



29 January 2008

ASX ANNOUNCEMENT

Corporate Summary

ASX Code: GWR

Issued Capital: 104.6 Mil

Issued Options: 24.8 Mil

Market Cap fully diluted

Jan-08 \$A282.1 Mil

Contact Details

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STATUS OF MAJOR SHAREHOLDING

Golden West Resources Limited (Golden West) advises that Falak Holding LLC, a substantial shareholder of Golden West, has informed the Company of a serious issue regarding the status of its shareholding in Golden West.

On or about 8 January 2008, the custodial agent of Falak Holdings' shareholding mistakenly issued instructions to accept the inadequate scrip takeover offer from Fairstar Resources Limited for approximately 7.5 million Golden West shares held by Falak Holding.

Fairstar announced it had received additional acceptances for 8.9 million shares in a statement to the Australian Securities Exchange on 11 January 2008.

Falak Holding has subsequently informed Golden West that it did not issue any such instruction to accept the Fairstar offer to its custodial agent. An internal investigation by the companies involved is now underway to discover how the transaction occurred.

Falak Holding had previously indicated that it had no intention of accepting the current Fairstar offer and has confirmed that it continues to view the offer as inadequate and not in the interests of shareholders.

Falak Holding has advised Fairstar Resources of the error and advised that they should not deal with the shares. Prior to this issue arising it was Falak Holding's intention to vote these shares in favour of the resolutions to be put at the EGM scheduled for 5th February.

Falak Holding has indicated it is evaluating all legal options to ensure that its actual wishes are fulfilled in respect to its Golden West shareholding, including voting at the upcoming EGM and to reverse the error that lead to its unintended acceptance of the Fairstar offer.

The EGM was requisitioned by Falak Holding to seek the removal of Golden West directors Allan Rudd, Michael Wilson and Con Markopoulos, being the three directors who initiated unsuccessful legal action to challenge the appointment of Golden West chairman Geoff Wedlock. Mr Rudd is also a director of Fairstar, while Mr Wilson has a material interest in Fairstar shares.

In order to protect the interests of all shareholders Golden West is evaluating its options to ensure Fairstar does not gain any unfair benefit from this transaction until this matter has been rightfully resolved. .

Golden West will provide additional information as it becomes available.

ENDS

For more information, please contact:

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