

Media Release

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FAIRSTAR INCREASES GWR OFFER AND DECLARES OFFER UNCONDITIONAL

Key points

- Increases Offer to seven Fairstar shares for every one GWR Share
- Premium of approximately 40% over GWR's December 7 closing price of \$2.03
- Offer also declared free of all conditions
- Offer period extended until January 13
- Acceptances for Fairstar's Offer stand at 32.22%

Fairstar Resources Limited (ASX: FAS) (Fairstar, the Company) is pleased to announce that it has increased its Offer for Golden West Resources Limited (ASX: GWR) (Golden West) and has also declared the Offer free from all conditions.

Under the increased Offer, Golden West shareholders will receive seven Fairstar shares for every one GWR Share. This is an increase in the initial terms of the Offer in which Golden West shareholders were offered five Fairstar shares for each GWR Share.

- Based on the closing price of Fairstar shares on the Australian Securities Exchange (ASX) on 7 December 2007 of \$0.41, Fairstar's offer of seven Fairstar shares for each GWR share represents a premium of approximately 40% over both the closing price of GWR Shares on 3 September 2007 (being the day prior to the announcement of the Offer) of \$2.05, and the closing price of GWR Shares on 7 December 2007 of \$2.03.
- Fairstar's increased Offer also compares favourably with GWR directors' recent decision to issue 19.7% of the company's share capital at a price of \$1.85 per share. Based on Fairstar's closing price on 7 December 2007 (\$0.41), Fairstar's updated Offer represents a premium of 55% on the GWR's placement price of \$1.85 per share.

Fairstar is also pleased to announce that it has today declared its Offer free from all conditions, with a result that GWR shareholders who accept the offer will receive their Fairstar Shares within 30 days of their acceptances being processed.

The increased Offer follows Fairstar's announcement on December 5 that it had extended the acceptance period for the Offer to 7.00pm (Perth Time) on January 13.

In accordance with the Corporations Act, all GWR shareholders who have already accepted Fairstar's offer will automatically receive the increased consideration.

A supplementary bidder's statement explaining these changes was lodged on December 11 and GWR shareholders should read this document carefully.

GWR shareholders are urged to accept Fairstar's increased Offer.

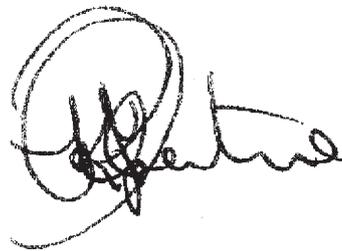
Fairstar managing director Mr Kevin Robertson acknowledged the strong support the Offer has received to date and said that the level of acceptances already received, of 32.22%, was a positive indication that Golden West shareholders believe in Fairstar's takeover bid.

“Our takeover Offer has progressed very positively to this point and we look forward to attracting more GWR shareholders to our vision for the future development of the assets of both companies with our increased bid, which is now also unconditional,” Mr Robertson said.

If you have any questions on how to accept Fairstar's offer, please contact the Fairstar Shareholder Information Line on 1800 895 933 (within Australia) or +61 2 8256 3373 (outside Australia), or contact your stockbroker or financial adviser.

Fairstar remains totally committed to the success of its takeover bid for Golden West.

Yours faithfully



Kevin J Robertson
Managing Director