Form 51-101 F1

First Star Resources Inc.

Statement of Reserves Data

And Other Oil and Gas Information

As of December 31, 2006

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Glossary of Terms

Reserves	Estimated reserves of natural gas, natural gas liquids and crude oil.
Working interest	Those lands in which the Company receives its acreage share of net production revenues.
Gross reserves	Estimated reserves before royalties based on working interest.
Net reserves	Estimated reserves after royalties based on working interest.
Future net revenue	Working interest revenues after royalties, development costs, production costs and well abandonment costs, but before administrative, overhead and other such indirect costs. Future net revenue may be presented either before or after tax.
Proved reserve	Reserve that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
Probable reserves	Reserve that is less certain than proved reserve at being recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserve.
Developed reserve	Reserve that is expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g. when compared to the cost of drilling a well) to put the reserves on production.
Producing reserve	Reserve that is expected to be recovered from completion intervals open at the time of estimate. The category of reserve may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonably certainty.
Non-prod. reserve	Reserve that either has not been on production, or has previously been on production, but is shut-in, and the date of resumption of production is unknown.
Stb/stock tank barrel	A 42-US gallon barrel of crude oil at standard conditions of 1 atmosphere and 60 ^{o}F.
M	Thousand (1,000).
Mbbl	1,000 barrels of oil and/or natural gas liquids.
MMBtu	A unit of heat energy equal to one million British thermal units.
Mcf	1,000 cubic feet of natural gas.
Bcf	One billion (1,000,000,000) cubic feet of natural gas
bbl or barrel	A 42-US gallon barrel of crude oil or natural gas liquids.
Undeveloped reserve	Reserve that is expected to be recovered from known accumulation where a significant expenditure is required to render them capable of production (e.g. in comparison to the costs of drilling a well). Such reserve must fully meet the requirements of the reserve classification to which they are assigned (proved or probable).

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Statement of Reserves Data and Other Oil and Gas Information for First Star Resources Inc.

Part 1 Date of Statement

Date of Statement: June 14, 2007
Effective Date: December 31, 2006
Preparation Date: June 12, 2007

The following information is related to First Star Resources Inc. (the "Reporting Issuer") future net revenue and discounted value of future net cash flow of heavy crude oil. Petrotech Engineering Ltd. ("Petrotech"), independent qualified evaluators of Burnaby, British Columbia estimated these reserves effective December 31, 2006. The Company used these reserves in the preparation of our Financial Statements for the fiscal year ended December 31, 2006.

All of the Company's oil and gas reserves are in the country of United States of America, North America

The reserves on the properties described herein are estimates only. Actual reserves on our properties may be greater or less than those calculated.

The estimated future net revenue contained in the following tables does not necessarily represent the fair market value of the reserves. There is no assurance that forecast prices and costs assumed in the Petrotech evaluation will be attained, and variances could be material. Assumptions and qualifications relating to costs and other matters are summarized in the notes to the following tables.

The following tables provide reserves data and a breakdown of future net revenue by commodity and reserve category using forecast prices and costs, based on the Company's working interest portion before royalties (gross) and/or after royalties (net) (see "Glossary of Terms").

The pricing used in tables that reflect forecast price evaluations is set forth in Items 3.1 and 3.2. All cash flow data is in U.S. dollars.

In certain instances, numbers may not total due to computer-generated rounding. In such cases, differences are not material and amounts presented are as shown in the Petrotech Report.

Part 2 Disclosure of Reserves Data

Item 2.1 Reserves Data (Constant Prices and Costs)

Item 2.1.1 Breakdown of Proved Reserves (Constant Case)

Mosser Dome Field, Yellowstone County, Montana	**Heavy Crude Oil**	
Onshore U. S. A.	Gross	Net
Reserve Category	(bbl)	(bbl)
Proved developed producing	14,382	11,506
Total Proved	**14,382**	**11,506**

(1) No probable reserves attributed to the reporting issuers interests in the Mosser Dome Field (see Item 6.1 for details).

Item 2.1.2 Net Present Value of Future Net Revenue (Constant Case)

Mosser Dome Field, Yellowstone County, Montana		**Before Income Tax Present Worth Discounted @**			
Onshore U. S. A	0%	5%	10%	15%	20%
Reserve Category	($ U.S.)	($ U.S.)	($ U.S.)	($ U.S.)	($ U.S.)
Proved developed producing	258,682	182,022	138,892	112,248	94,480
Total Proved	**258,682**	**182,022**	**138,892**	**112,248**	**94,480**

Mosser Dome Field, Yellowstone County, Montana		**After Income Tax Present Worth Discounted @**			
Onshore U. S. A	0%	5%	10%	15%	20%
Reserve Category	($ U.S.)	($ U.S.)	($ U.S.)	($ U.S.)	($ U.S.)
Proved developed producing	258,682	182,022	138,892	112,248	94,480
Total Proved	**258,682**	**182,022**	**138,892**	**112,248**	**94,480**

Item 2.1.3(a) (b) Additional Information Concerning Future Net Revenue (Constant Case)

Mosser Dome Field, Yellowstone County, Montana	Revenue	Royalties + ad Valorem	Operating Costs	Development Costs	Well Abandonment Costs	Future Net Revenue Before Income Tax	Future Income Tax Expenses	Future Net Revenue After Income Tax
Reserve Category	($ U.S.)	($ U.S.)	($ U.S.)	($ U.S.)	($ U.S.)	($ U.S.)	($ U.S.)	($ U.S.)
Total Proved	**589,968**	**166,476**	**157,162**	**0**	**1,500**	**258,682**	**0**	**258,682**

Item 2.1.3(c) Net Present Value of Future Net Revenue based on Constant Prices and Costs

Mosser Dome Field, Yellowstone County, Montana	Total Proved	
	Future Net Revenue Discounted @	
	0%	10%
Product Type	($ U.S.)	($ U.S.)
Heavy Crude Oil	**258,682**	**138,892**

(1) All Future Net Revenue Values are Before Deduction of Income Tax

Item 2.2 Reserves Data (Forecast Prices and Costs)

Item 2.2.1 Breakdown of Proved Reserves (Forecast Case)

Mosser Dome Field, Yellowstone County, Montana	Heavy Crude Oil	
Onshore U. S. A	Gross	Net
Reserve Category	(bbl)	(bbl)
Proved developed producing	14,382	11,506
Total Proved	**14,382**	**11,506**

(1) No probable reserves attributed to the reporting issuers interests in the Mosser Dome Field (see Item 6.1 for details).

Item 2.2.2 Net Present Value of Future Net Revenue (Forecast Case)

Mosser Dome Field, Yellowstone County, Montana	Before Income Tax Present Worth Discounted @				
Onshore U. S. A	0%	5%	10%	15%	20%
Reserve Category	($ U.S.)	($ U.S.)	($ U.S.)	($ U.S.)	($ U.S.)
Proved developed producing	282,208	191,179	142,267	113,171	94,323
Total Proved	**282,208**	**191,179**	**142,267**	**113,171**	**94,323**

Mosser Dome Field, Yellowstone County, Montana	After Income Tax Present Worth Discounted @				
Onshore U. S. A	0%	5%	10%	15%	20%
Reserve Category	($ U.S.)	($ U.S.)	($ U.S.)	($ U.S.)	($ U.S.)
Proved developed producing	282,208	191,179	142,267	113,171	94,323
Total Proved	**282,208**	**191,179**	**142,267**	**113,171**	**94,323**

Item 2.2.2(a) (b) Additional Information Concerning Future Net Revenue (Forecast Case)

Mosser Dome Field, Yellowstone County, Montana	Revenue	Royalties + ad Valorem	Operating Costs	Development Costs	Well Abandonment Costs	Future Net Revenue Before Income Tax	Future Income Tax Expenses	Future Net Revenue After Income Tax
Reserve Category	($ U.S.)	($ U.S.)	($ U.S.)	($ U.S.)	($ U.S.)	($ U.S.)	($ U.S.)	($ U.S.)
Total Proved	**676,702**	**198,003**	**194,126**	**0**	**2,365**	**282,208**	**0**	**282,208**

Item 2.1.3(c) Net Present Value of Future Net Revenue based on Forecast Prices and Costs

Mosser Dome Field, Yellowstone County, Montana	Total Proved	
	Future Net Revenue Discounted @	
	0%	10%
Product Type	($ U.S.)	($ U.S.)
Heavy Crude Oil	**282,208**	**142,267**

(1) All Future Net Revenue Values are Before Deduction of Income Tax

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

The Mosser Dome field of Yellowstone County, Montana, produces heavy oil. The average adjustment factor for the most recent financial year-ending December 31, 2006 is $21.47 per barrel of heavy crude oil. The benchmark reference price for Mosser Dome field heavy oil at the last day of the reporting issuer's most recent financial year is $41.02 per barrel of heavy oil.

Item 3.2 Forecast Prices Used in Estimates

The historical average annual crude oil price (taken from Sproule and Associates @ www.sproule.com of Calgary) and the forecast prices (taken from the week-ending of February 16, 2007 of the monthly average future trades on the New York Mercantile Exchange) are as follows:

Year	WTI FOB Cushing Oklahoma ($/bbl)	Mosser Dome Heavy Oil ($/bbl)
2002	26.09	
2003	31.14	
2004	41.42	
2005	56.46	
2006	66.09	
2007	61.029	39.559
2008	63.314	41.844
2009	63.294	41.824
2010	62.797	41.327
2011	62.270	40.800
2012	61.891	40.421
Future years	(escalation at 2.0% per year)	

(1) Mosser Dome heavy oil is subject to an adjustment of $21.47 per barrel
(2) The weighted average historical heavy oil price for the financial year-ending December 31, 2006 is $43.88 per barrel after API adjustment.
(3) All prices in U.S. dollars.

Part 4 Reconciliations of Changes in Reserves and Future Net Revenue

Item 4.1 Reserves Reconciliation

Not applicable. Opening balance for December 31, 2005 is zero.

Item 4.2 Future Net Revenue Reconciliation

Not applicable. Opening balance for December 31, 2005 is zero.

Part 5 Additional Information Relating to Reserves Data

Item 5.1 Undeveloped Reserves

Not applicable

Item 5.2 Significant Factors or Uncertainties

The process of evaluating reserves is inherently complex. It requires significant judgements and decisions based on available geological, geophysical, engineering, and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change. The reserve estimates contained herein are based on current production forecasts, prices, and economic conditions. These factors and assumptions include among others: (i) historical production in the area compared with production rates from analogous producing areas; (ii) initial production rates; (iii) production decline rates; (iv) ultimate recovery of reserves; (v) success of future development activities; (vi) marketability of production; (vii) effects of government regulations; and (viii) other government levies imposed over the life of the reserves.

As circumstances change and additional data becomes available, reserve estimates also change. Estimates are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performances, prices, economic conditions, and government restrictions. Revisions to reserve estimates can arise from changes in year-end prices, reservoir performance, and geologic conditions or production. These revisions can be either positive or negative.

Item 5.3 Future Development Costs

Not applicable.

Part 6 Other Oil and Gas Information

Item 6.1 Oil and Gas Properties and Wells

The reporting issuer has earned a 50% working interest in three wells through payment of 100% of the drilling, completion, and tie-in costs of these three wells located in the Mosser Dome field in Yellowstone County, Montana. The wells are currently producing an average 187.8 barrels of heavy crude oil per month from the Greybull formation at approximately 1,000 feet in depth. The oil rate is the average monthly production rates for the three producing wells based on 2006 historical production taken from the Montana Department of Natural Resources.

No probable reserves have been assigned to the reporting issuer's interests based on the following:

(1) The reporting issuer has purchased only 50% working interest in three wells.
(2) The reporting issuer has no intentions of earning 100% working interest in the Mosser Dome Field and therefore will not become the operator at this time.
(3) The operator, Big Snowy Resources has outlined no plans for future development of the field.
(4) Based on the information at hand, the future development of the Mosser Dome Field would need to include drilling, coring, and implementation of waterflood.
(5) If assigned probable undeveloped reserves would be attributed to enhanced recovery of heavy oil using waterflood techniques.

Item 6.1.2 Gross and net oil and gas wells:

Proved Reserves – Constant Prices and Costs – Mosser Dome Field, Yellowstone County, Montana, onshore U. S. A.

	Producing Wells				**Non-Producing Wells**			
	Oil Wells		Gas Well		Oil Wells		Gas Wells	
Location	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Mosser Dome Field	3.0	1.5	0.0	0.0	0.0	0.0	0.0	0.0

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 Costs

The following table discloses the abandonment and reclamation costs of the anticipated costs at December 31, 2006, calculated on an undiscounted and a 10% discount rate based on ***constant prices and costs***:

Mosser Dome Field, Yellowstone County, Montana

	Proved			Proved + Probable		
	Future Cost Discounted @			Future Cost Discounted @		
	0%	10%		0%	10%	
Year	($ U.S.)	($ U.S.)	Net Wells	($ U.S.)	($ U.S.)	Net Wells
2007	0	0	0	0	0	0
2008	0	0	0	0	0	0
2009	0	0	0	0	0	0
2010	0	0	0	0	0	0
2011	0	0	0	0	0	0
2030	**1,500**	**160**	**1.5**	**2,365**	**252**	**1.5**

(1) The reporting issuer has 1.5 net wells to abandon.

Item 6.5 Tax Horizon

The reporting issuer's US subsidiary, First Star Resources USA, Inc. has approximately $375,000 of tax basis composed of $150,000 from acquisition costs in 2006 and $175,000 for 100% of the costs incurred in the drilling, completion, and tie-in costs of three wells in the Mosser Dome field. The reporting issuer is not anticipated to pay income tax on the reserves disclosed in Items 2.1.1 (Constant Case) and 2.2.1 (Forecast Case).

Item 6.6 Costs Incurred

The following table (Item 6.6.1) outlines the costs incurred to the reporting issuer for acquisitions of proved and unproved properties, exploration, and development for the fiscal year ending December 31, 2006:

Mosser Dome Field, Yellowstone County, Montana

	Acquisition Costs		Exploration	Development
	Proved Properties	Unproved Properties	Costs	Costs
Property	($ U.S.)	($ U.S.)	($ U.S.)	($ U.S.)
Mosser Dome Field	150,000	0	0	175,000

Item 6.7 Exploration and Development Activities

The following table (Item 6.7.1) outlines the number of gross and net wells contributed to oil, gas, service and dry holes drilled in the fiscal year ending December 31, 2006:

	Oil Wells		Gas Wells		Service Wells		Dry Holes	
Property	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Mosser Dome Field	3.0	1.5	0	0	0	0	0	0

(1) The reporting issuer has no future development plans.

Item 6.8 Production Estimates from December 31, 2006 to December 31, 2007

Mosser Dome Field, Yellowstone County, Montana	Net Heavy Crude Oil	
	Reserve Category	
Proved Reserves	Net Proved	Net Probable
Property	(bbl)	(bbl)
Mosser Dome Field	901	0

(1) The reporting issuer's future net proved production estimate is in barrels for the financial year-ending December 31, 2007.

Item 6.9 Production History

The following table (Item 6.9.1a) outlines the reporting issuer's share of average daily production volume, before deduction of royalties for each quarter of 2006:

	Gross Average Daily Heavy Crude Oil Production Rate
Year 2006	(bbl/day)
Quarter 1	4.00
Quarter 2	13.84
Quarter 3	14.46

Quarter 4	22.70

(1) Based on the reporting issuer's Mosser Dome revenue for the year ending December 31, 2006 as opposed to the Montana Department of Natural Resources reporting.
(2) Average daily heavy oil rates are based on 360 operating days per year (30 days per month).

The following table (Item 6.9.1b) outlines as an average per unit volume (for example, $/bbl or $/Mcf), the reporting issuer's prices received, royalties paid, production costs, and resulting netback:

Heavy Crude Oil

Year 2006	Prices Received ($/bbl)	Royalties Paid ($/bbl)	Production Costs ($/bbl)	Resulting Netback ($/bbl)
Quarter 1	35.76	3.58	8.73	23.45
Quarter 2	51.43	5.15	14.33	31.95
Quarter 3	51.31	5.13	6.73	39.45
Quarter 4	37.03	3.70	4.90	28.43

(1) Q1 and Q2 were limited to one month each of production and therefore an average was not used during these two quarters.

The following table (Item 6.9.1) outlines for each important field, and in total, the reporting issuer's production volumes for the most recent financial year ending December 31, 2006, for each product type:

Property	Net Heavy Crude Oil (bbl)
Mosser Dome Field	1,552

(1) The reporting issuer's historical net proved production is in barrels for the financial year-ending December 31, 2006.