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ASX / MEDIA RELEASE

Sea Lake 1 Exploration Well Update. Onshore Murray Basin, Victoria

FairStar Resources Ltd is pleased to provide the following update on the Sea Lake 1 Well operated by Knight Industries Pty Ltd.

Following the drilling of the Sea Lake 1 Well to approximately 606 metres, drilling was suspended to carry out drill stem tests and evaluate the low pressure gas bearing sands. Valuable geologic and reservoir engineering information has been obtained during the drill and open hole logging of this hole.

This information will be thoroughly analysed over the next weeks and incorporated into any further drilling plans.

Indications from Sea Lake 1 Well are that the newly observed Warina Sands are a clean and porous sand with good permeability that have indicated natural gas at shallow depth.

Future drilling plans will concentrate on these sands at a greater depth and basement, where increased pressure may exist for the formation and entrapment of oil and higher pressure gas.

Fairstar has concurred with the operator that it should begin the process of Plugging and Abandoning the Sea Lake 1 Exploratory wildcat well following the extraction of Drill Stem Test tools from the hole.

PEP 165 lease continues to hold great interest for us, which has been justified by Sea Lake 1 Well indicating the presence of gas in the Warina Sands. It is possible that the region may well prove to hold substantial oil and gas reserves if the presence of deeper sands is found to exist.

Encouraged by the results from our Sea Lake 1 Well, Fairstar and its JV partner, Knight Industries, are currently working on plans and evaluating further exploration in the permit.

The Hunt Energy Rig 3 is remaining at the Sea Lake 1 site.

For more information:

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