 18 November 2009, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

Your response should be sent to me by email at farlee.walker@asx.com.au or by facsimile on facsimile number (08) 9224 2020. It should **not** be sent to the Company Announcements Office. Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible, and in any event, not later than **6.30am WST (9.30am EDST) on Wednesday, 18 November 2009**.

Please note that ASX reserves the right, under listing rule 18.7A, to release this letter and the Company's response to the market if it considers it necessary for an informed market. Accordingly, it would be appreciated if you would prepare your response in a format suitable for release to the market and separately address each of the questions asked.

If you have any concerns about release of your response, or any queries in relation to this matter, please contact me immediately.

Yours sincerely

Farlee Walker
Adviser, Issuers (Perth)