

6th 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 (Sunday) operations are, Drilling ahead with a 8.1/2 drill bit with stabilizer fitted to drill string.

Hard drilling formation increasing in sand percentage. Drilling rates are being hampered by the deviation of the drill string causing rates of penetration to be slow.

Sophisticated analysis of drill cuttings show trace amounts of gaseous hydrocarbons within a slated shale rock quartzite formation.

Planned activities will be to drill ahead using an 8.1/2 inch bit. At 0600 hours (Sunday morning) drilling at a depth of 518m.

For more information:

Kevin J Robertson
Managing Director
FairStar Resources Limited

website: www.fairstarresources.com