

12 June 2008

ASX / MEDIA RELEASE

TAKEOVER BID FOR GOLDEN WEST RESOURCES LTD

The Directors of Fairstar Resources ("Fairstar" or "the Company") wish to announce that the off-market takeover bid for Golden West Resources Ltd (GWR), which expired at 7pm on Wednesday 11 June 2008, has not been extended.

Although Fairstar had been successful in acquiring a 33% holding in GWR, it acknowledges a number of significant developments and outcomes as a result of the bid.

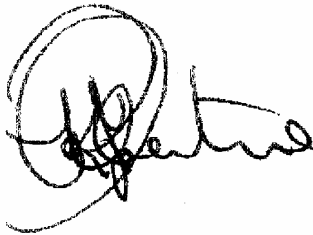
- Prior to the unauthorised disposal by ANZ in April 2008 of a 9% parcel held by Fairstar in GWR, the Company held a 33% stake in GWR.
- At 11th June 2008 the Company has a relevant interest in approximately 22.9% of the capital of GWR. This represents a reduction from the last substantial shareholder notice dated 24 April 2008 as shares pledged to a financier have yet to be returned. An estimated 1.7% is anticipated to be restored back to Fairstar in the next 30 days as a result of this matter, taking Fairstar's interest to 24.62%
- Based on the 30 day VWAP GWR share price at close of trade on the 10 June 2008, the 22.9% stake in GWR is valued at approximately \$44.7 Million.
- Fairstar currently has 356,422,865 shares on issue and 50,949,493 options with an exercise price of \$0.25 each and an expiry date of 30 August 2009.
- Based on the 30 day VWAP FAS share price at close of trade on the 10 June 2008, the current market capitalisation of FAS is \$53.4 Million
- Fairstar continues to collate information in regards to ANZ Bank and Opes Prime in relation to the unauthorised disposal of a parcel of 10.0 million shares in GWR. The unexpected and unfortunate demise of Opes Prime and the disposal of this 10.0 million parcel held by Fairstar in GWR significantly stymied the takeover process.
- Fairstar remains the single largest shareholder in GWR.

Fairstar has remained focused on its own exploration programs and will give an up to date report in the very near future. Exploration activities include:

- Further drilling at Kurnalpi – Randalls Gold Project. Positive drilling results in these areas were announced in April 2008.
- Fairstar's oil and gas Joint Venture with Knight Industries Pty Ltd, located in Victoria. The first drill hole will be spudded this month.

In the meantime, Fairstar will consolidate its holding in GWR and look to work with the Board of GWR to maximise the value of GWR's Wiluna West Iron Ore Project. Fairstar considers the Wiluna West Project to have substantial potential.

Fairstar thanks all GWR shareholders who accepted the takeover offer and is confident that shareholders will continue to benefit from Fairstar's interest in Wiluna West and from the diversity offered by Fairstar's own exploration projects.



Kevin J Robertson
Managing Director
Fairstar Resources Limited

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