

14 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 Sunday the 13th July, operations are

Continuing with pulling out of hole with Drill Stem Test tools.

The test covered an interval of natural gas "show" encountered during the drilling process, in a zone of clean pure sands known as the Warina Sands as further identified from the open hole electric logs.

Examination of the Drill Stem Test results indicated the Drill Stem Test tool opened prematurely within the hole giving a "miss run" result for the test. As such, the results are inconclusive as to the size and pressures of any hydrocarbons in the Warina sands.

The operator has temporarily suspended the well for the purpose of evaluating the sands further and initiation of further testing of the sands.

The Hunt Energy Rig 3 will remain at the site location during this temporary suspended status.

For more information:

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