

**FIRST AUSTRALIAN RESOURCES LIMITED
ABN 41 009 117 293**

**NOTICE OF ANNUAL GENERAL MEETING
AND EXPLANATORY STATEMENT**

**For the Annual General Meeting to be held at 10.30am on Monday 24
May 2010 at the Royal Perth Yacht Club, Australia II Drive, Crawley,
Western Australia.**

This is an important document. Please read it carefully.

*If you are unable to attend the Annual General Meeting, please complete the form of proxy enclosed and
return it in accordance with the instructions set out on that form.*

TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

The Annual General Meeting of the shareholders of the Company will be held at 10.30am on Monday 24 May 2010 at the Royal Perth Yacht Club, Australia II Drive, Crawley, Western Australia.

How to Vote

You may vote by attending the meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the meeting on the date and time and at the place set out above.

Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form enclosed and either:

- send the Proxy Form by post to PO Box 265, Subiaco, Western Australia 6904; or
- send the Proxy Form by facsimile to the Company on facsimile number INT + 61 8 6363 8783

so that it is received not later than 10.30am on 22 May 2010.

Proxy Forms received later than this time will be invalid.

FIRST AUSTRALIAN RESOURCES LIMITED
ABN 41 009 117 293
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of shareholders of First Australian Resources Ltd ("Company") will be held at 10.30am on Monday 24 May 2010 at the Royal Perth Yacht Club, Australia II Drive, Crawley, Western Australia.

AGENDA

RESOLUTION 1 - ADOPTION OF FINANCIAL STATEMENTS

To receive the Annual Financial Report, including Directors' declaration and accompanying reports of the Directors and auditors for the financial year ending 31 December 2009.

RESOLUTION 2 - ADOPTION OF REMUNERATION REPORT (NON-BINDING)

To consider and, if thought fit, to pass the following resolution as a **non-binding resolution**:

"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report as set out in the Annual Report for the year ended 31 December 2009."

Short Explanation: The Corporations Act provides that a resolution regarding the Remuneration Report being adopted must be put to a vote at a listed company's annual general meeting. The vote on Resolution 2 is advisory only and does not bind the Directors or the Company.

RESOLUTION 3 - RE-ELECTION OF MR C CAVNESS

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That Mr C Cavness, who retires in accordance with the Company's Constitution and, being eligible, be re-appointed as a director of the Company with immediate effect."

Short Explanation: In accordance with ASX Listing Rule 14.4, no director of the Company may hold office (without re-election) past the longer of 3 years and the third Annual General Meeting following their appointment. Further, in accordance with the Company's Constitution, one third of the Directors must retire by rotation at every Annual General Meeting. Accordingly, Mr C Cavness retires by rotation and being eligible for re-election, offers himself for re-election at the Meeting.

RESOLUTION 4 - RATIFICATION OF PREVIOUS OPTION ISSUE

To consider and, if thought fit, to pass the following **ordinary resolution**:

"That for the purposes of ASX Listing Rule 7.4 and all other purposes, the shareholders of the Company hereby ratify and approve the allotment and issue of 9,500,000 unlisted options convertible to ordinary shares of the Company on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Voting Exclusion: The Company will disregard any votes cast on this resolution by any party who received options in the issue and any associate of any such party. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 5 - CHANGE OF COMPANY NAME

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That the Company change its name to "FAR Ltd", with effect from the day on which the Australian Securities and Investments Commission issues a new certificate of registration.

Short Explanation: Pursuant to section 157 of the Corporations Act, a special resolution must be passed at a general meeting of shareholders in order for a company to change its name. A special resolution requires 75% of all votes cast on the resolution to be cast in favour of the resolution before it can be passed.

**DATED THIS 16TH DAY OF APRIL 2010
BY ORDER OF THE BOARD**

NOTES:

1. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. For the purposes of the Corporations Act, the Directors have set a snapshot date to determine the identity of those entitled to attend and vote at the Meeting. The snapshot date is 10:30am on 22 May 2010.

ENQUIRIES

Shareholders are invited to contact the Company Secretary, Colin Harper, on (08) 6363 8779 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

1. GENERAL INFORMATION

This Explanatory Statement has been prepared for the shareholders of the Company in connection with the Annual General Meeting of the Company to be held on 24 May 2010.

The purpose of this Explanatory Statement is to provide shareholders with information that the Board believes to be material to shareholders in deciding whether or not to approve the above resolutions detailed in the Notice.

This Explanatory Statement is an important document and should be read carefully in full by all shareholders. If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company, your stockbroker or other professional adviser.

2. RESOLUTION 1 - ADOPTION OF FINANCIAL STATEMENTS

Resolution 1 deals with the adoption of the financial statements and has the full support of the Board.

3. RESOLUTION 2 - REMUNERATION REPORT (non-binding resolution)

In accordance with Section 250R(2) of the Corporations Act, the Company must put a resolution that the Remuneration Report as set out in the Directors' Report be adopted to vote at the Annual General Meeting. The vote on Resolution 2 is advisory only and does not bind the Directors or the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

4. RESOLUTION 3 - RE-ELECTION OF MR C CAVNESS

In accordance with ASX Listing Rule 14.4, no director of the Company may hold office (without re-election) past the longer of 3 years and the third Annual General Meeting following their appointment. Further, in accordance with the Company's Constitution, one third of the Directors must retire by rotation at every Annual General Meeting. Accordingly, Mr C Cavness retires and being eligible for re-election, offers himself for re-election at the Meeting.

5. RESOLUTION 4 – RATIFICATION OF PREVIOUS OPTION ISSUE

On 11 March 2010, the Company issued 9,500,000 unlisted options ("Options") to consultants as consideration for the provision of advisory services, in lieu of advisory fees ("the Issue"). The Options are not quoted on the ASX and have no voting or dividend rights until exercised. Shares issued upon exercise of the Options will rank equally with the Company's existing quoted ordinary shares.

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which, in total, would exceed 15% of the number of issued securities of the company at the beginning of the 12 month period, except with the prior approval of shareholders. Under ASX Listing Rule 7.1, the prior approval of Shareholders was not required to issue the Options because those securities, when aggregated with securities issued by the Company during the previous 12 months (other than securities issued with Shareholder approval), did not exceed 15% of the number of securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies a previous issue of securities (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of ASX Listing Rule 7.1.

Ratification is now sought for the issue of the Options, pursuant to ASX Listing Rule 7.4 in order to reinstate the Company's capacity to issue up to 15% of its issued capital to enable the Company to consider additional funding initiatives over the next 12 months consistent with the provisions of ASX Listing Rule 7.1 and the Corporations Act.

The Directors recommend the ratification of the Issue of the Options and recommend that Shareholders vote in favour of Resolution 4.

ASX Listing Rule 7.5 sets out a number of matters which must be included in a notice of meeting seeking an approval under ASX Listing Rule 7.4. For the purposes of ASX Listing Rule 7.5, the following information is provided in relation to the Issue and this Resolution 4:

- (a) 9,500,000 Options were issued and allotted;
- (b) the Options were issued to consultants as consideration for the provision of advisory services, in lieu of advisory fees;
- (c) the terms and conditions attached to the Options are as follows:
 - 4,750,000 Options are exercisable on or before 31 March 2012 at an exercise price of 7.5 cents and 4,750,000 Options are exercisable on or before 31 March 2013 at an exercise price of 10 cents;
 - the Options held by each holder can be exercised in whole or in part, and if exercised in part, multiples of 5,000 must be exercised on each occasion;
 - each Option is exercisable into one ordinary fully paid share in the Company which shall rank pari passu with existing shares;
 - the optionholder will be permitted to participate in any new pro-rata issue of securities of the Company on prior exercise of the Options in which case the optionholder will be afforded the period of at least 7 Business Days prior to and inclusive of the record date to determine entitlements to the issue to exercise the Options;
 - the Options do not confer on the holder any right to participate in dividends until Shares are allotted pursuant to the exercise of the Options;
 - the Options are non transferable.

- in the event of a reorganisation of the issued capital of the Company, the Options will be reorganised in accordance with the Listing Rules (if applicable) and in any case in a manner which will not result in any benefits being conferred on optionholders which are not conferred on Shareholders and for such purpose the Company may vary the number, exercise price or other terms of the Options in such manner as may be necessary to comply with the listing rules; and
- the number of Shares to be issued pursuant to the exercise of Options will be adjusted for bonus issues made prior to exercise of the Options so that, upon exercise of the Options the number of Shares received by the optionholder will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for the bonus issues. The exercise price of the Options shall not change as a result of any such bonus issues.

(d) the Options were issued to the following consultants:

Zenix Nominees Pty Ltd	<ul style="list-style-type: none"> • 4,000,000 options exercisable at 7.5 cents on or before 31 March 2012 • 4,000,000 options exercisable at 10 cents on or before 31 March 2013
Dr Igor Effimoff	<ul style="list-style-type: none"> • 750,000 options exercisable at 7.5 cents on or before 31 March 2012 • 750,000 options exercisable at 10 cents on or before 31 March 2013

- (e) no funds were raised from the Issue; and
- (f) a voting exclusion statement is included in the Notice.

6. RESOLUTION 5 - CHANGE OF COMPANY NAME

6.1 Background

Resolution 5 seeks Shareholder approval to change the Company's name from "First Australian Resources Limited" to "FAR Ltd". The Directors believe that the change of name is reflective of the Company's increased identification by the industry, media and the investment community as "FAR" which corresponds to our ASX code. Furthermore, the change of name acknowledges the shift in the Company's exploration activities from its roots in Australasia to a more international focus, including its current projects offshore West Africa.

Pursuant to section 157 of the Corporations Act, a special resolution must be passed at a general meeting of shareholders in order for a company to change its name. A special resolution requires 75% of all votes cast on the resolution to be cast in favour of the resolution before it can be passed.

The Directors recommend the change of company name and recommend that Shareholders vote in favour of Resolution 5.

GLOSSARY

ASIC means Australian Securities and Investments Commission.

ASX means Australian Stock Exchange Limited.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the board of directors of the Company.

Company means First Australian Resources Limited.

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Explanatory Statement means the explanatory statement to the Notice.

Meeting means the meeting convened by the Notice.

Notice means the notice of meeting accompanying the Explanatory Statement.

Option means an option to acquire a Share on the terms set out in Section 5 of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.



APPOINTMENT OF PROXY

I/We being a member(s) of First Australian Resources Limited and entitled to attend and vote hereby appoint:

A the Chairman of the Meeting (mark box) OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate.

If the proxy form is signed but no Chairman of the Meeting is appointed to the Member's proxy to vote for the Member on the Member's behalf at the Annual General Meeting of the Company to be held at the Royal Perth Yacht Club, Australia II Drive, Crawley, W.A. on Monday 24 May 2010 at 10:30am and at any meeting held subsequent and pursuant to an adjournment of that meeting.

B **IMPORTANT: For Section C Below**

If you do not wish to direct your proxy how to vote please place a mark in this box. By marking the box, you acknowledge that, except to the extent that the Listing Rules may require otherwise, the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and the votes cast by him other than as proxy will be disregarded because of that interest. **The Chairman intends to vote any undirected proxies in favour of the resolutions.**

C To direct your proxy how to vote on any resolution please insert in the appropriate box below.

<p>Resolution 1 [Adopt Financials]</p> <table border="0"> <tr> <td style="text-align: center;">For</td> <td style="text-align: center;">Against</td> <td style="text-align: center;">Abstain*</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	For	Against	Abstain*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Resolution 2 [Adopt Remuneration Report]</p> <table border="0"> <tr> <td style="text-align: center;">For</td> <td style="text-align: center;">Against</td> <td style="text-align: center;">Abstain*</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	For	Against	Abstain*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<p>Resolution 3 [Re-elect Mr C Cavness]</p> <table border="0"> <tr> <td style="text-align: center;">For</td> <td style="text-align: center;">Against</td> <td style="text-align: center;">Abstain*</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	For	Against	Abstain*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Resolution 4 [Ratification of Previous Option Issue]</p> <table border="0"> <tr> <td style="text-align: center;">For</td> <td style="text-align: center;">Against</td> <td style="text-align: center;">Abstain*</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	For	Against	Abstain*	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

D SIGNATURE OF SECURITY HOLDERS – THIS MUST BE COMPLETED

<p>Security holder 1 (individual)</p> <div style="border: 1px solid black; height: 30px; width: 100%;"></div> <p>Sole Director and Sole Company Secretary</p>	<p>Joint Security holder 2 (individual)</p> <div style="border: 1px solid black; height: 30px; width: 100%;"></div> <p>Director/Company Secretary (Delete one)</p>	<p>Joint Security holder 3 (individual)</p> <div style="border: 1px solid black; height: 30px; width: 100%;"></div> <p>Director</p>
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This form should be signed by the security holder. If a joint holding, either security holder may sign. If signed by the security holder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the security holder's constitution and Corporations Act 2001 (Cwth).