

Form 51-101 F1

First Star Resources Inc.

Statement of Reserves Data

And Other Oil and Gas Information

As of December 31, 2007

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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 °F.
M	Thousand (1,000).
MM	Million (1,000,000)
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).

Form 51-101 F1**Statement of Reserves Data and Other Oil and Gas Information for First Star Resources Inc.****Part 1 Date of Statement****Item 1.1 Relevant Dates**

1. Date of Statement: March 31, 2008
2. Effective Date: December 31, 2007
3. Preparation Date: March 31, 2008

The following information is related to the Company's reserves, future net revenue and discounted value of future net cash flow of heavy oil. Petrotech Engineering Ltd. ("Petrotech"), independent qualified evaluators of Burnaby, British Columbia estimated these reserves effective December 31, 2007. The Company used these reserves in the preparation of our Financial Statements for the fiscal year ended December 31, 2007.

All of the Company's heavy oil reserves are onshore in the country of United States of 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 (Forecast Prices and Costs)

Item 2.1.1 Breakdown of Reserves (Forecast Case)

Yellowstone County, Montana		Heavy Oil	
		Gross	Net
<u>Reserve Category</u>		<u>(bbl)</u>	<u>(bbl)</u>
Proved developed producing		24,347	19,156
Proved (in total)		23,347	19156

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

Yellowstone County, Montana		Present Worth Discounted @			
		Before Tax		After Tax	
		0%	10%	0%	10%
<u>Reserve Category</u>		<u>(\$ U.S.)</u>	<u>(\$ U.S.)</u>	<u>(\$ U.S.)</u>	<u>(\$ U.S.)</u>
Proved developed producing		158,022	140,001	158,022	140,001
Proved (in total)		158,022	140,001	158,022	140,001

Note: The Company is not expected to pay income tax on the cash flow related to the reserves in Item 2.1.1 as there is sufficient tax pool available from the acquisition cost of the property.

Note: There are no probable reserves assigned to the Company's interest in the Mosser Dome Field in Yellowstone County, Montana at this time.

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

Proved Reserves – Yellowstone County, Montana

Revenue	Royalties	Operating Costs	Development Costs	Well Abandonment Costs	Future Net Revenue Before Income Tax
(\$ U.S.)	(\$ U.S.)	(\$ U.S.)	(\$ U.S.)	(\$ U.S.)	(\$ U.S.)
1,203,084	254,498	772,328	-	16,236	158,022

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

All revenue is from heavy oil reserves and therefore Item 2.1.2 satisfies Item 2.1.3(c).

Item 2.2 Supplemental Disclosure of Reserves Data (Constant Prices and Costs)

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 Supplemental Estimates**

Not applicable.

Item 3.2 Forecast Prices Used in Estimates**Item 3.2.1(a)**

The forecast case uses escalation rates related to the future light crude oil prices taken from the New York Mercantile Exchange (NYMEX) on West Texas Intermediate (WTI). The escalation rates are applied to the December 31, 2007 adjusted Mosser Dome 22° API heavy oil price of \$48.91 per barrel at the wellhead. The NYMEX future costs were taken mid-week March 26, 2008, for a five-year monthly forecast up to December 2013. An escalation factor of 2% per year was used in estimating prices beyond 2013. The historical light crude oil prices were taken from Sproule and Associates Inc. (www.sproule.com). The NYMEX future prices and the forecast Mosser Dome heavy crude oil prices are as follows:

Year	WTI, FOB Cushing, Oklahoma (\$/bbl)	Escalation Factor (%)	Mosser Dome Heavy Crude Oil (\$/bbl)
2003	31.14		
2004	41.42		
2005	56.46		
2006	66.09		
2007	72.27		
December 31, 2007	91.52		
2008	99.28	108.5	53.05
2009	96.17	96.9	47.38
2010	94.97	98.8	48.30
2011	94.93	100.0	48.89
2012	95.12	100.2	49.01
2013	95.63	100.5	49.17

Notes: All prices are in U.S. Dollars.

NYMEX futures based on average of monthly futures.

Escalation factor of 2% per year for 2014 and each year thereafter.

Item 3.2.1(b)

The weighted average of the historical commodity prices for the Mosser Dome Field as of the year-ending December 31, 2007 was \$47.70 per barrel of 22° API heavy oil.

Item 3.2.2

The benchmark reference pricing schedules for Mosser Dome Field 22° API heavy crude oil is based on the NYMEX futures and for WTI light sweet crude oil. The U.S. Consumer Index is 2.0% per year based on current and forecasted economic conditions and this is applied to future expenses.

Item 3.2.3

Not applicable.

Part 4 Reconciliations of Changes in Reserves**Item 4.1 Reserves Reconciliation**

Mosser Dome Field, Yellowstone County, Montana

<u>Description</u>	Gross Heavy Crude Oil		
	<u>Proved</u> <u>(bbl)</u>	<u>Probable</u> <u>(bbl)</u>	<u>Proved + Probable</u> <u>(bbl)</u>
December 31, 2006 (opening balance)	14,382	0	14,382
Extensions and improved recovery	0	0	0
Technical revisions	0	0	0
Discoveries	0	0	0
Acquisitions	17,106	0	17,106
Dispositions	0	0	0
Economic factors	0	0	0
Production	(7,141)	0	(7,141)
December 31, 2007 (closing balance)	24,347	0	24,347

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

Not applicable.

Item 5.2 Significant Factors or Uncertainties**Item 5.2.1**

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

In October 2006, the Company has entered into a purchase agreement with Big Snowy Resources LP of Billings, Montana to purchase 100% working interest subject to a total royalty burden of 20% and Montana ad Valorem tax in the Mosser Dome oil field located in Yellowstone County, Montana. The property consists of approximately 360 acres of oil and gas leases and 23 producing Greybull oil wells including the production facilities. The facilities consist of an updated gathering system with separators, heater-treaters, tank battery installations with assorted tanks and all other related equipment.

The terms of the purchase agreement were as follows:

1. Initial deposit of \$150,000 US upon signing the letter of intent.
2. Second deposit of \$150,000 US to be paid on or before January 10, 2007.
3. Third deposit of \$450,000 US on or before February 1, 2007. Upon payment of the three deposits totaling \$750,000 US, the Company will have acquired 50% working interest of the property.
4. The balance of the Purchase Price of \$750,000 US is to be paid on or before May 30, 2007 in order to earn the complete 100% working interest.
5. The Company has the option to become the operator upon completing the purchase.

The Company has completed the acquisition of 50% interest in the Mosser Dome Field and did not pursue the purchase of 100% interest in the field. The monthly production for December 2007 was 1,192 barrels of heavy oil and the cumulative production as of December 31, 2007 was 470,315 barrels of heavy oil. The field was discovered in 1936 and produces from the Greybull sandstone at an average depth of 1,000 feet. The porosity is between 20 and 28 percent and permeability from 500 to 4,000 mD. The average net pay thickness is 28 feet with initial oil saturations between 30 and 50 percent.

Item 6.1.2 Gross and net oil and gas wells:

Yellowstone County, Montana

	<u>Producing Wells</u>				<u>Non-Producing Wells</u>					
	Oil		Gas		Oil		Gas		Injection	
<u>Field</u>	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>
Mosser	23.0	11.5	1.0	0.5	5.0	2.5	0	0	1.0	0.5
Total	23.0	11.5	1.0	0.5	5.0	2.5	0	0	1.0	0.5

Notes: No reserve assigned to the producing gas well as this gas is used in the Field operations.

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 abandonment costs (net of salvage) for the Company's 15.0 net wells is estimated at \$1,000 per well for a total escalated abandonment cost of \$16,236 (undiscounted) and \$10,586 (discounted @ 10%) for the year-ending December 31, 2011.

Item 6.5 Tax Horizon

The Company's US subsidiary, First Star Resources USA, Inc. has approximately \$744,568 of tax basis composed of \$649,835 from acquisition costs in 2007 and \$94,733 for costs incurred from work-over and upgrade costs in the Mosser Dome field.

The Company was not required to pay taxes for the period ended December 31, 2007. Based on the strategy of re-investing all internally generated cash flow in an exploration development program, the Company will not need to pay any income tax in the fiscal 2008 tax year and future years until the tax pool is exhausted.

Item 6.6 Costs Incurred

The following table (Item 6.6.1) outlines the costs incurred to the Company for acquisitions of proved and unproved properties, exploration, and development for the fiscal year ending December 31, 2007:

<u>Property</u>	<u>Acquisition Costs</u>		<u>Exploration Development</u>	
	<u>Proved Properties</u>	<u>Unproved Properties</u>	<u>Costs</u>	<u>Costs</u>
	<u>(\$ U.S.)</u>	<u>(\$ U.S.)</u>	<u>(\$ U.S.)</u>	<u>(\$ U.S.)</u>
Mosser Dome Field	600,000	0	0	0
Total	600,000	0	0	0

Item 6.7 Exploration and Development Activities

Not applicable.

Item 6.8 Production Estimates

From December 31, 2007 to December 31, 2008:

Yellowstone County, Montana

<u>Field</u>	<u>Heavy Oil</u>	
	<u>Gross Proved, bbl</u>	<u>Gross Proved + Probable, bbl</u>
Mosser	5,498	5,498

Item 6.9 Production History

The following table (Item 6.9.1a) outlines the Company's share of average daily production volume, before deduction of royalties for each quarter of 2007:

<u>Year 2007</u>	<u>Gross Daily Average Heavy Oil, bbl</u>
Q1	6.02
Q2	5.66
Q3	5.78
Q4	5.35

Notes: Based on 90 operating days per quarter.

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

Yellowstone County, Montana

<u>Year 2007</u>	<u>Prices Received</u>	<u>Royalties</u>	<u>Production Costs</u>	<u>Resulting Netback</u>
	<u>(\$/bbl)</u>	<u>(\$/bbl)</u>	<u>(\$/bbl)</u>	<u>(\$/bbl)</u>
Q1	40.03	8.54	9.26	22.24
Q2	43.88	9.36	13.59	20.94
Q3	51.02	10.89	22.67	17.47
Q4	55.85	11.91	51.64	(7.70)

Notes: Based on 90 operating days per quarter.
Cost of well services in Q4 reduced netback.

The following table (Item 6.9.1) outlines the field total of the Company's production volumes for the most recent financial year ending December 31, 2007, for each product type:

Yellowstone County, Montana

<u>Field</u>	<u>Heavy Oil</u>	
	<u>Gross, bbl</u>	<u>Net, bbl</u>
Mosser	7,141	5,619