



4 April 2008

ASX Limited
Level 8
2 Exchange Plaza
Perth WA 6000

Attn Nicholas Ong

Dear Nicholas

OPES PRIME MATTERS

In relation to the above we further advise as follows-

FAIRSTAR SHAREHOLDERS INVOLVED WITH OPES PRIME

Based on information received from Shareholders, Fairstar estimates that approximately 35 million shares in Fairstar (representing approximately 10% of the issued capital) are subject to equity finance contracts with Opes Prime Stockbroking Limited. None of these is owned by a related party of Fairstar.

According to media reports, those contracts have been secured in favour of, and are now under the effective control of, Australia and New Zealand Banking Group Limited (ANZ).

Fairstar is attempting to ascertain the holders of the shares affected.

Based on media reports, Fairstar understands that it is the intention of ANZ Bank to sell those shares. However, Fairstar has not been able to communicate directly with ANZ Bank.

The Board is actively seeking discussions with ANZ Bank with a view to clarifying the Bank's intentions, and will advise the market accordingly. ANZ have yet to lodge a substantial shareholders notice as it may be required to do so in accordance with section 671B of the Corporations Act.

In the event that ANZ Bank pursues a sale of the shares, Fairstar will, to the extent it can, assist and facilitate an orderly sale process. Further, individual members of the Board have advised Fairstar that they will consider acquiring any shares sold by ANZ Bank.

FAIRSTAR'S INTEREST IN GOLDEN WEST RESOURCES LTD (GWR)

Fairstar announced on 11 January 2008 that it had a relevant interest in 34,480,747 shares in GWR, representing a 32.974% interest in GWR pursuant to acceptances of its off market takeover bid announced on 4 September 2007.

Since that date, the company has received further acceptances and also acquired shares pursuant to GWR's non-renounceable pro rata entitlements issue.

Fairstar's interest in GWR as of today is 36,603,249 shares, representing approximately 33.22% of the issued capital of GWR.

In January 2008 Fairstar secured financing of approximately \$3.3 million to assist with the Company's working capital requirement, exploration expenditure program, and to participate in GWR's pro rata share issue.


This funding was secured through Opes Prime. As security for the loan, which currently stands at approximately \$1,800,000, 10 million GWR shares were pledged to ANZ Nominees (on behalf of Opes Prime) as security.

Fairstar maintains that it has retained beneficial ownership of these GWR shares because it is not in default under the Opes Prime facility. As a result, no third party has the right, as against Fairstar, to dispose of the GWR shares. However, it appears that Opes Prime is claiming that it has beneficial ownership of these shares and, based on the volume of trading in GWR shares on 1 and 2 April 2008, it is possible these shares have already been disposed of by ANZ Nominees. Fairstar is vigorously pursuing the transfer of these 10 million GWR shares back to it through legal action, but resolution of this issue may not be known for some time.

The Company is continuing to make enquiries and will provide further updates as information becomes available.

The Company confirms that none of the Directors holds Fairstar securities in margin lending facilities and confirms that it has considered ASX Companies Update 02/08 and has made all necessary enquiries and disclosures as required under Listing Rule 3.1.

Your faithfully



Alan Thomas
Company Secretary
Fairstar Resources Limited

website: www.fairstarresources.com