

FIRST AUSTRALIAN RESOURCES LIMITED*Incorporated in Western Australia*

May 24, 2005



05008607

Securities and Exchange Commission
 Division of Corporation Finance
 Office of International Corporate Finance
 450 Fifth Street
 WASHINGTON DC 20549
 USA

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 OFFICE OF INTERNATIONAL
 CORP. FINANCE

Gentlemen:

EXEMPTION NUMBER 82-3494

To continue the exemption of our securities from Section 12(g) of the Securities Exchange Act of 1934 ("the Act") and in accordance with Rule 12g-3-2(b)(iii) under the Act, we enclose announcements which information we have sent to The Australian Stock Exchange (Perth) Ltd, the only Stock Exchange on which, to our knowledge, our Company's securities are traded, and which was made public by the Exchange with which we filed.

The information is being furnished under Rule 12g-3-2(b)(iii), with the understanding that such information will not be deemed "filed" with the Securities and Exchange Commission or otherwise subject to the liabilities of Section 18 of the Act, and that neither this letter nor the furnishing of such information shall constitute an admission for any purpose that this Company is subject to the Act.

Yours faithfully,

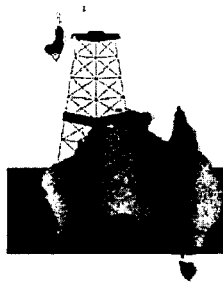
TED BRINDAL
 Company Secretary

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Lodgement with Australian Stock Exchange:
 24 May 2005 (ASX Announcement & Media Release – Activity Update and ASX Appendix 3B – New Issue)

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ABN 41 009 117 293

FIRST AUSTRALIAN RESOURCES LIMITED

Incorporated in Western Australia

24 May 2005

ASX ANNOUNCEMENT AND MEDIA RELEASE

ACTIVITY UPDATE

Welder Ranch Gas Project, Victoria County, Texas (FAR 9%)

The Vaquero #2 well, the second well in FAR's Welder Ranch program is presently drilling ahead below 12,300 feet using Nabors Drilling Land Rig 520.

The Welder Ranch Vaquero #2 is an offset to the recently drilled Esenjay Bell #4 (in which FAR has no interest) which lies approximately 1,200 feet to the north. The Vaquero #2 well will test for Deep Wilcox gas objectives and has a planned total depth of approximately 17,000 feet.

Completion operations are continuing on the Welder Ranch Vaquero #1 well location to evaluate and test several zones of interest between 9,000 and 14,000. Completion attempts will first be made in certain of the deeper geo-pressured sands evident on well logs, which, if productive, may require fracture stimulation.

The results of testing will be made available at the end of the program. Until the results of production testing are known it is not possible to determine the potential of the Vaquero #1 well.

The Vaquero #1 and #2 wells are located on an area of mutual interest comprising 1,000 acres of the Welder Ranch lease, in Victoria County, South Texas.

Under the terms of the agreement FAR will pay 9 percent of the drilling and completion cost of the Vaquero #2 well to earn a 9 percent working interest.

For further information please contact:

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Fax: +61-8-9322-5116

E-mail: info@far.com.au

Website: www.far.com.au

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PO Box 703, West Perth, Western Australia 6872
Telephone: (61-8) 9322 3939 Facsimile: (61-8) 9322 5116
Email: info@far.com.au Web: www.far.com.au

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

FIRST AUSTRALIAN RESOURCES LIMITED

ABN

41 009 117 293

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- 1 +Class of +securities issued or to be issued

Ordinary Shares

- 2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

597

- 3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?	YES								
	If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment									
5	Issue price or consideration	7 CENTS								
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Exercise of 31 July 2005 Options								
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	24 May 2005								
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"><thead><tr><th style="text-align: left; padding: 2px;">Number</th><th style="text-align: left; padding: 2px;">+Class</th></tr></thead><tbody><tr><td style="padding: 2px;">204,969,058</td><td style="padding: 2px;">ORD</td></tr><tr><td style="padding: 2px;">113,584,286</td><td style="padding: 2px;">Options - expiry 31 July 2005</td></tr><tr><td style="height: 40px;"></td><td></td></tr></tbody></table>	Number	+Class	204,969,058	ORD	113,584,286	Options - expiry 31 July 2005		
Number	+Class									
204,969,058	ORD									
113,584,286	Options - expiry 31 July 2005									

+ See chapter 19 for defined terms.

9 Number and ⁺class of all ⁺securities not quoted on ASX (including the securities in clause 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left; padding: 2px;">Number</th> <th style="text-align: left; padding: 2px;">⁺Class</th> </tr> <tr> <td style="padding: 5px;">8,000,000</td> <td style="padding: 5px;">Incentive Options (16 June 2007)</td> </tr> </table>	Number	⁺ Class	8,000,000	Incentive Options (16 June 2007)	
Number	⁺ Class					
8,000,000	Incentive Options (16 June 2007)					
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	<table border="1" style="width: 100%; height: 40px; border-collapse: collapse;"> <tr> <td style="width: 100%;"></td> </tr> </table>					

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories

- 1 - 1,000
- 1,001 - 5,000
- 5,001 - 10,000
- 10,001 - 100,000
- 100,001 and over

37 ☐ A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b) – NOT RELEVANT

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

(Director)

Date:24 May 2005

Print name:MICHAEL EVANS.....

+ See chapter 19 for defined terms.