

4 July 2008

ASX / MEDIA RELEASE

Sea Lake 1 Exploration Well Update. Onshore Murray Basin, Victoria

FairStar Resources Ltd provides the following update on the Sea Lake 1 Well operated by Knight Industries Pty Ltd.

Sea Lake 1 Well is an onshore, vertical exploration well located in the Murray Basin Victoria in PEP 165.

The drill pad location is approx 5km east of the Sea Lake township.

Surface coordinates are

Latitude 35 30 13.20 S

Longitude 142 55 11.50 E

Progress and Status.

Sea Lake 1 Well commenced drilling Sunday 22nd June at 1700 Hours using the Hunt Energy Rig No. 3.

At 0600 hours today operations are,

Drilling ahead to 456m. Conducted deviation survey. New drill bit rigged up at midnight after pulling drill string out of hole and reaming hole. Hole in good condition.

Running back in drill bit and drill string to bottom of hole to continue drilling. This process still continuing at 0600 hours.

Planned activities will be to continue to drill ahead using new 8.1/2 inch bit.

For more information:

Kevin J Robertson
Managing Director
FairStar Resources Limited

website: www.fairstarresources.com