

6 June 2008

**ASX / MEDIA RELEASE**

**FAIRSTAR OBTAINS PERMISSION FOR SPUDDING OF WELL AT PEP165**

The Directors of Fairstar are pleased to advise that the Department of Primary Industries in Victoria has granted permission for the spudding of the well in PEP 165 in the Murray Basin in North West Victoria.

Fairstar Resources has entered into a Farm-in Agreement with Knight Industries Pty Ltd, the operator of the permit and will earn a minimum of 60% interest by funding the well. The estimated cost of the well of approximately \$1.0 Million has already been paid to the operator in accordance with the farm-in agreement

Site preparation has been completed and a Hunt Energy drilling rig has been engaged which is currently being mobilized to site. Drilling is expected to commence on or about 10 June 2008.

As detailed in Fairstar's previous announcement dated 3 July 2007 titled "Expansion of Energy Projects", existing regional seismic data has shown considerable Cooper Basin equivalent sections may be present- extrapolated data estimates up to 100 million barrels.



**Kevin J Robertson**  
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