

Form 51-101 F1

First Star Resources Inc.

Part 1

Date of Statement: August 30, 2006

Effective Date: December 31, 2005

Preparation Date: July 31, 2006.

Part 2 – Disclosure of Reserves Data

Item 2.1 Reserves Data (Constant Prices and Costs)

1. Breakdown of Proved Reserves

USA – No proved reserves

2. Net Present Value of *Future Net Revenue*

USA – Not applicable

3. Additional Information Concerning *Future Net Revenue* (in M\$)

USA – Not applicable

Item 2.2 Reserves Data (Forecast Prices and Costs)

1. Breakdown of Proved + Probable Reserves

USA – No proved + probable reserves

2. Net Present Value of *Future Net Revenue*

USA – Not applicable

3. Additional Information Concerning *Future Net Revenue* (in \$)

USA – Not applicable

Item 2.3 Reserves Disclosure Varies with Accounting

Not applicable

Item 2.4 Future Net Revenue Disclosure Varies with Accounting

Not applicable

Part 3 Pricing Assumptions**Item 3.1 Constant Prices Used in Estimates**

Not applicable

Part 4 Reconciliations of Changes in Reserves and Future Net Revenue**Item 4.1 Reserves Reconciliation (based on forecast prices and costs)**

Not applicable

Item 4.2 Future Net Revenue Reconciliation

Not applicable

Part 5 Additional Information Relating to Reserves Data**Part 5 Additional Information Relating to Reserves Data****Item 5.1 Undeveloped Reserves**

There is no proved + probable undeveloped reserves

The Company has acquired a 10% working interest in 544-acre lease in the Jobar Field in Goliad County subject to 16.67% royalties. To date the Company has drilled and completed one well on the property.

The Stewart #1 well was drilled and completed to a depth of 5,700 feet. The well was perforated at 5,350 feet in the middle Yegua formation and began gas production on February 8th, 2006. Production declined rapidly and this well is currently shut-in due to non-commercial gas rates

Electric logs show possible gas potential from the upper Yegua formation and could be completed for production after abandonment of the lower Yegua zone. This upper zone shows possible marketable gas reserves of 179.5 MMcf of gas.

Based on the information provided possible developed non-producing reserves have been assigned to the upper Yegua formation. Reserves are estimated using the volumetric method from the interpretation of electric logs and core analysis data in the Stewart #1 well. The estimated drainage area is 160 acres for gas.

Item 5.2 Significant Factors or Uncertainties

Not applicable

Item 5.3 Future Development Costs

Not applicable to proved + probable reserves

Part 6 Other Oil and Gas Information**Item 6.1 Oil and Gas Properties and Wells**

The Company's properties are located in Jobar Field in Goliad County. The non-producing well is as follows:

	<u>Gross GasWells</u>	<u>Net Gas Wells</u>
Stewart #1, Jobar Field, Goliad County, TX	<u>1.0</u>	<u>0.10</u>
Total	1.0	0.10

Item 6.2 Properties with No Attributed Reserves – Not applicable.

Item 6.3 Forward Contracts – Not applicable.

Item 6.4 Additional Information Concerning Abandonment and Reclamation
Not applicable

Item 6.5 Tax Horizon – Not applicable.

Item 6.6 Costs Incurred – The following table summarizes the Company's property acquisition costs and exploration costs for the year ended December 31, 2006.

Property Acquisition costs	\$51,367
Exploration costs	\$60,515

Item 6.7 Exploration and Development Activities

The Company's properties are located in Jobar Field in Goliad County. The non-producing well is as follows:

	<u>Gross GasWells</u>	<u>Net Gas Wells</u>
Stewart #1, Jobar Field, Goliad County, TX	<u>1.0</u>	<u>0.10</u>
Total	1.0	0.10

Item 6.8 Production Estimates

Not applicable

Item 6.9 Production History

Not applicable.