

ASX/Media Release
10 January 2008

FAIRSTAR REAFFIRMS ITS POSITION AS LARGEST SHAREHOLDER IN GOLDEN WEST RESOURCES LTD

Key points

- **Fairstar is the largest single shareholder in Golden West**
- **Fairstar has 25.8% of Golden West's share capital**
- **Fairstar remain committed to maximising the value of both companies' assets, including fast-tracking the development of Golden West's Wiluna West iron ore project**
- **Plans include ramping up drilling at Wiluna West, development of infrastructure, and negotiation of off-take agreements**

Fairstar Resources Limited (ASX: FAS) (Fairstar, the Company) reiterates its position as the largest single shareholder in Golden West Resources Limited (ASX: GWR) (Golden West).

Fairstar is currently the beneficial owner of 26.9 million shares in Golden West, representing 25.8% of Golden West's share capital.

Fairstar's holding in Golden West has grown to its current strong position since announcing its off-market takeover offer for Golden West on September 4 last year.

The Company is concerned that as a result of the proposed appointment of Mr Emad Odeh of Dubai-based Falak Holding LLC to the Golden West Board, shareholders may be under the misapprehension that Falak is the largest shareholder in Golden West. Falak's interest in Golden West is believed to be currently less than 9%, although Fairstar notes that Falak has still to update its substantial shareholding notice to ASX.

Fairstar has been delighted by the level of support its Offer for Golden West has attracted to date and is continuing to work diligently to bring the bid to a successful conclusion.

Fairstar's Managing Director, Kevin Robertson, said that from the outset Fairstar's objective in acquiring Golden West was to maximise the value of the assets of both companies.

"We remain committed to this goal and one of the key aspects of this is what we perceive as our ability to fast-track and maximise the development of Golden West's Wiluna West iron ore project for the benefit of all shareholders," Mr Robertson said.

"To this end, our plans include the ramping of drilling at Wiluna West and the involvement of parties to facilitate the infrastructure requirements needed to advance the project through its development, as well as the negotiation of off-take agreements in respect of Wiluna West.

“In pursuing these key components of the Wiluna West project, we believe Fairstar brings the necessary experience and diligence required to deliver on shareholders' expectations for the development of this world class deposit.”

Fairstar recently increased its Offer for Golden West to **seven Fairstar shares for every one Golden West Share** and has also declared the Offer free from all conditions.

Golden West shareholders are encouraged to accept Fairstar’s increased Offer, which is due to close on 13 January 2008.

By accepting the offer, shareholders will retain their exposure to the Wiluna West project, gain exposure to Fairstar’s exploration projects in gold, uranium and oil, and benefit from Fairstar’s experienced management team.

As the largest shareholder in Golden West, Fairstar will notify the market in the near future of how it proposes to vote at Golden West’s upcoming Extraordinary General Meeting on February 5, 2008.

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.

Kevin J Robertson
Managing Director
Fairstar Resources Limited