

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

41 009 117 293

Quarter ended ("current quarter")

30 SEPTEMBER 2003

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	605	1,808
1.2 Payments for		
(a) exploration and evaluation	(57)	(168)
(b) development	(61)	(76)
(c) production	(189)	(577)
(d) administration	(185)	(579)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	12	29
1.5 Interest and other costs of finance paid	(9)	(25)
1.6 Income taxes paid		
1.7 Other (provide details if material)		
Net Operating Cash Flows	116	412
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	(13)	(13)
(b)equity investments		
(c) other fixed assets	(11)	(61)
1.9 Proceeds from sale of:		
(a)prospects		45
(b)equity investments		
(c)other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	(24)	(29)
1.13 Total operating and investing cash flows (carried forward)	92	383

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	92	383
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	131	1,031
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		(50)
1.18	Dividends paid		
1.19	Other (Share Issue Expenses)	(22)	(66)
	Net financing cash flows	109	915
Net increase (decrease) in cash held		201	1,298
1.20	Cash at beginning of quarter/year to date	1,996	1,020
1.21	Exchange rate adjustments to item 1.20	(18)	(139)
1.22	Cash at end of quarter	2,179	2,179

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	53
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

Under a farmout agreement ROC Oil Company Limited has agreed to carry FAR for expenditure up to an amount of US\$633,000 in relation to the 3D seismic program and certain other costs on Beibu Gulf Block 22/12. Pursuant to the agreement FAR's interest reduced from 10% to 5%. At the end of the September 2003 quarter US\$50,000 remained as a free carry on the proposed drilling and US\$116,500 remained as a free carry toward the third exploration term or future development.

+ See chapter 19 for defined terms.

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	961	658
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	563
4.2 Development	0
Total	563

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	280	202
5.2 Deposits at call	1,003	997
5.3 Commercial Bills	896	797
5.4 Other	0	0
Total: cash at end of quarter (item 1.22)	2,179	1,996

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			

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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 <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	158,434,010	158,434,010	N/A	N/A
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,149	1,149	7 cents	N/A
7.5 *Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options Tradeable (FAROA)	79,469,334	79,469,334	<i>Exercise price</i> 7 cents	<i>Expiry date</i> 31 July 2005
7.8 Issued during quarter (FAROA)	15,843,259 43,627,224	15,843,334 43,627,224	<i>Issue Price</i> 0 Cents (Bonus) 0.003 Cents	<i>Expiry Date</i> 31 July 2005 31 July 2005
7.9 Exercised during quarter	(1,149)	(1,149)	<i>Exercise Price</i> 7 cents	<i>Expiry Date</i> 31 July 2005
7.10 Expired during quarter Tradeable FARO	43,627,224	43,627,224	<i>Exercise Price</i> 20 cents	<i>Expiry Date</i> 31 July 2003
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

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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.

Sign here: Date: 24 Oct 2003
(Director)

Print name: MICHAEL EVANS

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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